



Distributor Agreement – PaceSetter

To apply you may complete an online application at www.waiora.com, or you may fax this completed form. If you apply by phone you must send the application to us within 10 days or the agreement will be void. Send to: Waiora USA, Inc. at 791 Park of Commerce Blvd., Suite 300, Boca Raton, FL 33487

Phone: 1-866-MY-WAIORA (1-866-699-2467) • Fax: 1-561-258-2341

PLEASE FAX TO THIS NR: 0011-1-727-216-8572

Applicant Information

Sole proprietorship
 Corporation
 Partnership
 M F
 \$ _____ _____
 Social Security # (or Federal Tax ID# for Business Entity only) Gender Birth Date (MM/DD/YY)

 Name (Last, First, Middle Initial) or Business Name*
 _____ _____
 Area Code Daytime Phone Number

 Co-Applicant/Spouse or Business Contact (if applicable)

 Fax Number

_____ _____
 Street Address (Current Mailing Address) City

_____ _____ _____
 State Zip Code Email

*If applying under a business name, additional information is required. Contact the Waiora Support Group at 1-866-MY-WAIORA.

Enroller & Sponsor Information

The Enroller is the Distributor who is recruiting an individual to be a Distributor with Waiora. The Enroller may also be the Sponsor. The Sponsor is the immediate upline of the newly enrolled Distributor. *If the Sponsor is the same as the Enroller, leave these fields blank.*

_____ **1 8 7 8 4 3** **H I L D M A N N - L O R E N Z I N G E B O R G**
 Enrolling Distributor's # or Federal Tax ID # Name (Last, First, Middle Initial)

_____ _____
 Sponsoring Distributor's # or Federal Tax ID # Name (Last, First, Middle Initial)

PaceSetter Bonus

Select your desired pack to enroll in monthly PaceSetter Bonus Program. To make this an AdvantageShip Order, please check the "Make this order an Advantageship" below.

<input type="checkbox"/>	Essential Daily Nutrients PaceSetter Pack includes 5 cases (10 bottles per case)	\$500 / 500 PV	To help you enroll in the <i>PaceSetter Bonus Program</i> , we have created four packs to help you qualify. To maintain your eligibility, you must have a 100PV AdvantageShip order on file. Please select from the AdvantageShip packs below to indicate next month's order. Or for a complete list of products, refer to your Distributor AdvantageShip Agreement /Order Form. NOTE: To enroll in the PaceSetter Program in the future, you must place a minimum 500 PV order.
<input type="checkbox"/>	Natural Cellular Defense PaceSetter (Pack includes (5) 3-packs of Natural Cellular Defense)	\$500 / 500 PV	
<input type="checkbox"/>	PaceSetter Combo Pack (Pack includes 3 cases of Essential Daily Nutrients and two 3-packs of Natural Cellular Defense)	\$500.25 / 500 PV	
<input type="checkbox"/>	PaceSetter Value Pack (Pack offers sampling of entire product line)	\$499.90 / 500 PV	
			<input type="radio"/> Make this order an Advantageship in this box.

AdvantageShip/Order Info

Select from the list below to indicate next month's AdvantageShip order. PaceSetters maintain eligibility by selecting an AdvantageShip order.

<input type="checkbox"/>	Waiora 200 Pack--NEW! Pack includes (1) 3-pack of Natural Cellular Defense and (1) case (10 bottles) of Essential Daily Nutrients	\$199.90 / 200 PV	An AdvantageShip allows you to receive Waiora product automatically every month. The AdvantageShip Program selection is included on this application for your convenience. Listed below are payment options whereby you authorize the company to automatically ship your monthly order, and collect the appropriate monies each month. Please supply ALL required information. All orders are subject to the local sales tax of your region and will be added to your order total. Taxes are calculated on the retail price of products. Shipping & handling charges will also be added. AdvantageShip orders are billed each month coinciding with your monthly order date. Note: Your first order will be processed upon approval of this application, and subsequent orders will fall into the regular AdvantageShip billing & shipping schedule beginning the following month.
<input type="checkbox"/>	Waiora EDN 100 Pack--NEW! Pack includes 1 case (10 bottles) of Essential Daily Nutrients	\$99.95 / 100 PV	
<input type="checkbox"/>	Waiora NCD 100 Pack--NEW! Pack includes (1) 3-pack of Natural Cellular Defense	\$99.95 / 100 PV	

