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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. The time that a Member takes to become familiar with Touchstone, its products, opportunity, program and these policies will have a significant impact on their business experience. If at any time there are questions, or clarification needed in any aspect of this document, Members are encouraged and obligated to have those questions resolved through contacting the Touchstone Compliance Department or the Member Support Center.

These Policies and Procedures, amended as needed at the sole discretion of the Company, are designed with the intent to protect all Touchstone Independent Members (hereafter “Members”) as well as Customers, in building their business as they adhere to this document. This document is an integral part of the Member Agreement upon which all Touchstone Members 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 the Touchstone Member Application and Agreement, these Policies and Procedures, the Touchstone Marketing and Compensation Plan, and the Touchstone Business Entity Application and Agreement (if applicable). It is the responsibility of each Member 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.

When sponsoring or enrolling a new Member into Touchstone, it is the responsibility of the sponsoring or enrolling Member to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures, the Touchstone Marketing and Compensation Plan, and all other items included in the Agreement prior to enrollment. After the initial enrollment as a Member of Touchstone, it is the responsibility of the Member to stay current and adhere to the Agreement.

1.2 Purpose of Touchstone Policies and Procedures

The purpose of these Policies and Procedures is as follows:
• To set standards of acceptable business behavior;
• To define the relationship between the Member and Touchstone;
• To assist the Member in building their business;
• To protect the Member 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:

• A Membership Application is received by the Company and executed (either through physical or electronic transmission).
• An electronic Membership Application is completed and transmitted online through an official Company channel.
• Any activity that could be accepted as official activity of an Independent Member of Touchstone, which includes but is not limited to the enrollment of other Members or Customers within the Touchstone Organization, the receipt of a Commission Check or Earnings Credit, the participation in an official Touchstone promotion, 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 Marketing and Compensation Plan at its sole and absolute discretion. By executing the Agreement, a Member agrees to abide by all amendments and modifications that the Company elects to make. Amendments shall be effective upon notice to all Members that the Agreement has been modified. Notification of amendments shall be published in official Touchstone materials and communication channels (such as email and corporate website); and amendments and modifications shall be effective fifteen (15) days after first publication of changes. The continuation of the Touchstone Member’s business or a Member’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments to the Agreement. It is recommended that all Members review all documents associated with the Agreement semi-annually at their own initiative. If a Member is not willing to accept the amendments or modifications as proposed, they are free to notify the Company of the termination of their Membership prior to the policies going into effect.

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 Policies and Provisions 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 Member.

SECTION 2: MEMBERSHIP STATUS

2.1 Customers

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

Customers are considered to be the Customers of both the enrolling Member, as well as of the Company.

2.2 Members (Independent Contractor Status)

Members 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 and this document, only in conjunction with their compliance to the Agreement. Members represent their own Independent Businesses as Independent Contractors and do not speak for, or represent Touchstone. Compliant Members may purchase at wholesale, distribute at retail, promote, or market Touchstone products or business opportunity, with the intention to create and build their own business.

As Independent Contractors, or Independent Business Owners, 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 Member. Members are not treated as an employee for their services or for federal or state tax purposes. Members 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 Member Code of Ethics

It is expected that each Member 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 give attention, efficient service, and appropriate and accurate training to anyone whom I have introduced to Touchstone, in relation to Touchstone’s products, services, opportunity, and the Touchstone Agreement and Code of Ethics.”
- “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 Member within Touchstone, or do anything which may create a loss to any other Member.”
- “I will abide by all rules, regulations, laws, and ordinances that are applicable to run a Touchstone business.”

2.4 Requirements to Become a Member

To become a Touchstone Independent Member, 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 opened is open for business;
- US residents must submit appropriate IRS forms as required by the Company and state or federal law;
- Complete the purchase of the Touchstone Membership Fee of $19.95 USD (£14.95 in the United Kingdom);
- Submit a properly completed Membership Application and Agreement with Touchstone. Electronic and on the phone applications are accepted.

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

2.5 One Touchstone Membership Per Household

A Member 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 Membership. No individual may have, operate or receive compensation from more than one Touchstone Membership or business. Individuals of the same family unit may not enter into or have an interest in more than one Touchstone Membership. 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 Marketing and Compensation Plan, husbands and wives or common-law-couples (collectively “spouses”) who wish to become Touchstone Members must be jointly sponsored as one Touchstone Membership. Spouses, regardless of whether one or both are signatories to the Membership Application and Agreement, may not own or operate any other Touchstone Membership, 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 Membership in any form.

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

2.6 Membership Fee

No person is required to purchase Touchstone products to become a Member. They are required to complete their Member Application and Agreement, comply with the Agreement, and pay their Membership Fee of $19.95 USD (£14.95 in the United Kingdom). The Membership Fee allows the Member the ability to purchase the remarkable Touchstone products at wholesale price, supports the maintenance of their account, gives them access to the Member Support Team, as well as direct access into the Touchstone Back Office with web-based tools and reports to help familiarize themselves with Touchstone products and services to support growing their business. Membership Fees can be refunded if a request for termination of the account and for the fee to be refunded is received by the Membership Support Team within 30 days of the initial enrollment of the Member’s account.

2.7 Renewal Fee

In order to maintain their Membership and all rights and privileges afforded by the Agreement, Members are required to maintain their Membership Status through an annual renewal fee of $19.95 USD (£14.95 in the United Kingdom).

This renewal fee is automatically charged and billed to the most recent Credit Card on file, on or shortly after the anniversary date of the Member’s original enrollment date. If a Member does not wish to renew, they may notify the Member Support Team prior to their anniversary date, or within 30 days of the renewal being processed in order to receive a refund of the renewal fee and cancel their Membership.

2.8 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 Members 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.

2.9 Member Benefits

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

- Sell and promote Touchstone products and services;
- Participate in the Touchstone Marketing and Compensation Plan (receive bonuses and commissions, if eligible);
- Enroll or sponsor other individuals as Customers and Members into the Touchstone business and thereby, build a marketing organization and progress through the Touchstone Marketing and Compensation Plan;
- 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 Members.

SECTION 3: OPERATING YOUR MEMBERSHIP

3.1 Adhere to the Touchstone Marketing and Compensation Plan

Members must adhere to the terms of the Touchstone Marketing and Compensation Plan as set forth in any and all official Company literature. Members 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. Members shall not require or encourage other current or prospective Customers or Members to participate in Touchstone in any manner that varies from the program as set forth in official Company literature. Members shall not require or encourage other current or prospective Customers or Members to execute any agreement
or contract other than official Touchstone agreements and contracts in order to become a Touchstone Member or Customer. Similarly, Members shall not require or encourage other current or prospective Customers or Members to make any purchase from, or payment to, any individual or other entity to participate in the Touchstone Marketing and Compensation Plan other than those purchases or payments identified as recommended or required in official Touchstone literature.

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 Members. As a Member, 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, or any new Member, will be employed by Touchstone. Corporate approved audio, video and phone message recordings must identify you as an Independent Member at the beginning of the message. All Members shall safeguard and promote the good reputation of Touchstone and its products. The marketing and promotion of Touchstone, the Touchstone opportunity, the Marketing and 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.

To promote both the products and the opportunity Touchstone offers, Members must use the sales aids and support materials produced by Touchstone, or those specifically approved by Touchstone and promoted by the Company. Touchstone has carefully designed its products, product labels, Marketing and 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 Independent Member Logo

The use of the Touchstone logo, and all trademarks, trade names, brands, copyrights, designs, or symbols, by any person including Touchstone Members, without prior written permission is not permitted. Members may not record Company events, speeches, conference calls, leadership calls, or any other event or function, whether such event is in person, on the internet, via telephone, or presented through any other live or recorded medium.

