

NeuroGenesis
Independent
Distributor
Policies
&
Procedures

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1. NeuroGenesis Official Statement of Policies and Procedures

All Distributors of NeuroGenesis, Inc. (NGI) are expected to familiarize themselves and comply with the operational policies of the company. We ask that you maintain regular communications with us to keep abreast of current Policies and Procedures. These Policies and Procedures are subject to change by Corporate for any reason without notice, and you will be held responsible for keeping track of the latest replacement pages mailed, e-mailed or updated on official corporate web sites.

As a Distributor (*this includes ALL titles and positions within the NeuroGenesis Commission Plan*), NeuroGenesis, Inc., hereinafter referred to as NeuroGenesis, you are required to understand and comply with all rules, regulations, ethics, policies and procedures. NeuroGenesis reserves the right to amend these Policies & Procedures by publishing of such amendments as it deems appropriate and upon publication of transmission, such amendments shall be considered incorporated herein by reference.

NeuroGenesis honors all federal, state, and local regulations governing normal business practices including network marketing, and requires every Distributor to do the same. It is therefore very important that you read and understand the information contained in this document. If you have any questions regarding any rule, policy and/or procedure, seek an answer from your Enroller, up-line leader, or from NeuroGenesis.

Please review the following Professional Ethics section along with NeuroGenesis' Policies and Procedures on a regular basis in order to stay in compliance and to make them a natural part of your planning and personal development. Remember, NeuroGenesis was founded with integrity and professionalism and requests that you maintain the same *High Standard of Excellence and Ethical Conduct* in all your business ventures.

We are honored to have you as a part of our team and wish you much success!

1.1 Basic Principles

The purpose of the Independent Distributor Application and Agreement, Policies & Procedures, and Compensation Plan (collectively referred to as the Agreement) is to establish the NeuroGenesis Independent Distributor (referred to as "Distributor") as an authorized Distributor for the sale of NeuroGenesis products. It sets forth the respective duties, obligations, and responsibilities of NeuroGenesis Inc., (referred to as NeuroGenesis), the Distributor in the sale of NeuroGenesis products by NeuroGenesis to the Distributor, and of the sale of products by the Distributor to the consumer.

1.2 Distributor Acknowledgement

The NeuroGenesis Distributor has elected to enter into this Agreement with NeuroGenesis with confidence in NeuroGenesis' integrity and with the expressed intention of dealing fairly with its Distributors and customers.

1.3 NeuroGenesis Acknowledgment

NeuroGenesis enters into this Agreement with Independent Distributors with an awareness that NeuroGenesis' success depends upon responsible, efficient, professional Distributors, whose business conduct is free of false, deceptive, or misleading advertising, marketing, pricing, and service practices. NeuroGenesis enters into this Agreement with confidence in the Distributor's integrity, ability, duties, obligations, and responsibilities.

Notice: NeuroGenesis' business is structured around the sale of products and Distributors who are willing to train, educate, motivate and concentrate on sales and services to prospective customers and Distributors.

2. Eligibility to Become a NeuroGenesis Distributor

To become a NeuroGenesis Distributor, each applicant must:

- Be of the age of majority in their state of residence;
- Have a valid Social Security or Federal Tax Identification number;
- Complete and return a W-9 form;
- Reside in the United States or other countries that have been officially opened by NeuroGenesis;
- Read and sign the Policies and Procedures acknowledgement form;
- Submit a properly completed and signed Distributor Application and Agreement to NeuroGenesis
- Purchase a Distributor Kit.

A person who is recognized as a minor in their state of residence may not be a NeuroGenesis Distributor. Distributors shall not enroll or recruit minors into the NeuroGenesis program.

The Company reserves the right to reject any application for new distributorships or application for renewal.

3. Granting of Distributorship Rights

3.1 Distributor Non-Exclusive Rights

NeuroGenesis hereby grants to the Distributor a non-exclusive right upon terms and conditions contained in the Agreement, to purchase, to promote, and to resell NeuroGenesis products.

3.2 Distributor Agreement

It is the responsibility of newly sponsored Distributors to fully review the most current version of the NeuroGenesis Policies and Procedures & Compensation Plan, before they complete and sign the NeuroGenesis Distributor Agreement, found in the Distributor Kit.

3.3 Distributor Kit

No person is required to purchase NeuroGenesis products or services to become a distributor. However, to familiarize new distributors with NeuroGenesis products, services, sales techniques, sales aids, and other matters, the purchase of a Distributor Kit is required.

4. Change in Distributor Personal Status

4.1 Divorce

Should a married couple with a joint distributorship become divorced, they agree to notify Neuro-Genesis as to who will assume responsibility for the Distributorship in one of the following manners:

- a. Written, notarized agreement signed by both parties indicating who will retain the Distributorship.
- b. A court order delineating who receives custody over the Distributorship.
- c. Both parties may choose to retain their joint Distributorship and operate it as a partnership.

4.2 Death

Upon the death of a Distributor, the rights and responsibilities of the Distributorship may be passed on to the rightful legally documented heir. The heir of that person must complete and sign a new

Distributor Application, W-9, and a Policies and Procedures acknowledgement within 90 days of being designated the legal heir.

5. Independent Contractor Business Relationship

5.1 Independent Contractor

The Distributor is an independent contractor whose success or failure depends on their independent efforts. The Distributor, their agents, and employees shall under no circumstances be deemed agents or representatives of NeuroGenesis. The Distributor shall not modify NeuroGenesis products in any way. Neither the Distributor nor NeuroGenesis shall have any right to enter into contract or commitment in the manner of, or on behalf of, the other or to bind the other in any way whatsoever.

5.2 Hours and Method of Sales

The NeuroGenesis Distributor may set their own hours and determine their own method of sale as long as they comply with the Policies and Procedures and Compensation Plan.

5.3 Indemnification

The Distributor shall indemnify and hold NeuroGenesis harmless from and against any claim, demand, liability, loss, cost, or expense (including, but not limited to, reasonable attorneys' fees) arising or alleged to arise in connection with the Distributor's operations.

6. Compliance to Federal and State Laws and Applicable Licensing Requirements

6.1 1099 Form

At the end of each calendar year, NeuroGenesis will automatically provide a statement of earnings (1099 form) to U.S. Distributors only. Distributorships with an annual income at or over the minimum requirement will be reported to the United States Internal Revenue Service. It is imperative that all distributors have valid contact information on file so they can receive these required forms. If 1099 forms cannot be delivered, the distributor will be terminated.

6.2 Self-Employment Tax

The Distributor accepts sole responsibility for all self-employment and income taxes due to income earned as a NeuroGenesis Distributor.

