

# **RhodiGandha**

## **Policies & Procedures**

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Welcome to the RhodiGandha family. This policy and procedure guide is a reference for all Independent Business Associates of RhodiGandha. The guide will outline all ethical guidelines, contractual obligations, and the policies that relate to being an IBA. Which also includes; placing orders, processing refunds, exchanges, rules of the compensation plan and managing your business. Because federal, state and local laws, as well the business environment, periodically change, the Company reserves the right to amend these Policies and Procedures and its prices in its sole and absolute discretion.

### **1. Independent Business Associates.**

RhodiGandha is a network marketing Company that directly sells a nutritional product to consumers through *Independent Business Associates*, ("IBAs"). The policies and procedures herein are applicable to all IBAs. The IBA Agreement, the Policies and Procedures, and the RhodiGandha Compensation Plan collectively constitute the entire Agreement of the parties regarding their business relationship.

### **2. Enrollment Application and Agreement.**

An IBA is a person or Corporation which has completed an Application and Agreement that has been accepted by the Company. The Company reserves the right to accept or reject the new or renewal application of any individual or entity.

### **3. Correction of IBA Information**

The customer service department is always concerned that it has the most current information about you and your business. When there is a change in name, business, home address and/or phone number, or if the other information must be changed, please promptly report these changes in writing to RhodiGandha, Attn: Customer Service or change them in your BackOffice.

### **4. IBA Relationship with RhodiGandha.**

Each IBA is an independent contractor of RhodiGandha. The IBA Agreement between the Company and each IBA does not create an employer-employee relationship, partnership, or joint venture between the Company and the IBA. Each IBA is encouraged to set up his or her own hours and to determine his or her own methods of sale, so long as he or she complies with the policies and procedures of RhodiGandha. Each IBA shall hold harmless the Company from any claims, damages, or liabilities arising out of the IBA's business practices. IBAs have no authority to bind the Company to any obligation.

### **5. Ethical Business Practices.**

All IBAs shall safeguard and promote the reputation of the products of the Company and shall refrain from all unethical conduct that might be harmful to the Company or to the marketing of Company products or inconsistent with the public interest, and shall avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices. IBAs must not make any remark or statement to any third party that is demeaning, defamatory, or negative toward the Company, its products, compensation plan, personnel, or any other IBA.

### **6. IBA Supervisory Role.**

Any IBA who sponsors other IBAs must fulfill the obligation of performing a bona fide supervisory role in the training of those sponsored. Each IBA must have ongoing contact and communication with their sales organizations and also provide management supervision. Examples of such supervision may include, but are not limited to: written correspondence, personal meetings, telephone contact, voice mail

contact, email, providing training sessions, and accompanying individuals to Company trainings. Each IBA should be able to provide evidence to the Company semiannually of his/her ongoing fulfillment of sponsor responsibilities.

### **7. Company Retail/70 Percent Policy.**

The Company program is based upon retail sales to the ultimate consumer. Every aspect of the program is designed to assist each IBA in the marketing of the Company's products and services to the general consuming public. As a dual consumer safeguard of the utmost importance to the company is the policy that each IBA should purchase products in commercially reasonable quantities and that under no circumstances may an IBA cause others to purchase products in amounts that are not reasonably expected to be sold to the consuming public within a one month period. In furtherance of these policies, the Company has adopted specific rules on retail sales and retailing referenced as the Company Retail/70 Percent Rules. In the interest of protecting the consumer and the IBA, the Company enforces this rule through a verification program.

#### **a. Company Retail/70 Percent Rule:**

##### **i. Company Retail Rule:**

Although the primary function of the Company is to sell products to the general consuming public, the Company realizes that its IBAs may wish to purchase a limited quantity of product for personal or family use. For this reason, your personal Sales Volume includes sales to non-IBAs, as well as reasonable amounts of purchases for personal or family use which are not made solely for purposes of qualification or advancement. Notwithstanding this policy, an IBA will not be eligible for bonuses or overrides unless he or she has generated at least \$25 Personal Sales Volume per month in sales to non-IBA retail customers.

