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SECTION 1: INTRODUCTION

1.1 Introduction to Touchstone Life Essentials

Touchstone Life Essentials (hereafter “Company” or “Touchstone” interchangeably) is an organization of like-minded individuals who seek to bring the purest products and greatest opportunities to other like-minded individuals. If at any time there are questions, or clarification needed in any aspect of this document, Affiliates are encouraged and obligated to have those questions resolved through contacting the Touchstone Support Center.

These Terms & Conditions, amended as needed at the sole discretion of the Company, are designed with the intent to protect all Touchstone Independent Affiliates (hereafter “Affiliates”) as well as Customers, in building their business as they adhere to this document. This document is an integral part of the Affiliate Agreement upon which all Touchstone Affiliates accept and acknowledge through their activity with Touchstone. Therefore, when the term “Agreement” is used within this document, or in any other official Company communication, it collectively refers to these Policies and Procedures, and the Touchstone Affiliate Compensation Plan. It is the responsibility of each Affiliate to read, understand, adhere to, and ensure that they are aware of and are operating under the most current version of these documents and Agreement. It is the responsibility of the Affiliate to stay current and adhere to the Agreement.

1.2 Purpose of Touchstone Terms & Conditions

The purpose of these Terms & Conditions is as follows:

- To set standards of acceptable business behavior;
- To define the relationship between the Affiliate and Touchstone;
- To protect the Affiliate and their business.

1.3 Acknowledgement of Agreement

The most current Agreement (collectively) is acknowledged, enforceable, and committed to be adhered to under any one of the following circumstances:

- An electronic Affiliate Application is completed and transmitted online through an official Company channel.
- Any activity that could be accepted as official activity of an Independent Affiliate of Touchstone, which includes but is not limited to the enrollment of other Visionary Business Owners (VBOs), Affiliates or Customers within the Touchstone Organization, the reception of a Commission Check or Earnings Credit, the advertisement or promotion of Touchstone products or business opportunity, or any other activity that may be considered business activity.

1.4 Changes to the Agreement

The Company reserves the right to amend the Agreement, its prices, and its Affiliate Compensation Plan at its sole and absolute discretion. By executing the Agreement, an Affiliate agrees to abide by all amendments and modifications that the Company elects to make. Amendments shall be effective upon notice to all Affiliates that the Agreement has been modified. Notification of amendments shall be published in official Touchstone materials and communication channels (such as email and/or corporate website); and amendments and modifications shall be effective fifteen (15) days after first publication of changes. The continuation of the Touchstone Affiliate’s business or an Affiliate’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments to the Agreement. It is recommended that all Affiliates review all documents associated with the Agreement semi-annually at their own initiative. If an Affiliate is not willing to accept the amendments or modifications as proposed, they are free to notify the Company of the termination of their Affiliate account.

1.5 Delays

The Company shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, Acts of God, strikes, labor difficulties, riots, war, death, curtailment of a party’s source of supply, or government decrees or orders, etc.

1.6 Terms & Conditions Severable

If any provision, section or amendment 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 and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

1.7 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. Only in rare circumstances will a policy be waived, and the Compliance Officer or an appropriate officer of the Company will convey such waivers in writing. The existence of a waiver only applies to that specific case with those specific circumstances and does not define precedence to be applied to any other circumstances.

The Company’s failure to identify and enforce any violation of these policies or any provision of the Agreement does not waive the right of the Company to enforce any provisions with that same or other Affiliate.

SECTION 2: AFFILIATE STATUS

2.1 Customers

A Customer is a Consumer of the Company’s products which has enrolled directly with the Company through being personally enrolled by an Affiliate of Touchstone. Individuals may also be considered Customers if they purchase, directly from an Affiliate, product from inventory that the Affiliate may have on hand. Customers purchase at subscription pricing (AutoShip) or the full suggested retail price whereby any retail profits (difference between subscription and retail price) can be reserved by the Affiliate; or collected by the Company and then remitted to the Affiliate within the next appropriate commission run. Customers are considered to be the Customers of both the enrolling Affiliate, as well as of the Company.

2.2 Affiliates (Independent Contractor Status)

Affiliates are Independent Contractors which distribute and promote Touchstone products, services, or business model. They are afforded a number of privileges as detailed in the Agreement, only in conjunction with their compliance to the Agreement. Affiliates represent their own Independent Businesses as Independent Contractors and do not speak for, or represent Touchstone. Compliant Affiliates may purchase at subscription rates, distribute at retail, promote, or market Touchstone products or business opportunity, with the intention to create and build their own business.

As Independent Contractors, they are not purchasers of a franchise or a business opportunity. The Agreement does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Affiliate. Affiliates are not treated as an employee for their services or for federal or state tax purposes. Affiliates have no authority (express or implied) to bind the Company to any obligation.

Residents of the United States must submit an accurate Government ID number such as a Social Security Number (SSN) or Tax Identification Number (EIN) as required by law for the reporting of 1099 income to the IRS. It is within the jurisdiction of the Company to assume the use of a private government identification number reflects an acknowledgement of its usage and agreement to all activity taking place with its use.

2.3 Affiliate Code of Ethics

It is expected that each Affiliate be familiar with and abide by the following code of ethics, along with all other sections of the Agreement, the violation of such may warrant involuntary termination as deemed appropriate and at the sole discretion of the Company:



- “I will develop and build my Touchstone business with the highest standards of honesty and integrity.”
- “I will never make any claims for, or representations about Touchstone products, other than those which have been verified and are currently found within official Touchstone literature, marketing material, or product labels.”
- “I will not make any slanderous or disparaging remarks about any other Affiliate or Visionary Business Owner (VBO) within Touchstone, or do anything which may create a loss to any other Affiliate or VBO.”
- “I will abide by all rules, regulations, laws, and ordinances that are applicable to run a Touchstone business.”

2.4 Requirements to Become an Affiliate

To become a Touchstone Affiliate, each applicant must:

- Be of the age of majority (usually 18 years old) in their state of residence;
- Reside in the United States or U.S. Territories or country that Touchstone has officially announced is open for business;
- US residents must submit appropriate IRS forms as required by the Company and state or federal law;
- Submit a properly completed Affiliate Application with Touchstone. Electronic and over the phone applications are accepted.

The Company reserves the right to accept or reject any Affiliate application.

2.5 One Touchstone Affiliate or VBO Account Per Household

An Affiliate may operate or have an ownership or controlling interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Touchstone Affiliate or VBO account. No individual may have, operate or receive compensation from more than one Touchstone Visionary Business Owner or Affiliate account. Individuals of the same family unit may not enter into or have an interest in more than one Touchstone VBO or Affiliate account. A “family unit” is defined as spouses and dependent children living at or doing business at the same address.

In order to maintain the integrity of the Touchstone Affiliate Compensation Plan, husbands and wives or common-law-couples (collectively “spouses”) who wish to become Touchstone Affiliates must be jointly enrolled as one Touchstone Affiliate. Spouses, regardless of whether one or both are signatories to the Affiliate Agreement, may not own or operate any other Touchstone Affiliate or VBO account, 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 Touchstone Affiliate or VBO account in any form.

An exception to the one business per Affiliate/VBO household rule will be considered on a case-by-case basis if two Affiliates marry or in cases of a Affiliate or VBOs receiving an interest in another Touchstone Visionary Business Owner or Affiliate account through inheritance. Requests for exceptions to policy must be submitted in writing to the Support Department.

2.6 Inventory Requirements

You are not required to purchase or store any specific amount of inventory. The Touchstone program is based on retail sales to customers, personal use of products, and not on maintaining an excess inventory of products. As required by the 70 Percent Rule (see “70 Percent Rule”), all Affiliates must have sold or consumed at least 70 percent of their previous order from Touchstone before reordering, and subsequently may be required to provide Touchstone with certification of that fact. Acceptance by you of a Touchstone product order signifies your compliance with the 70 Percent Rule. You are required to maintain all retail sales receipts for a period of two years and must furnish them to Touchstone upon request.

2.7 Affiliate Benefits

Once an Affiliate Agreement has been accepted by Touchstone, the benefits of the Affiliate Compensation Plan and the Affiliate Agreement are available.