6.3 Federal and State Income Tax

The Distributor accepts sole responsibility for compliance with all Federal and State income tax laws, and all applicable state laws and licensing requirements.

6.4 Compliance Notifications

Any notification received by a distributor from any government agency regarding compliance issues must be reported to the NeuroGenesis Corporate Office within 24 hours of its receipt.

7. International Business

7.1 International Business Development

NeuroGenesis Distributors have the opportunity to develop Distributors in markets throughout the world in countries where NeuroGenesis operates. International enrolling criteria will be established and published from time to time and in accordance with the rules and regulations of each new country that NeuroGenesis "opens" to its Distributor sales force. Enrolling is NOT permitted in countries until NeuroGenesis officially launches the "opening" of such country.

7.2 Laws, Regulations and Requirements

Each Distributor must be familiar and comply with all specific laws, regulations and requirements applicable to doing business in their country. All International Distributors and customers are responsible for any/all applicable taxes, fees and duties assessed by their countries national laws and customs requirements.

8. Product Pricing

8.1 Wholesale Pricing

All Distributors must purchase products directly from NeuroGenesis for either direct-sell or fulfillment by NGI. All Distributors pay the same price (wholesale) regardless of rank achieved. NeuroGenesis shall be free to change prices from time to time without advance notice.

8.2 Suggested Retail Pricing

NeuroGenesis only suggests to its Distributors what it believes to be a desirable retail price for the sale

of NeuroGenesis products. Distributors are free to sell products at a discounted or reasonably higher price than suggested retail. However, only the suggested retail or preferred price is applicable if the order is filled by NeuroGenesis.

9. Distributor Compliance to Fair Representation

9.1 Truth and Fairness

Each NeuroGenesis Distributor shall truthfully and fairly describe NeuroGenesis products and programs in all discussions with customers, other Distributors, or potential Distributors. This obligation of fair and complete discussion shall include, without limitation, the following:

9.2 Omission of Facts

A Distributor shall neither misstate nor omit any significant material fact about the NeuroGenesis program. The Distributor shall provide each potential Distributor with a copy of the current NeuroGenesis Policies and Procedures & Compensation Plan prior to or when giving such person a Distributor Application and Agreement.

9.3 Compensation Based on Sales

A Distributor shall make clear that the NGI Compensation Plan is based upon sales of NeuroGenesis products, and that NeuroGenesis Distributors will not be successful merely by sponsoring other Distributors without regard to sales. Monies are earned only on the sale of products to consumers.

9.4 Truth in Profit Statement

A Distributor shall not state that profits are guaranteed for any Distributor. They shall make it clear that a NeuroGenesis Distributor can expect to be successful only through substantial efforts. No false or misleading income projections may be made to prospective Distributors.

9.5 Regulatory Agencies Endorsements

A Distributor shall not state that any state's Attorney General's Office, the Better Business Bureau, or any regulatory agency has approved or endorsed NeuroGenesis' plan or products. These agencies do not permit nor authorize the use of their names in any manner in connection with the advertising nor authorize sale of merchandise, services, or securities. Also, the use of these agency names cannot be used in the advertising or sales material of any commercial organization.

9.6 Authorized Product Claims

A Distributor shall not make claims for any NeuroGenesis products other than those found in current authorized NeuroGenesis sales support material for NeuroGenesis. All statements regarding product description and use will conform in every way to the written company policies. No claims as to therapeutic or curative properties about the products may be made. No Distributor may make any claim that NeuroGenesis' products are useful in the treatment or cure of any disease or disorder. Such statements will be perceived as medical claims. Not only is this against Company policy but it is also against the policies of such governmental agencies as the United States Food and Drug Administration.

9.7 Distributors as Independent Contractors

NeuroGenesis Distributors, as independent contractors, are free to sell or market consumer products or services other than NeuroGenesis products with certain restrictions. A NeuroGenesis Distributor shall not engage in recruiting activity or promotion activity that targets NeuroGenesis Distributors for other direct selling companies or business opportunities, either directly or indirectly, by themselves or in conjunction with others; nor shall a Distributor participate, directly or indirectly, in interference raiding or solicitation activity of NeuroGenesis Distributors for other direct selling companies or business opportunities. Additionally, no recruiting for other business ventures or sale of other products is authorized at any NeuroGenesis function. Failure to comply with this cross-sponsoring, cross-selling policy shall cause a NeuroGenesis Distributor to be subject to cancellation of Distributorship.

9.8 Distributor Right to Privacy

NeuroGenesis takes its Distributors' right to privacy very seriously. NeuroGenesis does not sell, show, or otherwise share information about its Distributors with third parties. NeuroGenesis may, however, release Distributor information when it is believed that such release is reasonably necessary to comply with the law, enforce or apply the terms of this Agreement, or protect the rights, property, or safety of other Distributors.

9.9 Distributor Harassment

A Distributor shall not interfere with, harass or undermine another Distributor and, at all times, shall respect the privacy of other Distributors.

10. Re-labeling and Repackaging

10.1 Repackaging and Re-labeling Prohibitions

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

11. Health & Medical Claims

11.1 Prohibited Words and Phrases

NeuroGenesis Distributors must clearly state that they are not medical professionals and cannot give medical advice. Neither NeuroGenesis nor Distributors are permitted to use the words or phrases "therapy/therapeutic," "cures," "heals," "treats," "prevents," etc.

11.2 Diseases and Disorders

Distributors understand that the products are **NOT** considered to be – and are **NEVER** offered or intended as – medicines or medical treatments for any disease or disorder, either physical or mental.

11.3 Diagnosis and Treatment

NeuroGenesis and its Distributors are prohibited from suggesting any diagnosis, prognosis, evaluation, treatment, description, management, or remedy of illness, ailment, disease, or disorder. Distributors may not use verbiage such as "ADHD", "ADD", "Attention Deficit Hyperactivity Disorder", "Depression", "Bipolar Disorder", "Alcoholism", "Drug Addiction", "PTSD", "Post Traumatic Stress Disorder", "SAD", "Seasonal Affective Disorder", "General Anxiety Disorder", or any other disease or disorder.

11.4 Medical Products

Neither NeuroGenesis nor its Distributors will state that NeuroGenesis products are sold as medical products. In North America, all NeuroGenesis products are classified as "consumer products" only.

11.5 Clinical and Research Studies

Neither NeuroGenesis nor its Distributors will make reference to any clinical or research studies except those linked on www.neurogenesis.com. Accurately cited authority must support any statistical data used in a promotion for NeuroGenesis products.

