

Nice and Bella
STATEMENT OF POLICIES
and
PROCEDURES

Effective October 14, 2019

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SECTION 1 - INTRODUCTION

1.1 – Policies and Compensation Plan Incorporated into Distributor Agreement

These Policies and Procedures, in their present form and as amended by Nice World, LLC d/b/a Nice and Bella. (hereafter “Nice and Bella” or the “Company”) at its sole discretion, are incorporated into, and form an integral part of, the Nice and Bella Distributor Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Nice and Bella Distributor Application and Agreement, these Policies and Procedures, the Nice and Bella Compensation Plan, and the Nice and Bella Business Entity Addendum (applicable to business entities that apply to become Distributors). These documents are incorporated by reference into the Nice and Bella Distributor Agreement (all in their current form and as amended by Nice and Bella).

1.2 - Changes to the Agreement

Nice and Bella reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By executing the Distributor Agreement, a Distributor agrees to abide by all amendments or modifications that Nice and Bella makes. Amendments shall be effective thirty (30) days after publication of notice that the Agreement has been modified. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Company’s official web site; (2) electronic mail (e-mail); (3) posting in Distributors’ back-offices; (4) inclusion in Company periodicals; (5) inclusion in product orders or bonus checks; or (6) special mailings. The continuation of a Distributor’s Nice and Bella business, the acceptance of any benefits under the Agreement, or a Distributor’s acceptance of bonuses or commissions constitutes acceptance of all amendments.

1.3 – Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

1.4 - Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of a party to exercise any right or power under the Agreement or to insist upon strict compliance by the other party with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of the party’s right to demand exact compliance with the Agreement. The existence of any claim or cause of action of a one party against the other party shall not constitute a defense to a party’s right to enforce any term or provision of the Agreement.

SECTION 2 - BECOMING A DISTRIBUTOR

2.1 – Requirements to Become a Distributor

To become a Nice and Bella Distributor, each applicant must:

- Be at least 18 years of age;
- Reside in the United States, a U.S. Territory, or a country that Nice and Bella has officially announced is open for business;
- Purchase a Nice and Bella Business Kit (optional for residents of North Dakota); and
- Submit a properly completed Distributor Application and Agreement to Nice and Bella either in hard copy or online format.

Nice and Bella reserves the right to accept or reject any Distributor Application and Agreement for any reason or for no reason.

2.2 - Taxpayer Identification Number/IRS Form W-9

Applicants are not required to provide a Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), or a Federal Employer Identification Number (FEIN) when enrolling as a Distributor. Instead, Distributors must submit an IRS Form W-9 (Request for Taxpayer Identification Number) to the Company after the enrollment is completed. If a Distributor fails to submit a Form W-9, or if the SSN, ITIN, or FEIN submitted to the Company is not verified as being valid, the Company will deduct the necessary withholdings from the Distributor's commission payments as required by law. Such withholdings will begin when a Distributor has purchased \$5,000 or more in products for resale or earned \$600 or more in bonuses and commissions. If a Distributor is approaching either of these thresholds in a calendar year and the Company has not yet received a properly completed and verified Form W-9 from the Distributor, the Company will endeavor to notify the Distributor. Note however that the Company assumes no liability, and Distributor shall hold the Company harmless, for a Distributor's failure to timely provide a properly completed Form W-9; the sole responsibility for compliance with this requirement rests with the Distributor.

2.3 - Business Kits and Product Purchases

Except for the purchase of a Nice and Bella Business Kit, no person is required to purchase Nice and Bella products, services or sales aids, or to pay any charge or fee to become a Distributor. In order to familiarize new Distributors with Nice and Bella products, services, sales techniques, sales aids, and other matters, the Company requires that they purchase a Business Kit. Nice and Bella will repurchase resalable kits from any Distributor who terminates his or her Distributor Agreement pursuant to the terms of Section 8.5. Note that the Nice and Bella products that are included in the Business Kit are for display/demonstration purposes only and may not be resold.

2.4 – New Distributor Enrollment

Nice and Bella provides three convenient methods for new Distributors to enroll. An applicant may: a) enroll online at Nice and Bella's website or the Nice and Bella Replicated Website of his or her Sponsor; b) mail the Application and Agreement and Business Kit payment to Nice and Bella's corporate offices; or c) call the Nice and Bella home office during regular business hours.

If the applicant enrolls by telephone, he or she must be able to provide all necessary Distributor Agreement information over the telephone and order a Business Kit using a valid credit card. During the telephone enrollment process, the new Distributor must verbally agree to the Terms and Conditions of the Distributor Agreement, the Policies and Procedures, and the Compensation Plan. Unless such a Distributor contacts Nice and Bella within five (5) days of the date of his or her telephone enrollment to cancel the telephone enrollment, the new Distributor will be deemed to have agreed to the foregoing and the Business Kit will be shipped to him or her.

2.5 - Distributor Benefits

Once a Distributor Application and Agreement has been accepted by Nice and Bella, the benefits of the Compensation Plan and the Distributor Agreement are available to the new Distributor. These benefits include the right to:

- Sell or solicit orders for Nice and Bella products;
- Participate in the Nice and Bella Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Customers or Distributors into the Nice and Bella business and thereby, build a marketing organization and progress through the Nice and Bella Compensation Plan;
- Receive periodic Nice and Bella literature and other Nice and Bella communications;
- Participate in Nice and Bella-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by Nice and Bella for its Distributors.

2.6 - Term and Renewal of Your Nice and Bella Business

The Initial Term of the Distributor Agreement is from the date of enrollment until January 31 plus the following Nice and Bella Year (February 1 through January 31). (Example: Distributor enrolls on May 25, 2020. The Initial Term of such Distributor's Agreement is May 25, 2020 – January 31, 2022.) Thus, the Initial Term will range from 366 days (if a Distributor enrolls on January 30) to 729 days (if a Distributor enrolls on February 1). The time period between the date of enrollment and the following January 31 is the new Distributor's "Grace Period". The Initial Term includes the Grace Period plus the one-year period thereafter beginning on February 1 and ending on January 31.

Renewal is required at the end of the Initial Term and each year thereafter. Failure to renew and pay the then current renewal fee will result in the cancellation of the Distributor Agreement (see section 11 below). However, such a cancelled Distributor will be reclassified as a Former Distributor and shall be eligible to continue purchasing Nice and Bella products at the discounted Distributor price for a period of one (1) year following the cancellation date. A Distributor must generate a minimum of 1,000 Personal Points (PP) in her Initial Term and each renewal term thereafter in order to remain active. (See Section 11.2.1 below.)

SECTION 3 - OPERATING A NICE AND BELLA BUSINESS

3.1 – Adherence to the Nice and Bella Marketing Plan

Distributors must adhere to the terms of the Nice and Bella Marketing Plan as set forth in official Nice and Bella literature. Distributors shall not offer the Nice and Bella opportunity through, or in combination with, any other system, program, sales tools, or method of marketing other than that specifically set forth in official Nice and Bella literature. Distributors shall not require or encourage other current or prospective Customers or Distributors to execute any agreement or contract other than official Nice and Bella agreements and contracts in order to become a Nice and Bella Distributor. Similarly, Distributors shall not require or encourage other current or prospective Customers or Distributors to make any purchase from, or payment to, any individual or other entity to participate in the Nice and Bella Compensation Plan other than those purchases or payments identified as recommended or required in official Nice and Bella literature.

3.2 - Advertising

3.2.1 – General

All Distributors shall safeguard and promote the good reputation of Nice and Bella and its products. The marketing and promotion of Nice and Bella, the Nice and Bella opportunity, the Compensation Plan, and Nice and Bella products must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the Nice and Bella opportunity and the Nice and Bella products, Distributors should use the sales aids, business tools, and support materials produced by Nice and Bella. The Company has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that they are promoted in a fair and truthful manner, that they are substantiated, and that the materials comply with the legal requirements of federal and state laws.

Accordingly, except as otherwise specifically provided herein, Distributors, when advertising or promoting the Nice and Bella opportunity or Nice and Bella products:

- May only use promotional or advertising materials, sales aids, or sales tools (regardless of form or media) produced or approved by the Company;
- Must not produce or use their own advertising or promotional materials, sales aids or sales tools (regardless of form or media):
- May not use the advertising or promotional materials, sales aids or sales tools (regardless of form or media) produced by any third party; and
- May not create their own marketing or advertising material offering any Nice and Bella products.

3.2.2 - Trademarks and Copyrights

The name “Nice and Bella” and other names as may be adopted by Nice and Bella are proprietary trade names, trademarks and service marks of Nice and Bella. As such, these marks are of great value to Nice and Bella and may only be used by Distributors as provided in these Policies and Procedures. Subject to Section 3.2.1 above, the Company grants Distributors a limited license to use its trademarks and its trade names in promotional materials or media for so long as the Distributor Agreement is in effect. Upon termination of a Distributor’s Agreement, his or her license shall immediately expire, and the Distributor shall immediately discontinue all use of the Company’s trademarks and trade names. Under no circumstances may a Distributor use any of

Nice and Bella's trade- marks or trade names in any email address, website domain name, social media handle, social media name or address, or in any advertising materials, sales aids, or sales tools not produced by Nice and Bella.

Nice and Bella commonly puts on live and recorded events as well as webinars and telephone conference calls. During these events Company executives, Distributors, and guests appear and speak. The content of such events is copyrighted material that is owned exclusively by the Company. Distributors may not record any such events or any Company functions for any reason, whether such event is live, a webinar, via conference call, or delivered through any other medium. In addition, Company produced sales aids, sales tools, videos, audios, podcasts, and printed material is also copyrighted. Distributors shall not copy any such materials for their personal or business use without the Company's prior written approval.

As an independent Distributor, you may use the Nice and Bella name in the following manner

Distributor's Name

Independent Nice and Bella Distributor

Example:

Alice Smith

Independent Nice and Bella Distributor

Distributors may not use the names "Nice and Bella" or "Nice World" in any form in your team name, a tagline, an external website name, a personal website address or extension, in an e-mail address, as a personal name, or as a nickname. Additionally, a Distributor may only use the phrase *Independent Nice and Bella Distributor* in telephone greetings or on an answering machine to clearly separate the Distributor's independent Nice and Bella business from Nice and Bella. For example, you may not secure the do- main name www.buyNiceWorld.com, nor may you create an email address such as NiceWorldsales@hotmail.com.

3.2.2.1 - Independent Nice and Bella Distributor Logo

If you use a Nice and Bella logo in any communication, you must use the Independent Distributor version of the Nice and Bella logo available in the Distributor Back-Office. Using any other Nice and Bella logo requires written approval.

3.2.3 - Media and Media Inquiries

Distributors must not attempt to respond to media inquiries regarding Nice and Bella, its products or services, or their independent Nice and Bella business. All inquiries by any type of media must be immediately referred to Nice and Bella's Customer Services Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.2.4 - Unsolicited Email

Nice and Bella does not permit Distributors to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by a Distributor that promotes Nice and Bella, the Nice

and Bella opportunity, or Nice and Bella products and services must comply with the following:

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
- The email must include the Distributor’s physical mailing address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honored. If a Distributor receives an opt-out request from a recipient of an email, the Distributor must forward the opt-out request to the Company.