These benefits include the right to:

- Sell and promote Touchstone products and services;
- Participate in the Touchstone Affiliate Compensation Plan;
- Enroll other individuals as Customers, Affiliates or VBOs into the Touchstone business, thereby building a single level marketing organization.
- Receive periodic Touchstone literature and other Touchstone communications;
- Participate in Touchstone-sponsored support, service, training, and motivational and recognition functions (upon payment of appropriate charges, if applicable);
- Participate in promotional and incentive contests and programs sponsored by Touchstone for its Affiliates.

SECTION 3: OPERATING YOUR AFFILIATE ACCOUNT

3.1 Adhere to the Touchstone Affiliate Compensation Plan

Affiliates must adhere to the terms of the Touchstone Affiliate Compensation Plan as set forth in any and all official Company literature. Affiliates shall not offer the Touchstone opportunity through, or in combination with, any other system, programs, or method of marketing other than that specifically set forth in official Touchstone literature. Affiliates shall not require or encourage other current or prospective Customers, Affiliates or VBOs to participate in Touchstone in any manner that varies from the program as set forth in official Company literature. Affiliates shall not require or encourage other current or prospective Customers or VBOs to execute any agreement or contract other than official Touchstone agreements and contracts in order to become a Touchstone Customer, Affiliate or VBO.

3.2 Advertising: General

Touchstone encourages advertising and promotion as a viable method for you to build your business. However, strict guidelines are necessary to maintain an ethical marketing effort. Therefore, these guidelines are a part of the agreement between Touchstone and its Affiliates. As Affiliate, you are an independent contractor and shall not represent yourself as a Touchstone employee or agent. Further, you can in no way state or otherwise imply that you will be employed by Touchstone. Audio, video and phone message recordings must identify you as an Independent Affiliate. All Affiliates shall safeguard and promote the good reputation of Touchstone and its products. The marketing and promotion of Touchstone, the Touchstone opportunity, the Compensation Plan, and the Touchstone products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, or unethical conduct or practices.

Touchstone has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that each aspect of Touchstone is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws.

3.3 Advertising: Trademarks, Copyrights, and Logo

The use of the Touchstone logo, and all trademarks, trade names, brands, copyrights, designs, or symbols, by any person including Touchstone Affiliates, without prior written permission is not permitted.

All communication from Affiliates to any outlet, whether it be person-to-person, any form of electronic communication, or media outlet, must at all times designate themselves as an Independent Affiliate of Touchstone.

Affiliates may not use the Independent Affiliate logo, the Touchstone Corporate logo, any Company trademarks, copyrights, designs, or symbols, or any designs, symbols, or trademarks, that are similar in nature, with the intent to sell, distribute, or promote any items or services not directly provided by the Company. In an effort to maintain the integrity of the Touchstone trademark, copyright, and respective registrations, no revenue can be generated from such items (or be distributed freely) by any entity other than the Company.



3.4 Advertising: Names, Websites, Social Media, and Online Activity

In the current age of growing technology, Affiliates are free to apply new and innovative ways to build their business online. As technology grows they must be aware that there are ever growing regulations and policies that must be enforced online through this Agreement which is designed to protect the trademark, good name, and businesses of every Touchstone Affiliate and VBO. Activity online is monitored, and any violation of the Agreement will be addressed.

In accordance with Section 3.3, no trademarks, symbols, or copyrights may be used in online activity without express written permission. This includes any official designation or communication. Official communication is seen as anything that may be perceived by the average consumer as an official method of communication. The Touchstone name, logo, trademarks, copyrights, and other intellectual property cannot be used in domain names, domain email address (@dot.com), business names (online or offline), or any other means which may be construed as a potentially official channel of communication.

The Company name and properties may be used in unofficial communication, such as Social Media Sites, email communication content, written materials, or any other casual communication, only if such use is in conjunction with the following:

- Individual Identifier of the respective Affiliate. The use of the term or property must be immediately followed with a personal or business name, or Affiliate Touchstone website. This is to make the immediate distinction to the Consumer that such communication is indeed casual and represents the Affiliate themselves, and not the Company.
- Ensure that the use of the name does not suggest that it represents a group of people or entity larger than the representing Affiliate themselves. This is most commonly adhered to by avoiding the use of plurals in all casual communication titles.

Regardless of forum or type of communication, Affiliates must acknowledge that any form of online activity, social media communication or advertising, or any other electronic activity generated by the Affiliate is considered to be an official channel of advertising media. As an official channel of advertising media all activity, comments, or promotion about Touchstone is subject to Media rules, laws, restrictions, regulations, and policies which are contained within the Agreement.

3.5 Repackaging and Relabeling Prohibited

Affiliates may not re-label or alter the labels on any Touchstone products, information, materials, or programs in any way. Affiliates may not repackage or refill any Touchstone products. Touchstone products must be sold in their original containers only. Such relabeling or repackaging would violate governing laws, which could result in severe criminal penalties. Civil liabilities may also result when the persons using the products suffer any type of injury or their property is damaged as a consequence of the repackaging or relabeling of products. Touchstone is not liable for any consequences to the violation of such a policy, and Affiliates are not protected in any form or fashion from such liabilities in such circumstances.

3.6 Media and Media Inquires

Affiliates must not attempt to respond to media inquiries regarding Touchstone, its products or services. All inquiries by any type of media must be immediately referred to Touchstone Corporate Communications Department. This policy is designed to ensure that accurate and consistent information is provided to the public as well as proper public image.

3.7 Unsolicited Email

Touchstone does not permit Affiliates or VBOs 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 an Affiliate that promotes Touchstone, the Touchstone opportunity, or Touchstone

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 they may reply to the email, via the functioning returning email address, to request that future email solicitations or correspondence not be sent to them (a functioning “opt-out” notice).
- The email must include the Affiliate’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 an Affiliate received an opt-out request from a recipient of an email, the Affiliate must forward the opt-out request to the Company as well.

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

3.8 Unsolicited Faxes, Emails, and Phone Calls

Except as provided in this section, Affiliates may not use or transmit unsolicited faxes, emails, or use an automatic telephone dialing system relative to the operation of their Touchstone business. The term “automatic telephone dialing system” means any equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such telephone numbers. The term “unsolicited faxes” and “unsolicited email” mean the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting Touchstone, 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 or email to: (a) any person with that person’s prior express invitations or permissions; or (b) any person with whom the Affiliate 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 an Affiliate and a person.

3.9 Business Entities

A corporation or partnership (collectively referred to as a “Business Entity”) may become a Touchstone Affiliate by completing the application process. A Touchstone Affiliate may change its status under the same Enroller at any time from an individual to a partnership, corporation, or trust or from one type of entity to another. There is a \$25.00 fee for each change requested, which must be included with the written request. All corporations owning or operating a Touchstone Affiliate account must comply with section 2.5 in that any shareholders, partners or officers may not have an interest in more than one Touchstone Affiliate or Visionary Business Owner account.

3.10 Changes to a Touchstone Business: General

Each Affiliate must immediately notify Touchstone of all changes to the information contained on their Affiliate Agreement. Address changes, phone numbers, shipping addresses, credit cards and billing information must be updated within one week of any changes. Touchstone is not liable or responsible for any actions as a consequence of delayed changes on the account information. Affiliates may modify their existing Affiliate Agreement (i.e. change Social Security number to a Federal I.D. number, or change the form of ownership from an individual proprietorship to a business entity owned by the Affiliate) by submitting a written request, an updated IRS Form W-9 or other necessary form, and any appropriate supporting documentation requested by Touchstone.

3.11 Change of Account Type

At any time, an Affiliate may elect to change their account type to VBO by completing and submitting the Visionary Business Owner Agreement, submitting



the applicable fee, and meeting all of the requirements as set forth in the VBO Agreement. Once an Affiliate has become a VBO, they are no longer an Affiliate.

3.12 Change of Sponsor or Enroller

To protect the integrity of all marketing organizations, Touchstone seldom allows sponsor changes. Maintaining the integrity of the enroller and sponsorship is critical for the success of every Affiliate and marketing organization. Accordingly, the transfer of a Touchstone business from one sponsor to another is rarely permitted.

