

rain

seed nutrition co.

unearthing greatness in health,  
wealth, and potential.

**STATEMENT OF POLICIES *and***

**PROCEDURES**

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## SECTION 1 - INTRODUCTION

These Policies and Procedures are effective as of the date first displayed and replace and succeed all previous versions. All governing definitions are capitalized and located in Section 12. These Policies and Procedures may be subject to a country-specific addendum attached hereto.

### 1.1 Policies and Compensation Plan Incorporated into the Agreement

Rain International, LLC, a Delaware limited liability company, Rain International B.V., a private company with limited liability, incorporated and existing under the laws of the Netherlands, and Rain International Kft, a Hungarian limited liability company, (hereinafter collectively identified as "Rain International" or the "Company") is a direct sales company that markets its products and services through Independent Rain Partners ("Rain Partner(s)<sup>1</sup>"). These Policies and Procedures, in their present form and as amended at the sole discretion of the Company, are incorporated into, and form an integral part of, the Rain Partner Application and Agreement ("Rain Application"). Throughout these Policies and Procedures, when the term "Agreement" is used, it collectively refers to the Rain Application, these Policies and Procedures; the Rain International Marketing and Compensation Plan ("Compensation Plan"), the Rain International Business Entity Registration Form (if applicable), and any other written addendum or agreement between the Rain Partner and the Company. These documents are incorporated by reference into the Rain Application (all in their current form and as amended by the Company). It is the responsibility of each Rain Partner to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Rain Partner, it is the responsibility of the sponsoring Rain Partner to ensure that the Applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the Compensation Plan prior to his or her execution of the Rain Application. The execution of a Rain Application, acceptance of any benefits under the Agreement, or acceptance of bonuses or commissions constitutes the acceptance and consent of a Rain Partner to abide and be bound by the Agreement and any amendments thereto.

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<sup>1</sup>The "Partner(s)" are independent contractors and nothing in this Agreement or the performance of the "Partner(s)" under this Agreement shall constitute (or be deemed to constitute in law or in equity) a partnership, agency, fiduciary, distributorship, employment, or joint venture relationship between the Partner(s) and the Company. Neither Party is, or will be deemed to be, the legal representative or agent of the other, nor shall either Party have the right or authority to assume, create, or incur any Third Party liability or obligation of any kind, express or implied, against or in the name of or on behalf of another. In addition, neither Party shall be deemed to be a member of a partnership with the other Party for tax or any other purpose.

## 1.2 Purpose of the Agreement

The success of all Rain Partners depends on the integrity of the men and women who market the Company's products and services. The Company has established the Agreement to clearly define the relationship that exists between Rain Partners and the Company, and to explicitly set a standard for acceptable business conduct. A Rain Partner is required to comply with all of the terms and conditions set forth in the Agreement, which the Company may amend at its sole discretion from time to time, as well as all federal, state, and local laws governing the Rain Partner's Independent Business and his or her conduct. Because Rain Partners may be unfamiliar with many of these standards of practice, it is very important that each Rain Partner read and abide by the Agreement. The information in this manual should be reviewed very carefully, as it explains and governs the relationship between the Rain Partner, as an independent contractor, and the Company. Questions regarding the Agreement should be directed to the Rain Partner's Sponsor or the Company's Rain Partner Education and Compliance Department.

## 1.3 Changes to the Agreement

Because federal, state, and local laws, as well as the business environment, periodically change, the Company reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By entering into the Agreement, a Rain Partner agrees to abide by all amendments the Company elects to make. Amendments shall be effective thirty (30) days after publication of notice to all Rain Partners that the Agreement has been modified. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment.

Notification of amendments shall be published in official Company materials. The Company shall provide or make available to all Rain Partners a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official website ([www.rainintl.com](http://www.rainintl.com)); (2) electronic mail (e-mail); (3) inclusion in Company periodicals; (4) inclusion in Product orders or bonus payments; (5) posting in the Rain Partners' Back-Offices; or (6) special mailings. It is the responsibility of each Rain Partner to review the most recently published Agreement regularly and thoroughly. The continuation of a Rain Partner's Independent Business, the acceptance of any benefits under the Agreement, or a Rain Partner's acceptance of bonuses or Commissions constitutes acceptance of all amendments.