Nice and Bella may periodically send commercial emails on behalf of Distributors. By entering into the Distributor Agreement, Distributor agrees that the Company may send such emails and that the Distributor’s physical and email addresses will be included in such emails as outlined above. Distributors shall honor opt-out requests generated as a result of such emails sent by the Company.

3.2.5 - Unsolicited Faxes

Except as provided in this section, Distributors may not use or transmit unsolicited faxes in connection with their Nice and Bella businesses. The term “unsolicited faxes” means the transmission via telephone facsimile or computer of any material or information advertising or promoting Nice and Bella, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person’s prior express invitation or permission; or (b) to any person with whom the Distributor has an established business or personal relationship. The term “established business or personal relationship” means a prior or existing relationship formed by a voluntary two way communication between a Distributor and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Distributor; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.2.6 - Telephone Directory Listings

Distributors may list themselves as an “Independent Nice and Bella Distributor” in the white or yellow pages of the telephone directory, or with online directories, under their own name. No Distributor may place telephone or online directory display ads using Nice and Bella’s name or logo. Distributors may not answer the telephone by saying “Nice and Bella”, “Nice and Bella Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of Nice and Bella. If a Distributor wishes to post his/her name in a telephone or online directory, it must be listed in the following format:

Distributor’s Name
Independent Nice and Bella Distributor

3.2.7 - Television and Radio Advertising

Distributors may not advertise on television and radio except with Nice and Bella's express written approval.

3.3 - Online Conduct

3.3.1 - Distributor Created Websites Prohibited

Distributors may not create their own websites to promote the sale of Nice and Bella products or the Nice and Bella opportunity. The only permitted websites that Distributors may use for such purposes are the official Nice and Bella Replicated Websites and Social Media Tools.

3.3.2 - Nice and Bella Replicated Websites

Distributors receive a Nice and Bella Replicated Website subscription to facilitate online buying experience for their customers and enrollments for prospects. There is no additional charge for the Replicated Websites.

Distributors may not alter the branding, artwork, look, or feel of their Replicated Website, and may not use their Replicated Websites to promote, market or sell non-Nice and Bella products, services or business opportunities. Specifically, you may not alter the look (placement, sizing etc.) or functionality of the following:

1. The Nice and Bella Independent Distributor Logo
2. Your Name
3. Nice and Bella Corporate Website Redirect Button
4. Artwork, logos, or graphics
5. Original text.

Because Replicated Websites reside on the NiceAndBella.com domain, Nice and Bella reserves the right to receive analytics and information regarding the usage of your website.

Following the initial set-up of a Distributor's Replicated Website, the Distributor may point the website to a URL (domain name) that the Distributor has registered, *provided* that such URL:

- Is not confusingly similar to the official Nice and Bella domain name(s);
- Does not contain Nice and Bella's name or any of Nice and Bella's trademarks, service marks, or product names, and is not confusingly similar to or a derivative of any such name or mark;
- Would not confuse a reasonable person into thinking that the URL leads to the official Nice and Bella website;
- Does not contain any discourteous, misleading, or off-color words or phrases that may damage Nice and Bella's image.

3.3.3 - Online Marketing Activities

It is the Distributor's obligation to ensure your online marketing activities are truthful, are not deceptive and do not mislead customers or potential Distributors in any way. Web promotion activities and tactics that mislead or are deceptive, regardless of intent, will result in disciplinary

action. Misleading tactics include, but are not limited to, spam linking (or blog spam), unethical search engine optimization (“SEO”) tactics, misleading click-through ads (i.e. having the display URL of a Pay-Per-Click (“PPC”) campaign appear to be directed to an official Nice and Bella Corporate Site when it in fact goes elsewhere), unapproved banner ads, and unauthorized press releases. Nice and Bella will be the sole determinant of truthfulness and whether specific activities are misleading or deceptive.

3.3.4 - Team Websites

Distributors may use team websites for the purposes of connecting, communicating, training, education and sharing best practices among team members. Team Websites may only serve as a form for these purposes and may not be used for recruiting or sales purposes and may not be shared with prospective Distributors. Team Websites must comply with these Policies and Procedures. Because these sites may contain sensitive and Company-specific information, these Team Websites must be password protected and may only be shared with downline Distributors in a single line of sponsorship.

3.3.5 - Domain Names, email Addresses and Online Aliases

Distributors are not allowed to use or register “Nice and Bella”, “Nice World” or any of Nice and Bella’s trademarks, trade names, product names, or any derivatives, for any Internet domain name, email address, or online aliases. Additionally, a Distributor cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of Nice and Bella.

If a Distributor violates this policy, the Distributor shall assign and transfer the domain name, email address, social media handle or name, or online alias to the Company immediately upon the Company’s demand, and the Distributor shall be responsible for paying all fees and costs, including but not limited to attorney’s fees and costs and transfer costs, associated with the assignment and transfer. This remedy is in addition to, and not in place of, other remedies and/or disciplinary measures that the Company may take pursuant to these Policies.

3.3.6 - Monetizing Replicated Websites

Distributors may not monetize their Replicated Websites through affiliate programs, AdSense or similar programs.

3.3.7 - Online Classifieds

Distributors may not use online classifieds (including Craigslist) to list, sell or retail specific Nice and Bella products or product bundles. Distributors may use online classifieds (including Craigslist) for prospecting, recruiting, sponsoring and informing the public about the Nice and Bella business opportunity, provided Nice and Bella-approved templates/images are used. These templates will identify the Distributor as an Independent Nice and Bella Distributor. If a link or URL is provided, it must link to the Distributor’s Replicated Website.

3.3.8 - eBay / Online Auctions

Nice and Bella’s products and services may not be listed on eBay or other online auctions, nor may Distributors enlist or knowingly allow a third party to sell Nice and Bella products on eBay

or other online auction.

3.3.9 - Online Retailing

Distributors may not list or sell Nice and Bella products on any online retail store or ecommerce site, nor may a Distributor enlist or knowingly allow a third party to sell Nice and Bella products on any online retail store or ecommerce site.

3.3.10 - Banner Advertising and Links

Distributors may place banner advertisements or links on a third-party website that link to the Distributors' Replicated Websites provided the Distributor uses Nice and Bella-approved templates and images and such website is not offensive to or disrespectful of any person or group of people. Whether or not the content of a third-party website is offensive to or disrespectful of any person or group of people shall be determined by the Company at its sole and absolute discretion. In general, a website will be deemed to be offensive or disrespectful if it contains any images, text or other content that is:

- Is sexually explicit, obscene, or pornographic;
- Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- Is graphically violent, including any violent video game images;
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity; or
- Is in violation of any intellectual property rights of the Company or any third party.

All banner advertisements or links must link to a Distributor's Replicated Website. Distributors may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or income claims that are ultimately associated with Nice and Bella products or the Nice and Bella opportunity.

When using banner advertisements or links to direct readers to a Replicated Website it must be evident (from a combination of the banner ad or link and the surrounding context, to a reasonable reader) that the link will be resolving to the Distributor's Replicated Website. Attempts to mislead web traffic into believing they are going to a Nice and Bella corporate site, when in fact they *land* at a Distributor's Replicated Website or any other website will not be allowed. The determination as to what is misleading or what constitutes a reasonable reader will be at Nice and Bella's sole discretion.

3.3.11 - Spam Linking

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Any comments that a Distributor makes on blogs, forums, guest books, etc., must be unique, informative and relevant.

3.3.12 - Digital Media Submission (YouTube, Facebook, Twitter, Pinterest, Instagram,

etc.)

Distributors may upload, submit or publish Nice and Bella-related video, audio or photo content that they develop and create so long as it aligns with Nice and Bella values, contributes to the Nice and Bella community greater good and is in compliance with Nice and Bella's Policies and Procedures. All submissions must clearly identify the submitter as an Independent Nice and Bella Distributor in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that the submitter is solely responsible for this content. Distributors may not upload, submit or publish any content (video, audio, presentations or any computer files) received from Nice and Bella or captured at official Nice and Bella events or in buildings owned or operated by Nice and Bella without prior written permission.

3.3.13 - Sponsored Links / Pay-Per-Click (PPC) Ads

Sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to the sponsoring Distributor's Replicated Website. The display URL must also be to the sponsoring Distributor's Replicated Website and must not portray any URL that could lead the user to believe they are being directed to a Nice and Bella Corporate site or be inappropriate or misleading in any way.

3.3.14 - Social Media

Social Media may be used by Distributors to share information about the Nice and Bella. However, Distributors who elect to use Social Media must adhere to the Policies and Procedures in all respects.

Social Media sites may not be used to sell or offer to sell specific Nice and Bella products or services. Profiles a Distributor generates in any social community where Nice and Bella is discussed or mentioned must clearly identify the Distributor as an Independent Nice and Bella Distributor, and when a Distributor participates in those communities, Distributors must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Nice and Bella's sole discretion, and offending Distributors will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Nice and Bella approved library. If a link is provided, it must link to the posting Distributor's Replicated Website.

Distributors may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Distributors create or leave must be useful, unique, relevant and specific to the blog's article.

3.3.14.1 - Distributors Are Responsible for Postings

Distributors are personally responsible for their postings and all other online activity that relates to Nice and Bella. Therefore, even if a Distributor does not own or operate a blog or Social Media site, if a Distributor posts to any such site that relates to Nice and Bella or which can be traced to Nice and Bella, the Distributor is responsible for the posting. Distributors are also responsible for postings that appear on any blog or Social Media site that the Distributor owns, operates, or controls.

3.3.14.2 - Identification as an Independent Nice and Bella Distributor

When posting to social media, a Distributor must disclose his/her full name and conspicuously identify himself/herself as an independent Distributor for Nice and Bella. Anonymous postings or use of an alias is prohibited.

3.3.14.3 - Social Media as a Sales and Promotion Forum

Note that some social media sites permit commercial use while others prohibit it. It is each Distributor's responsibility to learn and abide by the social media site's terms of use and policies. If the social media site does not allow its site to be used for commercial activity, you must abide by the site's terms of use.

Social Media sites are relationship-building sites. While building relationships is an important part of the sales process, Social Media sites may not be used as a direct medium for generating sales or explaining the Nice and Bella income opportunity. Online sales may only be generated from a Distributor's Replicated Website. Likewise, Distributors shall not use any Social Media site to explain the Nice and Bella compensation plan or any component of the compensation plan.

3.3.14.4 - Deceptive Postings

Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Nice and Bella income opportunity, Nice and Bella's products and services, and/or your biographical information and credentials.

3.3.14.5 - Use of Third-Party Intellectual Property

If a Distributor uses the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting, it is the Distributor's responsibility to ensure that he/she has received the proper license to use such intellectual property and pay the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third-party, and you must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

3.3.14.6 - Respecting Privacy

Distributors must always respect the privacy of others in their postings. Distributors must not engage in gossip or advance rumors about any individual, company, or competitive products or services. Distributors may not list the names of other individuals or entities on their postings unless they have the written permission of the individual or entity that is the subject of their posting.