Payment Information

Check # _____
 Mastercard®
 Visa®
 Discover®

_____ _____ _____
 Credit Card Security Code (3 or 4 digits) Authorization Signature

_____ _____
 Cardholder's Name (Last, First, Middle Initial) Expiration Date (MM/YY)

I understand the only financial requirement to become a Waiora Distributor is a \$29.95 application fee (plus any applicable tax) which includes a kit containing sales and demonstration materials and company information produced by Waiora. I understand this kit does not contain commissionable products and any products purchased in connection with becoming a Distributor are optional. I have read and agreed to the Policies and Procedures on the reverse side of this document, and am familiar with the Waiora exchange policy found in the policies and procedures and agree with the terms and conditions, which by reference are fully incorporated into this agreement. In addition, a yearly renewal fee of \$14.95 is required to continue as a Waiora Distributor. (Renew application 12 months from sign-up.)

_____ _____
 Applicant Signature Today's Date (MM/DD/YY)

A PARTICIPANT IN THE WAIORA COMPENSATION PLAN HAS THE RIGHT TO CANCEL AT ANY TIME, FOR ANY REASON. CANCELLATION MUST BE SUBMITTED IN WRITING TO WAIORA AT ITS PRINCIPAL PLACE OF BUSINESS.

(faxed copies may be deemed as originals)

Policies and Procedures

Waiaora International, Inc. ("Waiaora") is proud to offer you one of the best business opportunities in the network marketing industry. Waiaora honors all traditional, federal, state, provincial, territorial, and local laws and regulations governing good business practices as well as the standards set by the Direct Selling Association (DSA), the trade organization representing the direct selling industry. We expect and insist that our Distributors adhere to the same ethical business practices. We want to help familiarize you with these important rules and regulations and explain why they require your cooperation.

1. Becoming a Distributor A prospective Distributor must complete, sign and submit a Distributor Agreement, review Waiaora's Policies and Procedures, purchase a Distributor Kit and refund its contents. A Distributor may be an individual, partnership or corporation whose completed Distributor Agreement has been received and accepted by Waiaora.

No purchase other than a Distributor Kit, unless prohibited by local law, is necessary to become a Waiaora Distributor. There are no requirements to make large purchases or maintain inventory. The Distributor Kit purchase price is not a service or franchise fee, but exists to offset costs incurred by the company for informational materials and business tools provided to help a Distributor sell Waiaora products and build a Waiaora business. Only authorized Distributors of Waiaora may sell Waiaora products or participate in the Waiaora program. Waiaora's products are available only to Waiaora Distributors and Customers, and Waiaora will not sell or allow its products to be sold through any other distribution channel. Waiaora reserves the right, in its sole discretion, to reject any Distributor Agreement. Distributors must not disclose or distribute any Waiaora downline report. The identity of Waiaora's Distributors is a proprietary trade secret. Waiaora is fully committed to protecting the privacy of its Distributors.

2. Independent Contractor; Licenses; Taxes. Once Waiaora has accepted your Distributor Agreement, you become a Waiaora Distributor conducting business for your own account and not as an agent or employee of Waiaora. As an independent contractor, you are responsible for obtaining any licenses required by law in your locality. You are responsible for the entire operation of your Distributorship, including payment of all income taxes, Social Security unemployment and other taxes (see Article 24). Waiaora will file a Form 1099 or its equivalent for each Distributor at the close of the calendar year as required by the Internal Revenue Service (IRS). Waiaora will not withhold from the compensation due a Distributor under the Waiaora Compensation Plan any amounts for income taxes, Social Security, unemployment or other items required to be withheld from the wages of employees.

3. Family Policy A husband, wife and children residing with you are all considered a single Distributor. A husband and wife may neither sponsor each other or children residing with them nor have different spouses. If any member of your immediate household engages in any activity that, if performed by you, would violate any provision of the Distributor Agreement form, such activity will be deemed a violation by you.

4. One Distributorship Under no circumstances may an individual participate in more than one Distributorship except under a Diamond Bonus Position (DBP) as outlined in the Waiaora Compensation Plan. A member of one partnership or corporation that is a Distributor may not be involved in another Distributorship in any form, i.e., existing Distributors cannot have a minority interest in any other Waiaora Distributorship (except DBP).

5. Identification Number. If your Distributorship is set up under your name as an individual's business, your Waiaora Identification number is your Social Security Number. If your Distributorship is set up as a corporation or partnership, your Waiaora number is your Federal Employer Identification Number (FEIN). For your personal security, do not share your identification number with others. Waiaora will keep all Social Security and FEIN numbers confidential.