## 1.4 Code of Ethics

By entering into this Agreement, each Rain Partner agrees to abide by the following Code of Ethics:

- A) A Rain Partner shall abide by all of the terms and conditions of the Agreement.
- B) A Rain Partner shall not make any Company Product and/or income claim that is misleading, untruthful, unlawful, or unsupported by official Company literature.
- C) A Rain Partner shall be respectful of every individual he or she encounters while acting as a Rain Partner.
- D) A Rain Partner shall not make disparaging, untrue, slanderous, libelous, and/or derogatory statements about the Company, its Competitors, Preferred Customers, or other Rain Partners.
- E) A Rain Partner shall not attempt to change or obstruct the Sponsor relationship(s) of any

- other Rain Partner.
- F) A Rain Partner shall always behave ethically and morally and shall not engage in any illegal or deceptive activity, including, but not limited to, that which would bring disrepute to the Company or other Rain Partners.
  - G) A Rain Partner shall not attempt to enroll or recruit a person who is recognized as a minor in his or her state of residence.
  - H) A Rain Partner shall properly assist, train, and motivate his or her downline Rain Partners.

## SECTION 2 – BECOMING A RAIN PARTNER

### 2.1 Requirements to Become a Rain Partner

To become a Rain Partner, each Applicant must:

- A) Be the age of majority in the jurisdiction in which he or she resides, usually at least eighteen (18) years of age (or sixteen (16) years of age with a guardian signature);
- B) Reside in the United States, a U.S. Territory, or any Authorized Country that the Company has officially announced is open for business.
- C) Provide the Company with his or her Social Security Number, Federal Employer Identification Number, or equivalent Identification Number in his or her country of residence.
- D) Purchase a Starter Kit (optional for residents of North Dakota);
- E) Submit a properly completed Rain Application to the Company for the country in which the Applicant resides; and
- F) Upon request, provide the Company with other necessary documentation (including, but not limited to, work authorizations, proof of residency, and/or proof of ability to conduct business legally within the country listed on the Rain Application).

Completing the above-referenced requirements does not guarantee that a Rain Application will be accepted by the Company. The Company reserves the right to accept or reject any Rain Application for any reason or for no reason. Failure to complete an accurate Rain Application or provide documentation when requested may result in the immediate rejection of a Rain Application.

### 2.2 No Product Purchase Required

Except for the purchase of a Starter Kit, no person is required to purchase Company products, services, or sales aids, or to pay any charge or fee to become a Rain Partner. The Company requires the purchase of a Starter Kit in order to familiarize new Rain Partners with Company products, services, sales techniques, sales aids, and other matters.

### 2.3 Rain Partner Benefits

Once a Rain Application has been accepted by the Company, the benefits of the Compensation Plan and the Rain Application are available to the new Rain Partner. These benefits include the right to:

- A) Sell Company Products and services.
- B) Participate in the Compensation Plan (receive bonuses and commissions, if eligible);
- C) Sponsor other individuals as Preferred Customers or Rain Partners into the Rain Partner's Independent Business and thereby build a Marketing Organization and progress through the Compensation Plan.
- D) Receive periodic Company literature and other Company communications.
- E) Participate in Company-sponsored support, service, training, motivational, and recognition functions, upon payment of appropriate charges, if applicable; and
- F) Participate in promotional and incentive contests and programs sponsored by the Company for Rain Partners.

## 2.4 Business Entities

For a business to sign up, they need to first sign up as an individual and upon approval, they can then transfer the account into a business entity. A corporation, limited liability company (LLC), partnership, or trust (collectively referred to as a "Business Entity") may apply to be a Rain Partner by submitting a Rain Application together with a properly completed Business Entity Registration Form, a properly completed IRS Form W-9, and a Statement of Beneficial Interest, which must include the signature and Identification Number of every Person having a Beneficial Interest in the Business Entity. The Rain Application must be executed by an individual who is authorized to bind the Business Entity. The Business Entity and its shareholders, members, managers, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties") are jointly and severally liable for any indebtedness to the Company, compliance with the Agreement, and all other obligations to the Company. If a Business Entity enrolls as a Rain Partner online, the Business Entity Registration Form must be submitted to the Company within thirty (30) days of the online enrollment. If not received within the thirty (30)-day period, the Rain Application shall automatically terminate. The Company may require the Business Entity to submit, at any time, a copy of its articles of incorporation, articles of organization, or other documentation in order to verify the form of the Business Entity and/or authorized signatories.

To prevent the circumvention of Section 5.2 (regarding transfers and assignments of a Rain Partner's Independent Business), if an additional partner, shareholder, member, or other Business Entity affiliate is added to a Business Entity, the original Applicant must remain as a party to the original Rain Application. If the original Rain Partner wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her Independent Business in accordance with Section 5.2. If this process is not followed, the Independent Business shall be cancelled upon the withdrawal of the original Rain Partner. All bonus and commission payments will be sent to the address of record of the original Rain Partner.