11.6 Food and Drug Administration (FDA) Approval

Neither NeuroGenesis nor its Distributors will say or imply that NeuroGenesis products are FDA approved. All Distributor materials and personal web sites must display the following FDA disclaimer on each web page: **NOTE: These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, mitigate, or prevent any disease.**

11.7 Medical Claims

No medical claims (express or implied) may be made for any NeuroGenesis product by a Distributor. NeuroGenesis recommends that customers under a physicians care, should consult their physician before undertaking any changes in diet or when beginning any nutritional or exercise program. NeuroGenesis supplements are formulated to provide nutritional support and enhance healthy neurochemical balance, NOT to replace medications. Neurogenesis products are not to be taken by phenylketonurics, pregnant or lactating women, persons taking MAOI's or antipsychotic medications.

12. Advertising and Use of Name and NeuroGenesis Logo

12.1 NeuroGenesis Logo

No Distributor may produce any items, including, but not limited to, advertisements, literature, posters, business cards, or clothing, that feature the NeuroGenesis logo. Only those items produced and distributed by NeuroGenesis, Inc., or business cards and letterhead produced on behalf of NeuroGenesis by the authorized printing company of NeuroGenesis, Inc., are permitted to display the NeuroGenesis logo. A Distributor may use the name "NeuroGenesis" only when accompanied by the words "Independent Distributor," which must be prominently displayed and easily seen.

12.2 Manufacturer of NeuroGenesis Products

A Distributor shall not make purchases or enter into any transaction in NeuroGenesis' name or hold themselves out as an agent of any manufacturer of NeuroGenesis products.

12.3 Business Name Selection

Any Distributor may decide to select a business name. This business name should not imply that the Distributor is an employee or agent of NeuroGenesis, but instead state that they are an Independent Distributor. In addition, this business name shall not refer to therapies or imply that the Distributor is marketing products that have medical or therapeutic applications.

12.4 Retail Selling Venues

Distributors may have a booth in a trade show or fair providing it is a one-time temporary site. NeuroGenesis does not approve this type of visible booth on a recurring basis. NeuroGenesis allows operating at the above sites with the understanding that the Distributor is responsible for presenting a high quality look to maintain NeuroGenesis' image and will conduct this operation in an honorable and professional manner. [Note: Flea markets are not an approved venue for the Distributors to operate from a booth or table.] It is necessary that any literature, signage, banners, or flyers created for the event site that were not obtained from NeuroGenesis are submitted for approval to NeuroGenesis for compliance well in advance of the event. Allow a minimum of ten (10) business days for the approval process to be completed. Distributors may have products displayed and make sales from these approved sites, however, competing products cannot be displayed with NeuroGenesis products. Please note that the Distributor's primary objective at such a site is to gather leads and book appointments for follow-up. NeuroGenesis has a limited number of display booths available for Distributor use. There is a required deposit of \$250, which is fully refundable upon return. Display booths must be returned to NeuroGenesis within 10 days of the closing day of the event. All shipping and handling fees for receipt and return of the booth are the responsibility of the Distributor. A \$20 per day late fee will be assessed after the 10th day.

12.5 Internet Marketing

NeuroGenesis Distributors may market NeuroGenesis products on the Internet (World Wide Web) by either of the two following methods:

- a. A Distributor may use the NeuroGenesis corporate replicated web site that is provided, or
- b. A Distributor may design a custom web site to market the NeuroGenesis products. If the Distributor chooses a custom web site, they must use the exact verbiage from the NeuroGenesis replicated site and from the NeuroGenesis Distributor Administration Site only. Information cannot be taken directly from the corporate site, www.neurogenesis.com. No other verbiage, descriptions, comments, articles, testimonials, or marketing slogans will be allowed on a customized web site. Distributor web site text and/or meta tags including, but not limited to title, description, keywords and classifications may not include any names of disorders, diseases, drugs or any verbiage that would constitute a drug claim.

12.6 Text Articles

If a Distributor wishes to submit articles or suggestions for textual additions to their custom website, or to the NeuroGenesis Distributor Administration Site, they may do so. If NeuroGenesis approves of the suggested text, it will be posted on the NeuroGenesis Distributor Administration Site to be accessed by all Distributors.

12.7 Product Exclusives

A Distributor's custom web site may not offer any products that would be considered competitive on the same page with NeuroGenesis products.

12.8 Graphics and Pictures

Graphics and pictures for the Distributor's custom web site must be submitted to NeuroGenesis for approval. Graphics and pictures that imply that NeuroGenesis products are used, endorsed, or approved by doctors or medical professionals are not allowed, i.e. Pictures of doctors, nurses, medical offices, medical symbols (i.e. the caduceus, RX) etc.

12.9 Phrases and Verbiage

A Distributor may not use phrases such as "Official Web Site", "Official Order Site", or any other verbiage that would suggest their custom web site is a NeuroGenesis corporate site. Misrepresenting a Distributor's site as the NeuroGenesis corporate site is strictly forbidden. A Distributor's custom site must prominently display the phrase "Independent Distributor".

12.10 Domain Names

A Distributor may purchase a domain name to forward to either their NeuroGenesis replicated web site, or to use as the URL for their custom Distributor web site. State and federal compliance agencies, as well as pharmaceutical companies, monitor websites regularly. NeuroGenesis does not endorse, encourage nor approve domain names that could bring repercussions from any of these agencies or companies. Here are areas you would be wise to avoid:

- a. Names of diseases or disorders such as “ADHD”, “depression”, or “alcoholism”.
- b. Prescription or generic drug names such as “Ritalin”, “Wellbutrin”, or Methylphenidate”.
- c. Any words that might constitute a drug claim, such as “drug”, “cure”, “treat”, “remedy”, “therapy”, “help”, “relieve”, “relief”, “solution”, “answer”, “prevent”, etc.

12.11 Corporate Domain Name

The NeuroGenesis corporate name and any names of NeuroGenesis products (e.g. Neu•Becalm'd) may not be used in any form as a domain name.

12.12 Advertising on Other Web Sites

A Distributor may advertise with textual or graphical ads on other web sites on the Internet. However, all ads must be pre-approved by NeuroGenesis. If a Distributor wishes to submit an ad for approval, they must do so in writing. NeuroGenesis will review the ad within (10) ten business days of receiving it and respond in writing. Custom ads may only be used once they are approved by NeuroGenesis in writing.

12.13 Advertising on Pay-Per-Click

A Distributor may advertise on Pay-Per-Click (PPC) search engines. Distributors who purchase key words that contain drug names, the names of diseases or disorders, or other key words that could bring repercussion from governmental compliance agencies do so at their own discretion and take full responsibility. Federal and state agencies, as well as pharmaceutical companies continually monitor websites. NeuroGenesis requires absolute compliance with these agencies.

