



S H E L F R E L I A N C E[®]

STATEMENT OF
POLICIES & PROCEDURES

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SECTION 1—INTRODUCTION

1.1—Purpose of Policies

Shelf Reliance consultants must comply with all of the terms and conditions set forth in the Shelf Reliance Consultant Application and Agreement (“Consultant Agreement”), as well as all federal and state laws governing their Shelf Reliance business and their conduct as independent consultants. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Consultant Agreement. Please review the information in these policies carefully. They explain and govern the relationship between you, as an independent consultant, and Shelf Reliance, LLC (“Shelf Reliance”, or the “Company”). It is the responsibility of each consultant to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies. When sponsoring a new consultant, it is the responsibility of the sponsoring consultant to provide the most current version of these policies to the applicant prior to his or her execution of the Consultant Agreement.

1.2—Policies Incorporated Into Consultant Application and Agreement

These Policies and Procedures (“Policies”), in their present form and as amended at the sole discretion of the Company, are incorporated into, and form an integral part of the Consultant Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Shelf Reliance Consultant Agreement, these Policies, and the Shelf Reliance Compensation Plan.

1.3—Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is determined by a proper authority to be invalid or unenforceable, the other provisions herein shall remain in full force and effect and shall be liberally construed in order to effectuate the purpose and intent of these Policies and the Agreement.

1.4—Changes to the Consultant Agreement, Policies and Procedures, or Compensation Plan

Because federal, state, and local laws, as well as the business environment, periodically change, Shelf Reliance reserves the right to amend the Policies and the prices in its Shelf Reliance Product Price List in its sole and absolute discretion. By signing the Consultant Agreement, a consultant agrees to abide by all amendments or modifications that Shelf Reliance elects to make to these Policies. Notification of amendments shall appear in Official Shelf Reliance Materials. Amendments shall be effective upon publication in Official Shelf Reliance Materials, including but not limited to, posting on shelfreliance.com, e-mail distribution, and publication in Shelf Reliance’s newsletter, product inserts, or any other commercially reasonable method. The continuation of a consultant’s Shelf Reliance business or a consultant’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

1.5—Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Shelf Reliance to exercise any right or power under the Agreement or to insist upon strict compliance by a consultant with any obligation

or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Shelf Reliance's right to demand exact compliance with the Agreement. Waiver by Shelf Reliance can be effectuated only in writing by an authorized officer of the Company. Shelf Reliance's waiver of any particular breach by a consultant shall not affect or impair Shelf Reliance's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other consultant. Nor shall any delay or omission by Shelf Reliance to exercise any right arising from a breach affect or impair Shelf Reliance's rights as to that or any subsequent breach. The existence of any claim or cause of action of a consultant against Shelf Reliance shall not constitute a defense to Shelf Reliance's enforcement of any term or provision of the Agreement.

1.6—Delays

Shelf Reliance shall not be responsible for delays and failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, flood, death, curtailment of a party's source of supply, or government decrees or orders.

1.7—Titles not Substantive

The titles and headings in the Agreement are for reference purposes only, and do not constitute, and shall not be construed as, substantive terms of the Policies.

SECTION 2—BECOMING A CONSULTANT

2.1—Requirements to Become a Consultant

To become a Shelf Reliance consultant, each applicant must:

- 1) Be of the age of majority in his or her state of residence (consultants shall not enroll or recruit minors into the Shelf Reliance program);
- 2) reside in the United States or other countries which have been officially opened by Shelf Reliance;
- 3) have a valid Social Security Number or Federal Tax Identification Number;
- 4) submit a properly completed and signed Consultant Agreement to Shelf Reliance (the Company reserves the right to reject any applications for new consultant position); and
- 5) purchase a Starter Kit.

2.2—Consultant Benefits

Once a Consultant Agreement has been accepted by Shelf Reliance, the benefits of the Compensation Plan and the Consultant Agreement are available to the new consultant. These benefits include the right to:

- 1) Purchase Shelf Reliance products and services ("Products") at the party price;
- 2) Retail Shelf Reliance Products or resell services, which are described in the Shelf Reliance product catalog, and profit from these sales;

- 3) Participate in the Shelf Reliance Compensation Plan (i.e., receive bonuses and commissions, if eligible);
- 4) Sponsor other individuals as consultants into the Shelf Reliance business and thereby build a marketing organization and progress through the Shelf Reliance Compensation Plan;
- 5) Receive periodic Shelf Reliance literature and other Shelf Reliance communications;
- 6) Participate in Shelf Reliance-sponsored support service training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- 7) Participate in promotional and incentive contests and programs sponsored by Shelf Reliance for its consultants.

2.3—Inventory and Starter Kit

No person is required to purchase Shelf Reliance Products to become a consultant. However, to familiarize new consultants with Shelf Reliance Products, sales techniques, sales aids, and other materials, the purchase of a Starter Kit is required. Shelf Reliance will repurchase resalable Starter Kits from any consultant who terminates his or her Consultant Agreement pursuant to the terms in the “Return of Inventory and Sales Aids by Consultants” section of these Policies (See [Section 7.3](#)).

2.4—Material and Subscription Fee

The term of the Consultant Agreement is one (1) year from the date of its acceptance by Shelf Reliance. Consultant must renew his or her Consultant Agreement each year by paying a material and subscription fee as determined by the Company on or before the anniversary date of their Consultant Agreement. If the material and subscription fee is not paid within thirty (30) days after the expiration of the current term of the Consultant Agreement, the Consultant Agreement may be canceled at Company’s discretion; however, in the absence of extenuating circumstances, all Agreements are renewed under the Automatic Material and Subscription Fee Program (“AMSFP”). Under the AMSFP, the material and subscription fee will be deducted from the consultant’s bonus check for the anniversary month of the Consultant Agreement. If the bonus check does not have sufficient funds to cover the material and subscription fee, a debit shall remain against the consultant’s account until such funds are available.

SECTION 3—ORDERING

3.1—Purchasing Shelf Reliance Products

Each consultant should purchase his or her products directly from Shelf Reliance. If a consultant purchases products from another consultant or any other source, the purchasing consultant will not receive the commissions associated with that purchase.

3.2—General Order Policies

Shelf Reliance maintains no minimum order requirements. Orders for Products and sales aids may be combined. Orders for multiple individuals may not be combined into one order to save on shipping costs.

3.3— Shipping and Backorder Policy

Shelf Reliance will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out-of-stock, it will be placed on backorder and sent when Shelf Reliance receives additional inventory. Consultants will be charged and given commission on backordered Products unless notified on the invoice that the item has been discontinued. Shelf Reliance will notify consultants and customers if items are backordered and are not expected to ship within thirty (30) days from the date of the order. The Company will also provide an estimated shipping date. Backordered Products may be canceled upon a consultant's request. Consultants may request a refund, credit on account, or replacement merchandise for canceled backorders. If consultant requests a refund, the consultant's commission will be decreased by the amount of the refund in the month and bonuses withheld in a subsequent month in which the refund is issued.