##### **ii. 70 Percent Rule:**

IBAs that hold product in inventory may not order additional product until they have sold or used for personal or family use at least 70 percent of the inventory they had on hand during the previous month.

### **8. Sales Volume Qualification.**

Minimum personal and group sales volume requirements are a component to the compensation plan. Personal Sales Volume can be generated through IBA personal orders and orders from the IBA's preferred and retail customers that are fulfilled or drop shipped by the Company directly to the customer. An IBA's Personal Sales Volume under 200 in volume is not included in his or her Group Sales Volume. Personal Sales Volume over 200 in volume will be treated as Group Sales Volume.

### **9. Tax Responsibility.**

Each IBA is responsible for paying local, state, and federal taxes due on earnings from commissions or any other earnings generated as a seller of Company products.

### **10. Approval of Advertisement.**

Company IBAs shall not advertise Company products and/or marketing plans except as specifically approved by the Company. Company IBAs agree to make no false or fraudulent representations about the Company, the products, the Company compensation plan, or income potentials.

### **11. IBA Starter Kit.**

Each IBA is required to purchase a Starter Kit at the time of enrollment with the Company. The starter kit is sold at Company cost. This sum is not a service or franchise fee, but rather is strictly to offset costs incurred by the Company for educational and business materials required for an IBA of the Company. No other product purchase by the IBA is required.

### **12. Trademark, Trade Names, Advertising.**

The name of the Company and other names as may be adopted by the Company are proprietary trade names and trademarks of the Company. As such, these marks are of great value to the Company and are supplied to the IBA for IBA's use only in an expressly authorized manner. The IBA agrees to the following;

- a. Accept full responsibility for all verbal and written statements he or she makes regarding the Company product and Company marketing program that are not expressly contained in writing or in the advertising and promotional materials supplied directly by the Company.
- b. The Company will not permit the use of its copyrights, designs, logos, trade names, trademarks, etc. without its prior written permission.
- c. Materials whether printed, on film, produced by sound recording, or on the Internet are copyrighted and may not be reproduced in whole or in part by any IBA or any other person except as authorized by the Company.
- d. Any display ads or institutional or trademark advertising copy, other than covered in the foregoing rules, must be submitted to the Company and approved in writing by the Company prior to publication.
- e. All advertising copy, direct mailing, radio, TV, newspaper, and display copy must be approved in writing before being disseminated, published, or displayed with the exception of blind ads where no reference is made to the Company name or product name.
- f. No claims as to therapeutic or curative properties about the products may be made except those officially approved in writing by the Company or as contained in the official Company literature. In particular, no IBA may make any claim that the Company products are useful in the prevention, treatment or cure of any disease. Such statements can be perceived as medical claims. Not only is this against Company policy, but it is also against the laws governed by the United States Food and Drug Administration.

### **13. Internet and Website Policy.**

The Company maintains an official corporate website. An IBA is allowed to advertise on the Internet through an approved Company program that allows the IBA to utilize Company authorized replicated websites ("Company Replicated Websites") that can be personalized with the IBA's message, contact information, and photo. These Company Replicated Websites resemble the Company website, giving the IBA a professional and company-approved presence on the Internet. Other uses of the Internet are subject to the following rules:

- a. Only Company Replicated Websites may be used by an IBA to make reference to the product, the Company, or its principles unless otherwise approved to do otherwise.

- b. An IBA may produce websites with content about themselves, their team, and their training.
- c. No IBA may independently design a website that uses the Company logo or Company copyright images unless he or she has brought to our attention for approval.
- d. An IBA may not use the Company name, Company product names, or Company trademarked names, or any marks that are similar to such names, in any registered domain name or email address.
- e. No IBA may write their own copy regarding RhodiGandha products or the opportunity offered by the Company. If an IBA produces his or her own website with in compliance with this Policy, the site must use links to their Company Replicated Websites. Company published copy may only be used upon written pre-approval.
- f. An IBA may not use "blind" ads on the Internet that make product or income claims that are ultimately associated with Company products or the Company's compensation plan.
- g. All websites with reference to the RhodiGandha business or product other than the Company Replicated Websites must be submitted to the Company for written approval.
- h. Any person using Company logos, trademarks, etc. on the Internet or any other advertising medium, except as permitted by Company rules and regulations, shall be subject to immediate discipline, including termination of IBA status. The situation will be judged and the disciplinary action will be calculated by the participating body of the RhodiGandha Charter Member IBAs.