12.14 Newspaper Advertisements

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

- a. All verbiage for all advertisements must first be submitted in writing to the NeuroGenesis Compliance Committee for approval. Allow 10 business days for approval.
- b. No advertisement may imply that a “job” or “position” is available.
- c. No specific income can be promised.
- d. Advertisements must contain no misleading facts or distortions of the NeuroGenesis opportunity or product line.

13. Media Advertising

13.1 Advertising Guidelines

NeuroGenesis has created instructions on how to place advertising and NeuroGenesis’ rules and guidelines regarding contact with the media. To assure an accurate and consistent public image, compliance with NeuroGenesis’ print rules is mandatory. NeuroGenesis has also created a NeuroGenesis Compliance Committee to further assist Distributors with advertising concerns and questions.

13.2 Authorized Use of NeuroGenesis Name

The names NeuroGenesis and NeuroGenesis, Inc., corresponding website names, NeuroGenesis programs, marketing concepts, commission plan, services, web-sites and products are the trademarks of, and are owned by, NeuroGenesis, Inc. Only NeuroGenesis is authorized to use, produce, and market products and literature under these trademarks. This protection includes, but is not limited to all NeuroGenesis web sites, slides, overheads, brochures, videos, and other training and/or marketing materials and all promotional materials such as, but not limited to, T-shirts, caps, pins, etc.

13.3 Unauthorized Use of NeuroGenesis Name

Unauthorized use of the NeuroGenesis Name or Logo on any independently produced web site or marketing materials, sales aids, promotional items, literature or images by Distributors is strictly prohibited, except where prior written permission is obtained from NeuroGenesis. It is imperative that an accurate and uniform Company image is presented.

13.4 Approval Process for Use of NeuroGenesis Name

All proposals for paid and non-paid advertising, public relations or promotional activities of any kind must be submitted in writing and approved by NeuroGenesis. Distributors are prohibited from any form of advertising or paid or unpaid media promotion without the prior written approval of NeuroGenesis. Approved advertising will be provided from time to time by NeuroGenesis. A Distributor can submit an advertisement copy via USPS, fax or e-mail to the Corporate Office for prior written approval. Unless the distributor receives specific written approval to use the submitted material within (10) business days, the request shall be deemed denied.

13.5 Web Site Monitoring

NeuroGenesis reserves the right to evaluate on-line literature and/or statements and/or on-line systems of all types relating to the NeuroGenesis products, business and business opportunity and to take appropriate action where necessary. NeuroGenesis will not tolerate any misleading or illegal on-line promotion, including but not limited to e-mails with non-factual information relating to any aspect of NeuroGenesis business.

13.6 Anti-Spam Policy

NeuroGenesis has a zero tolerance anti-spam policy, and any Distributor discovered spamming will face immediate disciplinary action. Spamming is defined as flooding the Internet with unsolicited messages in an attempt to force the message on people or entities that would not otherwise choose to receive it. All Distributors involved in e-commerce will comply fully with all current anti-spam laws including, but not limited to the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM Act, January 1, 2004).

13.7 Distribution of Information to Down-Lines

Distributors, as Independent marketing contractors, are encouraged to distribute information and direction to their respective down-lines. NeuroGenesis encourages the prudent distribution of newsletters, training workshops and other organizational programs. However, Distributors must clearly identify and distinguish between their personal communications and any official communications distributed by NeuroGenesis. Absolutely NO Distributor is to communicate any information that has not been released in writing or through company provided web sites by the NeuroGenesis corporate staff. This will include information communicated verbally, via fax, advertisement, e-mail, or any other communication media. This is to include information shared among individuals through conference calls. Distributors are at no time allowed to 'speak on behalf' of any Corporate Officer or Corporate employee.

13.8 Distributor Responsibilities

Distributors have a responsibility to help any customer or Distributor in their sales organization. Distributors should, therefore, initially direct any question concerning NeuroGenesis first to the Distributor who enrolled them into NeuroGenesis, then to the Distributor's Sponsor. The Corporate Office of NeuroGenesis is available to answer questions of its Distributors, but does encourage leaders to keep in communication with their organization and attempt to answer questions. If every new Distributor calls or e-mails the Corporate Office to ask how NeuroGenesis works, the Corporate Office will not be able to conduct the business support that you need.

13.9 Solicitation of Media Attention

Distributors may not solicit media attention or respond to media inquiry on behalf of NeuroGenesis, nor are any Distributors authorized to give personal testimonials or product information to the media. Additionally, Distributors are prohibited from granting radio, television, newspaper, tabloid, or magazine interviews, or using public appearances, public speaking engagements, or making any type of statement to the public media to publicize or discuss NeuroGenesis, its products, or their individual NeuroGenesis business except with the express, prior written approval of NeuroGenesis. All media contacts and inquiries should be referred to one of NeuroGenesis Corporate Officers whose prompt response to media inquiries will help ensure an accurate and timely report of NeuroGenesis matters.

13.10 Violation of Ethics, Agreement or Policies and Procedures

Violation of the Distributor Agreement or the P & P's, is grounds for suspension and/or termination of the individual's Distributor status. NeuroGenesis may seek injunctive relief or damages from the violator for any material breach of NeuroGenesis rules, regulations, policies & procedures including the unauthorized use of copyrights, trademarks, materials and/or other related Intellectual Property.

14. Intellectual Property

14.1 Intellectual Property Use

The Distributor agrees that NeuroGenesis retains full ownership of all patents, trademarks, trade dress, copyrights, trade secrets, know how, customer lists, confidential information and other intellectual property (collectively "Intellectual Property") related to NeuroGenesis' products, or that is developed by either party in the process of marketing and/or selling NeuroGenesis' products. Distributor is granted a non-exclusive license to use said Intellectual Property only for the purposes of marketing and selling NeuroGenesis' products, and subject to NeuroGenesis' approval of Distributor's use. Distributor's license terminates immediately upon termination of their

status as distributor. Distributor, its officers, employees, agents and Related Parties, agree not to use NeuroGenesis' Intellectual Property in violation of these terms. Distributor agrees that any advertising, manufacture, formulation, sale and use of the NeuroGenesis' products, or any colorable imitation thereof, in any location worldwide, shall be subject to and governed by U.S. intellectual property law and the Governing Law, as if the activity had taken place within Texas. Distributor agrees to return to NeuroGenesis any such Intellectual Property or copies thereof upon NeuroGenesis' request. Distributor agrees that any breach or threat of breach any of the terms of this paragraph will cause NeuroGenesis irreparable harm and that NeuroGenesis will thus be entitled to obtain an injunction to stop any breach or threatened breach of this paragraph. Distributor agrees that the restrictions in this paragraph are reasonable and necessary for the protection of NeuroGenesis and that provisions of this paragraph will survive the termination, for any reason, of its status as a distributor.