3.3.14.7 - Professionalism

Distributors must ensure that their postings are truthful and accurate. This requires that Distributors fact-check all material that they post online. Distributors should also carefully check their postings for spelling, punctuation, and grammatical errors. Use of offensive language is prohibited.

3.3.14.8 - Prohibited Postings

Distributors may not make any postings, or link to any postings or other material that:

- Is sexually explicit, obscene, or pornographic;

- Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- Is graphically violent, including any violent video game images;
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity;
- Is in violation of any intellectual property rights of the Company or any third party.

3.3.14.9 - Responding to Negative Posts

Distributors should not converse with anyone who places a negative post against him/her, other independent Distributors, or Nice and Bella. Report negative posts to the Company at CustomerCare@NiceAndBella.com. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Nice and Bella, and therefore damages the reputation and goodwill of Nice and Bella.

3.3.14.10 - Social Media Sites with Website-like Features

Because some social media sites are particularly robust, the distinction between a social media site and a website may not be clear cut. Nice and Bella therefore reserves the sole and exclusive right to classify certain social media sites as websites and require that Distributors using, or who wish to use, such sites adhere to the Company's policies relating to independent websites.

3.3.14.11- Promotion of Other Direct Selling Businesses Through Social Media

During the term of this Agreement and for a period of 12 calendar months thereafter, a Distributor may not use any social media site on which they discuss or promote, or have discussed or promoted, the Nice and Bella business or Nice and Bella's products to directly or indirectly solicit Nice and Bella Distributors for another direct selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, a Distributor shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Distributors relating to the Distributor's other direct selling business activities. The provision in this bullet point does not apply to a Distributor's personally sponsored Distributors. Violation of this provision shall constitute a violation of the Nonsolicitation Policy in Section 3.11.

Other than Pinterest and similar social media sites, any social media site that is directly or indirectly operated or controlled by a Distributor that is used to discuss or promote Nice and Bella's products or the Nice and Bella opportunity may not link to any website, social media site, or site of any other nature, other than the Distributor's Replicated Website.

If a Distributor creates a business profile page on any social media site that promotes or relates to Nice and Bella, its products, or opportunity, the business profile page must relate exclusively to the Distributor's Nice and Bella business and Nice and Bella products.

3.3.14.12 – Cancellation of Your Nice and Bella Business

If your Nice and Bella business is cancelled for any reason, you must discontinue using the Nice and Bella name, and all of Nice and Bella's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which

you have previously identified yourself as an independent Nice and Bella Distributor, you must conspicuously disclose that you are no longer an independent Nice and Bella Distributor.

3.3.14.13 – Participation in Private Forums

Distributors are welcome to make comments on and participate in private social media groups or pages (e.g., Facebook) that are operated by Nice and Bella. Commenting on and participating in such private forums is subject to compliance with Nice and Bella's standards of conduct laid out in this document. Violation of any of the applicable standards of conduct for such a private forum by a Distributor may result in the expulsion of such a Distributor from the private forum at the discretion of the Company.

3.4 - Business Entities

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a Nice and Bella Distributor by submitting a Distributor Application and Agreement along with a properly completed Business Entity Addendum. The Business Entity, as well as all shareholders, members, managers, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties") are individually, jointly and severally liable for any indebtedness to Nice and Bella, compliance with the Nice and Bella Policies and Procedures, compliance with the Nice and Bella Distributor Agreement, and all other obligations to Nice and Bella.

To prevent the circumvention of Sections 3.27 regarding transfers and assignments of a Nice and Bella business) and 4.5, (regarding Sponsorship Changes), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or Nice and Bella, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify Nice and Bella in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions of Section 3.27. In addition, the Affiliated Party foregoing their interest in the Business Entity may not participate in any other Nice and Bella business for six consecutive calendar months in accordance with Section 3.5.3. If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 3.27.

The modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 3.5, below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Distributor Application and Agreement. Nice and Bella may, at its discretion, require notarized documents before implementing any changes to a Nice and Bella business. Please allow thirty (30) days after the receipt of the request by Nice and Bella for processing.

3.4.1 - Changes to a Business Entity

Each Distributor must immediately notify Nice and Bella of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business Affiliated Parties.

3.5 - Change of Sponsor

Nice and Bella prohibits changes in sponsorship. Accordingly, the transfer of a Nice and Bella

business from one sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Distributor Services Department and must include the reason for the transfer. Transfers will only be considered in the following three circumstances:

3.5.1 - Misplacement

In cases in which the new Distributor is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, a Distributor may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within three days from the date of enrollment. The Distributor requesting the change has the burden of proving that he or she was placed beneath the wrong sponsor. It is up to Nice and Bella's discretion whether the requested change will be implemented.

3.5.2 - Upline Approval

The Distributor seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her immediate five (5) upline Distributors in his or her Marketing Organization. Downline of transferring distributor roll up to the next upline sponsor.

3.5.3 - Cancellation and Re-application

A Distributor may legitimately change organizations by voluntarily canceling his or her Nice and Bella business and remaining inactive (*i.e.*, no purchases of Nice and Bella products for resale, no sales of Nice and Bella products, no sponsoring, no attendance at any Nice and Bella functions, no participation in any other form of Distributor activity, no operation of any other Nice and Bella business, and no income from the Nice and Bella business) for six (6) full calendar months. Following the six-month period of inactivity, the former Distributor may reapply under a new sponsor, however, the former Distributor's downline will remain in their original line of sponsorship. Nice and Bella will consider waiving the six-month waiting period under exceptional circumstances. Such requests for waiver must be submitted to Nice and Bella in writing.

3.6 - Waiver of Claims

In cases in which the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by a Distributor, Nice and Bella reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **DISTRIBUTORS WAIVE ANY AND ALL CLAIMS AGAINST NICE AND BELLA, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM NICE AND BELLA'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW A DISTRIBUTOR THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

3.7 - Unauthorized Claims and Actions

3.7.1 - Indemnification

A Distributor is fully responsible for all of his or her verbal and written statements made regarding Nice and Bella products, services, and the Compensation Plan that are not expressly contained in official Nice and Bella materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through Social Media, in print, or any other means of communication. Distributors agree to indemnify Nice and Bella and Nice and Bella's directors, officers, employees, and agents, and hold them harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Nice and Bella as a result of the Distributor's unauthorized representations or actions. This provision shall survive the termination of the Distributor Agreement.

3.7.2 - Product Claims

When discussing or promoting any of Nice and Bella's products, Distributors must not make claims, including but not limited to testimonials, about the products that are not contained in official Nice and Bella literature or posted on Nice and Bella's official website. Under no circumstances shall any Distributor state or imply that any Nice and Bella nutritional, wellness or personal care product is useful in the diagnosis, treatment, cure, or prevention of any disease, illness, injury, or other medical condition.

3.7.3 - Weight Loss Testimonials

Nice and Bella does not currently offer any products that are specifically designed for weight loss. Therefore, Distributors may not make any claims that any Nice and Bella product is useful in promoting weight loss and may not make any weight loss testimonials.

3.7.4 - Income Claims

Because Nice and Bella Distributors do not have the data necessary to comply with the legal requirements for making income claims, a Distributor, when presenting or discussing the Nice and Bella opportunity or Compensation Plan to a prospective Distributor, may not make income projections, income claims, or disclose his or her Nice and Bella income (including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records).

3.7.5 - Compensation Plan Claims

When presenting or discussing the Nice and Bella Compensation Plan, Distributors must make it clear to prospective Distributors that financial success with Nice and Bella requires commitment, effort, and sales skill. Conversely, Distributors must never represent that one can be successful without diligently applying themselves. Examples of mis-representations in this area include:

- It's a turnkey system;
- The system will do the work for you;
- Just get in and your downline will build through spillover;
- Just join and I will build your downline for you;
- The company does all the work for you;
- You don't have to sell anything; or
- All you have to do is buy your products every month.

The above are just examples of improper representations about the Compensation Plan. It is

important that Distributors do not make these or any other representations that could lead a prospective Distributor to believe that he or she can be successful as a Nice and Bella Distributor without commitment, effort, and sales skill.

3.8 - Repackaging and Relabeling Prohibited

Nice and Bella products may only be sold in their original packaging. Distributors may not repackage, re-label, or alter the labels on Nice and Bella products. Tampering with labels/packaging could be a violation of federal and state laws and may result in civil or criminal liability. Distributors may affix a personalized sticker with the Distributor's personal/contact information to each product or product container, as long as this is done without removing existing labels or covering any text, graphics, or other material on the product label.

3.9 - Commercial Outlets

Distributors may not sell Nice and Bella products from a commercial outlet, nor may Distributors display or sell Nice and Bella products or literature in any retail or service establishment. Online auction and/or sales facilitation websites, including but not limited to eBay and Craig's List constitute Commercial Outlets, and may not be used to sell Nice and Bella products.

3.10 - Trade Shows, Expositions and Other Sales Forums

Distributors may display and/or sell Nice and Bella products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Distributors must contact the Distributor Services department in writing for conditional approval, as Nice and Bella's policy is to authorize only one Nice and Bella business per event. Final approval will be granted to the first Distributor who submits an official advertisement of the event, a copy of the contract signed by both the Distributor and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the customer services department. Nice and Bella further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the Nice and Bella opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image Nice and Bella wishes to portray.

3.11 - Conflicts of Interest

The parties agree that any violation of these Conflicts of Interest policies shall cause Nice and Bella irreparable harm for which there is no adequate remedy at law, and that such harm will outweigh any injury to Distributor should injunctive relief be granted to the Company. Nice and Bella shall therefore be entitled to immediate and permanent equitable relief to prevent further violations of the policy.

3.11.1 - Non solicitation

Nice and Bella Distributors are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, Distributors may not directly or indirectly Recruit other Nice and Bella Distributors or Customers for any other network marketing business.

Following the cancellation of a Distributor's Independent Distributor Agreement for any reason, and for a period of six calendar months thereafter, with the exception of a Distributor who was personally sponsored by the former Distributor or a Distributor who joined Nice and Bella after the cancellation of the Distributor's Independent Distributor Agreement, a former Distributor may not Recruit any Nice and Bella Distributor or Customer for another network marketing business. Distributors and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Distributors and Nice and Bella agree that this non-solicitation provision shall apply nationwide and to all international markets in which Nice and Bella Distributors are located. This provision shall survive the termination or expiration of the Distributor Agreement.

The term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Nice and Bella Distributor or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

3.11.2 - Distributor Participation in Other Network Marketing Programs

If a Distributor is engaged in other non-Nice and Bella direct selling programs, it is the responsibility of the Distributor to ensure that his or her Nice and Bella business is operated entirely separate and apart from any other such program. To this end, the following must be adhered to:

- Distributors must not sell, or attempt to sell, any competing non-Nice and Bella programs, products or services that are sold through another direct selling program to Nice and Bella Customers or Distributors. Any program, product or services in the same generic categories as Nice and Bella products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.
- Distributors shall not display Nice and Bella promotional materials, sales aids, products or services with or in the same location as, any non-Nice and Bella promotional materials or sales aids, products or services.
- Distributors shall not offer the Nice and Bella opportunity, products or services to prospective or existing Customers or Distributors in conjunction with any non-Nice and Bella program, opportunity, product or service.
- Distributors may not offer any non-Nice and Bella opportunity, products, services or opportunity at any Nice and Bella-related meeting, seminar, convention, webinar, teleconference, or other function.