#### **14. No Spam and Do Not Call Policy.**

The Company has a zero tolerance policy of spamming practices. An IBA that violate the Company's "No Spam" policy will be subject to termination, suspension, or disciplinary action that will be calculated by the participating body of the RhodiGandha Charter Member IBAs. With respect to "Do Not Call" laws, the Company prohibits an IBA from making phone solicitation calls relating to network marketing or direct selling opportunities or selling products to individuals or companies that have not first contacted or requested information from an IBA or the Company.

#### **15. Retail Establishments.**

Company products may only be displayed and sold in retail establishments (such as salons, doctors' offices, and health clubs where appointments for personal training or classes are scheduled) where the nature of the business permits the sale of such products to be conducted by an IBA. Only Company-produced literature, banners, or signage may be displayed as approved by the management of such retail spaces. Company products may not be sold in any retail establishment, even by appointment, if competitive products are sold in the establishment.

#### **16. Trade Shows.**

With written authorization from the Company, Company products and direct selling business opportunity may be displayed at trade shows by an IBA. Request for participation in trade shows must be received in writing by the Company at least two weeks prior to the show. Written authorization from the Company must be received before participating in the trade show. Company products and network marketing or direct selling business opportunity are the only products and/or business opportunity

that may be offered in a trade show booth. Only Company-produced marketing materials may be displayed or distributed.

**17. International Sales.**

No IBA may export or sell directly or indirectly to an individual or business entity for the purpose of exporting the Company's products, literature, sales aids, or promotional material relating to the Company, its products, or the Company's programs, possession, or territories from the United States to any other country. An IBA that chooses to sponsor internationally may do so only in countries in which the Company has registered to operate its business and must comply fully with the Rules of Operation of a Company sales organization in that country. Any violation of the Company "International Sales" policy constitutes a material breach of IBA Agreement and is grounds for immediate termination of the sales organization. This action will be judged by the RhodiGandha Charter Member IBAs and disciplinary action will be voted on by these IBAs

**18. IBA Limited Liability.**

The Company reserves the right to approve or disapprove of an IBA's change of business name or formation of partnership, corporation, or trust for tax planning, estate planning, and limited liability purposes. If the Company approves such a change by an IBA, the organization's name and the names of the principals of the organization must appear on the IBA Agreement application along with a social security number or federal identification number.

**19. Agreement Cancellation.**

The IBA Agreement may be canceled at any time and for any reason by an IBA notifying the Company in writing of the election to cancel.

**20. Non-Renewal of Agreement.**

If an IBA elects not to renew his or her IBA Agreement, all rights to bonuses, marketing position, and wholesale purchases cease. The terminated IBA's sales organization shall be transferred to his or her sponsor.

**21. Repurchasing of Product.**

If an IBA who cancels the IBA Agreement has purchased products for inventory purposes or sales aids while the IBA Agreement was in effect, all products in a resalable condition that the IBA personally purchased from the Company under his or her own account number within 12 months prior to cancellation shall be repurchased. The repurchase of product shall be at a price of not less than ninety percent (90%) of the original net cost to the participant returning such goods, taking into account any sales made by or through such participant prior to notification to the Company of the election to cancel. The repurchase of sales aids is limited to a maximum refund of \$200 and shall be refunded no less than ninety percent (90%) of the \$200 maximum to the participant. In addition, the Company will honor statutory mandated buyback requirements of every jurisdiction. All repurchases and refunds are subject to the Commission, Clawbacks, Debits, and Chargeback's policy set forth below.

**22. FTC Three-Day Cooling Off Rule.**

Notwithstanding the Company's longer retail customer guarantee policy, all retail sales must comply with the FTC Three-Day Cooling off Rule, which requires statutory language and notice of cancellation on the retail sales receipt. The three-day right of cancellation must be orally explained to the customer and the customer must receive

two copies of the notice of cancellation that is on the back of the sales receipt and order form. It is the selling IBA's responsibility to ensure that the retail customer receives two copies of the receipt or order form at the time of the sale.