14.2 Copyright Guidelines

All NeuroGenesis literature and programs are copyrighted by NeuroGenesis and may not be duplicated without written consent. NeuroGenesis will terminate the Distributorship of any Distributor found to be making or distributing unauthorized copies of literature or programs that violate this Agreement. NeuroGenesis disclaims and excludes all warranties regarding possible United States, Canadian, or foreign patent, trademark, trade name caused by the Distributor's operation. The Distributor shall have no claim in connection therewith.

15. Telephone Directory Listing and Telephone Answering

15.1 Telephone Directory Listing

For a telephone directory listing, a Distributor is only authorized to use the NeuroGenesis name if it is accompanied by the words "Independent Distributor." All advertisements require pre-approval from NeuroGenesis regarding text or wording before the ad is placed.

15.2 Telephone Answering

All NeuroGenesis Distributors are independent contractors and are prohibited from answering the telephone in any way that would give callers a reason to believe they have reached the NeuroGenesis home office. Telephone recordings may state that the caller has reached an "Independent Distributor" of NeuroGenesis, but must not insinuate the caller has reached the NeuroGenesis corporate office.

16. Sponsoring Policy

16.1 Sponsor Courtesy

With the enthusiastic energy of the NeuroGenesis opportunity, there may be a time at which more than one Distributor will approach the same prospect. It is an understood courtesy that the prospect will generally sponsor with the first Distributor who presented "the whole story," but each new Distributor has the right to ultimately choose their own sponsor.

16.2 Recognition of Sponsor

NeuroGenesis recognizes the sponsor as the name shown on the first Distributor Application and Agreement that is completed, dated, signed, and received at the NeuroGenesis corporate office.

16.3 Re-Sponsoring a Distributor

If a Distributor chooses to re-sponsor a former NeuroGenesis Distributor who was not originally sponsored by him or her, in order for the sponsorship to be accepted, the Distributor will first call the Corporate office to verify that the person is eligible to become an active Distributor. NeuroGenesis reserves the right to refuse to reinstate anyone to distributor status.

17. Transferring Sponsorships

17.1 Sponsorship Change Guidelines

NeuroGenesis does not allow sponsor changes, except under the following criteria:

An Enrolling Distributor may transfer the sponsorship of a new Distributor at any time as long as the new Distributor does not have a down-line.

The transferring Distributor, the new sponsor, and the current sponsor, all must approve the request to transfer.

18. Compensation Requirements

18.1 Commission and Bonus Requirements

In order to receive commission and/or bonuses in any capacity (this includes all titles or positions within the NeuroGenesis Commission Plan), a person must have a working down-line that provides a personal volume and a group volume.

18.2 Failure to Maintain Minimum Personal Volume (PV)

A Distributor's status will revert to Retail status if he or she fails to maintain a Personal Volume (PV) of at least \$50.00 for any three (3) consecutive months.

18.3 Down-Line Reverts to Up-Line

The down-line of a reverted Distributor transfers to the up-line sponsor of the reverted Distributor. The reverted Distributor remains in their sponsor's down-line as a Retail customer.

18.4 Reinstatement to Distributor Status

A reverted Distributor (Retail) may be reinstated as a Distributor at the sole election of NeuroGenesis. No reasoning or justification need be offered by NeuroGenesis in support of its decision. The decision of NeuroGenesis will be final and subject to no review. Distributors who are reinstated may not reclaim the down-line lost in the reversion process.

19. Termination of Distributorship by NeuroGenesis

19.1 NeuroGenesis may terminate a Distributorship for any violation of the Policies and Procedures or the Compensation Plan. A breach of any promise made in the Distributor Application and Agreement, or any misstatement or misrepresentation by the Distributor, shall also be grounds for cancellation. Distributors who fail to keep current, valid contact information on file with the NGI corporate office, thereby making themselves unreachable for any personal contact, will be terminated. In addition to termination, NeuroGenesis is entitled to take legal action against the Distributor for any damages entitled by law.

19.2 Disciplinary Actions

A Distributor's violation of any of the terms or conditions stated in the Policies and Procedures or the Distributors Agreement, or any illegal, fraudulent, deceptive, or unethical business conduct may result, at NeuroGenesis' discretion, in one or more of the following disciplinary actions:

- a. Issuance of a written warning or admonition requiring the Distributor to take immediate corrective measures.
- b. Withholding of one or more commission checks.
- c. Suspension, which may result in termination or reinstatement with conditions or restrictions.
- d. Termination of the Distributor.
- e. NeuroGenesis may withhold from a distributor all or part of the distributor's bonuses and commissions during the period that NeuroGenesis is investigating any conduct allegedly in violation of the Agreement. If a distributor's business is canceled for disciplinary reasons, the distributor will not be entitled to recover any commissions withheld during the investigation period.
- f. Any other measure expressly allowed within any provision of the Agreement or which injures caused partially or exclusively by the distributor's policy violation or contractual breach.
- g. In situations deemed appropriate by NeuroGenesis, the Company may institute legal proceedings for monetary and/or equitable relief.

19.3 Notification of Termination

When a decision is made to terminate a Distributorship, NeuroGenesis will inform the Distributor in writing that the Distributorship is cancelled immediately, effective as of the date of the written notification. The termination notice will be sent by certified mail to the Distributor's address on file with NeuroGenesis. The Distributor will have 15 days from the date of receiving the certified letter in which to appeal the termination in writing. If the appeal is not received within fifteen (15) business days from the date the Distributor received the certified letter, the termination will be automatically deemed final.

19.4 Appeal of Termination

If a Distributor files a timely appeal of termination, NeuroGenesis may, at its sole election, review and consider any other appropriate action, and notify the Distributor of its decision. However, NeuroGenesis need not consider any additional arguments or evidence, in relation to same. The

decision of NeuroGenesis will be final and subject to no further review. In the event of termination, it will be effective as of the date of NeuroGenesis' original termination notice.

19.5 Discontinue Use Due to Termination

Immediately upon the termination of a Distributorship, the affected Distributor will remove and discontinue use of, and will not thereafter use, the names, marks, or any signs, labels, stationery, advertising, or reading materials referring to or relating to any NeuroGenesis products. Where applicable state law on termination of a Distributorship is inconsistent with company policy, such state law termination procedures shall be in force.

19.6 Return of Product by Terminated Distributor

A terminated Distributor's excess, unused product in re-stockable, re-saleable condition (with a current expiration date of 90 days or more) may be returned to NeuroGenesis in accordance with the Product Return Policy.

19.7 Terminated Distributor Down-Line

The down-line of a terminated Distributor transfers to the up-line sponsor of the terminated Distributor and will not be reclaimed in any manner if the terminated Distributor is reinstated.