3.11.3 - Confidential Information

"Confidential Information" includes, but is not limited to, Downline Genealogy Reports, the identities of Nice and Bella customers and Distributors, contact information of Nice and Bella

customers and Distributors, Distributors' personal and group sales volumes, and Distributor rank and/or achievement levels. Confidential Information is, or may be available, to Distributors in their respective Back-Offices. Distributor access to such Confidential Information is password protected, and **such** Confidential Information constitutes proprietary business trade secrets belonging to Nice and Bella. Such Confidential Information is provided to Distributors in strictest confidence and is made available to Distributors for the sole purpose of assisting Distributors in working with their respective downline organizations in the development of their Nice and Bella businesses. Distributors may not use the reports for any other purpose. Where a Distributor participates in other multi-level marketing ventures, he/she is not eligible to have access to Downline Genealogy Reports. Distributors should use the Confidential Information to assist, motivate, and train their downline Distributors. The Distributor and Nice and Bella agree that, but for this agreement of confidentiality and nondisclosure, Nice and Bella would not provide Confidential Information to the Distributor.

To protect the Confidential Information, Distributors shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any Confidential Information to any third party;
- Directly or indirectly disclose the password or other access code to his or her Back-Office to any third party;
- Use any Confidential Information to compete with Nice and Bella or for any purpose other than promoting his or her Nice and Bella business; or
- Recruit or solicit any Distributor or Customer of Nice and Bella listed on any report or in the Distributor's Back-Office, or in any manner attempt to influence or induce any Distributor or Customer of Nice and Bella, to alter their business relationship with Nice and Bella.

The obligation not to disclose Confidential Information shall survive cancellation or termination of the Agreement and shall remain effective and binding irrespective of whether a Distributor's Agreement has been terminated, or whether the Distributor is or is not otherwise affiliated with the Company.

3.12 - Targeting the Sales Force of Other Direct Sellers

Nice and Bella does not condone Distributors specifically or consciously targeting the sales force of another direct sales company to sell Nice and Bella products or to become Distributors for Nice and Bella, nor does Nice and Bella condone Distributors solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should a Distributor engage in such activity, the Distributor bears the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against a Distributor alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, Nice and Bella will not pay any of the Distributor's defense costs or legal fees, nor will Nice and Bella indemnify the Distributor for any judgment, award, or settlement. Should a third party bring or threaten legal action against Nice and Bella based on the conduct of the Distributor, the Distributor agrees that it shall indemnify Nice and Bella for all judgments, settlements, payments of any other nature, litigation costs, and attorney's fees that Nice

and Bella incurs in relation to such legal action or threat of legal action.

3.13 - Errors or Questions

If a Distributor has questions about or believes any errors have been made regarding commissions, bonuses, genealogy lists, enrollments, or charges, the Distributor must notify Nice and Bella in writing within 30 days of the date of the purported error or incident in question. Nice and Bella will not be responsible for any errors, omissions or problems not reported to the Company within 30 days.

3.14 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Distributors shall not represent or imply that Nice and Bella or its Compensation Plan have been “approved,” “endorsed” or otherwise sanctioned by any government agency.

3.15 - Holding Applications or Orders

Distributors must not manipulate enrollments of new applicants and purchases of products. All Distributor Applications and Agreements, and product orders must be sent to Nice and Bella within 72 hours from the time they are signed by a Distributor or placed by a customer, respectively.

3.16 – Incentive Trips

Distributors may be eligible to earn incentive trips awarded by Nice and Bella to recognize those Distributors who have met the sales and organizational goals to qualify for receipt of such awards. Note that if a Distributor elects not to receive such an incentive trip award, there will be NO payment to the Distributor in lieu of accepting the award. If a Distributor does not attend an incentive trip, he or she WILL NOT receive a monetary payment in lieu of taking the trip.

In addition, Distributors may be awarded partial incentive trips in which case such Distributors will have to pay for the balance of the incentive trip out of their own funds. Also, Distributors who have not qualified for a full or partial award of an incentive trip may choose to attend the incentive trip but will have to pay the full value of the trip in order to attend. NOTE: There are no refunds of partial or full incentive trip payments made by Distributors except at the discretion of the Company. If a Distributor pays for an incentive trip in full or pays a partial amount for the incentive trip and does not attend the incentive trip for ANY reason, no refund will be issued to the Distributor except at the discretion of Nice and Bella.

3.17 - Income Taxes

Because each Distributor is responsible for paying local, state and federal taxes on any income generated as an Independent Distributor, it is important for Distributors to maintain accurate records of their earnings as Distributors. Nice and Bella cannot provide any Distributor with any personal tax advice. Distributors seeking tax advice should consult a qualified tax accountant, tax attorney, or other tax professional. If a Distributor's Nice and Bella business is tax exempt, the Federal tax identification number must be provided to Nice and Bella. Every year, Nice and Bella will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000 for resale (not counting samples

and sales tools). In addition to any compensation earned, Nice and Bella will also include, but is not limited to, the following: the value of any trips, bonuses, prizes and pins or other recognition awards earned during the calendar year.

3.18 - Independent Contractor Status

Distributors are independent contractors. The agreement between Nice and Bella and its Distributors does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Distributor. Distributors shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Distributors are responsible for paying local, state, and federal taxes due from all compensation earned as a Distributor of the Company. The Distributor has no authority (expressed or implied), to bind the Company to any obligation. Each Distributor shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Distributor Agreement, these Policies and Procedures, and applicable laws.

3.19 - Insurance

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's policy.

3.20 - International Marketing

Distributors are authorized to sell Nice and Bella products and services and enroll Customers or Distributors only in the countries in which Nice and Bella is authorized to conduct business, as announced on the Company's website or other official Company literature. Nice and Bella products or sales aids may not be shipped into or sold in any foreign country. Distributors may sell, give, transfer, or distribute Nice and Bella products or sales aids only in their home country. In addition, no Distributor may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or Distributors; or (c) conduct any other activity for the purpose of selling Nice and Bella products, establishing a marketing organization, or promoting the Nice and Bella opportunity.

3.21 - Bonus Buying

Distributors must never purchase more products than they can reasonably use or sell to retail customers in a month and must not influence or attempt to influence any other Distributor to buy more products than they can reasonably use or sell to retail customers in a month. In addition, bonus buying is strictly prohibited. Bonus buying includes any mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers. Bonus buying includes, but is not limited to, purchasing products through a straw man or other artifice.

3.22 - Adherence to Laws and Ordinances

Distributors shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Distributors because of the nature of their

business. However, Distributors must obey those laws that do apply to them. If a city or county official tells a Distributor that an ordinance applies to him or her, the Distributor shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of Nice and Bella.

3.23 - One Nice and Bella Business Per Distributor and Per Household

A Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Nice and Bella business. No individual may have, operate or receive compensation from more than one Nice and Bella business. Individuals of the same Household may not enter into or have an interest in more than one Nice and Bella Business. A “Household” is defined as spouses, and dependent children living at or doing business at the same address.

In order to maintain the integrity of the Nice and Bella Compensation Plan, husbands and wives or common-law couples (collectively “spouses”) who wish to become Nice and Bella Distributors must be jointly sponsored as one Nice and Bella business. Spouses, regardless of whether one or both are signatories to the Distributor Application and Agreement, may not own or operate any other Nice and Bella business, either individually or jointly, nor may they participate directly or indirectly (as a shareholder, partner, trustee, trust beneficiary, or have any other legal or equitable ownership) in the ownership or management of another Nice and Bella business in any form.

An exception to the one business per Distributor/household rule will be considered on a case by case basis if two Distributors marry or in cases of a Distributor receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to the Customer Services Department.

3.24 - Actions of Household Members or Affiliated Parties

If any member of a Distributor’s immediate household engages in any activity which, if performed by the Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Distributor and Nice and Bella may take disciplinary action pursuant to the Policies and Procedures against the Distributor. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively “Business Entity”) violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Nice and Bella may take disciplinary action against the Business Entity. Likewise, if a Distributor enrolls in Nice and Bella as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

3.25 - Requests for Records

Any request from a Distributor for copies of invoices, applications, downline activity reports, or other records will require a fee of \$1.00 per page per copy with a minimum of \$10 per request. This fee covers the expense of mailing and time required to research files and make copies of the records.

3.26 - Roll-up of Marketing Organization

When a vacancy occurs in a Marketing Organization due to the termination of a Nice and Bella

business, each Distributor in the first level immediately below the terminated Distributor on the date of the cancellation will be moved up to the first level (“front line”) of the terminated Distributor’s Sponsor. For example, if A sponsors B, and B sponsors C1, C2 and C3, if B terminates her business, C1, C2, and C3 will “roll-up” to A and become part of A’s first level.

Note that the roll up will take place six (6) months after the date of the termination of subject Distributor.

3.27 - Sale, Transfer or Assignment of Nice and Bella Business

Although a Nice and Bella business is a privately owned and independently operated business, the sale, transfer or assignment of a Nice and Bella business, and the sale, transfer, or assignment of an interest in a Business Entity that owns or operates a Nice and Bella business, is subject to certain limitations. If a Distributor wishes to sell his or her Nice and Bella business, or interest in a Business Entity that owns or operates a Nice and Bella business, the following criteria must be met:

- The selling Distributor must offer Nice and Bella the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. Nice and Bella shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- If Nice and Bella does not exercise the option, then the selling Distributor must then offer the sponsor the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. The sponsor shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- The buyer or transferee must become a qualified Nice and Bella Distributor. If the buyer is an active Nice and Bella Distributor, he or she must first terminate his or her Nice and Bella business and wait six calendar months before acquiring any interest in a different Nice and Bella business.
- Before the sale, transfer or assignment can be finalized and approved by Nice and Bella, any debt obligations the selling party has with Nice and Bella must be satisfied.
- The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a Nice and Bella business.

Prior to selling an independent Nice and Bella business or Business Entity interest, the selling Distributor must notify Nice and Bella’s Compliance Department in writing and advise of his or her intent to sell his/her Nice and Bella business or Business Entity interest. The selling Distributor must also receive written approval from the Compliance Department before proceeding with the sale. No changes in line of sponsorship can result from the sale or transfer of a Nice and Bella business.