6. Minimum Age. In order to become a Distributor, an applicant must be at least 18 years of age or have reached the age of consent required by the state in which the applicant resides.

7. No Exclusive Territories. Waiaora recognizes no exclusive territories, and you are free to conduct business in any state or country declared open by Waiaora, subject to any limitations set forth in the Policies and Procedures.

8. Amendments. Waiaora specifically reserves the right to make any amendments or adjustments from time to time that it deems necessary with respect to its Rules and Regulations, Policies and Procedures, Compensation Plan and/or Pricing. Any such changes shall be incorporated as part of the Distributor Agreement between Waiaora and its Distributors effective upon written notification as published in official Waiaora materials and publications distributed to its Distributors. The continuation of your Waiaora Distributorship and/or your acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

9. Inventory Requirements. You are not required to purchase or store any specific amount of inventory. The Waiaora program is based on retail sales to customers, the use of products, and not on maintaining an inventory of products. As required by the 70 Percent Rule discussed below (see Article 22) and as stated on the U.S. Product Order/AdvantageShip Form, all Distributors must have sold or used at least 70 percent of their previous order from Waiaora before reordering and subsequently may be required to provide Waiaora with certification of that fact. You are required to maintain all retail sales receipts for a period of two years and must furnish them to Waiaora upon request.

10. Channels of Communication. You are responsible for training, motivating and supervising your downline to ensure proper operation of their Waiaora Distributorship. You are also responsible for answering all Distributor questions. Should you not be able to answer the questions, contact the Waiaora Support Group.

11. Product Liability Insurance. Waiaora maintains a blanket product liability insurance policy. This coverage may not protect you if you make unauthorized representations or product claims.

12. No Income Representations. Actual or potential income representations or claims regarding the Waiaora program are strictly prohibited.

13. Packaging/ Product Claims. You may not repackaging or re-label any of Waiaora's products, and you may not make any verbal or written claims regarding Waiaora products unless approved in advance by Waiaora. Medical claims relating to Waiaora products are strictly prohibited.

14. Ethics. You must comply with all international, federal, state and municipal laws relating to your business and must not engage in any unlawful or illegal trade practices or business activity. You will observe the spirit as well as the letter of Waiaora's Policies and Procedures by conducting your business in a manner consistent with the highest standards of honesty, integrity and responsibility in dealing with customers, other Distributors, Waiaora and the public. Violations in ethical behavior may result in termination of your Waiaora Distributorship.

15. Unethical Activity. Waiaora will not permit its Distributors to participate in any activity that is unethical and will intercede when unethical behavior is evident. Waiaora reserves the right, in its sole discretion, to decide whether certain Distributor activities are unethical and, if determined to be so, to act accordingly. Examples of unethical activity are:

- Causing Waiaora products, either directly or indirectly, to be sold in retail outlets.

- Failure to comply with the 70 Percent Rule (see article 22).

- Cross-sponsoring (see Article 18).

- Writing bad checks to either Waiaora or another Distributor.

- Unauthorized use of another person's credit card.

- Misrepresenting the Waiaora products or the Waiaora Compensation Plan.

- Engaging in any deceptive or unlawful trade practice or other illegal or unlawful activity.

- Failing to submit advertisements or proprietary sales material bearing the Waiaora or Waiaora names, logos or trademarks for approval prior to publication (see Article 33).

- Any unauthorized use of Waiaora names, trademarks or logos in print or electronic media advertising (see Articles 32 and 38).

- Any unauthorized use of the Waiaora names, logos or trademarks in any sponsoring or recruitment advertising or any financing activity (see Article 32).

- Misusing the Waiaora corporate name or the efforts of corporate personnel.

- Unauthorized duplication of company literature (see Article 32).

- Manipulating the Waiaora Compensation Plan.

16. Changing Sponsors. Network marketing is a business built on relationships and the retail sale and consumption of products. When a Distributor is sponsored, Waiaora believes in maximizing protection of that relationship. Subject to corporate approval, a Distributor desiring a change in sponsorship can do so only under very limited conditions:

- A Distributor whose Organizational Volume (O.V.) is larger than that of their newly requested sponsor's O.V. cannot be moved beneath the new sponsor's smaller organization.

- A Distributor may submit a completed Sponsor Change Request Form along with signatures from their five upline and the applicable fee to Waiaora's Compliance department for final approval. Please allow 30 business days (one full C.V. month) for a status report. Peak times such as pre- and post-conference as well as the end of the month deadline may extend this time period. Please be considerate of peak business times.