Touchstone does provide an official Touchstone Independent Member logo, which is available for all Members to use for any means within their business that may require a Touchstone logo. It is required that when any Member wishes to use the Touchstone logo that they use the “Independent Member” logo. All communication from Members to any outlet, whether it be person-to-person, any form of electronic communication, or media outlet, must at all times designate themselves as Independent Members of Touchstone. The Touchstone Independent Member logo, in many circumstances is the easiest and most effective way to comply with this requirement.

Members are free to use the Independent Member logo as long as they are compliant with this Agreement and it is used in a wholesome and appropriate fashion with the intent to build their own business. Members may not use the Independent Member 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.

Only when a Member has reached the distinguished rank of National Executive, and has demonstrated their ability to support leadership within their own organization, can they solicit the company for the right to use any of the Company trademarks and logos. If approved, the Member must then sign an agreement at that point outlining the licensing agreement, protocol, and requirements to use the Touchstone brand in the generation of their own tools and services.

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

In the current age of growing technology, Members 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 Member. 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 Member. The use of the term or property must be immediately followed with a personal or business name, or an Independent Member number. This is to make the immediate distinction to the Consumer that such communication is indeed casual and represents the Member 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 Member 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 Members must acknowledge that any form of online activity, social media communication or advertising, or any other electronic activity generated by the Member 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

Members may not re-label or alter the labels on any Touchstone products, information, materials, or programs in any way. Members 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 Members are not protected in any form or fashion from such liabilities in such circumstances.

3.6 Media and Media Inquiries

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

3.7 Unsolicited Email

Touchstone does not permit Members to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by a Member 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 Member’s physical mailing address.
• The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
• The use of deceptive subject lines and/or false header information is prohibited.
• All opt-out requests, whether received by email or regular mail, must be honored. If a Member received an opt-out request from a recipient of an email, the Member must forward the opt-out request to the Company as well.

Touchstone may periodically send commercial email on behalf of Members. By entering into the Member Agreement, the Member agrees that the Company may send such email and that the Member’s physical and email addresses may be included in such emails as outlined above. Members 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, Members 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 Member has an established business or personal relationship. The term “established business or personal relationship” means a prior or existing relationship formed by a voluntary two-way communication between a Member and a person.

3.9 Business Entities

A corporation or partnership (collectively referred to in this section as a “Business Entity”) may apply to be a Touchstone Member by submitting a properly completed Business Entity Application and Agreement at no additional cost. A Touchstone Membership 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 and the completed amended Member Application and Agreement.

All corporations owning or operating a Touchstone business must disclose all shareholders and partners as invested parties in the account, through the Business Entity Application and Agreement.

3.10 Changes to a Touchstone Business: General

Each Member must immediately notify Touchstone of all changes to the information contained on their Member Application and 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. Members may modify their existing Member 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 Member) by submitting a written request, an updated and properly executed Member Application and Agreement, an updated IRS Form W-9 or other necessary form, and any appropriate supporting documentation requested by Touchstone.

3.11 Addition of a Spouse as a Co-Applicant

When adding a spouse as a co-applicant (including as a partnership or business entity) to an existing Touchstone business, the Company requires a written request as well as a properly completed Member Application and Agreement containing the applicant and co-applicant’s properly executed W-9 form or other necessary forms. If the original Member wants to terminate their relationship with the Company they must transfer or assign their business in accordance with the Section regarding “Sale, Transfer, or Assignment of a Touchstone Business.” If this process is not followed, the business shall be canceled upon the withdrawal of the original Member. All bonus and commission payments will be submitted to the account of the original Member. Please note that the modifications permitted within the scope of this paragraph do not include a change of Sponsor (placement within the organizational tree) or Enroller. See Section 3.13 for further information on changing sponsorship or placement. Touchstone may, at its discretion, require notarized documents before implementing any changes to a Touchstone business. Please allow thirty (30) days after the receipt of the request by Touchstone for processing. No retroactive reporting, calculations, or documentations will be adjusted to reflect the change previous to the completion of processing.

3.12 Placement Program

Touchstone’s Placement Program is designed to assist you in developing an organizational structure that is complementary to Touchstone’s Marketing and Compensation Plan. It provides the Enroller the flexibility to place new Members in an appropriate position in the organization. As the Enroller, you have two placement options:

1. When a new Member is enrolled, place the new Member anywhere in your downline at the time of enrollment. This can be accomplished directly on the Member Agreement Form. You are deemed the “Enroller” and the Member under whom you place the new Member is deemed the “Sponsor.” Once a new Member has been placed under a different Sponsor, he or she cannot be moved again without submitting a Sponsor Change Request (see “Change of Sponsor”).
2. When a new Member is enrolled, place him or her on your franchise to you so you will be the Enroller and Sponsor. Then, within 35 days of the day of enrollment, you can place the new Member anywhere in your downline by utilizing the online “Manage Sponsorship/Placement” tool in your Touchstone Essentials back office. The Placement Program is only available to the Member who is the Enroller AND Sponsor.

A Member may only be moved once, after which time sponsor changes must follow the rules set forth in the “Change of Sponsor” section. You are not permitted to move the new Member upline or sideline. Touchstone must receive all Placement Program requests prior to the 25th day of the current calendar month. Any requests received after the 25th day will be completed the following month.

Any requests different from the rules outlined above are considered sponsorship changes and fall under the guidelines of the Touchstone sponsor change policy (see “Change of Sponsor”).

3.13 Change of Sponsor or Enroller

To protect the integrity of all marketing organizations, Touchstone does not allow sponsor changes. Maintaining the integrity of the enroller and sponsorship is critical for the success of every Member and marketing organization. Accordingly, the transfer of a Touchstone business from one sponsor to another is rarely permitted, except as allowed under the Placement Program (“Placement Program”).

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

1) Members 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 Compliance Department with the updated and correct information.

2) In cases involving fraudulent or unethical sponsoring, a Member may request that they be transferred to another organization. It is within the Company’s discretion whether the transferring Member’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) A Member may legitimately change organizations by voluntarily canceling their Touchstone business and remaining inactive (i.e., the Member 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 Member activity, or operation of any other Touchstone business) for six (6) full calendar months. Following the sixth calendar month period of inactivity, the former Member may reapply under a new Enroller and placement.

PLEASE NOTE: In all circumstances, in order to maintain the structural integrity of the Touchstone tree, all sponsorship (placement) must be WITHIN or BELOW the Enroller’s organization. At no time may one Member be an Enroller, and then have a Member they enrolled placed outside of their own organization. Any requests made of that nature, will be deemed impossible to fulfill and will be rejected regardless of circumstances.

A Member 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 Member. If the preliminary investigation reveals the possibility of the move, the Member requesting the move will be given 9 (nine) upline Members within their sponsorship organization, who will need to approve the change either via e-mail to the Compliance Department (from their email address on file) or in writing with their personal signatures. The upline members requested may or may not be the direct nine upline members, but may be the nine upline members 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 Members who may be affected from the Matching Program also approve the change.

If at any point a Member complains or expresses reservation of the request made to them for a downline Member’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.