### 2.4.1 Changes to a Business Entity

A Business Entity may change its status under the same Sponsor from an individual, partnership, LLC, corporation, or trust, or from one type of entity to another. There is a twenty-five-dollar (\$25 USD or equivalent local currency) fee for each change request,

which must be included with the written request and the completed Rain Application. Such change shall be processed only once per year and must be submitted by the thirtieth (30th) day of November to become effective on the first (1st) day of January the following year. In addition, a Rain Partner operating his or her Independent Business utilizing a Business Entity must notify the Company of the addition or removal of any officers, directors, shareholders, managers, members, or business associates of the Business Entity.

## 2.5 Identification

A Rain Partner is required to provide his or her Social Security Number, Federal Employer Identification Number, or equivalent Identification Number in his or her country of residence to the Company on the Rain Application for tax reporting (where required) and identification purposes (where permitted by law). The Company reserves the right to reject a Rain Application or cancel a Rain Partner's Independent Business if this number is not provided. Upon enrollment, the Company will provide a unique Rain Partner Identification Number to the Rain Partner by which he or she will be identified. This number will be used to place orders and track commissions and bonuses.

## 2.6 Inaccurate Information

A Rain Partner must notify the Company as to any changes which may potentially affect the accuracy of his or her Rain Application. The Company reserves the right to reject or terminate a Rain Application if the Company determines that the Rain Application or Statement of Beneficial Interest contains inaccurate or false information.

## 2.7 Change of Address or Telephone

To ensure timely delivery of Company products, support materials, and commission payments, it is critically important that the Company's files are current. Street addresses are required for shipping since shipping carriers cannot deliver to a post office box. Rain Partners planning to move should update their personal information via the Back-Office function of the Rain Partners' replicated Company website or send their new address(es) and telephone number(s) to the Company's Rain Partner Services Department. To guarantee proper delivery, two (2) weeks' advance notice must be provided to the Company on all changes. If a Rain Partner changes his or her country of residence, he or she must submit to the Company a new Rain Application for the new country of residence along with documentation as proof of the new residence (e.g., a copy of the Rain Partner's passport, driver's license, etc.). The Rain Partner must abide by all the terms and conditions of the Agreement as well as those specific to his or her new country of residence.

## 2.8 Term and Renewal of an Independent Business

The term of a Rain Application is one (1) year from the date of its acceptance by the Company. A Rain Partner must renew his or her Rain Application each year by paying an annual renewal fee of twenty-five dollars (\$25 USD or equivalent local currency) of his or her date of sign-up. If the renewal fee is not paid within thirty (30) days after the expiration of the current term of the Rain Application, the Rain Partner may be subject to cancellation. A Rain Partner may elect to utilize the Automatic Renewal Program (ADP). Under the ADP, the renewal fee will automatically be charged to the Rain Partner's credit card on file with the Company.

## 2.9 Non-Exclusive Territory

The Agreement does not grant an exclusive franchise or territory to a Rain Partner, and a Rain Partner shall make no such claims or representations which state or imply otherwise. No franchise fees are required.

# SECTION 3 – RAIN PARTNER OBLIGATIONS & MANAGING A RAIN PARTNERSHIP

## 3.1 Independent Contractor Status

A Rain Partner is an independent contractor and is not a purchaser of a franchise or a business opportunity. The Agreement between the Company and a Rain Partner does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Rain Partner, and the Rain Partner shall make no claims or representations which state or imply otherwise. A Rain Partner shall not be treated as an employee for his or her services or for federal or state tax purposes. A Rain Partner is responsible for paying local, state, and federal taxes due from all compensation earned as a Rain Partner of the Company. The Rain Partner has no authority (expressed or implied) to bind the Company to any obligation, including, but not limited to, making purchases, or entering any transactions in the Company's name. A Rain Partner is responsible for his or her own decisions, actions, business expenses, and business plans. Each Rain Partner shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Rain Application, these Policies and Procedures, and applicable laws.

## 3.2 Indemnification

A Rain Partner is fully responsible for all his or her verbal and/or written statements made regarding Company products, services, and the Compensation Plan which are not expressly

contained in official Company materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through Social Media, in print, or any other means of communication. A Rain Partner agrees to indemnify the Company and the Company's directors, officers, employees, and agents and hold them harmless from any and all liability and/or loss (whether direct or indirect, consequential or economic loss), including judgments, civil and/or criminal penalties, damages, refunds, attorney fees, court costs, lost business, or other expenses incurred by or imposed on the Company as a result of the Rain Partner's unauthorized representations or actions. The provisions of this Section shall survive the termination of the Agreement.