3.4—Confirmation of Order

A consultant and/or recipient of an order must confirm that the product received matches the product listed on the shipping invoice, and is free of damage. Failure to notify Shelf Reliance of any shipping discrepancy or damage within thirty (30) days of shipment will cancel a consultant's right to request a correction.

3.5—Payment and Shipping Deposits

Payment may not be made, paid to or accepted by a consultant for a sale to a personal retail customer except at the time of Product delivery. Consultants may not accept payment from retail customers to be held by consultant for deposit in anticipation of future deliveries.

3.6—Insufficient Funds

It is the responsibility of each consultant to ensure that there are sufficient funds or credit available in his or her account to cover the monthly Q order. (As further defined below) Shelf Reliance is not required to contact consultants in regard to orders canceled due to insufficient funds or credit. Consultant understands and agrees that this may result in a consultant's failure to meet his or her commission plan requirements for the month.

3.7—Returned Checks

All checks returned by a consultant's bank for insufficient funds ("NSF") will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the consultant. After receiving a returned check from a customer or a consultant, all future orders must be paid by credit card, money order or cashier's check. Any outstanding balance owed to Shelf Reliance by a consultant for NSF checks and returned check fees may be withheld from subsequent bonus and commission checks or collected in any other manner deemed appropriate by Shelf Reliance. Reinstatement of payment by check shall be at the discretion of Shelf Reliance.

3.8—Restrictions on Third Party Use of Credit Cards and Checking Account Access

Consultants shall not permit other consultants or customers to use his or her credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Company.

3.9— [Sales Taxes]

By virtue of its business operations, Shelf Reliance is required to charge sales taxes on all purchases made by consultants and customers, and remit the taxes charged to the respective states. Accordingly, Shelf Reliance will collect and remit sales taxes on behalf of consultants, based on the suggested retail price of the products, according to applicable tax rates in the state to which the shipment is destined. If a consultant has submitted, and Shelf Reliance has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be that of the consultant. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Shelf Reliance is not retroactive.

SECTION 4—RESPONSIBILITIES OF CONSULTANTS

4.1—Change of Address or Telephone

To ensure timely delivery of Products, support materials and commission checks, it is critically important that Shelf Reliance's files are current and accurate. Street addresses are required for shipping since our shipping company cannot deliver to a post office box. Consultants planning to move should send their new address and telephone number to Shelf Reliance's Corporate Offices to the attention of the Consultant Services Department (see the Company website for contact information). To guarantee proper delivery, two (2) weeks advance notice must be provided to Shelf Reliance on all changes.

4.2— Continuing Development Obligations and Ongoing Training

Any consultant who is the sponsor of another consultant must perform a bona fide supervisory function to ensure that his or her downline of consultants he or she has sponsored is properly operating his or her Shelf Reliance business. Consultants must have ongoing contact, communication and management supervision with the consultants in their Marketing Organizations (defined below) Examples of such contact and supervision may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline consultants to Shelf Reliance meetings, training sessions, and other functions. Upline consultants are also responsible to motivate and train newly sponsored downline consultants in Shelf Reliance product knowledge, effective sales techniques, the Agreement, including without limitation, the Shelf Reliance Compensation Plan, and compliance with these Policies.

4.3—Increased Training Responsibilities

As consultants progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the Shelf Reliance program. They will be called upon by the Company to share this knowledge with lesser experienced consultants within their Marketing Organization. Consultants must comply to all reasonable requests by the Company for such support.

4.4—Ongoing Sales Responsibilities

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

4.5—Nondisparagement

Shelf Reliance wants to provide its consultants with superior products, a compensation plan and service in the industry. Accordingly, the Company highly regards each consultant's constructive criticisms and comments. All such feedback should be submitted in writing to Shelf Reliance's Consultant Services Department. While Shelf Reliance welcomes constructive input, negative comments and remarks made by consultants about the Company, its Products or Compensation Plan serve no purpose other than to diminish the enthusiasm of other Shelf Reliance consultants. For this reason, and to set the proper example for their sponsored consultants in their downline, consultants must not disparage, demean or make negative remarks about Shelf Reliance, other Shelf Reliance consultants, the Products, the Compensation Plan, or Shelf Reliance's directors, officers or employees.

4.6—Providing Documentation to Applicants

Consultants must provide the most current version of the Policies and the Compensation Plan to individuals whom they may sponsor to become consultants before the applicant signs a Consultant Agreement. Additional copies of the Policies can be acquired from Shelf Reliance.

4.7—Reporting Policy Violations

Consultants observing a violation of the Policies by another consultant should submit a written report of the violation directly to the attention of the Shelf Reliance Compliance Department. Details of the incident such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

SECTION 5—SALES REQUIREMENTS

5.1—Product Sales

The Shelf Reliance Compensation Plan is based upon the sale of Shelf Reliance Products to end consumers. Consultants must fulfill personal and Marketing Organization (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement.

5.2—No Price or Territory Restrictions

Consultants are not required to sell Shelf Reliance Products at the suggested retail prices set by Shelf Reliance on the Shelf Reliance Product Price List. Consultants may sell Shelf Reliance products at any price they choose as long as it is not lower than the online sale price of the Shelf Reliance retail webpage. There are no exclusive territories granted to anyone. No franchise fees are required, as the Company is not a franchisor and consultants are not franchisees. Any consultant who advertises and/or offers to sell Shelf Reliance Products at a price less than the party price ("Party Price" being defined as the amount of a single container of product designated in the Shelf Reliance Product Price List as

published and modified by Shelf Reliance from time to time) will be immediately terminated, without any cure period.

5.3—Sales Receipts

If a consultant sells any Shelf Reliance Products from his or her inventory, he or she must give the customer a copy of a retail sales receipt at the time of the sale. Consultants must maintain all retail sales receipts for a period of two (2) years and furnish them to Shelf Reliance at the Company's request. Records documenting the purchases of Consultants' Preferred Customers (those purchasing outside a party structure) will be maintained by Shelf Reliance.

SECTION 6—BONUSES, COMMISSIONS, AND BENEFITS

6.1—Bonus and Commission Qualifications

A consultant must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a consultant complies with the terms of the Agreement, Shelf Reliance shall pay commissions to such consultant in accordance with the Compensation Plan. The minimum amount for which Shelf Reliance will issue a check is determined by the Company (currently estimated to be \$5.00). If a consultant's bonuses and commissions do not equal or exceed the minimum amount, the Company will accrue the commissions and bonuses until they reach the minimum amount. A check will be issued once this amount has been accrued.