3.14 Indemnification

A Member is fully responsible for all of their verbal and written statements made regarding Touchstone’s products and the Marketing and Compensation Plan which are not expressly contained in official Touchstone materials. Members 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 Member’s unauthorized representations or actions. This provision shall survive the termination of the Member Agreement.

3.15 Unauthorized Claims and Actions: Product Claims

No claims regarding Touchstone’s products and the Marketing and Compensation Plan to a prospective Member, 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).

3.16 Product Liability Insurance

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

3.17 Income Claims

In their enthusiasm to enroll prospective Members, some Members are occasionally tempted to make income claims or earning representations to demonstrate the inherent power of network marketing. This is counterproductive because new Members may become disappointed very quickly if their results are not as extensive or rapid as the results others have achieved. At Touchstone, we firmly believe that the Touchstone income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, 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 network marketing. Any Member, when presenting or discussing the Touchstone opportunity or Marketing and Compensation Plan to a prospective Member, 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).

3.18 Retail Locations

Touchstone strongly encourages the retailing and selling of products and services through person-to-person contact (network sales). However, a Member 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 Aid 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 Member wholesale price.

3.19 Online Auctions and Sales Forums

Touchstone products may not be sold via online auction, and may never be sold below the wholesale Member price in any online forum, or sold in large quantities at a discount to deplete Member inventory.

3.20 Trade Shows, Expositions and Other Sales Forums

Members may display and/or sell Touchstone products at trade shows 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.

3.21 Non-Solicitation

Touchstone Members are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “network marketing”). However, as a result of this Agreement, with the exception of their personally enrolled Members, Members may not recruit other Touchstone Members or Customers for any other network marketing business. For a period of one year following the cancellation of this Agreement for any reason, with the exception of their personally enrolled downline, a former Member may not recruit any other
Touchstone Member or Customer for another network marketing business. Because network marketing is conducted via networks of individuals located throughout the United States and internationally, and these individuals regularly communicate via the internet and telephones, placing a geographic limitation on the scope of this non-solicitation provision would render it ineffective. Therefore, Members agree that 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 Member or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

Members must not sell, or attempt to sell, any competing non-Touchstone products to Touchstone Customers or Members. 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.

Members 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 or Member into believing that there is a relationship between the Touchstone and non-Touchstone products or services. Members may not offer the Touchstone opportunity, products or services to prospective or existing Customers or Members in conjunction with any non-Touchstone program, opportunity, product or service. Members may not offer any non-Touchstone opportunity, products or services at any Touchstone related meeting, seminar or convention, or immediately following such an event.

### 3.22 Downline Activity (Genealogy) Reports

Downline Activity Reports are available for Members to access and view at Touchstone’s official web site. Members’ access to their Downline Activity Reports are password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Touchstone. Downline Activity Reports are provided to Members in the strictest confidence and are made available to Members for the sole purpose of assisting Members in working with their respective downline organizations in the development of their Touchstone business. Members and Touchstone agree that, but for this agreement of confidentiality and nondisclosure, Touchstone would not provide Downline Activity Reports to the Member. A Member 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 Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to their Downline Activity Report;
- Use the information to compete with Touchstone or for any purpose other than promoting their Touchstone business;
- Recruit or solicit any Member or Customer of Touchstone listed on any report, or in any manner attempt to influence or induce any Member or Customer of Touchstone, to alter their business relationship with Touchstone; or
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report.

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

### 3.23 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 Touchstone Member or Customer 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. Members shall not demean, discredit or defame other Touchstone Members in an attempt to entice another Member to become a part of the first Member’s marketing organization.

If cross-sponsoring is discovered, it must be brought to the Company’s attention immediately. Touchstone may take disciplinary action against the Member that changed organizations and/or those Members who encouraged or participated in the cross-sponsoring. Touchstone may also move all or part of the offending Member’s downline to their original downline organization if the Company deems it equitable and feasible to do so. However, Touchstone is under no obligation to move the cross-sponsored Member’s downline organization, and the ultimate disposition of the organization remains within the sole discretion of Touchstone. Members waive all claims and causes of action against Touchstone arising from or relating to the disposition of the cross-sponsored Member’s organization.

### 3.24 Errors or Questions

If a Member has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Member 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.

### 3.25 Government Approval or Endorsement

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

### 3.26 Income Taxes

Each Member is responsible for reporting all income generated as an Independent Member, 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 Members 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 Member to provide an accurate Federal Tax ID Number (SSN, EIN, etc.). Failure to do so will be in violation of federal law. Any Members 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 Member with the incorrect ID, and the Member 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 Essentials.

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 Member’s account must match IRS records. No previous 1099’s may be reissued under the new Federal Tax ID Number.

### 3.27 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 Members or Customers 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 member as well as limit the Company’s future opportunity within that market.
3.28 Inventory Loading, Bonus Buying and Stacking

Members 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 Member 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. “Bonus Buying” involves any method of directly or indirectly maintaining or increasing a Member’s rank, volume or commission level by purchasing product for which the Member 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. This policy specifically, although not exclusively, prohibits the use of a straw man or other artifice as conduit to purchase products.

“Bonus Buying” also includes (a) the enrollment of individuals or entities without their knowledge of and/or execution of the Member Agreement by such individuals; (b) the fraudulent enrollment of an individual or entity as a Member or a Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Members or Customers (phantoms); or (d) the use of a credit card by or on behalf of a Member or Customer when the Member or Customer is not the account holder of such a credit card without written authorization.

The term “stacking” includes, without limitation: (a) the failure to transmit to Touchstone, or the holding of a Member Application and Agreement in excess of two (2) business days after its execution; (b) the placement or manipulation of Member Applications and Agreements for the purpose of maximizing compensation pursuant to Touchstone’s Marketing and Compensation plan; (c) providing financial assistance to new Members for the purpose of maximizing compensation pursuant to Touchstone’s Marketing and Compensation Plan; (d) buying products or drop shipping through another’s account to increase the payout of a Member; or (e) having a beneficial interest in more than one Membership Account.

3.29 Adherence to Laws and Ordinances

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

3.30 Actions of Household Members or Affiliated Individuals

If any person within a Member’s immediate household engages in any activity which, if performed by the Member, would violate any provision of this Agreement, such activity will be deemed a violation by the Member and Touchstone may take disciplinary action pursuant to the Statement of Policies against the Member. 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.

3.31 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 a Member wishes to sell or transfer their business, the following criteria must be met:

- The Touchstone Compliance 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 a qualified Member. Existing Members 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 Member 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 Compliance department, a new Membership account will be generated for the buyer, which will require a newly executed Agreement, and they will receive a new Member 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 positions Customer and Member organization and network, and nothing else.

3.32 Separation of a Touchstone Business

Touchstone Members 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 Members up or down the line of sponsorship.

In circumstances where the dissolving parties fail to provide for the best interest of other Members 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 Member 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 Membership and Business:

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 Membership. 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 ongoing as a result of their agreement.
3) The Parties may attempt to transfer or sell the position pursuant to Section 3.31.

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 Member 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.

3.33 Succession

Upon the death or incapacitation of a Member, their business may be passed to their heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Member 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 Member’s organization provided the following qualifications are met. The successor(s) must:

- Execute a Member Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all the qualifications of the deceased Member’s status;
- 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.

3.34 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), Members must not engage in any form of telemarketing in the operation of the Touchstone business.

3.35 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, complies with all product restrictions and registrations, and has announced a full launch within the country. Members 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 Members through these Policies and Procedures and local and government laws.

Members 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 3.27).