### 3.3 Adherence to Laws and Ordinances

Rain Partners must adhere to the terms of the Compensation Plan as set forth in official Company literature. Rain Partners shall not offer the Rain International opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Company literature. Rain Partners shall not require or encourage other current or prospective Preferred Customers or Rain Partners to participate in the Company in any manner that varies from the program as set forth in official Company literature. Rain Partners shall not require or encourage other current or prospective Preferred Customers or Rain Partners to execute any agreement or contract other than official Company agreements and contracts in order to become a Rain Partner. Similarly, Rain Partners shall not require or encourage other current or prospective Preferred Customers or Rain Partners to make any purchase from, or payment to, any individual or other entity to participate in the Compensation Plan other than those purchases or payments identified as recommended or required in official Company literature.

### 3.4 Income Taxes

Each Rain Partner is responsible for paying local, state, and federal taxes on any income generated as a Rain Partner. If a Rain Partner's Independent Business is tax exempt, the Federal Tax Identification Number must be provided to the Company. Every year, the Company will provide an IRS Form 1099 MISC (Non-Employee Compensation) earnings statement to each U.S. resident who: 1) had earnings of over six hundred dollars (\$600 USD) in the previous calendar year; or 2) made purchases during the previous calendar year in excess of five thousand dollars (\$5,000 USD).

### 3.5 Downline Activity (Genealogy) Reports

A monthly report generated by the Company that provides critical data relating to the identities of Rain Partners, sales information, and enrollment activity of each Rain Partner's Marketing Organization. This report contains confidential and trade secret information which is proprietary to Rain International.

## 3.6 Continuing Development Obligations

### 3.6.1 Ongoing Training

Any Rain Partner who sponsors another Rain Partner into the Company must perform a bona fide assistance and training function to ensure that his or her Marketing Organization is properly operating his or her Independent Business. A Rain Partner must have ongoing contact and communication with the Rain Partners in his or her Marketing Organization. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Rain Partners to Company meetings, training sessions, and other functions. Upline Rain Partners are also responsible to motivate and train new Rain Partners in Company product knowledge, effective sales techniques, the Compensation Plan, and compliance with the Policies and Procedures. Communication with and the training of downline Rain Partners must not, however, violate Section 8 (regarding the development of Rain Partner-produced Sales Tools and promotional materials). A Rain Partner must ensure that all downline Rain Partners understand the terms and conditions of the Agreement and all applicable national and local laws. A Rain Partner must monitor the Rain Partners in his or her Marketing Organization to ensure that downline Rain Partners do not make improper product or business claims or engage in any illegal or inappropriate conduct. A Rain Partner must, in the best interest of the Company, use his or her best efforts to resolve disputes quickly and privately between his or her downline Rain Partners. Upon request, every Rain Partner should be able to provide documented evidence to the Company of his or her ongoing fulfillment of the responsibilities of a Sponsor.

### 3.6.2 Increased Training Responsibilities

As a Rain Partner progresses through the various levels of leadership, he or she will become more experienced in sales techniques, product knowledge, and understanding of the Rain International program. The Rain Partner is responsible for sharing this knowledge with lesser experienced Rain Partners within his or her Marketing Organization.

### 3.6.3 Ongoing Sales Responsibilities

Regardless of his or her level of achievement, a Rain Partner has an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing his or her existing customers.

## 3.7 Inventory Loading

A Rain Partner must never purchase more products than he or she can reasonably use or sell to retail customers in one (1) month, and must not influence or attempt to influence any other Rain



Partners to buy more products than they can reasonably use or sell to retail customers in one (1) month.

## 3.8 Conflicts of Interest

### 3.8.1 Non-Solicitation

A Rain Partner is free to participate in other multilevel, direct selling, or network marketing business ventures or marketing opportunities (collectively "Network Marketing"). However, during the term of the Agreement, a Rain Partner may not directly or indirectly recruit other Rain Partners or Preferred Customers for any other Network Marketing business or opportunity. This includes general solicitations on social networking sites where "friends" include persons not personally sponsored by the Rain Partner and who are already Rain Partners.

Following the cancellation of the Rain Partners Application, and for a period of six (6) calendar months thereafter, with the exception of a Rain Partner who was personally sponsored by the former Rain Partner, a former Rain Partner may not recruit any Rain Partner or Preferred Customer for another Network Marketing business or opportunity.

During the term of this Agreement and for a period of twelve (12) calendar months thereafter, a Rain Partner may not use any Social Media site on which they discuss or promote, or have discussed or promoted, his or her Independent Business or the Company's products to directly or indirectly recruit Rain Partners for another Network Marketing business or opportunity. In furtherance of this provision, a Rain Partner shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Rain Partners relating to the Rain Partner's other Network Marketing business activities.

The Rain Partner and the Company recognize that, because Network Marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the Internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, a Rain Partner and the Company agree that this non-solicitation provision shall apply nationwide and to all international markets in which the Company conducts business. This provision shall survive the termination or expiration of the Agreement.