6.2—Adjustment to Bonuses and Commissions for Returned Products and Services

Consultants receive bonuses and commissions based on the actual sales of Products to end consumers. When a Product is returned to Shelf Reliance for a refund or is repurchased by the Company, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given or will be withheld from any bonus, commission or other amount owed by the Company. Deductions will continue every pay period thereafter until the commission is recovered from the consultants who received bonuses and commissions on the sales of the refunded goods.

6.3—Unclaimed Commissions and Credits

Consultants must deposit or cash commission and bonus checks within six (6) months from their date of issuance. A check that remains un-cashed after six (6) months will be deemed forfeited by the consultant. After a check has been forfeited, Shelf Reliance will credit the consultant's account. There shall be a \$15.00 charge for such a transaction; plus a \$10.00 monthly maintenance fee. Any other issued credit (other than a voided check) that remains unused after six (6) months will incur a \$10.00 monthly maintenance fee.

6.4—Unprocessed Host Benefit Orders and Party Supply Benefits

Consultants and Hosts must process their host benefit orders and party supply benefit orders within three (3) months from the date of their party or event. A host benefit or party supply benefit order that remains un-processed after three (3) months will be deemed forfeited by the consultant or host.

SECTION 7—PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

7.1—Product Guarantee

Shelf Reliance offers a one hundred percent (100%) 30-day money back satisfaction guarantee (less shipping charges) to all retail customers. If a customer purchased a Product from a Shelf Reliance consultant, the customer must return the Product to that consultant for a refund, replacement or exchange. If a customer purchased the Product directly from the Company, the Product should be returned directly to the Company. If a consultant is unsatisfied with any Shelf Reliance Product purchased for personal use, the consultant may return the Product within thirty (30) days from the date of purchase for a one hundred percent (100%) refund, a replacement or exchange (less shipping charges). This guarantee is limited to \$300 in any twelve (12) month period. If a consultant wishes to return Products exceeding \$300 in any twelve (12) month period, the return will be deemed an inventory repurchase and the Company shall repurchase the inventory pursuant to the terms in Section 7.3 below, and the consultant's Consultant Agreement shall be canceled.

7.2—Returns by Consultants (Products Returned by Personal Retail Customers)

If a personal retail customer returns a Product to the consultant from whom it was purchased, the consultant may return it to the Company for an exchange or replacement (the consultant returning the Product is responsible for all shipping charges).

7.3—Return of Inventory and Sales Aids by Consultants/Customers

Upon cancellation of a consultant's Consultant Agreement, the consultant may return Product inventory and sales aids purchased within one (1) year from the date of cancellation for a refund if he or she is unable to sell or use the merchandise. A consultant may only return Products and sales aids he or she personally purchased from the Company under his or her Consultant Identification Number, and which are in resalable condition (can hasn't been opened and has been out of Shelf Reliance control for longer than 90 days). Upon receipt of the Products and sales aids, the consultant will be reimbursed ninety percent (90%) of the net cost of the original purchase price(s), less shipping charges. If the purchases were made through a credit card, the refund will be credited back to the same credit card account. The Company shall deduct from the reimbursement paid to the consultant any commissions, bonuses, rebates or other incentives received by the consultant which were associated with the merchandise that is returned.

7.4—Procedures for all Returns

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

- 1) All Product inventory must be returned by the consultant or customer who purchased it directly from Shelf Reliance.
- 2) All Products to be returned must have a return authorization number ("Return Authorization Number") which will be obtained by calling the Consultant Services Department. This Return Authorization Number must be written on each carton returned. The return must be accompanied by:
 - a) A copy of the original dated retail sales receipt (if Product was returned to the consultant by a retail customer); and

- b) The unused portion of the Product in its original container. Proper shipping carton(s) and packing materials are to be used in packaging the Product(s) being returned for replacement. All returns must be shipped to Shelf Reliance shipping pre-paid. Shelf Reliance does not accept shipping-collect packages. The risk of loss in shipping for returned Product shall be borne solely by the consultant. It is the sole responsibility of the consultant to trace, insure or otherwise confirm that the Company has received the shipment. If a consultant is returning merchandise to Shelf Reliance that was returned to him or her by a personal retail customer, the Product must be received by Shelf Reliance within ten (10) days from the date on which the retail customer returned the merchandise to the consultant, and must be accompanied by the sales receipt the consultant gave to the customer at the time of the sale. No refund or replacement of Product will be made if the conditions of these rules are not met.

SECTION 8—OPERATING A SHELF RELIANCE BUSINESS

8.1—Adherence to the Shelf Reliance Compensation Plan

Consultants must adhere to the terms of the Shelf Reliance Compensation Plan as set forth in materials sent directly from Shelf Reliance (“Official Shelf Reliance Materials”). Consultants shall not offer the Shelf Reliance opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically stated in Official Shelf Reliance Materials. Consultant shall not require or encourage other current or prospective customers or consultants to participate in Shelf Reliance in any manner that varies from the program as set forth in Official Shelf Reliance Materials. Consultant shall not require or encourage other current or prospective customers or consultants to execute any agreement or contract other than those furnished directly from Shelf Reliance itself, in order to become a Shelf Reliance consultant. Similarly, consultants shall not require or encourage other current or prospective customers or consultants to make any purchase from, or payment to, any individual or other entity to participate in the Shelf Reliance Compensation Plan other than those purchases or payments identified as recommended or required in Official Shelf Reliance Materials.

8.2—Advertising

All consultants shall safeguard and promote the good reputation of Shelf Reliance and its products. The marketing and promotion of Shelf Reliance, the Shelf Reliance opportunity, the Compensation Plan, and Shelf Reliance products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. Shelf Reliance specifically prohibits the use of mass unsolicited telephone autodialing, faxing, e-mail (“spam”), and “boiler-room” telemarketing operations. This includes adding individual’s email account information to your customer list to send out newsletters and information without their permission. To promote both the products and the opportunity Shelf Reliance offers, consultants must use the sales aids and support materials produced by Shelf Reliance. If Shelf Reliance consultants develop their own sales aids and promotional materials (which includes Internet advertising), notwithstanding consultants’ good intentions, they may unintentionally violate any number of statutes or regulations affecting a Shelf Reliance business. These violations, could jeopardize the Shelf Reliance opportunity for all consultants.

Accordingly, consultants must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the consultant receives specific written approval to use the material, the request shall be deemed denied.

Websites created by consultants must include the official Shelf Reliance logo, and must clearly state that it is an Independent Consultant website on the landing page. The site must have a link to www.shelfreliance.com at the top of the landing page. Any revisions or additions to websites or marketing material must also receive company approval.

8.3—Participation in Shelf Reliance Corporate Marketing Efforts

Shelf Reliance encourages consultant participation in the Company's marketing efforts and consultants may submit their marketing ideas to the Company. Likewise, consultants are encouraged to participate in all Company-sponsored telephone calls or web conferences to interact and share ideas with Company leadership as well as other consultants. All submissions to the Company, including those coming by way of verbal participation in Company-sponsored telephone calls or web conferences, become the property of Shelf Reliance. All Company-sponsored telephone calls are copyrighted material owned by Shelf Reliance and are intended for consultants' individual use. Any rebroadcast, reproduction or distribution of this copyrighted material without the express written consent of Shelf Reliance is prohibited.