3.28 - Separation of a Nice and Bella Business

Nice and Bella Distributors sometimes operate their Nice and Bella businesses as husband-wife partnerships, regular partnerships, limited liability companies, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, LLC, partnership, trust or other Business Entity may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests

and income of other businesses up or down the line of sponsorship.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the Nice and Bella business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Nice and Bella to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- The parties may continue to operate the Nice and Bella business jointly on a “business-as-usual” basis, whereupon all compensation paid by Nice and Bella will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Downline Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will Nice and Bella split commission and bonus payments between divorcing spouses or members of dissolving entities. Nice and Bella will recognize only one Downline Organization and will issue only one commission payment per Nice and Bella business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Distributor Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original Nice and Bella business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Distributor. In either case, the former spouse or business affiliate shall have no rights to any Distributors in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Distributor.

3.29 - Sponsoring Online

When sponsoring a new Distributor through the online enrollment process, the sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online application and agreement, Nice and Bella’s Policies and Procedures, and the Nice and Bella Compensation Plan. The sponsor may not fill out the online application and agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

3.30 - Succession

Upon the death or incapacitation of a Distributor, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Distributor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a Nice and Bella business is

transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Distributor's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute a Distributor Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Distributor's status; and
- The devisee must provide Nice and Bella with an "address of record" to which all bonus and commission checks will be sent.

If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. Nice and Bella will issue all bonus and commission checks and one 1099 to the business entity.

3.30.1 - Transfer Upon Death of a Distributor

To effect a testamentary transfer of a Nice and Bella business, the executor of the estate must provide the following to Nice and Bella: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; and (3) written instructions from the authorized executor to Nice and Bella specifying to whom the business and income should be transferred.

3.30.2 - Transfer Upon Incapacitation of a Distributor

To effectuate a transfer of a Nice and Bella business because of incapacity, the successor must provide the following to Nice and Bella: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Nice and Bella business; and (3) a completed Distributor Agreement executed by the trustee.

3.31 - Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as several states) have "do not call" regulations as part of their telemarketing laws. Although Nice and Bella does not consider Distributors to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, Distributors must not engage in telemarketing in the operation of their Nice and Bella businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Nice and Bella product or service, or to recruit them for the Nice and Bella opportunity. "Cold calls" made to prospective customers or Distributors that promote either Nice and Bella's products or services or the Nice and Bella opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Distributor (a "prospect") is permissible under the following situations:

- If the Distributor has an established business relationship with the prospect. An “established business relationship” is a relationship between a Distributor and a prospect based on the prospect’s purchase, rental, or lease of goods or services from the Distributor, or a financial transaction between the prospect and the Distributor, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service.
- The prospect’s personal inquiry or application regarding a product or service offered by the Distributor, within the three (3) months immediately preceding the date of such a call.
- If the Distributor receives written and signed permission from the prospect authorizing the Distributor to call. The authorization must specify the telephone number(s) which the Distributor is authorized to call.
- You may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if a Distributor engage in “card collecting” with everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if a Distributor engages in calling “acquaintances,” the Distributor must make such calls on an occasional basis only and not make this a routine practice.
- Distributors shall not use automatic telephone dialing systems or software relative to the operation of their Nice and Bella businesses.
- Distributors shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a “robocall”) regarding or relating to the Nice and Bella products, services or opportunity.

3.32 - Back Office Access

Nice and Bella makes online back offices available to its Distributors. Back offices provide Distributors access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Distributor’s Nice and Bella business and to increase sales of Nice and Bella products. However, access to a back office is a privilege, and not a right. Nice and Bella reserves the right to deny Distributors’ access to the back office at its sole discretion.

SECTION 4 - RESPONSIBILITIES OF DISTRIBUTORS

4.1 – Change of Contact Information

To ensure timely delivery of products, support materials, commissions, and tax documents, it is important that Nice and Bella’s files are current. Street addresses are required for shipping. Distributors planning to change any of their contact information or move must send their new contact information to Nice and Bella’s Corporate Offices to the attention of the Distributor

Services Department or make the changes in the Distributor back office. To guarantee proper delivery, two weeks advance notice must be provided to Nice and Bella on all changes. Maintaining Email Address and Mobile Phone are required for active Distributors and they must be Unique (not assigned to multiple Distributor accounts).

4.2 - Continuing Development Obligations

4.2.1 – Ongoing Training

Any Distributor who sponsors another Distributor into Nice and Bella must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her Nice and Bella business. Distributors must have ongoing contact and communication with the Distributors in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Distributors to Nice and Bella meetings, training sessions, and other functions. Upline Distributors are also responsible to motivate and train new Distributors in Nice and Bella product knowledge, effective sales techniques, the Nice and Bella Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline Distributors must not, however, violate Sections 3.1 or 3.2 (regarding the development of Distributor-produced sales aids and promotional materials).

Distributors should monitor the Distributors in their Downline Organizations to guard against downline Distributors making improper product or business claims or engaging in any illegal or inappropriate conduct.

4.2.2 - Increased Training Responsibilities

As Distributors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the Nice and Bella program. They will be called upon to share this knowledge with lesser experienced Distributors within their organization.

4.2.3 - Ongoing Sales Responsibilities

Regardless of their level of achievement, Distributors have an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing their existing customers.

4.3 - Negative Comments

Nice and Bella values constructive criticisms and comments from Distributors. All such comments should be submitted in writing to the Customer Services Department. CustomerCare@NiceAndBella.com. While Nice and Bella welcomes constructive input, negative comments and remarks made in the field by Distributors about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other Nice and Bella Distributors. For this reason, and to set the proper example for their downline, Distributors must not disparage, demean, or make negative remarks about Nice and Bella, other Nice and Bella Distributors, Nice and Bella's products, the Compensation plan, or Nice and Bella's directors, officers, or employees.

4.4 - Providing Documentation to Applicants

Distributors must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Distributors before the applicant signs a Distributor Agreement or ensure that they have online access to these materials. These documents are available for printing, downloading and emailing on the new Distributor enrollment page and in the Resource Library in each Distributor's Back-Office.

SECTION 5 - SALES REQUIREMENTS

5.1 – Product Sales

The Nice and Bella Compensation Plan is based on the sale of Nice and Bella products and services to end consumers. Distributors must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for Distributors to be eligible for commissions: Distributors must satisfy the Personal Points (PP) and Group Volume requirements to fulfill the requirements associated with their rank as specified in the Nice and Bella Compensation Plan. "Personal Points" includes purchases made by the Distributor and purchases made by the Distributor's personal customers. Group Volume shall include the total Personal Points generated by all Distributors in his or her Personal Group but shall not include the Distributor's Personal Points.

5.2 - No Territory Restrictions

There are no exclusive territories granted to anyone.

5.3 - Sales Receipts

All Distributors must provide their retail customers with two copies of an official Nice and Bella sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. Distributors must maintain all retail sales receipts for a period of two years and furnish them to Nice and Bella at the Company's request. Records documenting the purchases of Distributors' Customers made through the Replicated Website or Distributor App will be maintained by Nice and Bella. The distributor must keep appropriate records and provide them to Corporate in case of an Audit.

Remember that customers must receive two copies of the sales receipt. In addition, Distributors must orally inform the buyer of his or her cancellation rights.

SECTION 6 - PERSONAL AND CONFIDENTIAL INFORMATION

6.1 – Handling Personal Information

As a Distributor, you will receive Personal Information from and about prospective Distributors, customers and other individuals. Keeping their Personal Information secure not only helps to ensure your compliance with the law, but it also helps you to maintain current customers' and potential customers' trust, which is an important factor in your success. Personal Information is information that identifies, or permits you to contact, an individual, financial information, and sales data. It includes, but is not limited to, a customer's, potential customer's, Distributor or prospective Distributor's or other individual's name, address, email address, phone number, credit

card information, social security number, purchase history, and other information.

6.2 - Give the Customer Notice

Customers want to know why you are collecting their Personal Information and what you plan to do with it, so tell them what you are collecting, why and with whom you are going to share it. Tell them this before or at the time that you collect their Personal Information, and then be sure that you use and share Personal Information only in the ways you promised.

6.3 - Collect Only What You Need

Collect only the Personal Information that you really need. Review the forms that you use to collect Personal Information and revise them to remove fields for information you do not need. Less is more. For example, don't collect a credit or debit card number unless your customer actually makes a purchase.

6.4 - Give the Customer Control

Give customers a choice about how you communicate with them. For instance, find out if a customer wants to receive promotions and other marketing messages from you and, if so, whether he or she would prefer to receive them by email, phone or another method of communication. Respect the customer's wishes: if, for example, a customer tells you that he or she doesn't want to receive emails, then find another way to communicate with him or her.

6.5 - Stay up to date

Keep the customers' Personal Information up to date. Remind them to let you know if their Personal Information changes. Keeping your contacts current helps you to stay in touch with them.

6.6 - Your Back-Office

Your Back-Office may have information relating to your downline Distributor's confidential information. You must not show this information to anyone, nor may you share your Back-Office access with anyone.

6.7 - Share Only if Necessary

Don't share a customers' Personal Information unless you have a real business reason to do so—and then share only what is necessary, and no other information, and make sure that the other person agrees to use the Personal Information only in the ways you have agreed.

6.8 - Be Careful

A customer's information is a valuable asset. Don't communicate it to the general public or to anyone who doesn't have a legitimate need for it. Protect it from unauthorized access or disclosure.

6.9 - Dispose of Personal Information Responsibly

When you no longer need a customer's Personal Information, stop using it. Dispose of it in a way that makes it unreadable, such as by shredding paper documents.

6.10 - Be Very Careful with Sensitive Personal Information

If sensitive Personal Information such as credit or debit card numbers, social security or Tax ID numbers, fall into the wrong hands, customers could become the victim of fraud or identity

theft. Consider these steps to help reduce that risk:

- Pay attention to your surroundings and use good judgment whenever you need to discuss or transmit sensitive Personal Information;
- Do not share (or ask a customer to share) sensitive Personal Information, including payment information, in an unsecure way, such as by email;
- Keep sensitive Personal Information in a secure place, such as a locked drawer. Do not leave it lying around where someone could see or take it;
- Use similar safeguards if you keep sensitive Personal Information on your computer. For example, use passwords that are not easy to guess, install virus protections, and password protect documents that contain sensitive Personal Information;
- Avoid storing Personal Information on your laptop or another portable device that could be lost or stolen, unless the device is encrypted; and
- Unless you have a legitimate business need, do not keep sensitive Personal Information. Keeping it for longer than you need it creates unnecessary risk.

SECTION 7 - BONUSES AND COMMISSIONS

7.1 – Bonus and Commission Qualifications and Accrual

A Distributor must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Distributor complies with the terms of the Agreement, Nice and Bella shall pay commissions to such Distributor in accordance with the Compensation plan.

7.2 – Commissionable Volume (CV)

Commissions and bonuses paid to Distributors are based on the Commissionable Volume (CV) generated through the sale of Nice and Bella products. Each Nice and Bella product has a CV assigned to it that generally is less than or equal to the price of the product. When a Nice and Bella product is sold pursuant to a promotion or at a discount, the CV assigned to the product will be adjusted downward based on the promotional or sales price and the specific item. In some instances, the CV may be less than the sale or promotional price or there may be no CV assigned to such a product, at the Company's discretion.