- Sponsor Change Request Forms can be found on the company's website or you may request one from Waiaora's Support Group. Additionally, it is important to note that if fraudulent actions or unethical sponsoring activities were used to attract the new Distributor, the new Distributor can make a request directly to the corporate office to change their sponsor.

- A non-refundable processing fee of \$50 will be charged to the Distributor requesting a change or sponsorship.

- All sponsor changes are subject to final approval by Waiaora's Compliance Department.

17. Sponsoring/ Placement Program. When describing the Waiaora program to a prospective Distributor you must present the program in its entirety without omission, distortion or misrepresentation. Additional offers, representations or agreements made in connection with the Waiaora program are strictly prohibited and may result in the termination of your Distributorship. Occasionally, one or more Distributors may contact the same prospect, resulting in a dispute over sponsoring rights. It is up to the Distributors involved to determine which will sponsor the individual. Waiaora will not mediate such disputes and will recognize as the enroller and the sponsor the person whose name appears in the appropriate fields on the prospect's Distributor Agreement form. If two or more applications are received on one prospect, the application received first by Waiaora will be recognized. A new Distributor has the final right to choose their sponsor. Once this decision has been made, all sponsor changes must follow Article 16 (above). Additionally, no Waiaora Distributor can have an ownership interest in, operational or management control of or derive any benefit directly or indirectly from any subsequent Distributorships (see Article 4).

This program is designed to assist you in developing an organizational structure that is complementary to Waiaora's

compensation plan. It provides you the flexibility to place new Distributors where it makes the most sense in your organization. As the sponsor, you have two placement options during your new Distributor's first 90 days:

- Place the new Distributor anywhere downline at the time of sponsorship. This can be accomplished directly on the Distributor Agreement.

- After the Distributor has been enrolled/sponsored, you can place the new Distributor anywhere in your downline by completing the Waiaora Distributor Placement Form. You are not permitted to move the new Distributor up or sideline. A Distributor whose O.V. is greater than that of their newly requested sponsor's O.V. cannot be moved beneath the new sponsor's organization. Waiaora must receive all Placement Program requests prior to the 25th day of the current calendar month. Any request 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 Waiaora sponsor change policy. See Article 16, Changing Sponsors.

18. Cross-sponsoring. When a Distributor sponsors someone, an important investment is made and a valuable business relationship is formed. Waiaora believes it is our responsibility to protect these relationships; therefore, we do not allow cross-sponsoring. Cross-sponsoring occurs when a Distributor sponsors, or attempts to sponsor, into any other network marketing company a Waiaora Distributor who he or she did not personally sponsor into the Waiaora business. Cross-sponsoring also occurs when a Distributor participates in an action that causes another Distributor to be sponsored through someone else into another network marketing company. Cross-sponsoring is grounds for the immediate termination of your Distributorship. Your participation in another network marketing opportunity negates recognition of you in the Waiaora Awards and Recognition Program.

19. Distributor Initial Purchase Guarantee. All Waiaora Distributors have a 30-day, 100% satisfaction guarantee on their initial purchase. If a Distributor is dissatisfied with their product, Waiaora will refund the full purchase price of any initial order (less shipping charges and application fee) within 30 days of receipt.

20. Distributor Returns (Non-Initial Purchases). After the initial purchase, a Waiaora Distributor may only return products from future orders after voluntarily resigning from the product. See paragraph 22 for information regarding voluntary resignation. Waiaora Distributors may return "resalable," unused products with current labels and intact seals in good condition. This product must be shipped back (prepaid) to Waiaora. The Distributor will be refunded 90% of the net cost of the product, less any compensation previously credited to the Distributor for purchasing the inventory returned. Refunds will not occur on any inventory certified as being "sold" under the 70% Rule required for Distributor orders (see "70 Percent Rule" in paragraph 23). Opened products, Distributor Kits and their components, discontinued or opened sales, and products returned independently of the distributor are not refundable. Any compensation paid to the Distributors' upline will be deducted in the form of an adjustment to the next commission payment.

Waiaora will not honor product refund requests made after 30 days of Distributor receipt of any given order. Requests to refund multiple AdvantageShip orders for previous months will not be honored by the company.