### **23. RhodiGandha's 60-Day Purchase Guarantee and Return Policy.**

If you are not satisfied with your RhodiGandha product we will refund your purchase price or replace the product for orders placed within 60 days of your initial product order, no questions asked. To receive a refund for a returned product, the following apply:

- a.** Only product purchases made within 60 days of your initial order are eligible for refund.
- b.** To request a refund you must contact Customer Service within 60 calendar days of your initial order date.
- c.** Customer service will give you all necessary information for shipping the return product back to RhodiGandha corporate office.
- d.** Obtain a Return Authorization Number from RhodiGandha customer service.
- e.** Returns must be received within 10 business days of return authorization.
- f.** This refund policy is available to IBA's and Customers on a onetime only basis.
  - i.** This return policy applies to orders made by Preferred Customers, Retail Customers and purchases by RhodiGandha Independent Business Associates for personal use.
  - ii.** When purchases are made directly from an Independent Business Associates on hand inventory the Distributor must uphold this Customer 60-Day Money Back Guarantee and Return Policy.
  - iii.** We will not refund anymore than a 60 day supply which equates to no more than two cases of product.
  - iv.** Refunds will be processed within 10 business days of receipt of product.
  - v.** Once refund is complete you will be removed from our system.
- g.** If you were paid a commission based on the sales volume of product that is being returned, and the returning IBA would not have been entitled to the commission but for the purchase of such sales volume, the amount of the commission the IBA received will be deducted from the refund. To avoid abuse of this refund policy, it is only available to Customers and IBAs on a onetime only basis.
- h.** This return policy applies to orders made by Preferred Customers, Retail Customers and purchases by RhodiGandha Independent Marketing Consultants for personal use.
  - i.** If an IBA returns product in excess of \$132 per year. This constitutes as a voluntary resignation of the IBA agreement.
- i.** When purchases are made directly from an Independent Business Associate's on hand inventory the IBA must uphold this Customer 60-Day Purchase Guarantee and Return Policy.
- j.** If an IBA's customer is dissatisfied with any RhodiGandha product, the IBA must refund the customer's purchase price of the product within 10 days of the said request.



- k. When product is sold from an IBAs on hand inventory directly to the customer and the customer returns the product to the IBA, the company will replace up to two cases to the IBA under the following conditions:
  - i. The IBA presents to the Company a signed statement from the Retail Customer returning the product stating reason for return.
  - ii. IBA presents to the Company a copy of the original receipt of sale to the Retail Customer.
  - iii. IBA presents to The Company the name and address of the Retail Customer.
  - iv. Refunds for such returns are not issued, the company will replace product only.

#### **24. Commissions and Bonus Payments**

Commission will be paid on a weekly basis to all IBA that met all qualifications according to the compensation plan. The commission payment will be loaded onto the company Pay Card every Friday. In the event that the Friday is a holiday the commission will be loaded on the day prior. A Pay Card will be issued to all qualified IBAs that earn commissions the Pay Card will be issued the first time an IBA qualifies for a commission payment.

#### **25. Commission Clawbacks, Debits, and Chargeback's.**

- a. Should an IBA wish to return the product of a qualifying order from a previous month, any commissions or bonuses the IBA received as a result of the qualifying volume (including rank advancement) will be "charged back" and appear as a debit on his next commission report and every subsequent commission report until the commission is repaid. If the IBA is terminating his or her RhodiGandha business, the amount of the commission will be deducted from the refund.
- b. Any commissions or bonus paid to an IBA's sponsor or an IBA's upline on returned product volume will be debited from the IBA and the upline beneficiaries' accounts. A "chargeback" transaction will appear as a debit on the next commission report.
- c. If the Company has given a refund for which the IBA has been paid commission to the sale, the IBA may be required, at the Company's option, to return any applicable commission received. The Company may, at its option deduct the commission from the refund.