7.3 - Adjustment to Bonuses and Commissions

7.3.1 - Adjustments for Returned Products

Distributors receive bonuses, commissions, or overrides based on the actual sales of products to end consumers. When a product is returned to Nice and Bella for a refund or is repurchased by the Company, any of the following may occur at the Company's discretion: (1) the bonuses, commissions, or overrides attributable to the returned or repurchased product(s) or will be deducted from payments to the Distributor and upline Distributors who received bonuses, commissions, or overrides on the sales of the refunded product(s), in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered; (2) the Distributor or upline Distributors who earned bonuses, commissions, or overrides based on the sale of the returned product(s) will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until it is completely recovered; or (3) the bonuses, commissions, or overrides attributable to the returned or repurchased product(s) may be deducted from any refunds or credits to the Distributor who received the bonuses, commissions, or overrides on the sales of the refunded product(s).

7.3.2 - Commission Payments

The Company pays commissions via a third party eWallet system, the Distributor can choose from various payment distribution methods provided by the eWallet Provider including but not limited to Direct Deposit, transfer to prepaid debit card, or check. Some fees are assessed by the eWallet provider for some services, see a schedule of fees in the Distributors back office. The company also provides a method in the distributor back office to use accrued commissions as payment or partial payment on personal orders. Online Retail Commissions are available for use as payment on personal orders 6 Business days after the end of the Retail Bonus week. The Retail Bonus week ends Saturday night at midnight CST. A distributor may elect to retain any earnings in the back office internal account for up to nine months for use as payment for personal orders or elect to have the funds transferred to the distributors eWallet on the next eWallet Transfer date. Ewallet Transfers are made on the 2nd Saturday of the following month. You must indicate in your back office your selection to have the funds distributed at least 1 business day before the transfer date. **The minimum amount that can be transferred to the eWallet is \$30 USD, earnings less than that will continue to accrue in your back office internal account until it reaches \$30 or you spend it on personal orders.**

Notwithstanding the foregoing, all amounts accrued in a Distributor's internal account will be transferred to the Distributor's eWallet or otherwise paid to the Distributor, regardless of the amount, at the end of each fiscal year or upon the termination of a Distributor's business.

7.3.3 - Amounts Owed to Nice and Bella

In the event a Distributor is indebted to or owes any amounts to Nice and Bella, the Distributor authorizes Nice and Bella to withhold such amounts from any compensation payable to the Distributor under the Compensation Plan until such time as all such amounts, together with any applicable interest or finance charges, are paid in full.

7.3.4 - Garnishments and Court Orders

Nice and Bella reserves the right to withhold or reduce any Distributor's compensation as it deems necessary to comply with any garnishment or court order directing Nice and Bella to retain, hold, or redirect such compensation to a third party.

7.3.5 - Hard Copy Bonus and Commission Checks

The Company pays commissions and bonuses to Distributors as specified in Section 7.3.2 above including the option of a hard-copy check from the eWallet provider. See the eWallet Provider website for fees.

7.3.6 - Tax Withholdings

If a Distributor fails to submit an IRS W-9 Form, or if the Distributor's Taxpayer Identification Number (e.g., Social Security Number) is not verified, Nice and Bella will deduct the necessary withholdings from the Distributor's commission payments as required by law. See also Section 2.2 above.

7.4 - Reports

All information provided by Nice and Bella in downline activity reports, including but not

limited to personal and group sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, digital, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by Nice and Bella or any persons creating or transmitting the information.

ALL PERSONAL AND GROUP SALES VOLUME INFORMATION IS PROVIDED “AS IS” WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR, BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, NICE AND BELLA AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY DISTRIBUTOR OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND/OR GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF NICE AND BELLA OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, NICE AND BELLA OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of Nice and Bella’ online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you “as is”. If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Nice and Bella’ online and telephone reporting services and your reliance upon the information.

SECTION 8 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

8.1 - Product Guarantee, Warranty, and Rescission

Federal and state law requires that Distributors notify their retail customers that they have three business days (5 business days for Alaska residents and 15 days for residents of North Dakota age 65 or older. Saturday is a business day, Sundays and legal holidays are not business days) within which to cancel their purchase and receive a full refund upon return of the products in substantially as good condition as when they were delivered. Distributors **MUST** verbally inform

their customers of this right, they **MUST** provide their customers with TWO copies of a retail receipt at the time of the sale and **MUST** point out this cancellation right stated on the receipt.

8.2 - Returns by Distributors and Retail Customers

We take pride in the quality of our products and want our customers and Distributors to fall in love with them also. Our customer-friendly return policy ensures our customers are always happy with their purchases.

If a Distributor or a customer is not happy with their purchase, they can return the item(s) for a refund or exchange. We are happy to provide a cash refund within 30 days and Store Credit within 90 days. If a customer contacts a Distributor to request a refund or exchange within such time periods, the Distributor shall assist the customer by providing the customer with a FREE pre-paid return shipping label.

Note that this refund/exchange policy for Distributors is limited. If a Distributor returns more than \$1,000 USD for a refund in any 12 consecutive month period, the request will constitute the Distributor's voluntary cancellation of his or her Distributor Agreement, and the refund will be processed as a cancellation repurchase and the Distributor's Nice and Bella business will be cancelled.

8.3 - Return FAQs and Policies

Distributors must be familiar with the following FAQs and policies so that they can explain Nice and Bella's return, refund and exchange policies to their customers. Please review the information in this section and review it regularly so that you can provide your customers with accurate information.

What is the return Policy?

If you're not absolutely satisfied with your purchase, you can return your item(s) for a refund or exchange within 90 days of purchase. We are happy to provide you a cash re- fund within 30 days and a Store Credit within 90 days. Returns or exchanges are accepted on unworn items in resalable condition (excluding Sale items, Gift Cards, Display Items and Business Supplies, which are Final Sale).

Contact your Distributor to get your return started and receive a FREE pre-paid return shipping label. Your Distributor will be happy to assist you by providing you with a pre-paid return shipping label to make it fast and easy. If you are unable to contact your Distributor, please contact the Customer Care Center and we will be happy to assist you!

When returning or exchanging an item please keep in mind:

Items must be returned in their original packaging and accompanied by an original proof of purchase. This could include your packing slip, a copy of your order confirmation email or a copy of your return confirmation email.

Was your order missing an item or did your order contain the wrong item? If so, we ask that you notify us within 7 days from order received date.

Refunds: We are happy to provide you a cash refund within 30 days and Store Credit refund within 90 days. Initial outbound shipping will not be refunded.

Replacements: Replacements that are due to manufacturer's defects may be repaired or exchanged for a replacement for up to 6 months from date of order at no additional charge. To replace an item due to a manufacturer's defect, please contact your Distributor who can assist you. If you are unable to reach your Distributor after 30 days, please contact the Customer Care Center for assistance. If we do not have the piece in the current Collection, you can exchange for a piece of the same or lower Collection price. For re- placements/defects: first contact customer care they will give you instructions on how to send picture, we will review then if necessary, we will send return label for them to ship it back. If picture is sufficient, we will send replacement.

Accidental Broken Item Replacement: For one (1) year from date of purchase should a jewelry or accessory be broken, the buyer may pay 30% of the current item price and shipping to receive a replacement. The broken item must be returned to the Customer Care Center. Shipping to be paid by the buyer.

Timing of Refunds: Your refund will be processed upon receipt of your returned item at our Distribution Center. Once we process your return, your refund will be available 8-10 business days later depending on your issuing bank and/or billing cycle. Did you pay your Distributor with cash or check? If so, please contact your Distributor who will refund you directly.

Examples of manufacturer's defect:

- Non-functional clasp
- Abnormal discolorations (beyond normal variations in natural stone colors)
- Jump ring or chain link that is not closed properly

To return your items:

1. Place the items to be returned with your packing slip in a box.
2. Affix your pre-paid return shipping label to the outside of your box.
3. Place the box in your mailbox, take it to the local Post Office or schedule a time with them to have it picked up from your doorstep.

Can I edit or update my order once I've submitted it?

We are here to assist you. If you will call the Customer Care Center immediately to notify us and your order has not yet processed, we will be happy to make the changes.

My item is on back order. Can I cancel it?

Yes. If your item is on back order and hasn't yet shipped, you can cancel your order for a full refund. Please contact our Customer Care Center to assist you with this.

How do I return a product?

Begin with your Distributor who will handle all your customer support needs and process most returns, replacements and exchanges online for you.

Within 1 business day of your Distributor submitting your return request, you will receive a pre-paid domestic shipping label to return your purchase. You can also find this label in your online account associated with your returned order.

If you don't know who your Distributor is, please contact the Customer Care Center and we will be happy to assist you.

How do I return a Reward Item?

Your Distributor can assist you in processing any returns for items purchased with Rewards. Any unworn items purchased with Rewards can be refunded for Store Credit for 90 days. Any unworn items purchased with your 50% off credit can be refund to your original form of payment for 30 days or to Store Credit for 90 days.

Where can I locate a return shipping label?

Begin with your Distributor. After your Distributor processes your return, you will receive a pre-paid domestic return shipping label. You can also access your return shipping label when you receive your confirmation email once your return has been processed. In addition, you can find your label by logging into your online account and visiting Order History - Returns. You will see your printable pre-paid return shipping label under the associated return order number.

When will I receive my refund?

As soon as we receive your returned items at our Distribution Center, we will gladly process your refund. Please allow 5 business days for your return shipment to arrive at our Distribution Center once you place it in the mail.

Once we process your return, you will see your refund payment within 30 business days depending on your issuing bank and/or billing cycle.

If you paid your Distributor with cash or a check, your Distributor will need to refund you directly.

I purchased an item from my Distributor's Sample Sale or table at a Trunk Show. Can I return it?

When purchasing items from a Sample Sale or from a Distributor table at a Trunk Show with cash or check, please follow up directly with your Distributor.

I purchased my items with cash or check and would like to return my items. How do I get refunded?

Since all orders placed online are required to have a valid credit card, your Distributor may have used their personal credit card to process your order. If you purchased an item with cash or check please contact your Distributor to process the refund. The Distributor will manually refund your purchase in your original form of payment of either cash or check.

Do we offer price adjustments?

At this time, we do not offer price adjustments. Sale prices will be as marked, and no price adjustments will be made on previous purchases. All sale items are final sale.

Once your return has been received and processed at the Distribution Center (may take 2- 3 days), your payment will be refunded. We'll send you an email confirmation when your refund has been processed.

If you accidentally break a product (sit on your glasses) you can pay 30% of the retail price and we will be happy to replace it!

Helpful hint: Remember to ship your return product back within 7 days. This return request will expire if it isn't received in 30 days.