8.4—Online Policies

- 1) Consultant Website URLs and/or Private Website URLs and designs must be approved by Shelf Reliance before use.
- 2) A Private Website may not mimic the shelfreliance.com website, or otherwise portray itself, purposely or unintentionally, as an official corporate website. Any significant revisions to the design or layout must receive company approval prior to the changes going into effect.
- 3) All content on Private Websites is subject to periodic review by Shelf Reliance. Shelf Reliance reserves the right to take any and all appropriate measures to remove content it deems inappropriate.
- 4) Private Websites must prominently display the official Shelf Reliance logo, and must clearly state that it is an Independent Consultant website on the landing page. The site must also have a link to shelfreliance.com displayed prominently on the landing page.
- 5) A consultant may include their rank title on a Private Website. They may not use other titles or content that imply official position or responsibility within the Shelf Reliance corporate organization, without the express written approval of Shelf Reliance.
- 6) If you choose to advertise your Consultant Website or Private Website online, all forms of such advertising must meet the following requirements:
 - a) Display URLs must use the Private Website URL or the entire Consultant Website URL (e.g. mystore.shelfreliance.com), and may not use "shelfreliance.com" or "www.shelfreliance.com."
 - b) Advertisements must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

- c) Advertisements must safeguard and promote the good reputation of Shelf Reliance and its products.
- 7) Consultants must submit all custom online advertisements to Shelf Reliance for approval prior to use. Once submitted the advertisement automatically receives provisional approval status and may be used immediately. The use of any advertisement that is denied approval must be discontinued immediately. Shelf Reliance reserves the right to deny individual consultants the right to receive automatic provisional approval for their advertisements.
- 8) Images and other content created by Shelf Reliance may be used on consultants' Private Websites. However, images, text, and all other content created by other Shelf Reliance consultants may not be copied or used without the prior written consent of the content creator.
- 9) Shelf Reliance independent consultants shall not promote the products and/or business opportunity via applications or tools, such as traffic-redirecting programs, that replace cookies and tracking codes with their own. This is strictly prohibited. Private websites may not utilize hidden cookies, cookie stuffing, or other similar techniques to tie a customer to a Consultant Website.
- 10) Consultants may not use Shelf Reliance's social media outlets for self promotion.
- 11) Consultants may not advertise prices, or sell at prices, below Q-Club pricing. All pricing must be kept up to date with the most current price list.
- 12) The use of spam, unsolicited email, and indiscriminate advertising is expressly prohibited.
- 13) Consultants may not engage in activities that will, or have the potential to, harm or detrimentally influence other businesses (independent consultant businesses or retail businesses) that carry or sell Shelf Reliance products. This includes mentioning other businesses by name, their specific products or prices, pictures, website links, and/or comparison to your prices on your Private Website.

8.5— Sponsoring

All Active Consultants in good standing have the right to sponsor and enroll new Shelf Reliance consultants. Each prospective consultant has the ultimate right to choose his or her own Sponsor. If two consultants claim to be the sponsoring consultant of the same new consultant, the Company shall regard the first application received by the Company as controlling.

8.6—Trademarks and Copyrights

The name "Shelf Reliance" (or any form thereof) and other names as may be adopted by Shelf Reliance are proprietary trade names, trademarks and service marks of Shelf Reliance. As such, these marks are of great value to Shelf Reliance and are supplied to consultants for their use only in an expressly authorized manner. Use of the Shelf Reliance name or any form thereof, including their use as or within internet domain names, on any item not produced by the Company is prohibited unless approved by the company.

If a consultant uses the name Shelf Reliance and/or any of Shelf Reliance's Products in his or her advertising, the consultant must identify the mark as the property of Shelf Reliance, LLC. All consultants may list themselves as an "Independent Shelf Reliance Consultant" in the white or yellow

pages of the telephone directory under their own name. No consultant may place telephone directory display ads using Shelf Reliance's name or logo. A consultant may not answer the telephone by saying "Shelf Reliance", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of Shelf Reliance. Consultants may not produce for sale, or any other purpose, any recorded Company events and speeches without written permission from Shelf Reliance; nor may consultants reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations. In accordance with a consultant's strict adherence to the foregoing instruction on the use of Shelf Reliance's trademarks, Shelf Reliance grants to each consultant so adhering, a nonexclusive license to use said marks. Said license may be revoked at any time at the sole discretion of Shelf Reliance.

8.7—Media and Media Inquiries

Consultants may not respond to media inquiries regarding Shelf Reliance, its Products, or their independent Shelf Reliance business. All inquiries by any type of media must be immediately referred to Shelf Reliance's corporate offices.

8.8—Business Entities

A corporation, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a Shelf Reliance consultant by submitting a Shelf Reliance Business Entity Information Form along with its Certificate of Incorporation, Articles of Organization, Partnership Agreement or trust documents (these documents are collectively referred to as the "Entity Documents") to Shelf Reliance. A Shelf Reliance business may change its status under the same Sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. To do so, the consultant(s) must provide the Entity Documents to Shelf Reliance. The Consultant Application must be signed by all of the shareholders, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to Shelf Reliance.

8.9—Changes to the Shelf Reliance Business

Consultants must immediately notify Shelf Reliance of all changes to the information provided by consultant in his or her Consultant Agreement. Consultants may modify the information they provided that is contained in their existing Consultant Agreement (i.e., change Social Security Number to Federal Tax Identification Number, or change the form of ownership from an individual proprietorship to a Business Entity owned by the consultant) by submitting a written request, and appropriate supporting documentation. Each business will receive a separate IRS Form 1099.

8.10—Addition of Co-applicants

When adding a co-applicant (either an individual or a business entity) to an existing Shelf Reliance business, the Company requires a written request from the existing/original consultant as well as a properly completed Consultant Agreement containing the original applicant's and co-applicant's Social Security Numbers or Federal Tax Identification Numbers and signatures. To prevent the circumvention of the "Sale, Transfer or Assignment of Shelf Reliance Business" (see [Section 8.34](#)) (regarding transfers and assignments of Shelf Reliance business), the original applicant must remain as a party to (and obligated under) the original Consultant Agreement. If the original consultant wants to terminate his or her relationship with the Company in connection with said transfer, he

or she must first transfer or assign his or her business in accordance with the “Sale, Transfer or Assignment of Shelf Reliance Business” (see [Section 8.34](#)). If this process is not followed, the business shall be cancelled upon the withdrawal of the original consultant. All bonus and commission checks will be sent to the address of record of the original consultant. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship. Changes of sponsorship are addressed in “Change of Sponsor” (see [Section 8.10](#)). There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Consultant Agreement. Shelf Reliance may, at its discretion, require notarized documents before implementing any changes to a Shelf Reliance business. Please allow thirty (30) days after the receipt of the request by Shelf Reliance for processing.