Requests for changes within the organization must be submitted in writing to the Support Department and must include the reason for the transfer. Transfers or sponsor changes will be considered in the following circumstances:

- 1) Affiliates are allowed a 48-hour grace period from the time of their enrollment to verify their Enrollment and Placement within the organization. Within this time period, the Enroller and Sponsor (placement) may be changed by sending an e-mail to the Support Department with the updated and correct information. The newly enrolled Affiliate may request one or both to be changed.
- 2) In cases involving fraudulent or unethical sponsoring, an Affiliate may request that they be transferred to another organization. It is within the Company's discretion whether the transferring Affiliate's downline will be transferred with them. All requests for transfer alleging fraudulent enrollment practices and requests for corresponding downline transfers shall be evaluated on a case-by-case basis and must be submitted to the company within 60 days from the date of enrollment. If the transfer is approved there will be no retroactive calculations or considerations for such placement.
- 3) An Affiliate may legitimately change organizations by voluntarily canceling their Touchstone account (i.e., the Affiliate may not directly or indirectly receive any commissions from Touchstone, may make no purchases of Touchstone products for resale, no sales of Touchstone products, no sponsoring, no attendance at any Touchstone functions, participation in any other form of Affiliate activity, or operation of any other Touchstone business) for six (6) full calendar months. Following the sixth calendar month period of inactivity, the former Affiliate may reapply under a new Enroller and placement.

An Affiliate which requests a transfer that does not fall into the three circumstances as detailed above must submit a fee of \$100.00 (USD) for research, administrative charges, legal considerations, and data processing. After such request is submitted and paid for, a review of the request will commence which may take up to four weeks to evaluate the potential reasons and ramifications of such a move. At no time will a move be completed which will automatically increase the rank or qualifications of another Visionary Business Owner. If the preliminary investigation reveals the possibility of the move, the Affiliate requesting the move will be given 9 (nine) upline VBOs within their sponsorship organization, who will need to approve the change either via e-mail to the Support Department (from their email address on file) or in writing with their personal signatures. The upline VBOs requested may or may not be the direct nine upline VBOs, but may be the nine upline VBOs who will be most affected as a result of Standard Compression. In circumstances where the Enroller is also being requested to be changed, it will additionally be requested that the 5 upline VBOs who may be affected from the Matching Program also approve the change.

If at any point a VBO complains or expresses reservation of the request made to them for a downline Affiliate's request to move, as a result of disapproval, threats, or intimidation, the request will immediately be denied.

The \$100.00 (USD) fee is not refundable, regardless of results of the investigations or the ability to complete the request due to a lack of signatures. No retroactive calculations will take place, and no effects of the move will be credited to a business until the move is completed.

3.13 Indemnification

An Affiliate is fully responsible for all of their verbal and written statements made regarding Touchstone's products and the Affiliate Compensation Plan which are not expressly contained in official Touchstone materials. Affiliates agree to indemnify Touchstone and Touchstone's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments,

civil penalties, refunds, attorney fees, court costs, or lost business incurred by Touchstone as a result of the Affiliate's unauthorized representations or actions. This provision shall survive the termination of the Affiliate Agreement.

3.14 Unauthorized Claims and Actions: Product Claims

No claims regarding Touchstone's products may be made by Affiliates other than those set forth in the Company's official promotional literature (including the Touchstone website). Medical claims are strictly prohibited.

3.15 Product Liability Insurance

Touchstone maintains insurance to protect the Company and its Affiliates against product liability claims. Touchstone's insurance policy contains a "Vendors Endorsement" which extends coverage to Independent Contractors so long as they are marketing Touchstone products in accordance with applicable laws and regulations and the Affiliate Agreement. Touchstone's product liability policy does not extend coverage to claims that arise as a result of an Affiliate's misconduct in marketing the products.

3.16 Income Claims

The Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in direct sales. Any Affiliate, when presenting or discussing the Touchstone opportunity or Affiliate Compensation Plan may not make income projections, income claims, or disclose their Touchstone income (including the showing of checks, copies of checks, bank statements, or tax records).

3.17 Retail Locations

Touchstone strongly encourages the retailing and selling of products and services through person-to-person contact either in person or online. An Affiliate who owns or is employed by a service-related establishment may display or sell Touchstone products or literature, as long as:

- 1) The service-related establishment's primary source of revenue is from professional services and product sales are secondary. Approved service-oriented establishments may include (but are not limited to) health clubs and spas, beauty shops, and physicians' and chiropractors' offices. Unapproved retail-oriented establishments may include (but are not limited to) retail stores, internet auction sites, and pharmacies.
- 2) The number of independent establishments within a given chain of stores may not exceed five with annual gross revenue exceeding \$1 million (USD) per store without the expressed written consent of Touchstone.
- 3) No product banners, or other sales materials may be displayed visibly to the general public in a manner as to attract the general public into the establishment to purchase product or services.
- 4) The retail price must be marked at or above the Suggested Retail Price as deemed and advertised by Touchstone. At no point can the sale or promotion price ever be marked below or at the Affiliate wholesale (subscription) price, unless clearly marked as AutoShip pricing.

3.18 Online Auctions and Sales Forums

Touchstone products may not be sold via online auction and may never be sold below the subscription (AutoShip) price in any online forum or sold in large quantities at a discount to deplete Affiliate inventory.

3.19 Trade Shows, Expositions and Other Sales Forums

Affiliates may display and/or sell Touchstone products at tradeshow and professional expositions, except those where Touchstone announces it will have an exclusive presence. Touchstone must be the only products, services, or opportunity featured within the retail or presentation space. Touchstone, however, reserves the right to refuse participation at any function which it



does not deem as a suitable forum to appropriately portray the professional image of Touchstone, such as swap meets, garage sales, or flea markets for the promotion of the products or opportunity of Touchstone.

3.20 Non-Solicitation

Touchstone Affiliates are free to participate in other affiliate, direct sales or network marketing business ventures. However, as a result of this Agreement—with the exception of their personally enrolled Customers, Affiliates or Visionary Business Owners—an Affiliate may not recruit other Touchstone Customers, Affiliates or VBOs for any other network marketing business for a period of one year following the cancellation of this Agreement for any reason. This non-solicitation provision shall apply to all markets in which Touchstone conducts business. The term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Touchstone Customer, Affiliate, or VBO to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

Affiliates must not sell, or attempt to sell, any competing non-Touchstone products to Touchstone Customers, Affiliates or VBOs. Any product in the same generic category as Touchstone products is deemed to be competing regardless of differences including but not limited to cost, quality, ingredient content, delivery system, manufacturing method, or method of function.

Affiliates may not display Touchstone promotional material with any other promotional material, products, or services in a fashion that might in any way confuse or mislead a prospective Customer, Affiliate or VBO into believing that there is a relationship between the Touchstone and non-Touchstone products or services. Affiliates may not offer the Touchstone opportunity, products or services to prospective or existing Customers, Affiliates or VBOs in conjunction with any non-Touchstone program, opportunity, product or service. Affiliates may not offer any non-Touchstone opportunity, products or services at any Touchstone related meeting, seminar or convention, or immediately following such an event.

3.21 Sales Activity Reports

Sales Activity Reports are available for Affiliates to access and view at Touchstone’s official website. Affiliates’ access to their Sales Activity Reports are password protected. All Sales Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Touchstone. Sales Activity Reports are provided to Affiliates in the strictest confidence and are made available to Affiliates for the sole purpose of assisting Affiliates in supporting their Customers, Affiliates and VBOs. Affiliates and Touchstone agree that, but for this agreement of confidentiality and nondisclosure, Touchstone would not provide Sales Activity Reports to the Affiliate. An Affiliate shall not, on their own behalf, or on the behalf of any other person, partnership, association, corporation, or other entity:

- Directly or indirectly disclose any information contained in any Sales Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to their Sales Activity Report;
- Use the information to compete with Touchstone or for any purpose other than promoting their Touchstone business;
- Recruit or solicit any Customer, Affiliate or VBO of Touchstone listed on any report, or in any manner attempt to influence or induce any Customer, Affiliate or VBO of Touchstone, to negatively alter their business relationship with Touchstone; or
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Sales Activity Report.

Upon demand by the Company, any current or former Affiliate will return the original and all copies of Sales Activity Reports to the Company.