19.8 Eligibility of Terminated Distributor

A Distributor who is terminated by NeuroGenesis may not apply to be a Distributor for a minimum of one year from termination. To reapply for the Distributorship a new Application Packet must be filled out and returned. The consent of an authorized officer of NeuroGenesis is required. NeuroGenesis retains the right to refuse to reinstate anyone to distributor status.

19.9 Petition for Bankruptcy

Service upon NeuroGenesis of a Petition for Bankruptcy is grounds for immediate termination. NeuroGenesis will pursue whatever means are legally and reasonably available to recover sums owed to NeuroGenesis by petitioner.

20. Resignation by Distributor Request

20.1 Resigning Distributorship Guidelines

Any Distributor may resign their Distributorship upon written notice to NeuroGenesis. The down-line of a resigned Distributor will move to the direct sponsor. In the event of a joint distributorship, NeuroGenesis requires the signatures of both the applicant and co-applicant.

- a. A Distributor who has resigned is eligible to reapply for a Distributorship 12 months or more after their resignation.
- b. A Distributor who has returned unsold inventory in connection with their resignation is not eligible to reapply to be a Distributor.

20.2 Return of Inventory for Refund

If a Distributor desires to resign their Distributorship, they may qualify for a refund of currently stocked product in unopened bottles in re-stockable condition (with a current expiration date of 90 days or more) with current labels, less all commission and rebates paid to such Distributor and less a 10% handling fee. Such products must be returned within one year of initial purchase date. The Distributor shall allow a minimum of 10 business days processing time from the date the products are received. All refunds will be tendered in the same form as original payment. NeuroGenesis has no obligation to refund product purchased in unreasonable amounts. (see 26.1) *Note:* All up-line Distributors related to such returns are subjected to deductions based on commissions and/or bonuses paid to them on the product's volume.

20.3 Rights for Reapplying Distributor

A Distributor reapplying after resignation will not retain prior rights, bonuses, rank, or position in any former line of descent.

20.4 Discontinue Use Due to Resignation

Immediately upon resignation of a Distributorship, the affected Distributor will remove and discontinue the use of, and will not thereafter use, the names, marks, labels, stationery, advertising, or reading material referring to or relating to any NeuroGenesis product.

21. Excuse for Non-Performance

21.1 Responsibility for Delays

Neither NeuroGenesis nor any Distributor shall be responsible for delays or failures in performances where performance is made commercially impracticable due to circumstance beyond the party's

reasonable control. This includes, but is not limited to, strikes, labor difficulties, riot, war, fire, death, curtailment of the party's usual source of supply, or government decrees or orders.

22. Distributor Compliance When Changing Owners

22.1 Selling, Assigning, Merging or Transferring a Distributorship

A Distributor may sell, assign (transfer to another), delegate (give authority to act in another's stead), merge (absorb one into another), or otherwise transfer their Distributorships, marketing position or other Distributor rights with written applications, written approval by up-line as designated below and written approval by NeuroGenesis. This paragraph is also applicable to transfer of any interest in an entity that owns Distributorship, including but not limited to corporation, partnership, trust or other non-individual entity.

22.2 Purchasing an Existing Distributorship

The terms and conditions of an offer to purchase require an offer to the up-line sponsor in writing at the same terms. Should the up-line sponsor decline to purchase or to find a purchaser for the Distributorship, an original purchase offer may be accepted if all company requirements are satisfied and written approval by the up-line sponsors is obtained. Copies of all written documentation regarding the sale are to be submitted to NeuroGenesis for its records. A Distributor who sells their Distributorship shall not be eligible to reapply as a Distributor for a minimum of 12 consecutive months after the sale.

22.3 Assignment of Previous Distributorship

The assignee gives up their old position and rank in the company's line of descent (if assignee is already a Distributor). Any existing organization of the assignee will become that of their up-line sponsor and the assignee assumes the position and rank of the assignor in the assignor's organization, with the written approval of assignor's direct up-line. Copies of all written documentation regarding assignment are to be submitted to NeuroGenesis for its records.

22.4 Delegation of a Distributorship

Notarized copies of all documentation establishing a delegation for a Distributorship are to be submitted to NeuroGenesis for its records. A letter of approval of delegation must be provided to NeuroGenesis from the direct up-line.

22.5 Merging Distributorships

The parties to a merger must obtain the approval of the direct up-line. When two Distributorships merge, the parties to the merger must provide a letter to NeuroGenesis naming the parties to the merger and outlining the terms of the merger. Copies of all documentation establishing a merger of Distributorships are to be submitted to NeuroGenesis for its records. Mergers cannot affect either up-line.

22.6 New Owners of an Existing Distributorship

The purchaser, assignee, person to whom delegation is made, and the parties to a merger, if not already a NeuroGenesis Distributor, will first complete an Application Packet and possess a reasonable ability to satisfactorily perform the obligations of the Distributorship.

22.7 NeuroGenesis Reserves Disapproval Rights

NeuroGenesis reserves the right to disapprove any sale, assignment, delegation, or merger, however approval shall not be unreasonably withheld if conditions herein are satisfied.

22.8 Satisfaction of Conditions

Up-line sponsors or other up-line shall not unreasonably withhold approval, if conditions are satisfied.

22.9 Circumvention of Policies Prohibited

No Distributor shall sell, assign, delegate or merge a Distributorship or interest in an ownership entity of a Distributorship for purposes of, or where the result is, circumvention of NeuroGenesis' Policies and Procedures, including but not limited to cross-sponsoring rules and/or multiple company Distributorship or sales of substantially similar products. No Distributor shall act to facilitate the sponsorship of another Distributor for the benefit of an unrelated up-line, nor actively contribute to the termination of a Distributorship for purposes of reapplication to an unrelated Distributor up-line.

22.10 Right to Review Any Change in Ownership

NeuroGenesis reserves the right to review any sale, assignment, delegation or merger in order to impose reasonable conditions on the sale, assignment, delegation or merger to insure compliance with these policies.

22.11 Limitations on Mergers

If the purchaser, assignee or parties to a merger is already a Distributor they can only purchase, assign, or merge Distributorships that are in the same Distributor's Personal Group.

22.12 Change in Ownership Guidelines

To be eligible to sell or purchase, the Distributorship must not have been suspended for any reason.

23. Non-Waiver for Exact Compliance

23.1 Exact Compliance Required

NeuroGenesis never gives up its right to insist on and demand exact compliance with the Agreement and with the applicable laws governing the conduct of a business. The failure of NeuroGenesis to exercise any rights stated in the Policies and Procedures, Compensation Plan, or Distributor Application and Agreement shall not constitute a waiver of NeuroGenesis' right to demand exact compliance therewith. Waiver by NeuroGenesis can only be affected in writing by an authorized officer of NeuroGenesis.