8.11— Change of Sponsor

The transfer of a Shelf Reliance business from one consultant to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to Shelf Reliance’s corporate offices, and must include a reason for the transfer. Shelf Reliance will only consider transfers in the following three (3) circumstances:

- 1) Within ten (10) days of the enrollment date, the consultant seeking to transfer submits a properly completed sponsorship and enroller transfer form (“Sponsorship and Enroller Transfer Form”) which includes the signature of the consultant seeking to transfer to a new sponsoring consultant and the signature of the original sponsoring consultant;
- 2) In cases involving fraudulent inducement or unethical sponsoring, a consultant may request that he or she be transferred to another organization with his or her entire Marketing Organization intact. All requests for transfers alleging fraudulent enrollment practices shall be evaluated on a case by case basis, and must be submitted to the Company in writing within sixty (60) days from the enrollment date. The request must include a detailed description of why the consultant believes his or her enrollment was fraudulently induced; and
- 3) The consultant seeking to transfer to a new sponsoring consultant submits a properly completed and fully executed Sponsorship and Enroller Transfer Form which includes the written approval of all parties whose income will be immediately affected by the transfer. Photocopied or facsimile signatures are not acceptable. All consultant signatures must be notarized. The consultant who requests the transfer must submit a fee of \$50.00 for administrative charges and data processing. Transferring consultant must allow thirty (30) days after the receipt of the Sponsorship and Enroller Transfer Forms by Shelf Reliance for processing and verifying change requests. A transferring consultant’s Downline shall remain in the original genealogy and shall not be moved with the transferring consultant; however, Shelf Reliance reserves the right to make Downline genealogy changes at its discretion.

8.12— Cancellation and Re-application

A consultant may legitimately change organizations by voluntarily canceling his or her Shelf Reliance business and remaining inactive (i.e., no purchases of Shelf Reliance Products for resale, no sales of Shelf Reliance Products, no sponsoring, no attendance at any Shelf Reliance functions, participation in any other form of consultant activity, or operation of any other Shelf Reliance

business) for six (6) full calendar months. Following the six (6) month period of inactivity, the former consultant may reapply to become a consultant under a new Sponsor.

8.13— Indemnification for Unauthorized Claims and Actions

A consultant is fully responsible for all of his or her verbal and/or written statements made regarding Shelf Reliance Products, and the Compensation Plan which are not expressly contained in Official Shelf Reliance Materials. Consultants agree to indemnify Shelf Reliance and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by Shelf Reliance as a result of the consultant's unauthorized representations or actions. This provision shall survive the termination of a consultant's Consultant Agreement.

8.14—Product Claims

No claims relating to any Products offered by Shelf Reliance may be made by consultants except those contained in Official Shelf Reliance Materials. This includes shelf life claims that are different than what is stated on the label and the price list. Without limiting the generality of the foregoing, no consultant may make any claim that Shelf Reliance Products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medicinal or drug related claims. No shelf life claims may be made by consultants that are different than what is stated on the label and the price list.

8.15—Income Claims

A consultant, when presenting or discussing the Shelf Reliance opportunity or Compensation Plan to a prospective consultant, may not make income projections, income claims or disclose to any third parties, including but not limited to potential Shelf Reliance consultant applicants, his or her Shelf Reliance income.

8.16—Commercial Outlets

Shelf Reliance strongly encourages the retailing and selling of its Products through word of mouth advertising and person to person contact. However, the Company recognizes that some consultants may find that selling Products from small commercial retail outlets may be beneficial. Therefore, consultants may sell Shelf Reliance Products in small, individually owned retail outlets. Notwithstanding the foregoing, Shelf Reliance Products may not be sold by consultants in department stores, chain or franchised retail outlets, mass merchandising outlets, or any retail location with two thousand (2,000) square feet or more of retail space (e.g., Costco, Wal-Mart, Target, etc.) Consultants must obtain written authorization from Shelf Reliance prior to selling any Shelf Reliance Products in any retail outlet, and Shelf Reliance retains the right to restrict its Products from being sold in any retail location which Shelf Reliance does not deem acceptable.

8.17—Trade Shows, Expositions and Other Sales Forums

Consultants may display and/or sell Shelf Reliance Products at trade shows and professional expositions. Consultants may not display and/or sell Shelf Reliance Products at swap meets, garage sales, flea markets or Internet auction sites without the prior written consent of the Company. If there

is any doubt as to whether any particular venue is appropriate, it is the consultant's responsibility to contact Shelf Reliance for clarification and approval.

8.18—Conflicts of Interest/Non-solicitation

Shelf Reliance consultants are free to participate in other direct sales business ventures or marketing opportunities. During the term of the Agreement and, for a period of six (6) months following the cancellation thereof, a consultant or former consultant may not recruit any Shelf Reliance consultant or customer for any other direct sales business. Because direct sales is often conducted over the telephone and via the internet through networks of individuals spanning the U.S. and internationally, any narrow geographic limitation on the scope of this non-solicitation policy would render it ineffective. Therefore, this restriction shall apply to all countries where Shelf Reliance is officially open for business. The term "recruit" means actual or attempted solicitation, enrollment, encouragement or effort to influence in any way, either directly or through a third party, a Shelf Reliance consultant or customer to enroll or participate in another direct sales opportunity. If the consultant or former consultant directly or indirectly responds to an inquiry by a Shelf Reliance consultant, this also constitutes prohibited recruiting. Consultants may not display Shelf Reliance Products with any other non-Shelf Reliance products or services. If operating from an approved physical retail location, Shelf Reliance Products must be displayed separately from non-Shelf Reliance products or services. Consultants may not offer the Shelf Reliance opportunity or Products to prospective or existing customers or consultants in conjunction with any non-Shelf Reliance program, opportunity, product or service. Consultants may not offer any non-Shelf Reliance opportunity, products or services at any Shelf Reliance-related meeting, seminar or convention.

8.19— Downline Activity Reports

All Downline Activity Reports and the information contained therein are confidential and constitute proprietary business trade secrets information belonging to Shelf Reliance. Downline Activity Reports are provided to consultants in strictest confidence and are made available to consultants for the sole purpose of assisting consultants in working with their respective Marketing Organizations in the development of their Shelf Reliance business. Consultants should use their Downline Activity Reports to manage, motivate and train their Downline consultants.