However, there are times before Touchstone is able to fully launch the Touchstone program, or through market research, in countries which permit such activity, 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 Members of Touchstone to build organizations of consuming Members within countries which Touchstone has announced that the NFR program is available.

Countries have strict rules and limitations in relation to these programs, including custom 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. Members may never ship any Touchstone product directly into the NFR country, but must go through Touchstone.

Members are required to contact Member 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 MEMBERS

4.1 Ongoing Training and Support

Any Member who enrolls another Member into their Touchstone business must supply the appropriate assistance and training to ensure that their downline is properly operating their business, and to give them the greatest opportunity to succeed. Members must have ongoing contact and communication with the Members of their organization. Members are responsible to motivate and train new Members in Touchstone product knowledge, effective sales techniques, the Touchstone Marketing and Compensation Plan, and compliance with the Agreement. Communication with and the training of Members within an organization must never violate any of the terms of the Agreement.

Regardless of their level of achievement, Members have an ongoing obligation to personally promote sales through the generation of new Customers and Members, and through servicing, training, and supporting their existing Customers and Members.

4.2 Non-disparagement

Touchstone has no greater desire than to offer Touchstone Members the greatest products, services, and opportunity in the industry. Member’s comments and constructive criticism are always welcome and encouraged. All comments and suggestions should be submitted in writing to the Communications Department. Negative comments or disparaging remarks about the Company, its products, or compensation plan should never be made to the field by a Member. These comments do little to correct any problems, and only hurt the Member’s own business in the long run. Members must not disparage, demean, or make negative remarks about Touchstone, other Touchstone Members, Touchstone products, the Marketing and Compensation Plan, or Touchstone’s directors, officers, or employees.

4.3 Reporting Policy Violations

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

Members should be aware that after a violation is reported to the Compliance 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 Marketing and Compensation plan is based upon the sale of Touchstone products and services to the end consumer. If a Member wishes to participate in the Touchstone Marketing and Compensation Plan, they must satisfy the Personal Sales Requirement as outlined in the Compensation Plan documents. “Personal Sales” include purchases made by the Member and purchases made by the Member’s Customers through Touchstone. Personal Sales do not include any volume of any other Members, personally sponsored or otherwise.

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 Members must provide their Retail Customer with two copies of a sales receipt at the time of sale. Those Retail Customers which purchase directly through Touchstone will receive access to an electronic copy of their receipt. Members which distribute person-to-person through their local inventory are required to supply these receipts on their own. Members must also retain all retail sales receipts for a period of two years and be able to furnish them at the Company’s request. Members 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 Member to adverse legal action.
If a Member 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

Members 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. Members will not be compensated for this usage. If a Member 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

As the potential within network marketing and the Touchstone opportunity spreads, it is anticipated that a number of Lead Generation Programs will attempt to solicit Members to use their services; or that Members may attempt to develop their own Lead Generation Program. A “Lead Generation Program” is considered any program or offering which is designed to produce contact information to potential Touchstone Members or Customers which the Member 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

A Member must be active and in compliance with the Agreement to qualify for any bonuses and commissions from the Touchstone Marketing and Compensation Plan. So long as a Member complies with the terms of the Agreement, Touchstone shall pay commissions to such Member in accordance with the published and active Marketing and 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 a Member’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

Members 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 Member requesting the return of the paid commissions.

5.3 Reports

All information provided by Touchstone in online or telephonic Downline 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 have no event be liable to any Member or anyone else for any direct, indirect, 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 a Member 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 Members reliance upon such information is at their own risk. If a Member 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 a Member 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 a Member 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 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 Member, Touchstone offers a Product Exchange to the Member. 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 an RMA (Return Merchandise Authorization) number to return the unused portion of the product to Touchstone for exchange.

6.3 Member Initial Product Purchase Guarantee

All Touchstone Members have a 30-day, 100 percent satisfaction guarantee on their initial product purchase. If a Member is dissatisfied with his or her Touchstone product, the Member 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 (including Membership Fee) less shipping charges.
Touchstone will not accept any returns without an RMA number.

6.4 Member Non-Initial Purchase Product Guarantee

Touchstone offers a 30-day money-back-guarantee to Members on unopened, resalable products that are returned to the company within thirty (30) days from the date of shipment. Members must follow the Return Policy as detailed below. The Member return will be subject to a 10% restocking fee on unopened returned products below. If a Member 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 Member’s request to voluntarily cancel their business. Shipping and handling charges are not subject to this return policy. All returned product will result in the retraction of sales volume, and may result in the retraction of earned or future commissions.

6.5 Return Policy Procedure

When a Customer or Member 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 Member MUST contact Touchstone Member Support Team, and detail the product and purpose of the return.
- Customer or Member MUST receive an RMA (Return Merchandise Authorization) Number from Touchstone Member 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 Member Support Team).
- For a Member non-initial purchase return or return due to Member Resignation, all products must be returned in their original packaging, container, and remain unopened.
- Member 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), 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 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 Member 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 Member must maintain all retail receipts for a period of two years and must furnish them to Touchstone upon request. If a Member does not comply with these requirements or if he or she falsely represents the amount of products sold or used, the Member is subject to discipline by Touchstone, which could lead to the termination of the person’s Touchstone Membership. Failure to comply with the 70 Percent Rule will exempt those products from Touchstones’s refund policy. Each Member acknowledges that Touchstone is relying on such certifications in paying Member commissions.

6.7 Refused Product

If a Member refuses delivery of an ordered package of product which was ordered, that refused package does not require an 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.

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

Upon cancellation of a Member’s Agreement for any reason, the Member 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 Members 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 Member will be reimbursed 90% of the cost of the original purchase price. Shipping charges incurred by the Member 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. If a Member was paid a commission based on a product that they purchased for qualification purposes or any other reason, and that product or volume is subsequently being returned, the commission that was paid based on that product purchased will be deducted from the amount of the refund. No refunds will be given on product received outside of the 12 month window.

6.9 AutoShip

Touchstone offers a monthly AutoShip Program 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. AutoShip orders are shipped from the 1st day through to the 25th day of each calendar month.

Touchstone reserves the right to process AutoShip orders two days prior to the scheduled date due to weekends, holidays or weather-related events. It is the responsibility of the Member to ensure that a valid payment option is on file to process his or her AutoShip order. Touchstone is not responsible for a Member not attaining qualifications or earnings resulting from declined or invalid payment options.

Changes or cancellations to your AutoShip order can be made online or by contacting Touchstone Member Support 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 Member 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 Members and Customers, and remit the taxes charged to the respective states. Accordingly, Touchstone will collect and remit sales taxes on behalf of the Member, based on the suggested retail price of the products, according to applicable tax rates in the state 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 Members on AutoShip can be deemed as for personal consumption and will be the only product which will be taxed at the wholesale price.

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 Member 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 Membership.

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 Members to participate in a competing network marketing opportunity.
- Writing bad checks to either Touchstone or another Member.
- 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 Marketing and 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 AutoShip without their knowledge.
- Maintaining a financial interest in unapproved multiple Memberships.
- 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 Compensation Plan.
- Unauthorized use of or use in violation of Touchstone's consent of Touchstone's proprietary or confidential information.