24. Dispute Resolution

24.1 Arbitration

In the event of any disputes, controversies, or claims between the parties (except an action by NeuroGenesis to collect payment for goods), arising out of or in any way relating to these Policies and Procedures or the relationship between NeuroGenesis and Distributor (including issues of enforceability or arbitrability), the controversies shall be determined by single-arbitrator binding arbitration, in accordance with the Commercial Arbitration Rules and the Optional Rules for Emergency Measures of Protection of the American Arbitration Association. The place of arbitration shall be Houston, Texas, USA. The arbitration shall be conducted in the English language. The arbitrator may issue any interim, preliminary, injunctive and/or equitable relief, including specifically an injunction against violations of Paragraphs 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 22, 24, 29, 30 and/or 41 of these Policies and Procedures. Parties may not bring suit regarding any disputes, controversies, or claims subject to this Section of the Policies and Procedures in any venue other than an arbitration pursuant to this paragraph of the terms, except in order to enforce this paragraph, or enforce an arbitral award made pursuant to this paragraph. In the event that a party attempts to bring an action in violation of this paragraph, parties agree that the other party will be entitled to the arbitrator or a judge entering an injunction to enjoin such unauthorized action. All parties shall initially share the cost of arbitration, but the prevailing party or parties may be awarded attorney fees, costs and other expenses of arbitration. The parties agree that the arbitral award shall be recognized by any applicable courts pursuant to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, the Federal Arbitration Act, and all other applicable statutes, conventions and treaties.

24.2 Governing Law

These Policies and Procedures and any controversies related to them, in any way, shall be subject to and governed by the laws of the State of Texas, with the exception of its conflict of laws provisions.

25. Entire Agreement, Amendments and Notices

25.1 Right to Amend Agreement

Because federal, state, and local laws, as well as the business environment, periodically change, NeuroGenesis reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the Distributor Agreement, a distributor agrees to abide by all amendments or modifications that NeuroGenesis elects to make. Notification of amendments shall appear in official materials. Amendments shall be conclusively presumed and effective upon publication in official NeuroGenesis materials, including but not limited to, posting on NeuroGenesis web site, NeuroGenesis Distributor Administration site, e-mail distribution, publication in the NeuroGenesis Newsletter, product inserts, or any other commercially reasonable method. The continuation of a distributor's NeuroGenesis business or a distributor's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

26. Personal Product Purchases (Personal Volume - PV) Limits and Rules

26.1 Personal Volume Limits

NeuroGenesis prohibits the purchase of products in unreasonable amounts solely for the purpose of qualifying for commissions, bonuses or advancement. Distributors may not purchase more inventory

than they can reasonably resell or consume in a month, nor may they encourage others to do so.

27. Termination of a Joint Business Entity

27.1 Termination of Breaching Party

Where there are joint ownership interests in a Distributorship and one or more principal owners or interested parties in the ownership entity whether partnership, corporation, LLC or trust, is in violation of NeuroGenesis policies, NeuroGenesis may elect to terminate the ownership interest of the breaching party and continue the Distributorship solely with the non-breaching party or, at its election, terminate the Distributorship and substitute a new Distributorship in which the principal owner is the non-breaching party.

28. Requests by Governmental Agencies

28.1 Compliance with Court Orders, Subpoenas and Requests for Records

NeuroGenesis will comply fully with any court order by any government taxing authorities within the United States that orders, instructs or demands the withholding of earnings from their Distributorship with NeuroGenesis. Assuming proper jurisdiction, NeuroGenesis will comply with all subpoenas demanding financial compensation records of a Distributor in their capacity as an independent contractor with NeuroGenesis. NeuroGenesis will also comply fully with all requests for records by governmental agencies with the authority to request such records and accompanied by the requisite legal documentation.

29. Non-disparagement

29.1 Negative Comments

Distributors must not disparage, demean or make negative remarks about NeuroGenesis, other NeuroGenesis distributors, NeuroGenesis products, the Marketing and Compensation plan, or NeuroGenesis' directors, officers or employees.

30. Noninterference

30.1 Noninterference Period

For the term of the Distributor Agreement and for three (3) years thereafter, a Distributor agrees that they shall not disrupt, damage, impair or interfere with the business of NeuroGenesis, whether by way of interfering with, or raiding its employees or Distributors, disrupting its relationship with customers, agents, representatives, Distributors, suppliers, vendors or manufacturers or otherwise. "Disrupting" or "interfering" shall include, but not be limited to, direct or indirect solicitation or recruitment for other direct selling business opportunities or products or services of other direct selling companies.

31. Payment Policy

31.1 Payment Methods

NeuroGenesis will accept the following forms of payment for an order:

- a. Credit Cards: NeuroGenesis accepts the VISA, MasterCard, Discover Card, and American Express. All credit card charges will be verified and authorized through a credit card service. In the event that the charge is "declined," the order will not be processed.
NOTE: NeuroGenesis does not tolerate, and will cooperate with law enforcement in the prosecution of fraudulent users of credit cards.
- b. Cashier's Checks or Money Orders: Make payable to NeuroGenesis, for the full amount of the order (in US dollars), including applicable shipping and handling. Orders are processed immediately upon receipt of a cashier's check or money order.
- c. Personal Checks: Personal checks are accepted, but may require a delay in the order being processed until after the check has cleared the bank. The check must be imprinted by the bank with the Distributor's correct name and permanent address.

32. Shipping Policies

32.1 Shipping Time Frame

Priority and Express orders will be shipped by the end of the next business day after the order is received at the corporate office. Corporate office hours are 8 a.m. to 4:30 p.m. (central time) Monday

thru Friday. NeuroGenesis is not responsible for any problem(s) occurring from failure to meet this deadline. All goods are shipped "Ex Works" League City, Texas (as per Incoterms 2000). Distributor agrees that NeuroGenesis shall retain a purchase security interest in all goods that it has sold to Distributor, and the proceeds from any subsequent sale of such goods, pursuant to the Texas Uniform Commercial Code. Distributor expressly authorizes NeuroGenesis to execute any financing statements on its behalf in connection with the security interest.

32.2 Warranties

NeuroGenesis warrants that its goods are free of gross defect. EXCEPT AS EXPRESSLY STATED IN THESE POLICIES AND PROCEDURES, NEUROGENESIS DOES NOT WARRANT ITS GOODS IN ANY MANNER AT ALL. IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, OF MERCHANTABILITY, AND OF NON-INFRINGEMENT ARE HEREBY EXPRESSLY DISCLAIMED. NEUROGENESIS' GOODS ARE SOLD "AS IS" AND DISTRIBUTOR UNDERSTANDS AND AGREES THAT NO RELIANCE HAS BEEN PLACED IN NEUROGENESIS' SKILL AND JUDGMENT TO SELECT OR FURNISH GOODS FOR ANY PARTICULAR PURPOSE.