The consultant and Shelf Reliance agree that, but for this agreement of confidentiality and nondisclosure, Shelf Reliance would not provide Downline Activity Reports to the consultant. Accordingly, consultants shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- 1) Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- 2) Use the information to compete with Shelf Reliance or for any purpose other than promoting his or her Shelf Reliance business;
- 3) Recruit or solicit any consultant or customer of Shelf Reliance listed on any report, or in any manner attempt to influence or induce any consultant or customer of Shelf Reliance, to alter their business relationship with Shelf Reliance;
- 4) Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Downline Activity Report;

- 5) Upon demand by the Company, any current or former consultant will return the original and all copies of Downline Activity Reports to the Company.

The provisions of this Section 8.18 shall survive the termination of a consultant's Consultant Agreement with Shelf Reliance.

8.20— Cross-Sponsoring

Actual or attempted cross-group sponsoring is strictly prohibited. "Cross-group Sponsoring" is defined as the enrollment, indirect or otherwise, of an individual or entity that already has a current customer number or Consultant Agreement on file with Shelf Reliance, or who has had such an Agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, Federal Tax Identification Numbers or fictitious identification numbers, or other deliberate attempt to circumvent this prohibition on cross-group sponsoring is prohibited. This prohibition shall not restrict the transfer of a Shelf Reliance business in accordance with the "Sale, Transfer or Assignment of Shelf Reliance Business" provisions of the Policies.

8.21— Errors or Questions

If a consultant has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports or charges, the consultant must notify Shelf Reliance within sixty (60) days of the date of the purported error or incident in question. Shelf Reliance will not be responsible for any errors, omissions or problems not reported within sixty (60) days after the occurrence or omission of such.

8.22— Excess Inventory Purchases Prohibited

Consultants are not required to carry inventory of Products or sales aids. Consultants who do so may find making retail sales and building a Marketing Organization somewhat easier because of the decreased response time in fulfilling customer orders or in meeting a new consultant's needs, but doing so is not required by Shelf Reliance. Each consultant must make his or her own decision with regard to these matters. To ensure that consultants are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to Shelf Reliance upon the consultant's cancellation or termination pursuant to the "Return of Inventory and Sales Aids by Consultants" provision of the Policies. Shelf Reliance prohibits the purchase of Products in unreasonable amounts solely for the purpose of qualifying for commissions, bonuses or advancement in the Compensation Plan. Consultants may not purchase more inventory than they can reasonably resell or consume, nor may they encourage others to do so.

8.23— Right of Publicity

Consultants authorize Shelf Reliance to use their name, photograph, personal story and/or likeness in the Company's advertising and/or promotional materials and waive all claims for remuneration for such use.

8.24— Governmental Approval or Endorsement

Federal and state regulatory agencies and/or officials do not approve or endorse any direct selling companies or programs. Therefore, consultants shall not represent or imply that Shelf Reliance or its Compensation Plan have been “approved,” “endorsed” or otherwise sanctioned by any government agency.

8.25— Income Taxes

Every year, Shelf Reliance will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each consultant who is a U.S. resident as required by the Internal Revenue Service. Each consultant is responsible for paying local, state and federal taxes on any income generated as an independent consultant. If a consultant is using an entity to run its Shelf Reliance business that is tax exempt, the Federal Tax Identification Number must be provided to Shelf Reliance.

8.26— Independent Consultant Status

Consultants are independent contractors, and are not purchasers of a franchise or a business opportunity. The Agreement between Shelf Reliance and its consultants does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the consultant. A consultant is not and shall not be treated as an employee of Shelf Reliance for his or her services or for Federal or State tax, or any other purposes. All consultants are responsible for paying local, state, and federal taxes due from all compensation earned as a consultant of the Company. The consultant has no authority, to bind the Company to any obligation – nor may consultant hold itself out as being an employee of (or having the authority express or implied to bind) the Company. Each consultant shall establish his or her own goals, hours of work and methods of sale of the Products.

8.27— International Marketing

Because of critical legal and tax considerations, Shelf Reliance must limit the resale of Shelf Reliance Products, and the presentation of the Shelf Reliance business opportunity to prospective customers and consultants located within the United States. Accordingly, consultants are only authorized to sell Shelf Reliance Products, and enroll customers or consultants in the countries in which Shelf Reliance is authorized to conduct business, as announced in Official Company Materials. No consultant may sell, give, transfer, import, export or distribute Shelf Reliance Products or sales aids in any unauthorized country. In addition, no consultant may, in any unauthorized country:

- 1) Conduct sales, enrollment or training meetings;
- 2) Enroll or attempt to enroll potential customers of consultants; or
- 3) Conduct any other activity for the purpose of selling Shelf Reliance products, establishing a Marketing Organization, or promoting the Shelf Reliance opportunity.

8.28— Adherence to Laws and Ordinances

Various federal, state and local laws regulate certain home-based businesses. In most cases these laws/ ordinances are not applicable to consultants because of the nature of their business. However, consultants must obey all applicable laws that do apply to them. If a city or county official, for example, tells a consultant that an ordinance applies to him or her, the consultant shall be polite and cooperative, and immediately notify Shelf Reliance of such, and where possible, send a copy of the

ordinance to the compliance department of Shelf Reliance. In many cases there are exceptions to the ordinance that apply to Shelf Reliance consultants.

8.29— Compliance with Laws and Ethical Standards

Consultants shall comply with all federal, state and local laws and regulations in the conduct of their businesses. In connection with the operation of a consultant's Shelf Reliance business, the violation of any applicable law, or any conduct that is unethical or, in Shelf Reliance's sole discretion, may tend to damage its reputation or goodwill, shall be grounds for disciplinary action.

8.30— One Shelf Reliance Business per Consultant

A consultant may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Shelf Reliance business. No individual may have, operate or receive compensation from more than one Shelf Reliance business. Individuals of the same family unit may only have one Shelf Reliance Consultant position. Separate or additional positions by members in the same family unit is prohibited. A "family unit" is defined as spouses and dependent children living or doing business at the same address.

8.31— Actions of Household Members or Affiliated Individuals

If any member of a consultant's immediate household engages in any activity which, if performed by the consultant named on the application, would violate any provision of the Agreement, such activity will be deemed a violation by the consultant and Shelf Reliance may take disciplinary action pursuant to the Policies against the named consultant. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the entity, and Shelf Reliance may take disciplinary or other appropriate legal action against the entity.

8.32— Repackaging and Relabeling Prohibited

Consultants may not repackage, re-label, refill or alter the labels on any Shelf Reliance products, information, materials or programs in any way. Shelf Reliance Products must be sold in their original containers only. Such re-labeling or repackaging would likely violate federal and state laws, which could result in severe criminal penalties. You should also be aware that civil liability can arise when, as a consequence of the repackaging or re-labeling of Products, the persons using the Products suffer any type of injury or their property is damaged.

8.33— Requests for Additional Records

Any request from a consultant for additional or replacement copies of invoices, applications or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

8.34— Roll-up of Marketing Organization

Upon termination or cancellation of a consultant, all individuals on the first level of the canceling consultant shall move into the vacated position.