8.4 - Cooling off Period

A retail customer who makes a purchase of \$25.00 or more has three business days (72 hours, excluding Sundays and legal holidays) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form or sales receipt (5 days for Alaska residents). When a Distributor makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72 hour period, the Distributor must promptly refund the customer's money as long as the products are returned to the Distributor in substantially as good condition as when received (5 days for Alaska residents). Distributors must orally inform customers of their right to rescind a purchase or an order within 72 hours (5 days for Alaska residents) and ensure that the date of the order or purchase is entered on the order form. All retail customers must be provided with two copies of an official Nice and Bella sales receipt at the time of the sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

8.5 - Return of Inventory and Sales Aids by Distributors Upon Cancellation

Upon cancellation of a Distributor's Agreement, the Distributor may return Business Kits, products and sales aids that he or she personally purchased from Nice and Bella (purchases from other Distributors or third parties are not subject to refund) that are in Resalable (see Definition of "Resalable" below) condition and which have been purchased within one year prior to the date of cancellation. Upon receipt of a Resalable Business Kit and/or Resalable products and sales aids, the Distributor will be reimbursed 90% of the net cost of the original purchase price(s). Neither shipping and handling charges incurred by a Distributor when the Business Kit, products or sales aids were purchased, nor return shipping fees, will be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If a Distributor was paid a commission based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on that product purchase will be deducted from the amount of the refund.

Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) is the items are returned to Nice and Bella within one year from the date of purchase. (The one-year limitation shall not apply to Distributors who are residents of Maryland, Massachusetts, Wyoming and Puerto Rico.) Any merchandise that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, shall

not be resalable. Back- Office and Replicated Website fees are not refundable except as required by applicable state law.

8.5.1 - Montana Residents

A Montana resident may cancel his or her Distributor Agreement within 15 days from the date of enrollment and may return his or her Business Kit for a full refund within such time period.

8.6 - Procedures for All Returns

The following procedures apply to all returns for refund, repurchase, or exchange:

- All merchandise must be returned by the Distributor or customer who purchased it directly from Nice and Bella.
- All products to be returned must have a Return Authorization Number which is obtained by calling the Distributor Services Department. This Return Authorization Number must be written on each carton returned.
- The return must be accompanied by the original packing slip with the completed and signed Consumer Return information.
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to Nice and Bella shipping pre-paid. Nice and Bella does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Distributor. If returned product is not received by the Company's Distribution Center, it is the responsibility of the Distributor to trace the shipment.
- If a Distributor is returning merchandise to Nice and Bella that was returned to him or her by a personal retail customer, the product must be received by Nice and Bella within ten (10) days from the date on which the retail customer returned the merchandise to the Distributor, and must be accompanied by the sales receipt the Distributor gave to the customer at the time of the sale.

No refund or replacement of product will be made if the conditions of these rules are not met.

SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1 – Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Distributor that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Distributor's Nice and Bella business), may result, at Nice and Bella's discretion, in one or more of the following corrective measures:

(1) Legal Hold: a period of time in which a Distributor's account is frozen during an investigation of a possible violation. During this time, the Distributor may not buy or order products, sign up new Distributors or earn compensation through the Compensation Plan. Nice and Bella agrees to investigate the violation within a reasonable amount of time and release the hold upon the determination that the Distributor's conduct is not subject to further disciplinary action. Withheld compensation that would have been earned by the Distributor during the Legal Hold period is forfeited and may be retained by Nice and Bella unless and until it is determined that the Distributor was not in violation. In that event, any held compensation will be paid to the Distributor.

(2) Probation (Distributor not in good standing): a defined period of time in which the Distributor may continue to conduct certain aspects of their Distributorship, unless otherwise communicated by Nice and Bella, including: (1) buying Products; (2) placing orders on his or her replicated website; (3) earning compensation through the Compensation Plan; and (4) signing up new Distributors. However, while a Distributor is on Probation, he or she will not be eligible for certain Distributor privileges, including but not limited to earning incentives, participating in Leadership or Diamond and above events or taking part in the Leads program. It is within the sole discretion of Nice and Bella to re-strict or allow certain Distributor rights and privileges within the probationary period.

(3) Suspension: a defined period of time in which a Distributor's account is frozen and all rights to conduct the Nice and Bella business, along with any eligibility for earning incentives and compensation are revoked. Withheld compensation that would have been earned by the Distributor during the Suspension period is forfeited and may be retained by Nice and Bella.

(4) Termination: the complete cancellation of a Distributor Agreement and revocation of the Distributor's rights, including the right to receive any further compensation whether accruing before or after the termination date. Upon termination, the Distributor must immediately cease to represent himself or herself as a Distributor.

Should it become necessary for Nice and Bella to place a Legal Hold, institute a Probation, Suspend, or Terminate a Distributor, the Legal Hold, Probation, Suspension or Termination becomes effective on the date Nice and Bella sends notice to the Distributor against whom disciplinary action is taken. The notice will be sent to the Distributor's mailing address and/or email address of record.

Notwithstanding the foregoing, Nice and Bella may elect, at its option, to impose additional or other disciplinary sanctions including the following:

- Issuance of a written warning or admonition;
- Requiring the Distributor to take immediate corrective measures;
- Suspension and/or termination of the offending Distributor's Nice and Bella website or website access;
- Suspension and/or termination of the offending Distributor's ability to participate in Nice and Bella private forums (e.g., Nice and Bella Facebook groups);
- Any other measure expressly allowed within any provision of the Agreement or which Nice and Bella deems practicable to implement and appropriate to equitably resolve

injuries caused partially or exclusively by the Distributor's policy violation or contractual breach;

- In situations deemed appropriate by Nice and Bella, the Company may institute legal proceedings for monetary and/or equitable relief.

9.2 - Grievances and Complaints

When a Distributor has a grievance or complaint with another Distributor regarding any practice or conduct in relationship to their respective Nice and Bella businesses, the complaining Distributor should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Distributor Services Department at the Company. The Distributor Services Department will review the facts and attempt to resolve it.

9.3 - Mediation

Prior to instituting an arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. If the parties cannot agree on a mediator, the complaining party shall request a mediator be appointed by the American Arbitration Association ("AAA"). The mediation shall occur within 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the City of Dallas, Texas, and shall last no more than two business days.

9.4 - Arbitration

If mediation is unsuccessful and except as otherwise provided in the Agreement, **any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled through confidential arbitration. The Parties waive all rights to trial by jury or to any court.** The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") or JAMS Endispute ("JAMS") under their respective rules and procedures. The *Commercial Arbitration Rules and Mediation Procedures* of the AAA are available on the AAA's website at www.adr.org. The *Streamlined Arbitration Rules & Procedures* are available on the JAMS website at www.jamsadr.com. Copies of AAA's *Commercial Arbitration Rules and Mediation Procedures* or JAM's *Streamlined Arbitration Rules & Procedures* will also be emailed to Distributors upon request to Nice and Bella's Customer Services Department.

Notwithstanding the rules of the AAA or JAMS, unless otherwise stipulated by the parties, the following shall apply to all Arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal

Rules of Civil Procedure;

- The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Texas, without regard to principles of conflicts of laws, shall govern all other matters relating to or arising from the Agreement.
- The arbitration shall commence no later than 365 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- The Parties shall be allotted equal time to present their respective cases, including cross-examinations; and
- The arbitration shall be brought on an individual basis and not as part of a class or consolidated action.

All arbitration proceedings shall be held in Dallas, Texas. There shall be one arbitrator selected from the panel that the Alternate Dispute Resolution service provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may if necessary, be reduced to a judgment in any court to which the parties have consented to jurisdiction as set forth in the Agreement. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the arbitration proceedings and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim;
- The substance or content of any settlement offer or settlement discussions or offers associated with the dispute;
- The pleadings, or the content of any pleadings, or exhibits thereto, filed in any arbitration proceeding;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award; or
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in the Agreement shall prevent either party from applying to and obtaining from any court to which the parties have consented to jurisdiction as set forth in the Agreement a temporary restraining order, preliminary or permanent injunction or other equitable relief available to safeguard and protect its intellectual property rights, trade secrets, and/or confidential information, including but not limited to enforcement of its rights under the nonsolicitation provision of the Agreement.

Any violation of the confidentiality requirements of these this arbitration provision by a party, his/her counsel, or an agent of a party, shall cause irreparable harm to the non-disclosing party. Damages to the non-disclosing party shall be very real but shall be difficult to quantify. Therefore, if a party, his/her counsel, or an agent of the party violates the non-disclosure provisions of these Policies, or files an action in any public forum (except an action for equitable relief as is permitted in these Policies), the non-disclosing party shall be entitled to liquidated damages in the sum of \$25,000.00 for each violation. The non-disclosing party shall also be entitled to a rebuttable

presumption that the disclosure was done with malice and with the intention to harm the reputation and business of the non-disclosing party, and the non-disclosing party may petition the Arbitrator for exemplary damages for the misconduct of the disclosing party. Notwithstanding the foregoing, it shall not be a violation of the confidentiality provisions of this Arbitration policy for a party to show evidentiary documents and/or materials to bona fide witnesses to the case, or to discuss claims and facts involved in the case, with bona fide witnesses, for purposes of developing evidence and testimony for the case or for purposes of rebutting the claims and allegations of a party.

9.5 - Class Action Waiver

Any action brought by a Distributor shall be brought on an individual basis, and not on behalf of a class or on a consolidated basis. Distributors waive all rights to bring an action against Nice and Bella, its officers, owners, directors, employees and agents as a class or consolidated action.

9.6 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Dallas County, State of Texas or the United States District Court for the Northern District of Texas. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Texas shall govern all other matters relating to or arising from the Agreement.

9.6.1 - Louisiana Residents

Notwithstanding the foregoing, and the mediation and arbitration provisions in Sections 9.3 and 9.4, residents of the State of Louisiana shall be entitled to bring an action against Nice and Bella in their home forum and pursuant to Louisiana law.

9.7 - Damage Limitation

In any action arising from or relating to the Agreement, the parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The parties further waive all claims to exemplary and punitive damages. Notwithstanding the foregoing, this Damage Limitation shall not apply to claims alleging the breach of the nonsolicitation or confidentiality provisions contained in these Policies and Procedures.

9.8 - Indemnification

Distributors agree to indemnify Nice and Bella for any and all costs, expenses, consumer reimbursements, fines, sanctions, damages, settlements or payments of any other nature that Nice and Bella incurs resulting from or relating to any act or omission by Distributor that is illegal, fraudulent, deceptive, negligent, unethical, or in violation of the Agreement. Nice and Bella may elect to exercise its indemnification rights through withholding any compensation due the Distributor. This right of setoff shall not constitute Nice and Bella's exclusive means of recovering or collecting funds due Nice and Bella pursuant to its right to indemnification.

9.9 - Liquidated Damages

In any case which arises from or relates to the wrongful termination of Distributor's Agreement and/or independent Nice and Bella business, the parties agree that damages will be extremely

difficult to ascertain. Therefore, the parties stipulate that if the involuntary termination of a Distributor's Agreement and/or loss of their independent business held to be wrongful under any theory of law, Distributor's sole remedy shall be liquidated damages calculated as follows:

- For Distributors at the "Paid As" rank Distributor through Silver, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to Nice and Bella's Compensation Plan in the six (6) months immediately preceding the termination.
- For Distributors at the "Paid As" rank Gold liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to Nice and Bella's Compensation Plan in the twelve (12) months immediately preceding the termination.
- For Distributors at the "Paid As" rank above Gold liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to Nice and Bella's Compensation Plan in the eighteen (18) months immediately preceding the termination.