21. Return Merchandise Authorization. Any product being returned to Waiaora must include a Return Merchandise Authorization (RMA) Number issued by a Waiaora Support Team Representative. The RMA issued will be valid for 30 days. Only authorized returners that bear the appropriate RMA number will be honored. We will not honor or be responsible for any unauthorized return. Any and all shipping or courier costs for the return of products will be the sole responsibility of the Distributor. It is recommended that a reliable, traceable, and insurable courier be used for shipping. Should the package contain damaged product (therefore rendering them non-resalable) the Distribution Center will reject the return. Refusal to accept shipment is not considered an acceptable form of return.

When the above procedure has been completed and the return has been verified, a refund for the purchase will be issued in the original form of payment within 30 days. Please call the Waiaora Support Team at 1-866-MY-WAIOORA (1-866-699-2467) for more information.

22. Voluntary Resignation. A Distributor who wants to resign their Waiaora Distributorship should first contact their Enroller/Sponsor and the Waiaora Support Team. For the protection of your business asset, a signed letter of resignation must be submitted. Waiaora will, at the request of the Distributor, repurchase products at 90% of the net cost ("70 Percent Returns"). Upon voluntary termination, the Distributor will be eligible to reapply for a Waiaora Distributorship under a new sponsor 12 months from the resignation date. However, no terminated Distributor may re-sponsor any of his or her original downline organization. No Distributor re-entering the Waiaora business after the required 12-month period may re-enter the Waiaora business by having Distributorship, partial or whole, of any existing Waiaora Distributorship transferred to them in any manner. Note: In the event of termination, either voluntary or involuntary, commissions for the Distributor's downline will roll up to the next eligible upline Distributor. Distributors may not recruit or enroll any other Waiaora Distributor or customer into another direct sales, multilevel marketing or network marketing business, and must not do so for one year from the date of the Distributor's termination from Waiaora (see "Cross Sponsoring").

23. 70 Percent Rule. The Waiaora Compensation Plan is based on retail product sales to customers and the consumption of products. It is not based on maintaining a product inventory. At the time of each order, a Distributor is certifying that he or she has sold or used 70 percent of his or her previous order and must be able to verify such certification. Each Distributor must maintain all retail receipts for a period of two years and must furnish them to Waiaora upon request. If a Distributor does not comply with these requirements or if he or she falsely represents the amount of products sold, the Distributor is subject to disciplinary action by Waiaora, including the termination of the person's Waiaora Distributorship (see "Termination Procedure: Discipline Action"). Failure to comply with the 70 Percent Rule will exempt those products from Waiaora's refund policy (see "Distributor Returns").

24. Customer Guarantee. If a Customer is dissatisfied with their product, Waiaora will refund the full purchase price of any order placed directly with Waiaora (less shipping charges) within 30 days of receipt. (See "Return Merchandise Authorization")

Distributor Retail Sales. When a retail sale is made, you are required to provide a Retail Sales Receipt to the customer. If a retail customer is dissatisfied with the products, he or she may return them to you within 30 days of the sale. It is your responsibility to refund the purchase price promptly. To obtain a replacement product from Waiaora, you must send us a copy of the completed Retail Sales Receipt and written explanation for the requested item. Upon receipt, Waiaora will issue a Return Merchandise Authorization (RMA) number to return the unused portion of the product to Waiaora for exchange. (See "Return Merchandise Authorization")

25. Sales Tax. Sales taxes are levied by various agencies at state, county and local governments. Waiaora products and sales aids including Distributor Kits are subject to sales tax, depending on the location to which they are shipped. These taxes are collected by Waiaora and remitted to the appropriate agencies. The collection of sales tax is not a revenue source for Waiaora. The Waiaora business is based on the retail sale of products to customers; therefore, all sales taxes are based on suggested retail prices. Distributor Kits are taxable because they are purchased for personal use.

26. Other Taxes. Due to the fact that all Waiaora Distributors are independent contractors, Waiaora does not deduct any taxes from commission or bonus checks. Waiaora will issue a Form 1099 or equivalent at the end of each calendar year, which reports all of the income paid to you by Waiaora, as required by the IRS.