8.35— Sale, Transfer or Assignment of Shelf Reliance Business

Although a Shelf Reliance business is a privately owned, independently operated business, the sale, transfer or assignment of a Shelf Reliance business is subject to certain limitations. Unless otherwise agreed to in writing, if a consultant wishes to sell his or her Shelf Reliance business, the following criteria must be met:

- 1) The Company must approve all transfers or purchases of a Consultant's business.
- 2) Protection of the existing line of sponsorship must always be maintained so that the Shelf Reliance business continues to be operated in that line of sponsorship;
- 3) A buyer or transferee must become a qualified Shelf Reliance consultant. If the buyer is an active Shelf Reliance consultant, he or she must first terminate his or her Shelf Reliance business and remain inactive for six (6) full calendar months before becoming eligible for a purchase, transfer, assignment or acquisition of any interest in the Shelf Reliance business;
- 4) Before the sale, transfer or assignment can be finalized and approved by Shelf Reliance, any debt obligations the selling consultant has with Shelf Reliance must be satisfied;
- 5) The selling consultant must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a Shelf Reliance business; and
- 6) Prior to offering a Shelf Reliance business for sale, the selling consultant must notify Shelf Reliance's Corporate Offices of his or her intent to sell the Shelf Reliance business.

8.36— Separation of a Shelf Reliance Business

Consultants sometimes operate their Shelf Reliance businesses as husband-wife partnerships, regular partnerships, corporations or trusts. At such time as a marriage may end in divorce, or a corporation, partnership or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the Line of sponsorship. If the separating parties fail to provide for the best interests of other consultants and the Company, Shelf Reliance may, at its option, terminate the Consultant Agreement and roll-up their entire Marketing Organization pursuant to the "Roll-Up of Marketing Organization" provisions of the Policies. During the pendency of a divorce or entity dissolution, the parties must adopt one of the following methods of operation:

- 1) One of the parties may, with written consent of the other(s), operate the Shelf Reliance business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Shelf Reliance to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee; or
- 2) The parties may continue to operate the Shelf Reliance business jointly, whereupon all compensation paid by Shelf Reliance will be paid in the joint names of the consultants or in the name of the entity to be divided as the parties may independently agree between themselves.

If the parties elect neither of the foregoing, Shelf Reliance will continue to pay commissions to the same individual(s) to whom commissions were paid prior to the filing of the divorce or dissolution

proceeding. Under no circumstances will the Marketing Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will Shelf Reliance split commission and bonus checks between divorcing spouses or members of dissolving entities. Shelf Reliance will recognize only one Marketing Organization and will issue only one commission check per Shelf Reliance business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business within six (6) months following the divorce filing or institution of dissolution proceedings, the Consultant Agreement shall be involuntarily canceled. If a former spouse has completely relinquished all rights in his or her original Shelf Reliance business, he or she is thereafter free to enroll under any Sponsor of their choosing, and need not wait six (6) months before reapplying. If a former entity affiliate has completely relinquished all rights in his or her original Shelf Reliance business, he or she must remain inactive for six (6) full calendar months before becoming eligible for a purchase, transfer, assignment or acquisition of any interest in the Shelf Reliance business or before re-applying. In divorce and entity dissolution cases, the relinquishing party(s) shall have no rights to any consultants in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new consultant.

8.37—Transfer Upon Death of a Consultant

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

- 1) Execute a Consultant Agreement;
- 2) Provide an original death certificate and a notarized copy of the will or other instrument establishing the successor's right to the Shelf Reliance business;
- 3) Comply with terms and provisions of the Agreement;
- 4) Meet all of the qualifications for the deceased consultant's status; and
- 5) Form a business entity and acquire a Federal Tax Identification Number, if the business is bequeathed to or inherited by joint heirs.

Shelf Reliance will issue all bonus and commission checks and one IRS Form 1099 to the business entity. The heirs must provide Shelf Reliance with an address of record to which all bonus and commission checks will be sent.

8.38—Transfer upon Incapacitation of a Consultant

To affect a transfer of a Shelf Reliance business because of a consultant's incapacity, the successor must provide the following to Shelf Reliance:

- 1) A notarized copy of an appointment as trustee;

- 2) A notarized copy of the trust document or other documentation establishing the trustee's right to administer the Shelf Reliance business; and
- 3) A completed Consultant Agreement executed by the trustee.

The trustee must then:

- 1) Execute a Consultant Agreement;
- 2) Comply with terms and provisions of the Agreement; and
- 3) Meet all of the qualifications for the incapacitated consultant's status.

8.39—Insurance Liability and Risk

The consultant agrees to keep in force all liability, business, and vehicle insurance in such terms and amounts as are required by law or is reasonable as prudent business practice. The consultant understands that while traveling to or from Company related meetings, home parties, events, workshops, or gatherings, the consultant is doing so as an independent contractor and as a part of his or her own independent business and not in any manner as an employee, or agent of the Company, notwithstanding the fact that his or her attendance may be based in whole or in part by invitation from, or agreement with, the Company to attend. Consultant assumes all risk and responsibility for such travel.

SECTION 9— DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1—Disciplinary Sanctions

Violation of the Agreement, these Policies, or any illegal, fraudulent, deceptive or unethical business conduct by a consultant may result in disciplinary sanctions, at Shelf Reliance's discretion, that may include, but are not limited to, one or more of the following:

- 1) Issuance of a written warning or admonition;
- 2) Requiring the consultant to take immediate corrective measures;
- 3) Loss of privileges;
- 4) Loss of rights to one or more bonus and commission checks;
- 5) Shelf Reliance may withhold from a consultant all or part of the consultant's bonuses and commissions during the period that Shelf Reliance is investigating any conduct allegedly violating the Agreement. If a consultant's Shelf Reliance business is terminated for disciplinary reasons, the consultant will not be entitled to recover any commissions withheld during the investigation period;
- 6) Suspension of the individual's Consultant Agreement, including all rights and privileges thereunder, for one or more pay periods;
- 7) Involuntary cancellation of the consultant's Consultant Agreement;

- 8) Any other measure expressly allowed within any provision of the Agreement or which Shelf Reliance deems practical to implement and appropriate to equitably resolve injuries caused partially or exclusively by the consultant's violation or contractual breach; and
- 9) In situations deemed appropriate by Shelf Reliance, the Company may institute legal proceedings for monetary and/or equitable relief.

9.2— Grievances and Complaints

When a consultant has a grievance or complaint with another consultant regarding any practice or conduct in relationship to their respective Shelf Reliance businesses, the complaining consultant should report, in writing, to the compliance department at the Company.