7.2 Disciplinary Sanctions

A Member’s violation of the Agreement, these Policies and Procedures, 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 a Member 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 Member:

- Issuance of a written warning or admonition;
- Requiring the Member 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 a Member all or part of the Member's bonuses and commissions during the period that Touchstone is investigating any conduct allegedly in violation of the Agreement. If a Member's business is canceled for disciplinary reasons, the Member will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual’s Member Agreement for one or more pay periods;
- Involuntary termination of the offender’s Member 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 Member'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 a Member has a grievance or complaint with another Member regarding any practice or conduct in relationship to their respective Touchstone businesses, the complaining Member 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 Member Support Team. The Member Support Team 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 Policies and Procedures 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 a Member 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 a Member 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 a Member remains active and complies with the terms of the Member Agreement and these Policies and Procedures, Touchstone shall pay commissions to such Member in accordance with the Touchstone Marketing and Compensation Plan. A Member’s bonuses and commissions constitute the entire consideration for the Member’s efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a Member’s non-renewal of their Member Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of their Member Agreement (all of these methods are collectively referred to as “cancellation”), the former Member 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. A Member whose business is cancelled will lose all rights as a Member. This includes the right to sell Touchstone products and services, as well as the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Member’s former downline sales organization. In the event of cancellation, Members 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 a Member’s cancellation of their Member Agreement, the former Member shall not hold themselves as Touchstone Members and shall not have the rights to sell Touchstone products. A Member whose Member 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 Inactivity

Members who fail to qualify by not personally producing at least 100 Personal Sales Volume in a calendar month, shall be deemed “inactive” for that period and will not receive a commission for the sales generated through their marketing organization for the period, pursuant to the published Touchstone Marketing and Compensation Plan.

8.3 Approval Waiver Due to Inactivity

Members who are deemed “inactive” as defined in Section 8.2 and have no accumulated PV, have not personally enrolled any Customers or Members and have no order history for the previous 90 days, may forfeit their right to approve any organization tree changes that are submitted to Touchstone; even if such requests may directly affect their future commissions and organization.

8.4 Member Reclassification

Members who are canceled due to non-renewal of their Membership fee will be reclassified as a Customer within the organization. As a Customer is unable to maintain a downline organization their previous organization will compress up to the next available sponsor.

8.5 Involuntary Cancellation

A Member’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 Member Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, emailed, or delivered to an express courier, to the Member’s last known address (or fax number), or to their attorney, or when the Member received actual notice of cancellation, whichever occurs first. When an account is terminated due to Involuntary Cancellation, the Member’s account is removed from the organization tree and the organization is compressed to the next available sponsor.

8.6 Voluntary Cancellation

A participant in Touchstone has the right to cancel their Member 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 Member’s signature, printed name, address, and Member I.D. Number. If a Member is on AutoShip, the Member’s AutoShip shall continue in force unless the Member also specifically requests that their AutoShip Agreement also be canceled.

When an account is terminated as a result of Voluntary Cancellation, the organization will be reviewed by the Compliance 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 Member’s original position. Otherwise, the organization will roll up to the next available sponsor.

8.7 Waiver and Release

In exchange for your right to continue as a Touchstone Member and the renewal of your Touchstone Membership under the Agreement and these Policies & Procedures, 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 immediately before the renewal of your current annual Touchstone Membership, whether known or unknown, which arise from or are related to Touchstone, the other Released Parties, your Touchstone Membership, the Agreement and these Policies & Procedures. 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 Membership, including, without limitation, this Agreement and/or these Policies & Procedures; and (iii) any other statutory or common law claims arising out of your Touchstone Membership.

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 Policies & Procedures directly related to your current annual Touchstone Membership; or (iii) any claims for the final payment due from Touchstone from your previous annual Touchstone Membership.

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 Membership. Touchstone may assert this Agreement and/ or these Policies & Procedures 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 Marketing and Compensation Plan
“Touchstone Lifestyle Compensation Plan”
Terms and Definitions

Customer Types

Customer: An individual who purchases the Touchstone product without the benefit of Membership, at retail price, either through direct enrollment to the company by a current Touchstone Member or through a direct purchase from a Touchstone Member. Customers do not participate in the Touchstone Compensation Plan.

In the case of Retail Customers, the enrolling Member is able to immediately retain the profit from a direct sale, or in cases where the Retail Customer places the order with Touchstone, all retail profits that would have been earned through the direct resale of the product (difference between the wholesale Member price and the suggested retail price) is retained and issued to the Member through the Retail Bonus portion of their next commission earnings. When Customer orders are placed directly with the company, the enrolling Member has the option of receiving the PV credit from the order, as if they had personally purchased and distributed the inventory themselves.

Member: An individual or business who chooses to participate in the Touchstone Marketing and Compensation Plan. A Member purchases the Touchstone product at wholesale price and has the ability, and is encouraged, to resell any product that they order for retail profit directly to Retail Customers. As a Member, they are also able to sponsor and enroll Customers and new Members into their organization, and earn commissions according to the qualifications and bonuses documented within the Touchstone Marketing and Compensation Plan. A Member has purchased and paid for their Membership Enrollment Fee (currently $19.95 USD and £14.95 in the United Kingdom), has been enrolled by a currently active Member, has agreed and continues to adhere to the Policies and Procedures, and has either filled out and submitted a Membership Application and Agreement or completed their enrollment online. An active Member is required to maintain their active Member status once every twelve calendar months from the date of enrollment by paying a renewal fee of $19.95 USD (£14.95 in the UK).

Organization Terms

Sales Organization: Known as a Downline or Sales Team, this encompasses all members that are located beneath a particular Member within the Touchstone Genealogy. This includes the Member and all levels within their organization in both the Sponsor Tree and the Enrollment Tree.

Enroller: The Touchstone Member which has personally introduced another Member or the new Member or Customer into Touchstone. The Enroller must be in the Upline of the Sponsor, or in other words, the placement of the new Member must be in the Downline of the Enroller in relation to the Sponsor Tree. The Enroller of a new Member is the direct Upline to the new Member, and the new Member is the first level to the Enroller in relation to the Enrollment Tree. The Enroller of a Member can qualify to earn the Referral Bonus, the Team Builder Bonus, and the Royalty Bonus.

Enrollment Tree: The structure detailing the enrollment activity and organization in relation to Enrollers, Commissions and Bonuses in regards to the Referral Bonus, Advanced Referral Bonus, Team Builder Bonus, Star Bonus and Royalty Bonus are calculated in relation to the structure of the Enrollment Tree.

Sponsor: The Member with which another Member has been placed under in relation to the Sponsor or Placement Tree. The Sponsor is a Member which has been chosen by the Enroller to support the new Member throughout the development of their business. Sponsors are expected to train, supervise, and communicate with their Sales Organization. The Sponsor is the immediate Upline to the Member, and the Member is part of the first level of the Sponsor in relation to the Sponsor Tree. The Residual Bonus and Infinity Bonus are determined and calculated from the Sponsor Tree.

Downline: The description of the organization of Members and Customers below a particular Member in relation to the Sponsor Tree or the Enrollment Tree (respectively).

Upline: The description of the organization above a particular Member in relation to the Sponsor Tree or Enrollment Tree (respectively).

Level: A description concerning the location of a Customer or Member in relation to another Member in the Sponsor or Enrollment Tree. Levels are determined both for the Enrollment Tree and the Sponsor Tree.

All Members which are enrolled directly by a Member are said to be on the first level of the Enroller in relation to the Enrollment Tree. Those Members that are directly enrolled by a first level Member are said to be the second level of the original Member, and so on.

All Members which are directly placed with or sponsored by a Member are on the first level of the Sponsor in relation to the Sponsor Tree. Those Members said to be sponsored by the first level Member are said to be on the second level of the original Member in relation to the Sponsor Tree, and so on.