27. Pay Period. Waiaora's Compensation Plan provides two pay periods – weekly (also known as FastStart) and monthly. The weekly pay period is based on orders shipped and paid for during the calendar week of Sunday morning (12:00 a.m.) to Saturday evening (11:59 p.m.). Waiaora must receive any process order no later than 11:59 p.m. Saturday evening to be included in the commission check issued for that week. Distributors wishing to include orders for a particular week outside of Waiaora's hours of operation, may process orders online through the company's website. Weekly commission checks will be mailed the following week for qualifying Fast Start orders received during the previous week, barring forces of nature that are beyond our control and may cause a delay in mailing of commission checks. The monthly commission pay period is based on the calendar month. Waiaora must receive an order no later than the last day of the month in order for it to be included in the commission check issued for that month. Distributors wishing to include orders outside of Waiaora's hours of operation, may process orders online through the company's website. Fax and email orders will be credited to the calendar month in which they are received. Monthly commission checks will be mailed on the 15th day of each month for orders received during the previous month, barring forces of nature that are beyond our control and may cause a delay in mailing of commission checks. If the 15th day is a holiday or weekend, commission checks will be mailed on the following business day. Detailed information is included for all active Distributors receiving a monthly commission check and is mailed with the check. The information is not optional, and Waiaora may automatically deduct a service fee, when applicable, from those Distributors earning a commission check.

28. Media Inquiries. To maintain accuracy and a consistent company image, all Distributors must refer any media inquiries including radio, television and print publication directly to Waiaora.

29. Transfer of Distributorship. Each Waiaora Distributorship is personal to the Distributor and may only be transferred by sale, by will or by intestate succession. Transfer by sale necessitates that the following requirements be met:

- The Distributor making the request must submit the appropriate Waiaora Sale/Transfer form, which is available upon request, along with a signed and dated amended application listing the new owner's information, the five-upline signatures agreeing to the sale/transfer, company approval, and any applicable fee to the Compliance Department. (The company reserves the right of first refusal of a transfer request.) No changes in the line of sponsorship can result from the transfer of a Distributorship without first completing the appropriate request (see "Changing Sponsors" for details). For further details regarding the procedures for transferring a Distributorship, please contact the Waiaora Support Team at 1-866-MY-WAIOORA (1-866-699-2467).
- All transfers of Distributorships are subject to final approval by the Waiaora Compliance Department.

30. Distributor Renewal. Your Waiaora business must be renewed annually. Waiaora will send distributor Renewal forms to you approximately 45 days prior to your renewal date. You must complete and return the form, along with the current renewal fee, by your anniversary date of signing as a Distributor with Waiaora. Failure to return the renewal form and fee will be construed as a Distributor resignation, and all agreements between Waiaora and the Distributor will be rendered null and void with no further force and effect. Waiaora is not responsible for items lost or returned due to outdated addresses, which then result in the retirement of your Distributorship by Waiaora.

31. Compliance. It is mandatory that all Waiaora Distributors strictly comply with all of Waiaora's Policies and Procedures. The Policies and Procedures have been prepared for the protection of Waiaora and its Distributors. Because violations can jeopardize both Waiaora's business and yours, they will be considered extremely serious and can result in termination and the loss of all Distributor benefits. Each Distributor agrees to indemnify and hold harmless Waiaora, its management and officers, and any of its affiliated companies from any claim, action or liability asserted arising out of the Distributor's actions, omissions or representations in sponsoring or conducting the Distributor's independent Waiaora business (see "Termination Procedure").

32. Termination Procedure: Disciplinary Actions. In the event Waiaora verifies a material violation of the Distributor Agreement, the company can elect to terminate the offending Distributor. The termination procedures are as follows: Waiaora will send a written notice of intent to terminate to the Distributor. The offending Distributor then has 30

days in which to present his or her case in writing for review. Waiaora will then make the final decision about whether to terminate. In the event of termination, either voluntary or involuntary, commissions for the Distributor's downline organization will roll up to the next eligible upline Distributor. Waiaora may, in its sole discretion, take other disciplinary actions for violations of the Distributor Agreement, including but not limited to suspension of the offending Distributor, denial of advancement or recognition awards, loss of rights to one or more commission checks or imposition of fines.

33. Arbitration. If a legal disagreement arises between Waiaora and any Distributor, both parties agree to resolve it by binding arbitration in accordance with the existing rules of the American Arbitration Association and under the laws of the State of Florida and Palm Beach County. Any arbitration proceedings will be at Waiaora's corporate headquarters.

34. Advertising and Promotion. Waiaora 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 Waiaora and its Distributors. As a Waiaora Distributor, you are an independent contractor and shall not represent yourself as a Waiaora employee. Further, you can be on any state or otherwise imply that you, or any new Distributor, will be employed by Waiaora. Corporate-approved audioassettes and phone message recordings must identify you as a Distributor at the beginning of the message. For further details on advertising and promotion, contact the Waiaora Support Team at 1-866-MY-WAIOORA (1-866-699-2467).