Gross compensation shall include commissions and bonuses earned by the Distributor pursuant to Nice and Bella's Compensation Plan as well as retail profits earned by Distributor for the sale of Nice and Bella merchandise. However, retail profits must be substantiated by providing the Company with true and accurate copies of fully and properly completed retail receipts provided by Distributor to Customers at the time of the sale.

The Parties agree that the foregoing liquidated damage schedule is fair and reasonable.

A Distributor's "Paid As" rank is the rank or title at which they actually qualified to earn compensation under the Nice and Bella Compensation Plan during a pay-period. For purposes of this Policy, the relevant pay-period to determine a Distributor's "Paid As" rank is the pay-period during which the Distributor's business is placed on suspension or terminated, whichever occurs first. The "Paid As" rank differs from the "Title Rank," which is the highest title or rank that a Distributor has ever achieved under the Nice and Bella Compensation Plan.

SECTION 10 - PAYMENTS

10.1 – Returned Checks

All checks returned by a Distributor's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the Distributor. After receiving a returned check from a customer or a Distributor, all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to Nice and Bella by a Distributor for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

10.2 - Restrictions on Third Party Use of Credit Cards and Checking Account Access

Distributors shall not permit other Distributors or Customers to use his or her credit or debit card or permit debits to their checking or other financial accounts, to enroll or to make purchases from the Company.

10.3 - Sales Taxes

Nice and Bella is required to charge sales taxes on all purchases made by Distributors and Customers, and remit the taxes charged to the respective states. Accordingly, Nice and Bella will collect and remit sales taxes on behalf of Distributors according to applicable tax rates in the state or province to which the shipment is destined. The amount of sales tax collected by the Company will be determined as follows:

- Customer Purchases: The sales tax amount will be based on the actual price paid by the customer.
- Distributor Purchases: The sales tax amount will be based on the suggested retail prices.
- Distributor Purchases for Personal Use and Samples: Distributors are able to purchase a limited amount of Nice and Bella products each year for personal use and for sample purposes. The sales tax for these purchases will be based on the actual purchase price paid by the Distributor.
- Sales Aids and Business Tools: The sales tax amount will be based on the actual purchase price paid by Distributors.
- Hostess Purchases: The sales tax amount will be based on the actual price paid by the Hostess after the application of all applicable discounts.

If a Distributor has submitted, and Nice and Bella has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Distributor. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Nice and Bella is not retroactive. Sales Tax on Samples and Sales Tools will be collected based on the price paid by the Distributor. The number of samples able to be purchased by Distributors will be set by the company (annual basis). Note: Some states do not allow Distributors to use Sales Tax Exemption Certificates and in those states Nice and Bella will not accept Sales Tax Exemption certificates.

SECTION 11 - INACTIVITY, RECLASSIFICATION, AND CANCELLATION

11.1 – Effect of Cancellation

So long as a Distributor remains active and complies with the terms of the Distributor Agreement and these Policies and Procedures, Nice and Bella shall pay commissions to such Distributor in accordance with the Compensation Plan. A Distributor's bonuses and commissions constitute the entire consideration for the Distributor's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a Distributor's non-renewal of his or her Distributor Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Distributor Agreement (all of these methods are collectively referred to as "cancellation"), the former Distributor shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **A Distributor whose business is cancelled will lose all rights as a Distributor. This includes the right to sell Nice and Bella products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Distributor's former downline sales organization. In the event of cancellation, Distributors agree to waive all rights they may have, including but not limited**

to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former downline organization.

Following a Distributor's cancellation of his or her Distributor Agreement, the former Distributor shall not hold himself or herself out as a Nice and Bella Distributor and shall not have the right to sell Nice and Bella products or services. A Distributor whose business is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary termination).

11.2 - Cancellation Due to Inactivity

11.2.1 - Failure to Meet Personal Points (PP) Active Requirements

If a Distributor fails to personally generate at least 1,000 PP from product sales during the Initial Term of the Agreement and each year thereafter, his or her Distributor Agreement shall be canceled for inactivity. (Example: Distributor signed up in March of 2020. Distributor has until January 31, 2022 to produce at least 1000 PP in product sales or the Distributor Agreement is cancelled.) If the Agreement is renewed following the Initial Term, the Distributor must thereafter produce at least 1,000 PP in product sales in each Nice and Bella Year thereafter or his or her Distributor Agreement shall be cancelled due to inactivity.

11.2.2 - Reclassification Following Cancellation Due to Inactivity

If a Distributor is cancelled for inactivity, his or her Distributor Agreement will be cancelled for inactivity and the Distributor will be reclassified as a Former Distributor. Such Former Distributors retain the right to purchase Nice and Bella products at the discount level they were at the time of Reclassification, however they lose their downline Distributors and are Rolled up according to the Roll-up policy outlined in Section 3.26. Such Former Distributors will be able to purchase Nice and Bella products at the said discount level for a period of one (1) year following the termination date.

11.3- Involuntary Cancellation

A Distributor's violation of any of the terms of the Agreement, including any amendments that may be made by Nice and Bella in its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary cancellation of his or her Distributor Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Distributor's last known address, email address, or fax number, or to his/her attorney, or when the Distributor receives actual notice of cancellation, whichever occurs first.

Nice and Bella reserves the right to terminate all Distributor Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.

11.4 - Voluntary Cancellation

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address.

The written notice must include the Distributor's signature, printed name, address, and Distributor I.D. Number.

In addition to written cancellation, Distributors who have consented to Electronic Contracting will cancel their Distributor Agreement should they withdraw their consent to contract electronically.

11.5 - Non-renewal

A Distributor may also voluntarily cancel his or her Distributor Agreement by failing to renew the Agreement on its anniversary date or by failing to pay his/her annual renewal fee. The Company may also elect not to renew a Distributor's Agreement upon its anniversary date.

11.6 - Exceptions to Activity Requirements/Leaves of Absence

If a Distributor's circumstances necessitate that he/she take a leave of absence for an extended period of time (for example, birth of a child, military deployment, illness), the Distributor may request that the annual activity requirement described in Section 11.2.1 above be waived for a specified period of time. Whether or not any such request is granted is solely at the discretion of the Company. In the event the Company grants the request, the Distributor's Agreement will not be canceled due to inactivity during such period and for a period of time following such period as determined by the Company at its sole discretion.

SECTION 12 - DEFINITIONS

Active Distributor — A Distributor who satisfies the minimum Personal Points (PP) requirements, as set forth in the Nice and Bella Compensation Plan, to ensure that he or she is eligible to receive bonuses and commissions.

Active Rank — The term "active rank" (aka Paid Rank) refers to the current rank of a Distributor, as determined by the Nice and Bella Compensation Plan, for any pay period. To be considered "active" relative to a particular rank, a Distributor must meet the criteria set forth in the Nice and Bella Compensation Plan for his or her respective rank. (*See the definition of "Rank" below.*)

Affiliated Party - A shareholder, member, partner, manager, trustee, or other parties with any ownership interest in, or management responsibilities for, a Business Entity.

Agreement - The contract between the Company and each Distributor includes the Distributor Application and Agreement, the Nice and Bella Policies and Procedures, the Nice and Bella Compensation Plan, and the Business Entity Addendum (where appropriate), all in their current form and as amended by Nice and Bella in its sole discretion. These documents are collectively referred to as the "Agreement."

Business Kit — A selection of Nice and Bella training materials and business support literature, and Distributor replicated website that each new Independent Marketing Distributor is required to purchase.

Cancel — The termination of a Distributor's business. Cancellation may be either voluntary,

involuntary, through non-renewal or inactivity.

Downline Leg — Each one of the individuals enrolled immediately underneath you and their respective marketing organizations represents one “leg” in your marketing organization.

Former Distributor — A Distributor whose Distributor Agreement was cancelled due to inactivity or who chose not to renew the Agreement. Such a Former Distributor is a customer who may continue to purchase Nice and Bella products at the discount level that he or she qualified for at the time of cancellation for a period of one (1) year following the cancellation.

Grace Period – The period of time from the date of a Distributor’s enrollment through the following January 31. *(See the definitions of “Initial Term” below.)*

Household — Spouses, heads-of-household, and dependent family members residing in the same residence.

Initial Term – The Initial Term of the Distributor Agreement is the Grace Period plus the following “Nice and Bella Year”. For example, if a Distributor enrolls in March, his or her Initial Term shall be from March through the following January 31 plus the following one-year term. *(See the definition of “Nice and Bella Year” below.)*

Level — The layers of downline Customers and Distributors in a Distributor’s Marketing Organization. This term refers to the relationship of a Distributor relative to an upline Distributor, determined by the number of Distributors between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A’s fourth level.

Nice and Bella Year – February 1 through January 31.

Official Nice and Bella Material — Literature, audio or video recordings, websites, and other materials developed, printed, published and/or distributed by Nice and Bella to Distributors.

Personal Group — Distributors at the rank of Gold or higher have Personal Groups that consist of all of the Distributors enrolled below them, down to the next Distributor at the rank of Gold or higher. Distributors who have not yet achieved the rank of Gold or higher do not have Personal Groups.

Personal Production — Moving Nice and Bella products or services to an end consumer for actual use.

Personal Points — The points generated based on products purchased by: (1) a Distributor; and (2) the Distributor’s personal Retail Customers or who purchase from the Distributor’s Nice and Bella replicated website. Please refer to the Compensation Plan for additional details.

Rank — The “title” that a Distributor holds pursuant to the Nice and Bella Compensation Plan. “Title Rank” refers to the highest rank a Distributor has achieved in the Nice and Bella compensation plan at any time. “Paid As” rank refers to the rank at which a Distributor is

qualified to earn commissions and bonuses during the current pay period.

Recruit — For purposes of Nice and Bella’s Conflict of Interest Policy (Section 3.11), the term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Nice and Bella Distributor or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

Replicated Website – A website provided by Nice and Bella to Distributors which utilizes website templates developed by Nice and Bella.

Resalable — Products and Sales aids shall be deemed “resalable” if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to Nice and Bella within six (6) months from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resaleable.

Retail Customer – An individual who or entity that purchases Nice and Bella products or services from a Distributor, but who is not a Distributor, or an immediate household family member of a Distributor.

Retail Sales – Sales to a Retail Customer.

Social Media - Any type of online media that invites, expedites or permits conversation, comment, rating, and/or user generated content, as opposed to traditional media, which delivers content but does not allow readers/viewers/listeners to participate in the creation or development of content, or the comment or response to content. Examples of Social Media include, but are not limited to, blogs, chat rooms, Facebook, MySpace, Twitter, Instagram, Pinterest, LinkedIn, Delicious, and YouTube.

Sponsor — A Distributor under whom an enroller places a new Distributor or Customer and is listed as the sponsor on the Distributor or Customer Application and Agreement.

Upline — This term refers to the Distributor or Distributors above a Distributor in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any Distributor to the Company.