### 3.8.2 Sale of Competing Goods or Services

A Rain Partner must not sell, or attempt to sell, any competing non-Company programs, products, or services to Preferred Customers or Rain Partners. Any program, product, or service in the same generic categories as Company products or services is deemed to be competing, regardless of differences in cost, quality, or distinguishing factors.

### 3.8.3 Rain Partner Participation in Other Network Marketing Programs

If a Rain Partner is engaged in other non-Company Network Marketing programs, it is the responsibility of the Rain Partner to ensure that his or her Independent Business is operated entirely separate and apart from any other program in which the Rain Partner participates. To this end, the following must be adhered to:

- A) The Rain Partner shall not display Company promotional materials, sales aids, products, or services with or in the same location as any non-Company promotional materials, sales aids, products, or services, including web pages.
- B) The Rain Partner may not offer the Company opportunity, products, or services to prospective or existing Preferred Customers or Rain Partners in conjunction with any non-Company program, opportunity, product, or service.
- C) The Rain Partner may not offer any non-company opportunity, product services, or opportunity at any Company-related meeting, seminar or convention, or within two (2) hours and a five (5)-mile radius of the Company event. If the Company meeting is held telephonically or via the Internet, any non-Company meeting must be at least two (2) hours before or after the Company meeting, and on a different conference telephone number or Internet web address from the Company meeting.

### 3.8.4 Targeting Other Direct Sellers

The Company does not condone Rain Partners specifically or consciously targeting the sales force of another Network Marketing company to sell Company products or to become Rain Partners for the Company, nor does the Company condone Rain Partners' solicitation or enticement of members of the sales force of another Network Marketing company to violate the terms of their contract with such other company. Should a Rain Partner engage in such activity, he or she bears the risk of being sued by the other Network Marketing company. If any lawsuit, arbitration, or mediation is brought against a Rain Partner alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, the Company will not pay any of the Rain Partner's defense costs or legal fees, nor will the Company indemnify the Rain Partner for any judgment, award, or settlement. Rain Partners agree to indemnify the Company and Company's directors, officers, employees, and agents, and hold them harmless from any and all liability and/or loss (whether direct or indirect, consequential or economic loss) including judgments, civil and/or criminal penalties, damages, refunds, legal advice fees, court costs, or lost business incurred by or imposed on the Company as a result of any breach by that Rain Partner.

## 3.9 Retail Sales

Commissions are not guaranteed and instead are awarded based on the retail sales of Company products by a Rain Partner and his or her downline Rain Partners. A Rain Partner must comply with

Company requirements regarding retail sales and maintain records of all retail sales for at least four (4) years. The Company reserves the right to monitor the retail sales of a Rain Partner at any time without prior notice.

### 3.10 Non-Disparagement

The Company strives to provide Rain Partners with the best products, compensation plan, and service in the industry. Accordingly, the Company values constructive criticism and comments. All such comments should be submitted in writing to the Company's Rain Partner Services Department. While the Company welcomes constructive input, negative comments and remarks made in the field by Rain Partners about the Company, its products, or Compensation Plan serve no purpose other than to sour the enthusiasm of other Rain Partners. For this reason, and to set the proper example for each Rain Partner's Marketing Organization, Rain Partners must not make disparaging, demeaning, misleading, inaccurate, negative, or unfair statements, claims, representations, or comparisons about the Company, its competitors, other Rain Partners, Company products, the Compensation Plan, or the Company's directors, officers, or employees, or any other services or commercial activities of the Company.

### 3.11 Unethical Activity

A Rain Partner shall not engage in unethical activity while conducting his or her Independent Business, nor shall he or she permit his or her downline Rain Partners to engage in unethical activity. Examples of unethical activity include, but are not limited to:

- A) Unauthorized use of proprietary or Confidential Information;
- B) Use of another person's credit card;
- C) Writing checks without sufficient funds;
- D) Making unapproved product or income claims;
- E) Making false statements or misrepresentations of any kind;
- F) Failing to meet Sponsor responsibilities;
- G) Discrediting the Company and/or other Rain Partners;
- H) Violating any laws or regulations;
- I) Violating the Code of Ethics; and
- J) Violating the Agreement.