35. Company Names, Trademarks and Logos. Waiaora employee names, corporate names, Distributor lists and information, trademarks or logos are proprietary and may not be used in any manner, including in the reproduction of literature (print or whole) or in any advertisement without prior written approval from Waiaora. This includes domain names, URL and e-mail addresses. For more information, see www.waiaora.com. Any approved use of such corporate names, trademarks or logos must indicate that you are an independent contractor or Distributor of Waiaora. The names and logos of Waiaora and its products may only be used in retail product advertising. Advertisements to attract Distributors and the Waiaora business opportunity may not use "blind" or "copy" with reference to Waiaora, Waiaora names or use of the Waiaora names or logos. Use of the Waiaora or Waiaora names or logos alone is strictly prohibited. Any use of the Waiaora names, trademarks or logos of their products must be submitted in writing to Waiaora's Compliance Department for approval prior to use in any form. Waiaora strictly prohibits the use of its corporate name, logo or trademark or any statements with respect to Waiaora's business, products or operations in any financing activity by a Waiaora Distributor. Waiaora does not approve or condone any such financing activities and any violation of this policy could lead to the termination of your Waiaora Distributorship.

36. Advertising Approval. All advertisements, including those of a "blind" nature, i.e., without use of any corporate identities, must be submitted in writing to Waiaora's Compliance department via fax, mail or e-mail to compliance@waiaora.com for an approval number prior to use in any form. Please allow three business days for a status of your submitted item(s). Advertising approval numbers are required for all advertising copy for any media, including newspaper ads, audio cassettes or videotapes, recorded messages, posters, flyers, promotional items, etc. It is each Distributor's responsibility to obtain his or her own advertising approval number from Waiaora for every item produced. You should not attempt to advertise copy to anyone and assume that it has been approved. See "Company Names, Trademarks and Logos" for details on the use of company names, trademarks and logos.

37. Recorded Messages. All recorded messages that are referenced in any form of advertising that include Waiaora or Waiaora products, names, trademarks or logos must be submitted in written script form to Waiaora for approval prior to use. Corporate-approved audioassettes and phone message recordings must identify you as a Distributor at the beginning of the message.

38. General Promotion. You can promote your business in any legal and ethical manner you desire, upon approval of Waiaora. No reproduction of Waiaora literature or labels, in part or whole, is allowed. Reproduction of product labels is a violation of state law; any original materials as furnished by Waiaora may be used. All Waiaora literature is copyrighted and cannot be duplicated in any form without express written consent from Waiaora. This restriction includes but is not limited to photocopies, graphic reproductions, translated verbiage, corporate/product photos and copy taken in part and/or out of context. You cannot state or imply that Waiaora approves or endorses any privately produced motivational literature or training materials used within your organization. You can promote Waiaora products on the condition that the products are not shown or displayed with any other products that are sold through the network marketing distribution channel.

39. Retail Outlets. Waiaora products are prohibited from being sold or displayed in retail outlets except for businesses that operate "by appointment only" such as beauty salons, tanning salons and doctors' or chiropractors' offices and in private clubs such as figure salons and health clubs. The following retail outlets are examples of, but are not intended to be a complete list of, retail outlets that definitely cannot sell Waiaora products or display literature: health food stores, unattended mall kiosks, drugstores, personal Internet storefronts (not provided by Waiaora), online outlets such as auction or barter sites or other third-party online retailers. This policy does not prohibit a retail storeowner from being a Distributor, just from displaying or selling Waiaora products in a retail environment.

40. Fairs and Trade Shows. You can promote Waiaora products at fairs and trade shows as long as Waiaora products are not shown or displayed with any other products that are sold via network marketing.

41. Public Advertising Media. Internet. The use of public advertising media to advertise Waiaora products or the Waiaora business opportunity is restricted. Restricted public advertising media are any television network or cable broadcast or other electronic media, billboards, bus stop or park benches, and automated telephone solicitation equipment. Additionally, unapproved or unauthorized Internet or any other online services as well as spamming and the use of unauthorized and/or unapproved radio promotions or broadcasts of any sort are strictly prohibited.

42. DISTRIBUTOR Audio, Visual and Print Training Materials. Only those Distributors who qualify at the Diamond level for six consecutive months and are officially approved by the company are eligible to use audio, video and print training materials they produce themselves for downline distribution. These materials may be produced for six months following the period of consecutive qualification and must meet the following criteria: They must be pre-approved in writing by Waiaora prior to release. A hard copy script for all material must be submitted for approval. The maximum charge for audio material is \$2 per tape as they are to be produced for training purposes only and not for profit. The cover and/or label must also be submitted to Waiaora for approval and must identify the Diamond Distributor who has produced the material and clearly indicate that he/she is a Distributor. A similar Statement is necessary as an introduction at the beginning of the audio or video.