3.22 Cross-Sponsoring

Actual or attempted cross-sponsoring is strictly prohibited. “Cross-sponsoring” is defined as the enrollment of an individual or entity that already has a current Customer, Affiliate or Visionary Business Owner (VBO) Agreement on file

with Touchstone, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse’s or relative’s name, trade name, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, or any other artifice to circumvent this policy is prohibited. Affiliates shall not demean, discredit or defame other Touchstone Affiliates or VBOs in an attempt to entice another Affiliate or VBO to become a part of the Affiliate’s own marketing organization.

If cross-sponsoring is discovered, it must be brought to the Company’s attention immediately. Touchstone may take disciplinary action against the Affiliate that changed organizations and/or those who encouraged or participated in the cross-sponsoring. Affiliates waive all claims and causes of action against Touchstone arising from or relating to the disposition of the cross-sponsored Affiliate’s organization.

3.23 Errors or Questions

If an Affiliate has questions about or believes any errors have been made regarding commissions, bonuses, Sales Activity Reports, or charges, the Affiliate must notify Touchstone within 60 days of the date of the purported error or incident in question. Touchstone will not be responsible for any errors, omissions, or problems not reported to the Company within 60 days.

3.24 Government Approval or Endorsement

Neither federal or state regulatory agencies officially approve or endorse any direct selling or network marketing companies or programs. Therefore, Affiliates shall not represent or imply that Touchstone or its Affiliate Compensation Plan have been approved, endorsed, or otherwise sanctioned by any government agency.

3.25 Income Taxes

Each Affiliate is responsible for reporting all income generated as an Independent Contractor and paying all taxes on any income generated. Every year, Touchstone will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: (1) has earnings of over \$600 in the previous calendar year; or (2) has made purchases during the previous calendar year in excess of \$5,000. This is according to federal requirements. All Affiliates are still responsible to report all earnings and pay the appropriate taxes regardless of whether such income reaches the required threshold.

As a result of this, it is the responsibility of the Affiliate to provide an accurate Federal Tax ID Number (SSN, EIN, etc.). Failure to do so will be in violation of federal law. Any Affiliates which have submitted invalid Federal Tax ID Numbers may be subject to commission withholding, processing fees, customer status change, and will be required to submit a W-9 for valid identification. Any fines or penalties incurred by Touchstone for issuing and submitting an invalid Federal Tax ID Number on a 1099 MISC which was submitted to the IRS will be the responsibility of the Affiliate with the incorrect ID, and the Affiliate agrees to reimburse Touchstone of any cost incurred for this error. Additionally, any U.S. resident who reaches the \$600 income threshold in a calendar year, but who has not yet submitted a valid Tax ID Number will be subject to a withholding of any earned commissions or bonuses until such time that the Tax ID is submitted to Touchstone.

Changes to a SSN or any other Federal Tax ID Number must be received via a completed W-9 form, before the 1099 is issued. The name and the Federal Tax ID Number on the Affiliate’s account must match IRS records. No previous 1099’s may be reissued under the new Federal Tax ID Number.

3.26 International Markets

As a result of the critical legal and tax implications associated with reselling products and services within various countries, Touchstone must limit the resale of Touchstone products and services, as well as the presentation of Touchstone to potential Customers, Affiliates or Visionary Business Owners to only within the United States and U.S. Territories, or other markets which the Company has officially announced are open for business.



Touchstone products, services, literature, or sales aids cannot be shipped into or sold in any foreign country which Touchstone has not established and announced an official presence. Doing so could warrant significant legal ramifications both on the distributing Affiliate as well as limit the Company's future opportunity within that market.

3.27 Inventory Loading, Bonus Buying and Stacking

Affiliates must never purchase more product than they can reasonably consume, use, or sell to Customers in a month, and must not influence or attempt to influence any other Affiliate or VBO to buy more products than they can reasonably use or sell to Customers in a month.

In addition, bonus buying and stacking is strictly and absolutely prohibited. This involves any method of directly or indirectly maintaining or increasing an upline Visionary Business Owner's ranks, volume or commission level by purchasing product for which the Affiliate does not have a bona fide need for personal use or bona fide and reasonable interest to resell within 30 days from the date of the order.

3.28 Adherence to Laws and Ordinances

Affiliates must comply with all federal, state, and local laws and regulations in the conduct of their business.

3.29 Actions of Household Members or Affiliated Individuals

If any person within an Affiliate's immediate household engages in any activity which, if performed by the Affiliate, would violate any provision of this Agreement, such activity will be deemed a violation by the Affiliate and Touchstone may take disciplinary action pursuant to the Statement of Policies against the Affiliate. Similarly, if any individual who owns a business entity in whole or in part, or who controls a business entity in whole or in part, (collectively "affiliated individual") violates the Agreement, such actions will be deemed a violation by the entity as a whole; and Touchstone may take disciplinary action against the entity and/or the affiliated individuals, at the Company's discretion.

3.30 Sale, Transfer or Assignment of a Touchstone Business

Although a Touchstone business is privately owned and independently operated, the sale, transfer or assignment of a Touchstone business is subject to certain limitations. If an Affiliate wishes to sell or transfer their business, the following criteria must be met:

- The Touchstone Support Department must be contacted and notified of the intent to transfer;
- The Company must be offered the right of first refusal to purchase the business under the same terms pursuant to the bona fide offer from the third-party purchaser or transferee (collectively known as the "buyer");
- An agreement must be drafted and agreed to by the seller and the purchaser, that protection of the existing line of sponsorship must always be maintained so that the purchased business continues to operate as it has;
- The buyer must become an Affiliate. Existing Affiliates or Visionary Business Owners are not eligible to purchase or acquire a separate position. If a prospective buyer wishes to do so, they must first comply with the requirement of terminating their original position, and waiting six months before starting the process of receiving the new position;
- Any and all debt obligations must be met between the Affiliate and Touchstone, to ensure that the position is held in good standing;
- The seller must be in good standing with the Agreement, submit the request for transfer, and disclose the terms of the transfer or agreement;
- A \$250.00 transfer fee must be paid to Touchstone before the transfer will be reviewed.

Touchstone reserves the right to approve or deny any requested transfer.

Upon completion of the review and processing, and upon approval from the Support department, a new Affiliate account will be generated for the buyer,

which will require a newly executed Agreement, and they will receive a new Affiliate ID number. The new position will then replace the previous position within the Touchstone organization. All original sponsorships and enrollment relationship must be maintained in this process. No requests for changes to the organization will be granted in this process. This process protects the buyer and ensures that no account history is transferred through the process (i.e. earnings history, tax liability, rank history, order history, AR Balances, credits or debits). The transfer of a Touchstone business is the transfer of a location in the Touchstone organization, acquiring the position's Customer, Affiliate and VBO organization and network, and nothing else.

3.31 Separation of a Touchstone Business

Touchstone Affiliates sometimes operate their Touchstone business as husband-wife partners, regular partnerships, corporations or trusts. There are times when such partnerships may dissolve (including divorce or the dissolution of the corporation or partnership), and arrangements must be made to assure that any separation or division of the business is accomplished so as to not adversely affect the interests and income of other Affiliates or Visionary Business Owners up or down the line of sponsorship.

In circumstances where the dissolving parties fail to provide for the best interest of other Affiliates or VBOs and the Company as a result of their activities or they fail to adhere to this policy or any other policies in relation to this Agreement, the Company may involuntarily terminate the Affiliate Agreement.

As a result of the dissolution of the partnership, marriage, agreement, or corporation all parties must reach one of the following conclusions in relation to their Touchstone Affiliate account:

- 1) Parties may continue to operate the business jointly.
- 2) Parties may agree upon one business operator to work directly with Touchstone on the management of the business, relinquishing all other partners from the Affiliate account. It is then expected upon agreement of all original partners that the operator mediate any communication and execute any financial arrangements in relation to the business which may be on-going as a result of their agreement.
- 3) The Parties may attempt to transfer or sell the position pursuant to Section 3.30.

Under no circumstances will the downline organization of divorcing spouses or dissolving business entities be divided between the spouses. Touchstone will only recognize one downline organization and will issue only one commission payment per Touchstone business per commission cycle. Commissions 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, the Affiliate Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in their original Touchstone business, they are thereafter free to enroll under any sponsor of their choosing six calendar months after the dissolution is executed.