### 3.12 Bonus Buying Prohibited

Bonus Buying is strictly and absolutely prohibited. "Bonus Buying" includes: (a) the enrollment of an individual or entity without the knowledge of and/or execution of a Rain Application by such individual or entity; (b) the fraudulent enrollment of an individual or entity as a Rain Partner or Preferred Customer; (c) the enrollment or attempted enrollment of a non-existent individual or entity as a Rain Partner or Preferred Customer ("phantom"); (d) purchasing Company products or services on behalf of another Rain Partner or Preferred Customer, or under another Rain Partner's or Preferred Customer's account in order to qualify for commissions or bonuses; (e) purchasing

excessive amounts of goods or services that cannot reasonably be used or resold in one (1) month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

### 3.13 Line Switching, Cross-Sponsoring and Enticement

Rain Partners agree that maintaining the integrity of the line of sponsorship in a Marketing Organization is fundamental to network marketing. Accordingly, the Rain Partner agrees to not engage in (or attempt to engage in) Line Switching, Cross Sponsoring, and/or Enticement. "Line Switching" means applying for and becoming a Rain Partner (a) when already a Rain Partner; (b) when holding a beneficial interest in another Independent Business; and/or (c) when less than six (6) months have passed since having been a Rain Partner or having held a beneficial interest in another Independent Business.

"Cross-Sponsoring" means the enrollment of another Rain Partner (including a Rain Partner whose Agreement was terminated within the preceding six (6) months or has sponsored or purchased Company product(s) in the preceding six (6) months) to a different line of sponsorship.

"Enticement" means soliciting, encouraging, offering benefits, or in any way aiding another Rain Partner to Line Switch and/or Cross-Sponsor.

Rain Partners shall not use a spouse's or relative's name, trade names, DBAs, assumed or fictitious names, corporations, partnerships, trusts, Identification Numbers, or fictitious ID numbers to circumvent this policy.

A Rain Partner shall not demean, discredit, or defame other Rain Partners in an attempt to entice another Rain Partner to become part of the first Rain Partner's Marketing Organization.

Because Line Switching, Cross Sponsoring, and Enticement can be detrimental for everyone involved, any Rain Partner who believes or has reason to believe that another Rain Partner is in violation of this policy has an affirmative obligation to notify the Company of such violation as soon as reasonably possible. The Company may take disciplinary action against the Rain Partner that changed Marketing Organizations and/or those Rain Partners who encouraged or participated in the Cross-Sponsoring, Line Switching, or Enticement. Should any Rain Partner breach these covenants, the Company may take any or all the following actions:

- A) Terminate the Rain Application of the Rain Partner(s) in breach.
- B) Terminate the Rain Application(s) of the Rain Partner(s) enrolled because of Line Switching, Cross- Sponsoring, or Enticement. The Company may also move all or part of the offending Rain Partner's Marketing Organization to his or her original Marketing Organization if the Company deems it equitable and feasible to do so. However, the Company is under no obligation to do any move(s) and the ultimate disposition of the organization remains within the sole discretion of the Company. Rain Partners waive all claims and causes of action against the Company that arise from or relate to the disposition of the Rain Partner's Marketing Organization.

### 3.14 Resolving Disputes

A Rain Partner must, in the best interest of the Company, use his or her best efforts to resolve disputes quickly and privately between his or her downline Rain Partners.

### 3.15 Errors or Questions

If a Rain Partner has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges the Rain Partner must notify the Company in writing within thirty (30) days of the date of the purported error or incident in question. The Company will not be responsible for any errors, omissions, or problems not reported to the Company within thirty (30) days.

### 3.16 Holding Applications or Orders

A Rain Partner must not manipulate enrollments of new Applicants and purchases of Company products. All Rain Applications and Company product orders must be sent to the Company within seventy-two (72) hours from the time they are signed by a Rain Partner or placed by a customer, respectively.

### 3.17 No Claims of Unique Relationship

A Rain Partner does not have a unique relationship with, advantage with, or access to the Company (or its executives, officers, or employees) that other Rain Partners of equal rank within the Company do not have, and a Rain Partner shall make no claims or representations which state or imply otherwise.

### 3.18 Detrimental Conduct

The Company may take appropriate action against a Rain Partner if the Rain Partner's conduct is determined by the Company to be disruptive or harmful to the Company, other Rain Partners, and/or Preferred Customers.

### 3.19 No Reliance

The Company will not provide a Rain Partner with professional advice, including, but not limited to, legal, tax, and financial advice. If such advice is provided by the Company to a Rain Partner, it may not be relied upon by the Rain Partner.

### 3.20 Service Changes

Many services are provided to Rain Partners by the Company without charge. However, special requests from Rain Partners falling outside of these services are available to Rain Partners for a fee. This applies to services that require special time and effort to fulfill, including requests relating to

research, paperwork (including obtaining copies of invoices, applications, downline activity reports, etc.), banking instructions, calculations, in-depth commission information that must be extracted, etc. Such requests are available to the Rain Partner for a cost of seventy-five dollars (\$75 USD or equivalent local currency) per hour, plus actual costs, including photocopy expenses, professional fees, banking fees, etc.