The placement of Members and Customers among these levels determine commission earnings, bonuses, and rank qualifications throughout the Touchstone Compensation Plan.

Additional Commission Terms, Volume, and Periods

Active: A minimum of 100 PV (accumulated) is required within the primary commission period in order to be deemed as Active. This requirement is a prerequisite for many of the Bonuses and Commissions within the Touchstone Compensation Plan, including the Referral Bonus, Advanced Referral Bonus, Rank Advancement Bonus, Team Builder Bonus, Residual Bonus, Royalty Bonus, Infinity Bonus, as well as all Rank Advancements. PV required to be Active may be accumulated through the personal purchases of the Member, or through the purchases of Customers which they have enrolled, and whom have ordered directly from the company within the commission period, and for which the enrolling Member has opted to receive personal volume (PV) for the customer order.

Inactive: A status which refers to a Member of Touchstone which has not met the minimum requirements to be considered Active for a particular primary commission period. Inactive Members are not able to qualify for rank or for many of the commissions or bonuses which they may have been eligible otherwise. Retail Bonuses are the only Commissions which Inactive Members may earn.

Terminated Accounts: This refers to Member accounts which once were able to participate in the Touchstone Compensation Plan, but are no longer able to. These accounts are considered closed accounts, and according to Policies and Procedures may not order product for personal consumption or inventory, they may not represent, distribute, or promote Touchstone products or opportunity, and they may not participate in the Touchstone Compensation Plan. An account may be terminated as a result of non-renewal, voluntary cancellation or have been terminated as a result of policy infraction as deemed necessary by Touchstone. Such accounts are deemed inactive and dropped from their positions in both the Enrollment Tree and Sponsor Tree. Terminated Members lose all claim to any and all Downline in their organization.

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, Advanced Referral Bonus, Rank Advancement Bonus, Team Builder Bonus, Star Bonus, Royalty Bonus, and Infinity Bonus.

Primary Commission and Qualification Period: Designates the period with which all activity within a Sales Organization will be accumulated for consideration for rank qualification and 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 qualification purposes and commission earnings in relation to the Primary Commission Period must be submitted within the Primary

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 Bonuses 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, as well as take into consideration any unpaid Referral Bonus within that calendar month in relation to the Member’s current qualified level of activity.

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 U.S., and monthly in international markets.

**New Member Rollover Qualification Period**: For the purposes of rank advancement only, a new Member is granted a rollover qualification period whereby volume from their first calendar month is combined with volume from their second calendar month (for rank qualification only).

This means a new Member may achieve rank based on volume accumulated in more than one calendar month (not just the month they joined). Following the second calendar month, all rank qualification and Rank Advancement Bonus calculations will be based on the Primary Commission Qualification Period.

This rollover rule only applies to Members who join on the 15th day or later in the month. Members who join on the 14th day or earlier will follow the existing qualification criteria and no volume will rollover to the second month.

**Paid Rank**: The rank qualified for through achieving all qualification as outlined in the Touchstone Compensation Plan within a Primary Commission Period. This rank determines the level of commission earnings, and can also be a qualification for other bonuses or promotions. When rank is involved within a qualification requirement, the required rank (or a rank higher than the required rank) must be achieved as a result of the sales within their organization to be considered for that bonus or earning. All ranks are determined by the sales generated from an organization within a Primary Commission Period.

**Pin Rank**: This describes the highest Paid Rank a Member has ever achieved in any Primary Commission period, and is therefore recognized for such achievement.

**Personal Volume or Product Volume (PV)**: This is the total amount of product volume that has been personally accumulated by a Member within the Primary Commission Period. PV can be accumulated through the personal purchase of product or inventory which carries a PV amount, or through the purchases of Customers who are enrolled with Touchstone by the Member. Members are encouraged to retail or resell a portion of their personally purchased PV directly to Customers through person-to-person marketing. PV is used as a measure of activity and is a necessary monthly qualification to rank within a Primary Commission Period.

**Organization Volume (OV)**: This is the total accumulated amount of product that has been purchased by the entire Sales Organization of a Member in relation to their Sponsor Tree. OV is used as a measure of activity and is a necessary monthly qualification to rank within a Primary Commission Period. For the purposes of rank qualification, all OV requirements must take into consideration the leg OV maximum for that rank. The leg OV maximum percentage varies by rank. This is not only a compliance requirement, but is also designed to ensure and encourage proper building structure towards long term residual organizations.

An example of this rule is as follows: The OV requirement for the Director rank is 9,000 OV, this means that regardless of how much volume is accumulated within any leg, only 4,500 (=9,000*50%) may count from any one leg towards reaching the rank of Director. Any volume in any leg in excess of the volume towards that rank requirement is still considered and paid out in full in the commission calculation.

**Leg and Leg Volume**: This describes a sales organization which extends from each personally sponsored Member. Each personally sponsored Member constitutes the beginning of a leg, and all volume which happens under those members is accumulated as Leg Volume and is subject to the leg OV maximum in regards to rank requirements.

**Bonuses**: All bonus percentages are calculated off of the PV amount accumulated within a Member’s account.

**Retail Bonus**: A Member has the ability to purchase Touchstone product at wholesale and then resell the product at retail price, keeping the profit from that transaction as Retail Bonus. Similarly, as established Retail Customers purchase directly from Touchstone the difference between the wholesale price and the retail price that the Retail Customer pays is reserved and given to the Enroller of the Retail Customer with their Primary Commission earnings. This is as if the Member purchased the product and resold it to the Customer themselves. Members must be a compliant Touchstone Member.

**Referral Bonus**: This bonus allows a Member to earn immediate income every week. A commission on the first orders of a new Member or Customer is paid through the enrollment tree. This is paid on orders placed within the new enrolee’s first 90 days. Enrollers who have the status of Member are eligible for a one-level bonus—earning on personal enrollments only—while enrollers who have the status of Advantage are eligible for up to a three-level bonus. To earn Referral Bonus, the enrollee must have 100 PV.

<table>
<thead>
<tr>
<th>Referral Bonus Program</th>
<th>Advantage</th>
<th>Member</th>
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<tbody>
<tr>
<td>1st Level</td>
<td>25%</td>
<td>25%</td>
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<tr>
<td>2nd Level</td>
<td>10%</td>
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<tr>
<td>3rd Level</td>
<td>5%</td>
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A Member may achieve Advantage status in one of four ways:
1. Enroll with the purchase of a qualifying Advantage Pack (500 PV);
2. Enroll with the purchase of any qualifying single 500 PV order;
3. Achieve a qualifying cumulative total of 500 PV within 30 calendar days of the date of enrollment;
4. Achieve a qualifying cumulative total of 500 PV in any one Primary Commission Period.

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

**Residual Bonus with Standard Compression**: This bonus is paid according to the Sponsor Tree within the Primary Commission process. As Members progress through the Touchstone Compensation Plan and qualify for ranks, they are able to earn a Residual Bonus on their organization according to the Sponsor Tree. A Member can earn up to 10 levels of Residual Bonus depending upon rank (see below for further details on rank). The percentage breakdown for each Residual Level earned is as follows:

- 1st Residual Bonus Level: 5%
- 2nd Residual Bonus Level: 9% (7% for Manager)
- 3rd Residual Bonus Level: 9%
- 4th Residual Bonus Level: 9% (8% for National Manager)
- 5th Residual Bonus Level: 7%
- 6th and 7th Residual Bonus Levels: 5%
- 8th Residual Bonus Level: 3%
- 9th and 10th Residual Bonus Levels: 2%
This bonus pays the respective percentage on volume contained within each Residual Level. Residual Bonuses are paid out with Standard Compression as the primary means of determining a Residual Level. Standard Compression looks down through the Sponsor Tree, and compresses any volume that is less than 100 PV so that is does not block access to volume on lower Residual Levels.