3.32 Succession

Upon the death or incapacitation of an Affiliate, their business may be passed to their heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, an Affiliate should consult an attorney to assist them in the preparation of a will or other testamentary instrument. Whenever a Touchstone business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Affiliate's organization provided the following qualifications are met. The successor(s) must:

- Execute an Affiliate Agreement;
- Comply with terms and provisions of the Agreement;
- Provide an address of record to which communications may be sent. Bonus and commissions of a Touchstone business transferred pursuant to this section will



be paid in a single payment jointly to the devisees;

- If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer identification number. Touchstone will issue all bonus and commission payments and one 1099 (if applicable) to the business entity.

3.33 Telemarketing

Due to the broad definitions of telemarketing which the Federal Trade Commission and the Federal Communication Commission each have, the strict laws associated with such actions, and the significant penalties for any violations (up to \$11,000 per violation), Affiliates must not engage in any form of telemarketing in the operation of the Touchstone business.

3.34 On-The-Ground (OTG) and Not-For Resale (NFR) Countries

Touchstone is considered On-The-Ground (OTG) within countries with which they are fully registered and licensed with country officials and governments, established a warehouse or corporate office, comply with all product restrictions and registrations, and has announced a full launch within the country. Affiliates may participate in the full distribution, marketing, and program of Touchstone within announced OTG countries with all rights and privileges which are afforded to the Affiliates through these Terms and Conditions and local and government laws.

Affiliates may never personally ship or distribute product to, promote, or market intentionally or unintentionally towards countries which Touchstone has not announced a presence (see Section 3.26).

However, there are times before Touchstone is able to fully launch the Touchstone program, or through market research, in countries which permit such activity, that may warrant a Not-For-Resale (NFR) trial or pre-launch period. NFR programs allow Touchstone to directly ship products within the country or market for personal consumption; and not for resale distribution. This allows Affiliates of Touchstone to build organizations of consuming Customers, Affiliates or VBOs within countries which Touchstone has announced that the NFR program is available.

Countries have strict rules and limitations in relation to these programs, including Customs restrictions on the quantity of product imported into the country to ensure that it is only for personal consumption. This can at times limit the program of Touchstone with that country, as well as require that all Touchstone activity within that country be routed through Touchstone to ensure that all activity conforms with such regulations. To violate this policy or the NFR program designed by Touchstone for that country places all potential Touchstone activity within that country at risk, as well as Touchstone's potential to develop a long term OTG program within that country. Affiliates may never ship any Touchstone product directly into the NFR country but must go through Touchstone.

Affiliates are required to contact the Support Group and inquire about any and all processes or programs associated with an NFR program in relation to the specific country before they engage in any activity within or towards that country.

SECTION 4: RESPONSIBILITIES OF AFFILIATES

4.1 Ongoing Support

Affiliates have an ongoing obligation to personally promote sales through the generation of new Customers, and through servicing and supporting their existing Customers.

4.2 Non-Disparagement

Touchstone has no greater desire than to offer Touchstone Affiliates the greatest products, services, and opportunity in the industry. Affiliate's comments and constructive criticism are always welcome and encouraged. All comments and suggestions should be submitted in writing to the Support Department.

Negative comments or disparaging remarks about the Company, its products, or compensation plan should never be made to the field by an Affiliate. These comments do little to correct any problems, and only hurt the Affiliate's own business in the long run. Affiliates must not disparage, demean, or make negative remarks about Touchstone, other Touchstone Affiliates or VBOs, Touchstone products, the Compensation Plan, or Touchstone's directors, officers, or employees.

4.3 Reporting Policy Violations

Affiliates are obligated for the protection of their own business, as well as the businesses of all Touchstone Affiliates and Visionary Business Owners to report any observed policy violations immediately to the Support Department. Details of the incidents should be included such as, dates, number of occurrences, persons involved, and any supporting documentations should be included in the report.

Affiliates should be aware that after a violation is reported to the Support Department an investigation is started. Once an investigation is started the results, which are protected by privacy rights, are between the Company and the alleged violator. Reporters of violations will not be notified as to the outcome of the investigation, and the conclusion of the investigation is at the discretion of the Company.

4.4 Product Sales Requirements

The Touchstone Affiliate Compensation Plan is based upon the sale of Touchstone products and services to the end consumer. For an Affiliate to participate in the Touchstone Affiliate Compensation Plan, there is no Personal Sales requirement.

There are no exclusive territories granted to anyone for the purpose of sales, marketing, or special rights. No franchise fees are required.

4.5 Sales Receipts

All Affiliates making a direct person-to-person product sale must provide their Retail Customer with two copies of a sales receipt at the time of sale. Those Retail Customers which purchase online directly through Touchstone will receive access to an electronic copy of their receipt. Affiliates which distribute person-to-person through their local inventory are required to supply these receipts on their own. Affiliates must also retain all retail sales receipts for a period of two years and be able to furnish them at the Company's request. Affiliates must also include on the receipt any information in relation to their return policy.

4.6 Meetings and "Health" Claims

At Touchstone-focused meetings, people may give testimonials about how the Company's products and opportunity have helped them. If a person makes a "disease claim" at a Company-sponsored meeting, the claim may be imputed to the Company, thereby subjecting the Company and the Affiliate to adverse legal action. If an Affiliate is hosting a meeting with the intent to discuss Touchstone products or opportunity, or begins to discuss such topics they:

- Should NEVER arrange for a disease-cure testimonial;
- Should NEVER personally give a disease-cure testimonial;
- If there is an impromptu disease-cure testimonial from someone, redirect the discussion by saying, "Touchstone supplements are designed to improve nutrition; they are not intended to diagnose, treat, cure, or prevent any disease. However, scientific research has established a connection between nutrition and many disease conditions."

Third-party scientific literature that is compliant with local, state, and federal laws may be distributed at a meeting but must be placed separate and apart from official promotional Touchstone material and products.

4.7 Photographs and Images of Events

Affiliates consent to having their picture taken at various Touchstone-sponsored events by Touchstone corporate staff or contracted photographers, and to have those images used by Touchstone as they see fit in advertising and marketing



materials. Affiliates will not be compensated for this usage. If an Affiliate has a religious or moral objection to having their picture taken, it is requested that they notify a member of the Touchstone corporate staff at the event where the pictures may be taken. The provisions of this section will permanently survive the terms of this Agreement.

4.8 Lead Generation Programs

A “Lead Generation Program” is considered any program or offering which is designed to produce contact information to potential Touchstone Customers, Affiliates or Visionary Business Owners which the Affiliate has never had a direct relationship or previous contact with, particularly within bulk quantities (in excess of three or more at a time). Often times these programs attempt to charge fees for such services. It is the experience of Touchstone and its officers that such program fees and labor investment do not generate a return which justifies such behavior or action, and may risk violating the “Telemarketing” provision outlined in the Agreement.

SECTION 5: BONUSES AND COMMISSIONS

5.1 Bonuses and Commission Qualifications

An Affiliate must be in compliance with the Agreement to qualify for any bonuses and commissions from the Touchstone Affiliate Compensation Plan. So long as an Affiliate complies with the terms of the Agreement, Touchstone shall pay commissions to such Affiliate in accordance with the published and active Affiliate Compensation Plan (including any amendments), see Appendix A. In markets where Direct Deposit is offered a minimum commission payment will be \$10.00 (USD). Hyperwallet (Paylution) is also a payment option which requires a \$25.00 (USD) minimum transaction amount; as a third party, the use of Hyperwallet requires agreement with their Terms and Conditions. If an Affiliate’s bonuses and commissions do not equal or exceed the minimum required, the Company will accrue the commissions and bonuses until the minimum is reached.

5.2 Returns, Refunds, and Adjustments

Affiliates receive bonuses and commission based on the actual sales of products to the end consumer. When a product is returned to Touchstone for a refund or is repurchased by the Company, the original sale is voided, and the bonuses and commissions which were attributed to the returned or repurchased product will be deducted in the month which the refund or repurchase was issued. In the circumstances where the deduction of commissions for the given month does not cover the full retraction of the bonus or commissions of the refunded product, the deduction will continue every pay period thereafter until the commission is fully recovered.