#### **26. Selling within Sales organization.**

The IBA shall not directly or indirectly sell non-company products or in any way, either directly or indirectly promote products or marketing opportunities of other companies to other Company IBAs, other than your personally sponsored IBAs. In addition, admissible promotion to designated personally sponsored IBAs may not take place at the time or location of any RhodiGandha opportunity meeting, conference call or Company-related activity.

#### **27. Confidentiality and Nondisclosure.**

On a periodic basis, the Company will supply data processing information and reports to the IBA, which will provide information to the IBA concerning the IBA's sales organization, product purchases, and product mix. The IBA agrees that such information is proprietary and confidential to the Company and is transmitted to the IBA in confidence. The IBA agrees that he or she will not disclose such information to any third party directly or indirectly, nor use the information to compete with the

Company directly or indirectly. The IBA and the Company agree that, but for this agreement of confidentiality and nondisclosure, the Company would not provide the above confidential information to the IBA.

**28. Manufacturers and Supplier Confidentiality.**

The Company's relationship with its manufacturers and suppliers are private and Therefore Associates are prohibited from contacting or visiting RhodiGandha manufacturers and suppliers.

**29. Death or Incapacity.**

Upon the death or incapacity of the IBA, his or her rights to bonuses and marketing position, together with IBA responsibilities, may pass to his or her successors in interest upon written application and approval by the Company. The successor IBA must fulfill all responsibilities of the IBA. As the Company will not divide commission checks among multiple parties and sales organizations cannot be divided, if there are multiple heirs involved, they must form a single business entity and designate one primary contact person. The Company will issue a single commission check to the entity during the commission pay cycle and it shall be the responsibility of the heirs to allocate the funds among themselves.

**30. Sale, Transfer, or Assignment of a Sales organization.**

An IBA may assign or transfer his or her business to another person by sale or bequest upon written consent of the Company. Sale, transfer, or assignment requires written application and approval by the Company. Approval will not be unreasonably withheld so long as there is not adverse impact on the marketing program or other IBAs. If an IBA wishes to sell or assign his or her sales organization, the following criteria must be met:

- a. Protection of the existing line of sponsorship must always be maintained so that the sales organization continues to be operated in that line of sponsorship.
- b. The buyer or transferee must become a qualified Company IBA. If the buyer is an existing IBA, he or she must first sell or terminate their first business and wait six calendar months before they are eligible to purchase the next business.
- c. Before the sale, transfer, or assignment can be finalized and approved by the Company, any debt obligations the selling IBA has with the Company must be satisfied. The purchaser of a sales organization shall be responsible for all acts or omissions of the seller in contravention of the Agreements for a period of 6 months after the date of the sale or transfer.
- d. The selling IBA must be in good standing and not in violation of any of the terms of the IBA Agreement in order to be eligible to sell, transfer, or assign a sales organization.
- e. Prior to selling the sales organization, the selling IBA must notify the Company of his or her intent to sell the Company business. No changes in line of sponsorship can result from the sale or transfer of a sales organization.

**31. Right to Alter.**

The Company expressly reserves the right to alter or amend prices, rules and regulations, policies and procedures, and product availability and compensation plans. Upon notification by reasonable commercial means, including but not limited to mailing to the most recent address listed by the IBA, posting on the Company's website, email to IBAs at their email address of record, placing notice in the Company's newsletter, and/or placing notice in product orders, such amendments are automatically incorporated as part of the Agreement between the Company and the IBA. IBAs will be given 10 day's notice of any material amendments.

### **32. Corporate and Partnership Guarantee for Owners.**

Although the Company has offered IBAs the opportunity to conduct their sales organizations as corporate or partnership entities, it is agreed that since the sales organization entity is under the control of its owners or principals, the actions of individual owners as they may affect the Company and the sales organization are also critical to the Company's business. Therefore, it is agreed that the actions of corporate shareholders, officers, directors, agents, or employees and the actions of partnership partners, agents, or employees that are in contravention of the Company's policies shall be attributable to the corporate or partnership entity.