**Advanced Referral Bonus:** Each Member which is Active, and who has accumulated a minimum of 10 personally enrolled Members or Customers, each of whom have 50 PV or more within the Commission Period, will receive an extra 10% bonus on the Residual Bonus of their personally enrolled Members.

**Rank Advancement Bonus:** As Members reach the rank of Regional Manager, National Manager and Director for the first time they begin qualification to earn a one-time bonus for that rank. Upon achieving the rank for a second consecutive month, the Rank Advancement Bonus will be earned and paid in the Primary Commission calculation. The Rank Advancement Bonus amounts are as follows:

- Regional Manager $150
- National Manager $300
- Director $600

In the event the Member does not achieve the rank qualification in the second consecutive month, the Rank Advancement Bonus qualification timeline will reset and begin calculations again starting with the next month the Member achieves the rank.

To qualify for Rank Advancement Bonus, a minimum 100 PV is required.

**Team Builder Bonus:** Every time a personally enrolled (PE) Member earns a Rank Advancement Bonus, the enroller earns a matching bonus with the following Team Builder Bonus:

- Regional Manager $150
- National Manager $300
- Director $600

To qualify for any Team Builder Bonus, the enroller must be at the same rank or higher in the qualifying month as the personally enrolled Member and must have a minimum 100 PV. Team Builder Bonus earnings will be included in the Primary Commission calculation.

**Star Bonus:** Members who have achieved the status of Advantage are eligible to qualify for Star Bonus. This bonus is paid in the Primary Commission calculation, based on achieving rank qualification for that level, and attaining additional organizational requirements as set forth for each Star Bonus level. Upon achieving and maintaining the qualifications, Star Bonus is paid as follows:

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<tr>
<th>STAR Bonus Program</th>
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<th>STAR Bonus Program</th>
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<tbody>
<tr>
<td>STAR National Manager</td>
<td>$500</td>
<td>STAR Executive</td>
<td>$25,000</td>
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<tr>
<td>STAR Director</td>
<td>tablet + $750</td>
<td>STAR Regional Executive</td>
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<tr>
<td>STAR National Director</td>
<td>$10,000</td>
<td>STAR Ambassador</td>
<td>Tesla Model S</td>
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See Star Bonus qualification levels for full requirements.

**Royalty Bonus:** As Members progress through the Touchstone Compensation Plan, they will begin to earn Royalty Bonus beginning with the Director Rank. Royalty Bonus is calculated from the Enrollment Tree as a Primary Commission. Royalty Bonus allows the Member to earn a percentage match on the Residual Bonus earnings of Members within their Enrollment Tree. As they progress through the ranks of Director through Regional Executive they gain greater depth in their royalty potential. The percentages according to the levels are as follows:

- 1st Level – 20%
- 2nd Level – 10%
- 3rd through 5th Level – 5%

Example of Royalty Bonus: If a Member qualifies as a Director and earns 1 Level of Royalty Bonus, they will earn 20% of the Residual Bonus earned by their personally enrolled Members. This means that if they had three Members in their first level Enrollment Tree and each of them earned $1,000 in their own Residual Bonus, the enrolling Member would get an additional 20% of that $1,000 from each of them. This would give him or her $200 from each Member earning $1,000 on his or her first level (in this circumstance an additional $600).

Royalty Bonus is paid with Standard Compression. This means that if there is a Member on a Level which does not earn a Residual Bonus to be matched on, but there are Members directly below that have earned, those closest Members will compress into that Level for the purpose of payout.

**Infinity Bonus:** This bonus is offered to the Ambassador Ranks as a Primary Commission. Ambassadors will earn a 1% bonus of the accumulated volume within their Infinity Generation. Executive Ambassadors will earn an additional .5% from their 2nd Infinity Generation. Presidential Ambassadors will earn an additional .5% from their third Infinity Generation.

An Infinity Generation includes all of the volume accumulated throughout the organization between one Ambassador or above and another Ambassador or above. For example, a Presidential Ambassador will earn up to three Infinity Generations. They will earn 1% on all of the volume within that commission period between them, down to and including the next Ambassador or above in each of their legs. Their second Infinity Generation will begin where the first one ended, and continue down until it reaches another Ambassador or above within the organization. This will continue again for the third Infinity Bonus.

**Ranks, Qualifications, and Bonus Allocations.**

**Member:** The rank or identification of a Member indicates that the individual or business center has a fully executed Member Application and is compliant with the Policies and Procedures. As a Member they are entitled to retail the Touchstone Product and therefore earn Retail Bonus. There is no other requirement or bonus that they qualify for.

**Active Member:** The rank of Active Member is achieved when a Member (see above) has accumulated a minimum of 100 PV within the respective commission period (to be Active). As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus. As a qualified Active Member they are also able to earn 5% of one level within the Residual Bonus (Standard Compression).

**Manager:** The rank of Manager is achieved when a Member has accumulated a minimum of 100 PV, and has 600 OV with any one leg contributing up to 60% of the requirement (360 OV), within the respective commission period. As much as 1,000 PV can count toward rank qualification. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified Manager they will earn on two Residual Bonus levels (Standard Compression) with 5% on the first level, and 7% on the second level.

**Regional Manager:** The rank of Regional Manager is achieved when a Member has accumulated a minimum of 100 PV, and has 1,500 OV with any one leg contributing up to 60% of the requirement (900 OV), within the respective commission period. As much as 1,000 PV can count toward rank qualification. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified Regional Manager they will earn on three Residual Bonus levels (Standard Compression) with 5% on the first level, and 9% on the second and third levels. Upon completion of the second consecutive month at the rank of Regional Manager, they will also earn an additional $150 in Rank Advancement Bonus.
National Manager: The rank of National Manager is achieved when a Member has accumulated a minimum of 100 PV, and has 9,000 OV with any one leg contributing up to 50% of the requirement (4,500 OV), within the respective commission period. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified National Manager they will earn on five Residual Bonus levels (Standard Compression) with 5% on the first level, 9% on the second and third levels, and 7% on the fifth level. They will also earn 20% in Royalty Bonus from their first Enrollment Level. Upon completion of the second consecutive month at the rank of National Manager, they will also earn an additional $600 in Rank Advancement Bonus. Rank recognition pins are awarded upon achieving the Rank Advancement Bonus.

STAR National Manager: Members who have achieved Advantage status and the rank of National Manager are eligible for Star National Manager Bonus. The Member must maintain the qualifications for three consecutive months by achieving the rank of National Manager, and meeting the organizational requirements as follows:

- Personally enrolled active Regional Manager in each of two legs
- Personally enrolled active Manager in a third leg

Upon completion of the third consecutive month of qualification, a $300 Star Bonus will be earned and paid in the Primary Commission calculation.

Regional Director: The rank of Regional Director is achieved when a Member has accumulated a minimum of 100 PV, and has 25,000 OV with any one leg contributing up to 40% of the requirement (10,000 OV), within the respective commission period. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified Regional Director they will earn on six Residual Bonus levels (Standard Compression) with 5% on the first level, 9% on the second, third and fourth levels, 7% on the fifth level, and 5% on the sixth level. They will also earn 20% in Royalty Bonus from their first Enrollment Level and 10% from their second Enrollment Level.