If an account becomes inactive, is unable to collect commissions, or is terminated for any reason, and is holding such an unrecovered deduction on their account, a notice of return payment will be issued to the Affiliate requesting the return of the paid commissions.

5.3 Reports

All information provided by Touchstone in online or Sales Activity Reports or tools, 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 the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and order payments; returned products, and credit cards charge backs, the information is not guaranteed by Touchstone or any persons creating or transmitting the information.

All sales volume information is provided “as is” without warranties, express or implied, or representation 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, Touchstone and/or other persons creating or transmitting the information will in no event be liable to any Affiliate or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to 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 Touchstone 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, Touchstone or other persons creating or transmitting the information shall have no responsibility or liability to an Affiliate or anyone else under any tort, contract, negligence, strict liability, product liability or other theory with respect to any subject matter of this agreement or terms and conditions related thereto.

Access to and use of Touchstone’s online and telephone reporting services and Affiliates’ reliance upon such information is at their own risk. If an Affiliate is dissatisfied with the accuracy or quality of the information, their sole and exclusive remedy is to discontinue use of and access to Touchstone’s online and telephone reporting services and their reliance on the information.

SECTION 6: ORDERING, PRODUCT GUARANTEES AND RETURNS

6.1 Customer Product Guarantee

Touchstone is confident in the quality and efficacy of their products. Customers who order directly from Touchstone have a 30-day money-back-guarantee on all items that are purchased. Customers may return any items open or unopened to Touchstone within 30 days of the product shipped date to Touchstone for a 100% refund less shipping charges. Refunds will not include shipping, handling or other applicable fees. If an Affiliate resells product directly to Customers, they must also offer this guarantee to their Customers and must refund the full transaction if a product is returned within thirty (30) days of the sales transaction. Customers must abide by the “Return Policy Procedure.”

6.2 Product Exchange on Customer Returns

When an Affiliate resells product directly to Customers, they must also offer the Customer Product Guarantee (see section 6.1) to their Customers and must refund the full product purchase price if a product is returned within thirty (30) days of the sales transaction. In the event of a return from the Customer to the Affiliate, Touchstone offers a Product Exchange to the Affiliate. To obtain a replacement product from Touchstone, you must send Touchstone a copy of the completed Retail Sales Receipt and written explanation for the requested item. Upon receipt, Touchstone will issue a RMA (Return Merchandise Authorization) number to return the unused portion of the product to Touchstone for exchange.

6.3 Affiliate Initial Product Purchase Guarantee

All Touchstone Affiliates have a 30-day, 100 percent satisfaction guarantee on their initial product purchase. If an Affiliate is dissatisfied with his or her Touchstone product, the Affiliate must contact the company within 30 days of its order to receive a Return Merchandise Authorization (“RMA”) number, and Touchstone will refund the full purchase price of any items returned from the initial product order less shipping charges. Touchstone will not accept any returns without a RMA number.

6.4 Affiliate Non-Initial Purchase Product Guarantee

Touchstone offers a 30-day money-back-guarantee to Affiliates on unopened, resalable products that are returned to the company within thirty (30) days from the date of shipment. Affiliates must follow the Return Policy as detailed below. The Affiliate return will be subject to a 10% restocking fee on unopened returned products. If an Affiliate returns more than \$250.00 (USD) in products or services to Touchstone for a refund within a 90-day period, it may be constituted as the Affiliate’s request to voluntarily cancel their business. Shipping and handling charges are not subject to this return policy.



6.5 Return Policy Procedure

When a Customer or Affiliate is returning product or services pursuant to Sections 6.1 through 6.4, the following procedure must be met in order for the product to be returned and the issue to be accurately resolved:

- Customer or Affiliate MUST contact Touchstone's Support Team and detail the product and purpose of the return.
- Customer or Affiliate MUST receive a RMA (Return Merchandise Authorization) Number from Touchstone's Support Team. This number MUST be placed on the outside of the returning package, as well as on a copy of the returning invoice inside the package. Without this number, the returning product will NOT be identified as a return or will not be able to be tied to the appropriate returning request and will result in Touchstone's inability to successfully process the return and issue any refund.
- The return must be accompanied by the Touchstone Return Form (available on the Touchstone Back Office, or as requested through the Support Team).
- For an Affiliate non-initial purchase return or return due to Affiliate Resignation, all products must be returned in their original packaging, container, and remain unopened.
- The Customer or Affiliate must ship the returning products back at their own expense, and shipping method rate to ensure that the product is received within the required timeframe.

Following this policy is the only way to ensure accurate processing of product returns. Failure to follow these steps will result in a delayed processing rate as well as potential inability to complete the returned request.

If the original shipment received free shipping (due to a qualified AutoShip subscription), the cost of original shipping will be deducted from the refund of returned product.

Proper shipping cartons and packing material are to be used in packaging the products. Resalable status is determined upon the receipt of the product by Touchstone and the condition they are received in after the shipping process. Touchstone is not liable for products which are deemed unsalable as a result of poor packaging when returning the product and any damage done in the process. Touchstone does not accept shipping collect packages, or issuing Touchstone paid shipping labels. The risk of loss during transit is the responsibility of the shipper; not shipping using a traceable method is a risk taken on by the shipper. It is the responsibility of the shipper to trace and monitor the shipment.

No refund or replacement of product will be made if the conditions of these rules are not met. The Company reserves the right to reject repeated returns or replacements.

6.6 Inventory; 70 Percent Rule

The Touchstone Affiliate Compensation Plan is based on retail product sales to customers and the consumption of products. It is not based on maintaining an excess product inventory. In order to ensure that no inventory loading occurs, each Affiliate at the time of each new order, certifies that 70 percent of his or her previous order has been sold or consumed by end users, and must be able to verify such certification. Each Affiliate must maintain all retail receipts for a period of two years and must furnish them to Touchstone upon request. If an Affiliate does not comply with these requirements or if he or she falsely represents the amount of products sold or used, the Affiliate is subject to discipline by Touchstone, which could lead to the termination of the person's Touchstone Affiliate Account. Failure to comply with the 70 Percent Rule will exempt those products from Touchstone's refund policy.

6.7 Refused Product

If an Affiliate refuses delivery of a package of product which was ordered, that refused package does not require a RMA (Return Merchandise Authorization) Number; but will be subject to a 10% restocking fee, original shipping fees, return shipping costs, as well as any package refusal fees which are applied by the carrier.

Due to Customs processes, international orders are not returned to Touchstone upon refusal. Therefore, international shipments are ineligible for refund if refused. In order to be eligible for a refund, international orders must follow the return process outlined in section 6.5.

6.8 Return of Product Inventory and/or Business Aids upon Cancellation or Termination

Upon cancellation of an Affiliate's Agreement for any reason, the Affiliate may return Business Aids, products and sales aids that they personally purchased from Touchstone, by following the Return Policy as outlined in Section 6.5. The 70% rule applies in determining any product eligible for return. Product purchases or sales aids from other Affiliates or VBOs or third parties are not subject to a refund. Returning products must be resalable and unopened, sealed, and usable. Only products which have been purchased in the previous 12 months before the cancellation or other termination of the Agreement are subject to this policy. Upon receipt of the resalable products or sales aids, the Affiliate will be reimbursed 90% of the cost of the original purchase price. Shipping charges incurred by the Affiliate when items were purchased will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. No refunds will be given on product received outside of the 12-month window.

6.9 Subscription Orders (AutoShip)

Touchstone offers a monthly subscription program (AutoShip) for your convenience. The program's main benefit is that you can receive a customized order at a predetermined time every month, and free standard shipping on orders (of \$99 or more in US, \$149 or more USD in Canada, and £49 or more in the UK). Payment is automatically deducted from an authorized credit or debit card. Subscription orders are processed from the 1st day through to the 25th day of each calendar month.

Touchstone reserves the right to process subscription orders two days prior to the scheduled date due to weekends, holidays or weather-related events. It is the responsibility of the Affiliate to ensure that a valid payment option is on file to process his or her AutoShip subscription. Changes or cancellations to your AutoShip subscription can be made online or by contacting the Support Department and must be received prior to the scheduled billing date. Touchstone reserves the right to process changes and cancellations as necessary. It is the responsibility of the Affiliate to ensure changes have been made.