### **33. Disciplinary Actions.**

If an IBA is in violation of any policies and procedures, the IBA Agreement, or any illegal, fraudulent, deceptive, or unethical business conduct may result, at the Company's discretion and/or by the voting of the Charter Members, in one or more of the following disciplinary actions:

- a. Issuance of a written warning.
- b. Imposition of a fine, which may be imposed immediately or withheld from future commission checks.
- c. Reassignment of all or part of an IBA's organization.
- d. Suspension, which may result in termination or reinstatement with conditions or restrictions.
- e. Termination of the IBA.

### **34. Termination of Sales organization.**

The Company reserves the right by the will of the active Charter Members to terminate any sales organization at any time for violation of the provisions of the IBA Agreement, including the provisions of these policies and procedures in their current form or as they may be amended in the future, or for the violation of applicable laws and standards of fair dealing; such involuntary termination shall be made by the Company at its discretion. Upon an involuntary termination, the Company shall notify the IBA by mail at the latest address listed with the Company for the IBA. In the event of a termination, the terminated IBA agrees to immediately cease representing him/herself as an IBA of RhodiGandha.

### **35. Termination.**

- a. When a decision is made to terminate an IBA, the Company will notify the IBA in writing of the termination, effective as of the date of the written notification. The termination notice will be sent by overnight delivery, certified mail, or other reasonable commercial means to the IBA's address on file with the Company.
- b. The IBA will have 15 days from the date of mailing of the certified letter in which to appeal the termination in writing. The IBA's appeal correspondence must be received by the Company within 20 days of

the Company's termination letter. If the appeal is not received within the 20-day period, the termination will be automatically deemed final.

- c. If an IBA files a timely appeal of termination, the Company will review and reconsider the termination, consider any other appropriate action, and notify the IBA of its decision. The decision of the Company will be final and subject to no further review. In the event the termination is not rescinded, the termination will be effective as of the date of the Company's original termination notice.

### **36. Choice of Sponsor.**

All IBAs have the right to sponsor others. In addition, every person has the ultimate right to choose his/her own sponsor. If two IBAs should claim to be the sponsors of the same new IBA, the Company shall regard the first application received by the corporate home office as the deciding factor.

### **37. Sponsor/Placement Next Day Corrections.**

Sponsorship and Placement errors made at the time of enrollment by internet or telephone can be corrected by submitting the following to the customer service department. Errors must be submitted within 72 hours from the time of enrollment.

- a. Processing fee of \$10.00 per correction.
- b. Next Day Correction Request Form sent by fax or email outlining the requested correction.
- c. RhodiGandha reviews and approves all requests on a case by case basis.
- d. Commissions paid up to the date of transfer will remain as paid.

### **38. Transfer of Sponsorship and/or Placement.**

A transfer is rarely permitted to help maintain the integrity of sponsorship is absolutely mandatory for the success of the overall sales organization. Transfers will generally be approved in 4 circumstances only:

- a. In the case of unethical sponsoring by the original sponsor. In such cases, the Company will be the final authority. The unethical sponsoring practices must be reported to the Company within 30 days from the date of the enrollment.
- b. In cases of unethical sponsoring, the individual may be transferred with sales organization intact; in all other events, the individual alone is transferred without any sales organization and IBAs being removed from the original line of sponsorship.
- c. The IBA seeking to transfer to another sponsor and submits to RhodiGandha customer service department a signed change of placement/sponsor form for each of the 6 immediate upline sponsors based on the enrollment tree.
- d. The IBA that wishes to transfer sponsors must first resign as an IBA and ceases all business activity for a period of 6 calendar months and then reapply under the new sponsor.
- e. Occasionally one or more IBAs may contact the same prospect and a question may arise as to who has the sponsoring rights. The company will not mediate such disputes and will recognize as the sponsor the individual whose name appears on the application. The company reserves the right to consult with the applicant regarding the possibility of error. The company will then make a decision as to who is the correct sponsor.