STAR Regional Director: Members who have achieved Advantage status and the rank of Regional Director are eligible for Star Regional Director Bonus. The Member must maintain the qualifications for three consecutive months by achieving the rank of Regional Director, and meeting the organizational requirements as follows:

- Personally enrolled active Director in each of two legs
- Personally enrolled active National Manager in a third leg

Upon completion of the third consecutive month of qualification, a $250 Star Bonus will be earned and paid in the Primary Commission calculation.

National Director: The rank of National Director is achieved when a Member has accumulated a minimum of 100 PV, and has 75,000 OV with any one leg contributing up to 40% of the requirement (30,000 OV), within the respective commission period. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified National Director they will earn on seven Residual Bonus levels (Standard Compression) with 5% on the first level, 9% on the second, third and fourth levels, 7% on the fifth level, and 5% on the sixth and seventh levels. They will also earn 20% in Royalty Bonus from their first Enrollment Level, 10% from their second Enrollment Level and 5% from their third Enrollment Level.

STAR National Director: Members who have achieved Advantage status and the rank of National Director are eligible for Star National Director Bonus. The Member must maintain the qualifications for three consecutive months by achieving the rank of National Director, and meeting the organizational requirements as follows:

- Personally enrolled active Regional Director in each of two legs
- Personally enrolled active Director in a third leg

Upon completion of the third consecutive month of qualification, a $10,000 Star Bonus will be earned, with $5,000 paid out in the Primary Commission calculation immediately following qualification and the balance paid over three subsequent months. Star National Director status must be maintained to receive Star Bonus earnings in subsequent months.

Executive: The rank of Executive is achieved when a Member has accumulated a minimum of 100 PV, and has 150,000 OV with any one leg contributing up to 40% of the requirement (60,000 OV), within the respective commission period. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified Executive they will earn on eight Residual Bonus levels (Standard Compression) with 5% on the first level, 9% on the second, third and fourth levels, 7% on the fifth level, 5% on the sixth and seventh levels, and 3% on the eighth level. They will also earn 20% in Royalty Bonus from their first Enrollment Level, 10% from their second Enrollment Level and 5% from their third and fourth Enrollment Levels.

STAR Executive: Members who have achieved Advantage status and the rank of Executive are eligible for Star Executive Bonus. The Member must maintain the qualifications for three consecutive months by achieving the rank of Executive, and meeting the organizational requirements as follows:

- Personally enrolled active National Director in each of two legs
- Personally enrolled active Regional Director in a third leg

Upon completion of the third consecutive month of qualification, a $25,000 Star Bonus will be earned, with $10,000 paid out in the Primary Commission calculation immediately following qualification and the balance paid over six subsequent months. Star Executive status must be maintained to receive Star Bonus earnings in subsequent months.

Regional Executive: The rank of Regional Executive is achieved when a Member has accumulated a minimum of 100 PV, and has 300,000 OV with any one leg contributing up to 40% of the requirements (120,000 PV), within the respective commission period. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified Regional Executive they will earn on nine Residual Bonus levels (Standard Compression) with 5% on the first level, 9% on the second, third and fourth levels, 7% on the fifth level, 5% on the sixth and seventh levels, 3% on the eighth level and 2% on the ninth level. They will also earn 20% in Royalty Bonus from their first Enrollment Level, 10% from their second Enrollment Level and 5% from their third, fourth and fifth Enrollment Levels.

STAR Regional Executive: Members who have achieved Advantage status and the rank of Regional Executive are eligible for Star Regional Executive Bonus. The Member must maintain the qualifications for six consecutive months by
achieving the rank of Regional Executive, and meeting the organizational requirements as follows:

- Personally enrolled active Executive in each of two legs
- Personally enrolled active National Director in a third leg

Upon completion of the sixth consecutive month of qualification, a $75,000 Star Bonus will be earned, with $25,000 paid out in the Primary Commission calculation immediately following qualification and the balance paid over twelve subsequent months. Star Regional Executive status must be maintained to receive Star Bonus earnings in subsequent months.

National Executive: The rank of National Executive is achieved when a Member has accumulated a minimum of 100 PV, and has 500,000 OV with any one leg contributing up to 40% of the requirements (200,000 OV), within the respective commission period. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified National Executive they will earn on 10 Residual Bonus levels (Standard Compression) with 5% on the first level, 9% on the second, third and fourth levels, 7% on the fifth level, 5% on the sixth and seventh levels, 3% on the eighth level, and 2% on the ninth and tenth levels. They will also earn 20% in Royalty Bonus from their first Enrollment Level, 1% from their second Enrollment Level and 5% on their third, fourth and fifth Enrollment Levels.

STAR National Executive: Members who have achieved Advantage status and the rank of National Executive are eligible for Star National Executive Bonus. The Member must maintain the qualifications for six consecutive months by achieving the rank of National Executive, and meeting the organizational requirements as follows:

- Personally enrolled active Regional Executive in each of two legs
- Personally enrolled active Executive in a third leg

Upon completion of the sixth consecutive month of qualification, a $75,000 Star Bonus will be earned, with $25,000 paid out in the Primary Commission calculation immediately following qualification and the balance paid over twelve subsequent months. Star National Executive status must be maintained to receive Star Bonus earnings in subsequent months.

Ambassador: The rank of Ambassador is achieved when a Member has accumulated a minimum of 100 PV, and has 750,000 OV with any one leg contributing up to 40% of the requirements (300,000 OV), within the respective commission period. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified Ambassador they will earn on 10 Residual Bonus levels (Standard Compression) with 5% on the first level, 9% on the second, third and fourth levels, 7% on the fifth level, 5% on the sixth and seventh levels, 3% on the eighth level, and 2% on the ninth and tenth levels. They will also earn 20% in Royalty Bonus from their first Enrollment Level, 10% from their second Enrollment Level and 5% from their third, fourth and fifth Enrollment Levels. They will also earn 1% from their first, and .5% from their second Infinity Generation.

STAR Ambassador: Members who have achieved Advantage status and the rank of Ambassador are eligible for Star Ambassador Bonus. The Member must maintain the qualifications for twelve consecutive months by achieving the rank of Ambassador, and meeting the organizational requirements as follows:

- Personally enrolled active National Executive in each of two legs
- Personally enrolled active Regional Executive in a third leg

Upon completion of the twelfth consecutive month of qualification, the Member will earn a Tesla Model S in the color of their choice.

Executive Ambassador: The rank of Executive Ambassador is achieved when a Member has accumulated a minimum of 100 PV, and has 1,000,000 OV with any one leg contributing up to 40% of the requirements (400,000 OV), within the respective commission period. As an Active Member they are able to earn Retail Bonus, participate in the Referral Bonus, as well as the Advanced Referral Bonus and Team Builder Bonus. As a qualified Executive Ambassador they will earn on 10 Residual Bonus levels (Standard Compression) with 5% on the first level, 9% on the second, third and fourth levels, 7% on the fifth level, 5% on the sixth and seventh levels, 3% on the eighth level, and 2% on the ninth and tenth levels. They will also earn 20% in Royalty Bonus from their first Enrollment Level, 10% from their second Enrollment Level and 5% from their third, fourth and fifth Enrollment Levels. They will also earn 1% from their first, and .5% from their second Infinity Generation.