### 3.21 Insurance

A Rain Partner may wish to arrange insurance coverage for his or her Independent Business. Homeowner's insurance policies do not cover business-related injuries or the theft of or damage to inventory or business equipment. The Company encourages Rain Partners to contact their insurance agents to make certain that their business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to a Rain Partner's present homeowner's policy. Each Rain Partner is encouraged to consult with an attorney regarding the extent of his or her personal legal liability in relation to his or her Independent Business.

### 3.22 Confidential Information

Notwithstanding any other provision of the Agreement, a Rain Partner shall maintain strict confidentiality regarding Company trade secrets, Confidential Information, or other proprietary information, regardless of the source, and must not directly or indirectly disclose any such information to any third party, including, but not limited to, other Rain Partners, customers, or other Network Marketing businesses. A Rain Partner agrees that such disclosure constitutes misuse, misappropriation, and a violation of the Agreement. "Confidential Information" is information disclosed to Rain Partners pursuant to the Agreement including, but not limited to, information regarding (1) downline organizations or upline Rain Partners, including Rain Partner names and contact information, customer information, and (2) customer lists, business reports, commission or sales reports, business plans, projections, trade secrets, intellectual property, analyses, and related information and other financial and business information that would be reasonably understood to be confidential and/or give competitive advantage. A Rain Partner does not own interest in any Confidential Information, including contact information in connection with the Rain Partner's Independent Business or any other information related thereto, and may not sell, disseminate, or provide it to any other party. Rain Partner access to such Confidential Information is confidential and constitutes proprietary information and business trade secrets belonging to the Company. Such Confidential Information is provided to Rain Partners in strictest confidence and is made available to Rain Partners for the sole purpose of assisting them in working with their respective Marketing Organizations in the development of their Independent Businesses. A Rain Partner understands and agrees that, before receiving Confidential Information from the Company, he or she may be required to sign a non-disclosure agreement. A Rain Partner may not use Confidential Information to compete with the Company or for any other purpose than promoting the Company and its products and services.

Where a Rain Partner participates in other Network Marketing ventures, the Rain Partner may not be eligible, at the discretion of the Company, to have access to certain Confidential Information.

Rain Partners may use the Confidential Information to assist, motivate, and train their downline Rain Partners, and for no other purpose. The Rain Partner and the Company agree that, but for this agreement of confidentiality and nondisclosure, the Company would not provide Confidential Information to the Rain Partner. To protect the Confidential Information, a Rain Partner shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation, or other entity:

- Directly or indirectly disclose the password or other access code to his or her back-office.
- Use any Confidential Information to compete with the Company or for any purpose other than promoting his or her Independent Business; or
- Recruit or solicit any Rain Partner or customer of the Company listed on any report or in the Rain Partner's back-office, or in any manner attempt to influence or induce any Rain Partner or Preferred Customer of the Company, to alter their business relationship with the Company.

The Rain Partner understands and agrees that any disclosure of Confidential Information will cause irreparable damage to the Company; therefore, the Company is entitled to immediate, temporary, preliminary, and permanent injunctive relief, in addition to all other remedies available, including award of costs and fees necessarily incurred, to prevent or compensate for any violation of this policy. Upon termination or expiration of the Agreement, the Rain Partner agrees to discontinue the use of all confidential Information and destroy or promptly return to the Company all Confidential Information under the control of or in his or her possession. The provisions of this Section shall survive termination of the Agreement.

### 3.23 Privacy of Rain Partner Information

The Company will use the information provided by an Applicant on the Rain Application solely for evaluating the Rain Application and for related activities of the Rain Partner. By signing a Rain Application, a Rain Partner authorizes the Company to disclose his or her contact information to the Rain Partner's Upline and to the Rain Partner's Downline Rain Partners up to three (3) levels below. The contact information may be used only for the Rain Partner's Independent Business.

### 3.24 Vendor Confidentiality/Communication

The Company's business relationships with its marketing alliances, vendors, suppliers, Company associates, or former employees within or outside the corporate workplace are confidential, proprietary, and not to be circumvented by either the Rain Partner or the vendor. A Rain Partner shall not contact, directly or indirectly, or speak to or communicate with any representative of any supplier or manufacturer of the Company except at a Company-sponsored event at which the representative is present at the request of the Company or as otherwise expressly permitted in writing by the Company. Violation of this regulation may result in termination of the Rain Partner and possible claims of damages against the Rain Partner and/or the vendor. Questions regarding

the provisions of this Section should be directed to the Rain Partner Education and Compliance Department.

### 3.25 Back Office Access

The Company makes an online Back-Office available to each Rain Partner. The Back- Office provides the Rain Partner access to Confidential Information and proprietary information that may be used solely and exclusively to promote the development of a Rain Partner's Independent Business and to increase sales of Company products. However, access to a Back-Office is a privilege and not a right. The Company reserves the right to deny a Rain Partner's access to the Back-Office at its sole discretion.