9.3—Appeals of Sanctions

Following the issuance of a sanction (other than a suspension pending an investigation), the disciplined consultant may appeal the sanction to the Company. The consultant's appeal must be in writing and received by Shelf Reliance's Compliance Department within fifteen (15) days from the date of Shelf Reliance's sanction notice. If the appeal is not received by Shelf Reliance within the fifteen (15) day period, the sanction will be final. The consultant must submit all supporting documentation with his or her appeal correspondence and specify in full detail the reasons why he or she believes the Company's initial determination was erroneous. If the consultant files a timely appeal of the sanction, the Company will review and reconsider the cancellation, consider any other appropriate action and notify the consultant in writing of its decision.

SECTION 10—INACTIVITY AND CANCELLATION - TERMINATION

10.1— Effect of Cancellation and Termination

So long as a consultant remains active and complies with the terms of the Consultant Agreement and these Policies, Shelf Reliance shall pay commissions to such consultant in accordance with the Compensation Plan. A consultant's bonuses and commissions constitute the entire consideration for the consultant's efforts in generating sales and all activities related to generating sales (including, but not limited to, building a Marketing Organization). Following a consultant's non-continuation of his or her Consultant Agreement, cancellation for inactivity, or voluntary or involuntary cancellation (or termination) of his or her Consultant Agreement (all of these methods are collectively referred to as "Cancellation"), the former consultant shall have no right, title, claim or interest to the Downline Marketing Organization which he or she operated, or any commission or bonus from the sales generated by the Marketing Organization. Consultants waive any and all rights, including, but not limited to, property rights, in the Marketing Organization which they may have had. Following a consultant's cancellation of his or her Consultant Agreement, the former consultant shall not hold himself or herself out as a Shelf Reliance consultant and shall not have the right to sell Shelf Reliance Products. A consultant whose Consultant Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

10.2— Cancellation Due to Inactivity

It is the consultant's responsibility to lead his or her Marketing Organization with the proper example in personal production of sales to end consumers. Without this proper example and leadership, the consultant will lose his or her right to receive commissions from sales generated through his or her Marketing Organization. Therefore, consultants who personally produce less than the required Volume as specified in the Shelf Reliance Compensation Plan for any pay period will not receive a commission for the sales generated through their Marketing Organization for that pay period. If a consultant has not fulfilled his or her personal sales requirements for a period of six (6) consecutive calendar months (and thus becomes "Inactive"), his or her Consultant Agreement shall be canceled for inactivity on the day following the last day of the sixth month of inactivity. Written confirmation of the cancellation will not be provided by Shelf Reliance.

10.3— Involuntary Cancellation (Termination)

A consultant's violation of any of the terms of the Agreement, may result in any of the sanctions listed in the Agreement, including, but not limited to, the involuntary cancellation of his or her Consultant Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed or delivered via an express courier, addressed to the consultant's last known address or that of his or her attorney, or when the consultant receives actual notice of cancellation, whichever occurs first. Shelf Reliance reserves the right to withhold and/or permanently retain funds and prevent any roll-up depending on the individual circumstances surrounding each case.

10.4— Voluntary Cancellation

A consultant has a right to cancel at any time, regardless of reason (upon thirty (30) days' notice to the Company). Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the consultant's signature, printed name, address and Consultant Identification Number. If a canceling consultant is also on the Q Program (as further defined herein below), his or her Q will also be canceled. If he or she wishes to remain a Q Customer, he or she must contact Shelf Reliance's Consultant Services Department to establish a customer account.

10.5— Non-continuation

A consultant may also cancel his or her Consultant Agreement by failing to pay the material and subscription fee on the Agreement on its anniversary date.

10.6— Website Policies

Consultant pages must use the Shelf Reliance header imagery issued by Shelf Reliance. The site must be reviewed by Shelf Reliance for compliance and branding before it goes live to compliance@shelfreliance.com. Any revisions or additions to pages also must be approved.

SECTION 11—DEFINITIONS

1. "**Shelf Reliance**" means Shelf Reliance, LLC.
2. "**Active Consultant**" means a consultant who satisfies the minimum volume requirements, as set forth in the Shelf Reliance Compensation Plan.

3. “**Agreement**” means the contract between the Company and each consultant and includes the Consultant Agreement, the Shelf Reliance Policies and Procedures, and the Shelf Reliance Compensation Plan, all in their current form and each may be amended from time to time at the sole discretion of Shelf Reliance.
4. “**Commissionable Products/Services**” means all Shelf Reliance products and services on which commissions and bonuses are paid. Starter Kits and sales aids are not Commissionable Products.
5. “**Company**” means Shelf Reliance, LLC.
6. “**Consultant Website**” Official websites provided by Shelf Reliance for consultants to collect online orders. All consultant websites are a sub-level domain of the shelfreliance.com URL.
7. “**Downline.**” See “Marketing Organization.”
8. “**Downline Activity Report**” means a monthly report generated by Shelf Reliance that provides critical data relating to the identities of consultants, sales information and enrollment activity of each consultant’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to Shelf Reliance.
9. “**Team Volume**” means the commissionable value of Shelf Reliance products generated by a consultant’s Marketing Organization. Team Volume includes the Personal Volume of the subject consultant and 3 levels of consultants below him or her. (Starter Kits and sales aids are not included in Team Volume.)
10. “**Immediate Household**” means heads of household and dependent family members residing in the same house.
11. “**Level**” means the layers of Downline consultants in a particular consultant’s Marketing Organization. This term refers to the relationship of a consultant relative to a particular upline consultant, determined by the number of consultants between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, then D is on A’s third level.
12. “**Line**” also called “Leg,” means a part of a consultant’s Downline that starts with someone sponsored by a consultant and continues below that sponsorship.
13. “**Marketing Organization**” means consultants below a particular consultant.
14. “**Private Websites**” Any website that is used to promote Shelf Reliance products that is not a consultant website as defined above. This includes private blogs and social media pages.
15. “**Q Customer**” means a customer who has executed a Shelf Reliance Consultant Agreement and who agrees to purchase a specified package of Shelf Reliance Products each calendar month.
16. “**Q Order**” means one calendar month order within the Q program.
17. “**Q Program**” means monthly autoship program where an individual sets up a plan of the food they want and sets a monthly amount to be sent.
18. “**Official Shelf Reliance Materials**” means literature, audio or video tapes, and other materials developed, printed, published and/or distributed by Shelf Reliance to consultants.
19. “**Personal Volume**” means the commissionable value of services and products sold in a volume period by the Company to a consultant.

20. **“Qualified Rank”** means the current rank of a consultant, as determined by the Shelf Reliance Compensation Plan, for any volume period. To be considered “Qualified” relative to a particular rank, a consultant must meet the criteria set forth in the Shelf Reliance Compensation Plan for his or her respective rank.
21. **“Resaleable”** means Products and sales aids that have satisfied each of the following elements: (1) they are unopened and unused; (2) packaging and labeling has not been altered or damaged; (3) the Products and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; (4) Products are returned to Shelf Reliance within one (1) year from the date of purchase; (5) the Products’ expiration date has not passed. Any Products that were identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be considered Resalable.