33. Backorder Policy

33.1 Out-of-Stock Items

NeuroGenesis will expeditiously ship any part of an order currently in stock. Any out-of stock item (unless discontinued) will be placed on backorder, and sent when NeuroGenesis receives additional inventory. Personal Volume will be credited on backorder items at the time the order is processed (upon receipt of stock).

34. Discrepancy of Order

34.1 Verifying Orders

A Distributor and/or recipient of an order have the responsibility to verify that the product received matches the product listed on the shipping invoice. Failure to notify NeuroGenesis of any shipping discrepancy within ten (10) days of receipt will cancel a Distributor's right to request a correction.

34.2 Responsibility for Prompt and Accurate Information

Distributors are solely responsible for submitting all non-on-line ordering information to the corporate office correctly. They are also solely responsible to send all customer changes (shipping information, product, autoship, credit card, retail or preferred, etc.) to the company by fax or e-mail immediately upon receipt. Any shipping and handling charges that are incurred by NeuroGenesis because of a Distributor's failure to promptly supply correct information will subject that Distributor to having the incurred expenses deducted from their commission check.

35. Distributor Services

35.1 Distributor Inquiries

Inquiries may be made by telephone, fax, mail or email.

- By phone: 800-862-5033 or 281-557-7877
- By fax: 281-332-4753
- By mail: 120 Park Avenue, League City, Texas 77573
- By email: customerservice@neurogenesis.com

36. Product Return Policy

36.1 General Return Policy

- NeuroGenesis does not accept returns on opened bottles or bottles with broken safety seals.
- Due to the variability of each individual's neurochemistry, **we cannot guarantee desired effectiveness. We guarantee only the quality and condition of our products.**
- We do not refund shipping charges for returns unless it is being returned because of our error.
- We do charge a 20% restocking fee on returns of all unopened products.
- A copy of the original, dated invoice must accompany the request.
- Free product specials are not eligible for credit returns or exchanges.
- Customers returning merchandise are responsible for any return postage charged.
- All product returns must be requested within **30 days** of receiving the product.
- To return an unopened bottle of product within the stated time frame, please call 800-862-5033 and request that a return form be placed on file.

37. Replacements and Exchanges

37.1 Replacements

NGI will replace products that are defective in workmanship or damaged in shipping for like products. An RMA (Return Merchandise Authorization) must be requested upon receipt of the products.

37.2 Exchanges or Refunds

A.) A Distributor may only exchange currently stocked products that are in re-salable, re-stockable condition (with a current expiration date of 90 days or more and with the current labeling intact). The exchanges are acceptable if requested within 30 days of the receipt of the order and sent to NeuroGenesis, freight and insurance prepaid. A fee of 20% will be charged. (The Distributor shall allow a minimum of ten business days processing time from the date the products are received by NeuroGenesis.) NeuroGenesis will not accept individual items from a multiple item kit, case or pack for exchange.

B.) If the Distributor desires to return product for a credit to their Distributor account, this also applies only to currently stocked products in re-salable, re-stockable condition (with a current expiration date of 90 days or more and with the current labeling intact). Such returns are also required to take place within 30 days of the receipt of the product and sent to NeuroGenesis, freight and insurance prepaid. A handling fee of 20% will be charged. (The Distributor shall allow a minimum of ten business days processing time from the date the products are received by NeuroGenesis.)

37.3 Refusal - Shipping and Handling Fees

Consignee (shipment recipient) shall be liable for shipping and handling fees upon refusal of product deliveries or in the case of unsuccessful attempts to deliver products.

37.4 Products Not Eligible for Return

To receive a refund on returned product, the product cannot be opened or have an expiration date of less than 90 days, and must bear the current labeling. Products received that are not eligible for a refund will be returned to the Distributor at their expense.

37.5 Return of Inventory

The return of inventory referred to herein may reduce the current Group and Organizational Volume of up-line Distributors.

38. Nutritional Product Freshness Guidelines

38.1 Expiration Dates

Nutritional items may be expected to retain potency and freshness for two years, if stored with cap tightly sealed, in a cool, dry place out of direct sunlight.

39. Commission and Bonuses

39.1 Payment of Commissions and Bonuses

Monthly commissions and bonuses are paid on the 15th and/or the last business day of the following month. Checks lost or destroyed may be replaced within 90 days of issue date. All commission and bonus checks must be cashed or deposited within 90 days of the issue date and will become void after this time.

39.2 Discrepancies

A Distributor has the responsibility to review their Bonus Recap and report any discrepancies to Distributor Services within 10 days.

39.3 Direct Deposit

Any U.S. Distributor is eligible for electronic deposit (direct deposit) of commission earnings. The authorization form can be found in the Distributor Kit or contact the accounting office at ext. 107 for the appropriate form. If a distributor fails to keep current, valid contact information on file with the NGI corporate office, the Distributor will be terminated and direct deposit checks will be stopped. Banking information on file to receive a commission check through direct deposit is not considered valid personal contact information.

39.4 Sales Volume Qualifications by Order Taking

The company has adopted minimum personal and group sales volume requirements.

40. Account Maintenance Fees

40.1 Accounting Fees

NeuroGenesis assesses a \$5.00 (U.S.) accounting maintenance fee per commission run, which is deducted from the commission earnings. Distributors who earn less than \$5.00 (U.S.) in commissions will only be assessed the amount of their commission earned (\$0.01 to \$4.99). NeuroGenesis does not accrue accounting maintenance fees.

41. Responsibility to Train, Supervise, and Communicate with Down-Line

41.1 Distributor Responsibilities

Any Distributor who sponsors other Distributors accepts the responsibility to fulfill the obligation of performing a bona fide supervisory, distributing and selling function in the sale or delivery of product to the ultimate consumer and in the training of those sponsored. These Distributors maintain continuous communication and management supervision with their sales organizations. Examples of such supervision may include, but are not limited to newsletters, written correspondence, personal meetings, telephone contacts, voice mail, electronic mail, training sessions, accompanying individuals to company training and sharing genealogy information with those sponsored.

41.2 Up-Line Responsibilities

Should a Distributor violate NeuroGenesis policy, their up-line sponsor has the responsibility to use best efforts to bring the Distributor into compliance.

Note: Distributors are responsible for familiarizing themselves with the information in this manual and for seeking any clarification they may need.

Distributors are responsible for keeping the NeuroGenesis corporate office informed of any change in contact information: mailing address, phone, e-mail, fax, etc.