6.10 Payment Options and Methods

Touchstone accepts all major credit cards (Visa, MasterCard, American Express, Discover, etc.), although not all methods are accepted in all markets (see the website ordering page for current accepted payment types for a specific country). In all circumstances the payment must clear before product is shipped and volume is attributed to the appropriate accounts.

6.11 Sales Tax

By virtue of its business operations, Touchstone is required to charge sales taxes on all purchases made by Customers and Affiliates, and remit the taxes charged to the respective states, provinces or countries. Accordingly, Touchstone will collect and remit sales taxes on behalf of the Affiliate, based on the suggested retail price of the products, according to applicable tax rates to which the shipment is destined. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemptions accepted by Touchstone will not be retroactive. Touchstone items which are purchased by Affiliates on AutoShip subscription can be deemed as for personal consumption and will be the only product which will be taxed at the non-retail rate.

6.12 Shipping Policy

Products will be shipped after receipt and payment of an order. Typically, shipments occur for most orders within 24 hours of the processing of the order but are not guaranteed to be so shipped. If Touchstone is temporarily out of stock on ordered merchandise, you will receive a back-order notice with your shipment. Back orders are filled first when new inventory arrives. Commissionable Volume of back ordered items is credited to the month in which Touchstone was authorized to collect payment for the original order. In the event of an undeliverable shipment due to user error, any additional costs associated with reshipping a package are the responsibility of the Affiliate or Customer.



SECTION 7: DISPUTE RESOLUTION

7.1 Unethical Activity

You must not participate in any activity that Touchstone deems unethical. Touchstone reserves the right, in its sole and absolute discretion, to decide whether certain of your activities are unethical and, if determined to be so, to act accordingly including suspension or termination of your Affiliate Account.

Examples of unethical activity include, without limitation:

- Causing Touchstone products, either directly or indirectly, to be sold in retail outlets.
- Purchasing or causing someone else to purchase excess product inventory.
- Failure to comply with the 70 Percent Rule.
- Soliciting or hiring, directly or indirectly, non-personally sponsored Touchstone Affiliates or VBOs to participate in a competing network marketing opportunity.
- Writing bad checks to Touchstone.
- Unauthorized use of another person's credit card.
- Misrepresenting Touchstone's products and making false and/or illegal health claims about Touchstone products.
- Misrepresenting the Touchstone Affiliate Compensation Plan and/or making false or misleading income claims.
- Spamming or unsolicited sending of emails, or otherwise violating the CAN-SPAM Act.
- Ordering product for someone without their knowledge or consent.
- Causing someone to be on a subscription (AutoShip) without their knowledge.
- Maintaining a financial interest in multiple Affiliate or VBO accounts.
- Engaging in any deceptive or unlawful trade practice or other illegal or unlawful activity.
- Failure to adhere to Touchstone's policies regarding advertising and promotion.
- Unauthorized use or use in violation of Touchstone's consent of Touchstone trade names, trademarks or logos.
- Misusing the Touchstone corporate name or the efforts of corporate personnel.
- Unauthorized duplication of Touchstone literature or any Touchstone copyrighted material.
- Manipulating the Touchstone Affiliate Compensation Plan.
- Unauthorized use of or use in violation of Touchstone's consent of Touchstone's proprietary or confidential information.

7.2 Disciplinary Sanctions

An Affiliate's violation of the Agreement, these Terms and Conditions, or the 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 an Affiliate that, in the sole discretion of the Company may damage its reputation or goodwill, may result, at the Company's discretion, in one or more of the following measures being imposed on the Affiliate:

- Issuance of a written warning or admonition;
- Requiring the Affiliate to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commissions payments;
- Loss of rights to one or more bonus and commission payments;
- Touchstone may withhold from an Affiliate all or part of the Affiliate's bonuses and commissions during the period that Touchstone is investigating any conduct allegedly in violation of the Agreement. If an Affiliate's business is canceled for disciplinary reasons, the Affiliate will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Affiliate Agreement for one or more pay periods;
- Involuntary termination of the offender's Affiliate Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which Touchstone deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Affiliate's policy violation or contractual breach;
- In situations deemed appropriate by Touchstone, the Company may institute legal proceedings for monetary and/or equitable relief.

7.3 Grievances and Complaints

When an Affiliate has a grievance or complaint with another Affiliate or Visionary Business Owner regarding any practice or conduct in relationship to their respective Touchstone businesses, the complaining Affiliate should first report the problem to their Enroller who should review the matter and try to resolve it with the other party's upline Enroller. If the matter cannot be resolved, it must be reported in writing to the Support Department. The Support Department will review the facts and resolve it with the aid of the appropriate departments. When an issue is submitted to the Company this way, both parties are subject to the resolution which the Company deems is necessary, equitable, and right, at the Company's sole discretion.

7.4 Arbitration

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment of the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The Parties waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Raleigh, North Carolina. All parties shall be entitled to all discovery rights pursuant to the Referral Rules of Civil Procedure and the Federal Rules of Evidence shall apply. There shall be one arbitrator, an attorney-at-law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Panel 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 of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement. All evidence, testimony, pleadings, briefs, decisions, rulings, awards, transcripts, document, and other material associated with the arbitration shall be maintained in strict confidence and shall not be disclosed to any individual or entity that is not a party to the Arbitration or their respective counsel. Notwithstanding the foregoing, witnesses may be shown only such evidence that is relevant to their specific testimony or anticipated testimony.

Nothing in these Terms and Conditions shall prevent either Party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect the Party's interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

7.5 Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside in the federal or state courts residing in Raleigh, North Carolina, unless the laws of the state in which an Affiliate resides expressly require the application of its laws. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of North Carolina shall govern all other matters relating to or arising from the Agreement unless the laws of the state in which an Affiliate resides expressly require the application of its laws. Notwithstanding the foregoing, and the arbitration provision in Section 7.4, residents of the State of Louisiana shall be entitled to bring action against Touchstone in their home forum.

SECTION 8: INACTIVITY AND CANCELLATION

8.1 Effect of Cancellation

So long as an Affiliate complies with the terms of the Affiliate Agreement and these Terms & Conditions, Touchstone shall pay commissions to such Affiliate in accordance with the Touchstone Affiliate Compensation Plan. An Affiliate's bonuses and commissions constitute the entire consideration for the Affiliate's efforts in generating sales and all activities related to generating sales. Following an Affiliate's voluntary or involuntary cancellation of their Affiliate Agreement (all of these methods are collectively referred to as "cancellation"), the former



Affiliate shall have no right, title, claim or interest to the marketing organization which they operated, or any commissions or bonus from the sales generated by the organization. An Affiliate whose business is cancelled will lose all rights as an Affiliate. This includes the right to sell Touchstone products and services, as well as the right to receive future commissions or bonuses. In the event of cancellation, Affiliates 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 their former downline organization.

Following an Affiliate's cancellation of their Affiliate Agreement, the former Affiliate shall not hold themselves as Touchstone Affiliates and shall not have the rights to sell Touchstone products. An Affiliate whose Affiliate Agreement is canceled shall receive commissions and bonuses only for the last full pay period they were active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

8.2 Involuntary Cancellation

An Affiliate's violation of any of the terms of the Agreement, including any amendments that may be made by Touchstone in its sole discretion, may result in any of the sanctions listed in Section 7.2, including the involuntary cancellation of their Affiliate Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, emailed, or delivered to an express courier, to the Affiliate's last known address (or fax number), or to their attorney, or when the Affiliate received actual notice of cancellation, whichever occurs first. When an account is terminated due to Involuntary Cancellation, the Affiliate's account is removed from the organization tree and the organization is compressed to the next available sponsor.

8.3 Voluntary Cancellation

A participant in Touchstone has the right to cancel their Affiliate Agreement at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principle business address. The written notice must include the Affiliate's signature, printed name, address, and Affiliate I.D. Number. If an Affiliate has an AutoShip subscription, the Affiliate's AutoShip shall continue in force unless the Affiliate also specifically requests that their AutoShip subscription also be canceled.