43. International Sponsoring/ Export Policy. You may not, directly or indirectly, import any Waiaora product or cause any improper business-building activities, including advertising "blind" or otherwise, in any country not declared open by Waiaora or in which Waiaora is operating a Not-for-Resale program. You acknowledge that any violation of these policies would cause irreparable damage to Waiaora and the respective affiliated Waiaora companies conducting business in these countries as well as the ability of Waiaora to conduct business in other countries. Violation of these policies could lead to the termination of your Waiaora Distributorship. No Waiaora Distributor may export or sell to others who export Waiaora products from the United States or its possessions or territories to any country.

44. Entire Agreement. The Distributor Agreement and Policies and Procedures constitutes the entire agreement between the Distributor and Waiaora, and no other promises, offers, representations, agreements or understandings of any kind shall be binding on Waiaora, unless made in writing and signed by an authorized officer of Waiaora. The Distributor must agree to comply with all federal, state and municipal laws relating to his or her business and not engage in any unethical or illegal trade practices or business activity. Waiaora's Policies and Procedures govern over a U.S. Distributor desiring to do business with Waiaora, other Distributors and retail customers. Together with the Waiaora Compensation Plan and the Distributor Agreement, these Policies and Procedures constitute a complete contract between Distributors and Waiaora.

45. Governing Law. This Distributor Agreement form shall be governed by the laws of the state of Florida and Palm Beach County.

46. Shipping Policy. Products will be shipped as soon as possible after receipt and payment of an order. Typically, shipments occur for most orders within 24 hours of the processing of the order. If Waiaora 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 Waiaora received the payment for the original order.

47. Ordering Policy. All orders must be placed directly with Waiaora in order to receive proper volume credit. You must personally place your own orders; no other person can place an order on your behalf. Additionally, you must personally pay for your orders with your own credit card, debit card, money order or check. Waiaora will accept credit cards from Distributors only for Visa®, MasterCard®, American Express® and Discover® credit cards, and only for Visa and MasterCard debit cards. Credit card holders must be the Distributor placing the order.

48. Consumers Using a Waiaora DIN. By signing a Distributor Agreement form, you will be assigned a Waiaora Distributor Identification Number (DIN). A Waiaora DIN will automatically be assigned to you by Waiaora upon acceptance of your Waiaora Distributor Agreement form (online or offline) and will be used to assign you credit for orders through phone, fax or Internet.

49. Temporary Telephone Applications. To expedite the sponsoring process, Waiaora will accept the Distributor Agreement form by telephone. Telephone applications are effective for two weeks from the date they are called in or until the order-processing deadline, whichever comes first, pending Waiaora's receipt of the hard copy. Applications that are made by phone will be considered your valid Distributor Agreement form. In this respect, any and all changes made to the telephone application, including those accompanying the hard copy of the application, will be considered amendments if the hard copy of the application and agreement is not received before the processing deadlines outlined above. As such, all Policies and Procedures regarding amended applications and sales/transfers of Distributorships, including fees, will apply to any changes made to the telephone application. The continuation of your Waiaora Distributorship or your acceptance of bonuses or commissions constitutes acceptance of any and all Waiaora rules and regulations pertaining to the operation of your Distributorship. Lack of a signed Distributor Agreement form does not exclude you from the consideration of these rules and regulations. Waiaora reserves the right to cancel without notice any telephone application that is operating without the properly signed Distributor Agreement form. Distributors agree to hold harmless Waiaora for any losses due to such cancellation of Distributorship.

50. Downline Reports: Confidentiality. Information contained in any downline report provided to you by Waiaora is the proprietary and confidential information of Waiaora and transmitted to you in confidence. You agree not to disclose such information to any other person, firm or corporation, whether directly or indirectly, nor use said information for the purpose of competing with Waiaora or for any purpose other than promoting Waiaora's business. You and Waiaora agree that without this agreement of confidentiality and nondisclosure, Waiaora would not provide this information to you.

51. Waiver. The failure or delay of Waiaora at any time to enforce any provision of this Distributor Agreement form will not affect the right of Waiaora to enforce that provision or to exercise any right, power or remedy hereunder. Any waiver by Waiaora or any breach of any provision of this Distributor Agreement form should not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself or a waiver of any right, power or remedy hereunder.