- f. In cases wherein the appropriate sponsorship change procedures have not been followed, and a sales organization has been developed, the Company reserves the sole and exclusive right to determine the final disposition of the sales organization. Resolving conflicts over the proper placement of a sales organization that has developed under an IBA that has improperly switched sponsors is often extremely difficult. Therefore, **DISTRIBUTORS WAIVE ANY AND ALL CLAIMS AGAINST THE COMPANY THAT RELATE TO OR ARISE FROM THE COMPANY'S DECISION REGARDING THE DISPOSITION IF ANY SALES ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**
- i. There is a \$35.00 processing fee for every transfer that is made.
  - ii. No changes will be allowed to an IBA that has reached the rank of executive director or greater.
  - iii. Only one transfer per IBA or PC is permitted.
  - iv. Commissions paid up to the date of transfer will remain as paid.

#### **39. Stockpiling or Pyramiding Prohibited.**

The Company encourages each IBA to keep accurate sales records. The program is based upon retail sales to the ultimate consumers; therefore, all forms of stockpiling, inventory loading, or pyramiding are prohibited. Products are offered to IBAs only for personal consumption and for resale to consumers.

#### **40. Income Claims.**

No income claims, income projections or income representations may be made to prospective IBAs. Any false, deceptive, or misleading claims regarding the Company's direct selling business opportunity or product/service are prohibited. In their enthusiasm, IBAs are occasionally tempted to represent hypothetical income figures based upon the inherent power of network marketing as actual income projections. This is counterproductive, since new IBAs may be quickly disappointed if their results are not as extensive or as rapid as a hypothetical model would suggest. The Company believes firmly that the income potential is great enough to be highly attractive in reality without resorting to artificial and unrealistic projections.

#### **41. Representation of Status.**

In all cases, any reference the IBA makes to him/herself must clearly set forth the IBA's independent status. For example, if the IBA has a business telephone, the telephone may not be listed under the Company's name or in any other manner that does not disclose the independent contractor status of the IBA.

#### **42. Newspaper Advertisements.**

Some IBAs use classified advertising in the newspapers to find prospects. The following rules apply:

- a. No advertisement may imply that a "job" or "position" is available.
- b. No specific income can be promised.
- c. Advertisements must not contain any misleading facts or distortions of the Company's network marketing or direct selling business opportunity or product line.

#### **43. Business Cards and Stationery.**

All printed materials, including business cards and stationery, must be approved by the Company in advance. Criteria for approving these materials will include a judgment regarding the quality of the materials as well as whether they properly set forth the independent status of the IBA.

**44. Telephone Solicitation.**

The use of the Company's name or copyrighted materials may not be made with automatic calling devices or "boiler room" operations either to solicit IBAs or retail customers. The use of these methods in ways that are legal and are the equivalent of the "blind ads" alluded to above cannot be regulated by the Company.

**45. Press Inquiries.**

Any inquiries by the media are to be referred immediately to the Company. This policy is to assure an accurate and consistent public image is presented and consistent image is presented to the public.

**46. Federal and State Regulations.**

Federal and state regulatory agencies do not approve or endorse direct selling programs. Therefore, an IBA may not represent that the Company's program has been approved or endorsed by any governmental agency.

**47. Waiver.**

The Company never gives up its right to insist on compliance with these rules or with the applicable laws governing the conduct of a business. These rights, whether specifically expressed or implied, exist in all cases, unless an officer of the Company who is authorized to bind the Company in contracts or agreements specifies in writing that the Company waives any of these provisions. In addition, any time the Company gives permission for a breach of the rules, that permission does not extend to future breaches. This provision deals with the concept of "waiver," and the parties agree that the Company does not waive any of its rights under any circumstances short of the written confirmation alluded to above.

**48. Compliance with All Laws.**

As Independent Associates, all RhodiGandha IBAs shall conduct their operations in strict compliance with all applicable laws, ordinances, regulations and other requirements of the State, Country, and City in which they conduct business. They shall obtain all necessary permits, licenses, or other consents for the operation of their business, pay all the taxes, expense, debts, and other liabilities when due, and in all other respects operate in a lawful and ethical manor.

**49. Partial Validity.**

Should any provision of the Statement of Policies and Procedures, the IBA's Application and Agreement, or of any other instruments incorporated herein or issued by the Company be declared invalid by a court of competent jurisdiction, the balance of such rules, applications, or instruments shall remain in full force and effect.