When an account is terminated as a result of Voluntary Cancellation, the organization will be reviewed by the Support Department. In circumstances, where the rolling up of the organization may be deemed inappropriate (as determined at the sole discretion of the Company) a place holder account will be place in the terminated Affiliate's original position. Otherwise, the organization will roll up to the next available sponsor.

8.4 Waiver and Release

In exchange for your right to continue as a Touchstone Affiliate under the Agreement and these Terms & Conditions, you (for yourself, your agents, representatives, heirs, and all for whom you act) hereby release, waive and forever discharge Touchstone, and any related or affiliated company and any of their respective current and former owners, stockholders, members, directors, managers, officers, supervisors, insurers, attorneys, employees or agents (hereinafter collectively termed the "Released Parties"), from any and all causes of action, claims, demands, disputes, costs and expenses, damage, or damages that you may have, whether known or unknown, which arise from or are related to Touchstone, the other Released Parties, your Touchstone Affiliate account, the Agreement and these Terms & Conditions. This release includes, without limitation: (i) any claim of discrimination on any basis, including race, color, national origin, religion, sex, gender, age, handicap or disability, or sexual orientation arising under any federal, state, or local statute, ordinance, order or law; (ii) any claim that Touchstone or any Released Party, jointly or severally, breached any contract or promise, express or implied, written or oral, or any term or condition otherwise related to your expired or terminated Touchstone Affiliate account, including, without limitation, this Agreement and/or these Terms & Conditions; and (iii) any other statutory or common law claims arising out of your Touchstone Affiliate account.

This waiver and release does not include a waiver and release of any rights or claims that: (i) you may have which cannot be validly released or waived under applicable law; (ii) arise from enforcing the terms of the Agreement and these Terms & Conditions directly related to your Touchstone Affiliate account; or (iii) any claims for the final payment due from Touchstone from your previous Touchstone Affiliate account.

It is, however, the expressed intention of the parties that the foregoing waiver and release of claims will be construed as broadly as permitted under applicable law for the protection of Touchstone and the Released Parties against claims, it being fully understood and agreed that Touchstone's provision and your acceptance of the consideration hereunder are in full accord and satisfaction of all matters and claims relating to your Touchstone Affiliate account. Touchstone may assert this Agreement and/ or these Terms & Conditions as a full and complete defense to any such claim by you. You acknowledge the sufficiency of the consideration in this waiver and release.



APPENDIX A:
Touchstone Affiliate Compensation Plan
Terms and Definitions

Customer Types

Customer: An individual who purchases the Touchstone product without the benefit of an Affiliate account, at Retail pricing or subscription pricing (AutoShip), either through direct enrollment to the company by a current Touchstone Affiliate or through a direct purchase from a Touchstone Affiliate. Customers do not participate in the Touchstone Compensation Plan.

In the case of Customers who purchase at Retail pricing, the enrolling/referring Affiliate is able to immediately retain the profit from a direct sale, or in cases where the Customer places the order with Touchstone, all retail profits that would have been earned through the direct resale of the product (difference between the subscription price and the suggested retail price) is retained and issued to the Affiliate through the Retail Bonus portion of their next commission earnings.

Affiliate: An individual or business who chooses to participate in the Touchstone Affiliate Compensation Plan. An Affiliate may purchase Touchstone products at wholesale (subscription) price and has the ability to resell any product that they order for retail profit directly to Customers. As an Affiliate, they are also able to personally enroll/refer Customers, Affiliates and Visionary Business Owners (VBOs) into their organization, and earn commissions according to the criteria documented within the Touchstone Affiliate Compensation Plan. An Affiliate has completed the Affiliate Application; and has agreed and continues to adhere to the Terms & Conditions.

Organization Terms

Sales Organization: Known as a Downline or Sales Team, this encompasses all Customers, Affiliates and VBOs that are located beneath a particular Affiliate's account. This includes the Affiliate and all levels within their organization.

Enroller: The Touchstone Affiliate or VBO which has personally introduced (referred) the new Customer, Affiliate or VBO into Touchstone.

Sponsor: The Sponsor is the immediate Upline to the Customer, Affiliate or VBO. The referring Affiliate is both the Enroller and Sponsor.

Downline: The description of the organization of Customers, Affiliates and VBOs in an Affiliate's account.

Upline: The description of the organization above a particular Affiliate.

Level: A description concerning the location of a Customer, Affiliate or VBO in relation to another Affiliate or VBO. When applied to VBO accounts, levels may be different for enrollment and sponsorship.

All Customers, Affiliates and Visionary Business Owners which are enrolled directly by an Affiliate are said to be on the first level of the Affiliate. If those first level Affiliates or VBOs then directly enroll others, those are said to be on the second level of the Affiliate and so on.

Additional Commission Terms, Volume, and Periods

Active: Affiliates do not require any PV (personal volume) requirement to be considered "Active" and eligible to earn commissions.

Terminated Accounts: This refers to Affiliate accounts which once were able to participate in the Touchstone Affiliate Compensation Plan but are no longer able to. These accounts are considered closed accounts, and according to Terms & Conditions may not order product for or inventory, they may not represent, distribute, or promote Touchstone products or opportunity, and they may not participate in the Touchstone Affiliate Compensation Plan.

Primary Commissions: This refers to the commissions and bonuses which are calculated on a monthly basis using the Primary Commission and Qualification Period. These bonuses refer to all retained Retail Bonuses, Residual Bonus, and Advanced Referral Bonus.

Primary Commission and Qualification Period: Designates the period with which all activity within a Sales Organization will be accumulated for consideration for commission payout. The Primary Commission Period is the calendar month from 12:00 AM (Pacific Time) on the 1st through 11:59 PM (Pacific Time) on the last day of the calendar month. All orders for commission earnings in relation to the Primary Commission Period must be submitted within the Primary Commission Period. Each Primary Commission Period resets all Volume totals.

Each Primary Commission Period will close at the end of each month, and the calculation process will begin. Each commission calculation will be audited to ensure accuracy and will be posted and made public online no later than the 20th of each month, for the previous or most recent closed period. Commission payments will be issued no later than the 20th of each month for the previous commission period.

Secondary Commissions: This refers to the Referral Bonus which is calculated weekly using the Secondary Commission and Qualification Period.

Secondary Commission and Qualification Period: Designates the period with which all enrollment activity is considered for the Referral Bonus. The Secondary Commission Period will end every Friday on the calendar week and will consider all enrollment activity within the previous week.

Each Secondary Commission Period will begin Saturday from 12:00 AM (Pacific Time) and close every Friday at 11:59 PM (Pacific Time). Secondary Commission calculation will take place the following week with all earnings being released from Touchstone the following Friday. Referral Bonus is paid weekly in the US, and monthly in international markets.

Bonuses

Retail Bonus: An Affiliate has the ability to purchase Touchstone product at wholesale (subscription pricing) and then resell the product at retail price, keeping the profit from that transaction as Retail Bonus. Similarly, as established Customers purchase directly from Touchstone at Retail pricing, the difference between the subscription (AutoShip) price and the retail price that the Customer pays is reserved and given to the Enroller of the Customer with their Primary Commission earnings. This is as if the Affiliate had purchased the product and resold it to the Customer themselves.

Referral Bonus: This bonus allows an Affiliate to earn immediate income every week. A commission on the first orders of personally enrolled/referred new Customers, Affiliates or VBOs is paid to the referring Affiliate. This is paid on orders placed within the new enrollee's first 90 days. Affiliates are eligible for a one-level bonus—earning on personal enrollments only.

The Referral Bonus is calculated and paid through the weekly Secondary Commission process.

Organization Volume (OV): This is the total accumulated amount of product that has been purchased by the entire Sales Organization of an Affiliate.

Residual Bonus: This bonus is paid on the sales volume of an Affiliate's personally enrolled Customers, Affiliates and VBOs after the enrollee's initial 90 days has passed. Affiliates are eligible for a one-level residual bonus—earning on personal enrollments only.

- Residual Bonus: 5%

Advanced Referral Bonus: Any month in which an Affiliate has a minimum of 10 personally enrolled Customers, Affiliates or VBOs, each of whom have 50 PV or more within the Commission Period, the Affiliate will receive an extra 10% bonus on any Residual Bonus they were eligible to earn that month.

Advanced Referral Bonus is calculated and paid through the Primary Commission Period.



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