### 3.26 Notification of Adverse Action

In the event of potential or actual legal claims relating to a Rain Partner's Independent Business or Marketing Organization, the Rain Partner must immediately notify the Rain Partner Education and Compliance Department in writing. The Company reserves the right, at its sole discretion, to control the litigation or settlement of all legal claims that may adversely affect the Company. If the Company acts in the matter, the Rain Partner shall not interfere or participate in the matter.

### 3.27 Release for Use of Photo, Audio, or Video Image, and/or Testimonial Endorsement

The Company may take photos, audio or video recordings, or written or verbal statements of a Rain Partner at Company events or may request the same directly from a Rain Partner. The Rain Partner agrees to and hereby grants the Company the absolute and irrevocable right and permission to use, re-use, broadcast, rebroadcast, publish, or republish any such photo, audio, video, or endorsement, in all or in part, individually or in conjunction with any other photograph or video, or any other endorsement, in any current or future medium and for any purpose whatsoever, including (but not by way of limitation) marketing, advertising, promotion, and/or publicity; and to copyright such photograph and/or video, in the original or as republished, in the name of the Company, or in any other name. Regardless of any other agreements or contracts the Rain Partner may have with any other entity, the Rain Partner agrees that any use by the Company as set forth in this Section shall be royalty free, is a work made for hire, and is not subject to any other claim. The Rain Partner agrees to defend and indemnify the Company against any claims by any other party arising out of the Company's use of the rights granted herein. The Rain Partner confirms that the information he or she may give as a testimonial endorsement, or as represented in a photograph, video, or audio is true and accurate to the best of his or her knowledge. The Rain Partner waives any right he or she may have to inspect or approve the finished or unfinished product(s), the advertising copy, printed, recorded, photographic, or video matter which may be used in connection with it, or any use that may be made of it.



The Rain Partner agrees that photos, audio, or video recordings taken by the Rain Partner or any third party at the Company's events or activities may not be used by the Rain Partner or any third parties to promote any business other than the Rain Partner's Independent Business.

### 3.28 International Marketing

Because of critical legal and tax considerations, the Company must limit the resale of the Company, Company products and services, and the presentation of the Rain International business to prospective customers and Rain Partners located within the United States and U.S. Territories and those other Authorized Countries that the Company has announced are officially opened for business. Moreover, allowing a few Rain Partners to conduct business in markets not yet opened by the Company would violate the concept of affording every Rain Partner the equal opportunity to expand internationally.

Accordingly, Rain Partners are authorized to sell Company products and services and enroll Preferred Customers or Rain Partners only in the countries in which the Company is authorized to conduct business, as announced in official Company literature. Company products or sales aids cannot be shipped into or sold in any unauthorized country. The Company may specify certain countries subject to a "Pre-Launch Period" in which Rain Partners may also conduct their Independent Business. The Company may formally announce a Pre-Launch Period at least thirty (30) days prior to the official opening. It is the Rain Partner's responsibility to comply with all national and local laws, regulations, and ordinances when conducting his or her Independent Business. A Rain Partner may sell, give, transfer, or distribute Company products or sales aids only in his or her home country. In addition, no Rain Partner may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or Rain Partners; or (c) conduct any other activity for the purpose of selling Company products, establishing a Marketing Organization, or promoting the Rain International opportunity.

## SECTION 4 SPONSORSHIP

### 4.1 Sponsoring

A Rain Partner must be Active and in good standing to become a Sponsor. A Sponsor may refer Applicants who wish to become Rain Partners or Preferred Customers to the Company. The Company has the right to accept or reject each Rain Application submitted by such Applicants. Only Applicants residing in Authorized Countries may be sponsored. Each prospective Preferred Customer or Rain Partner has the ultimate right to choose his or her own Sponsor. If two Rain Partners claim to be the Sponsor of the same new Rain Partner or Preferred Customer, the Company shall regard the first Rain Application received by the Company as controlling the account of the new Rain Partner.

When sponsoring a new Rain Partner through the online enrollment process, the Sponsor may assist the new Applicant in filling out the enrollment materials. However, the Applicant must

personally review and agree to the online Rain Application, the Policies and Procedures, and the Compensation Plan. The Sponsor may not fill out the online Rain Application on behalf of the Applicant or agree to these materials on behalf of the Applicant.

## 4.2 Providing Documentation to Applicants

When sponsoring a new Applicant, a Rain Partner must provide to the Applicant, or ensure the Applicant has online access to the most current version of the Policies and Procedures and the Compensation Plan [before the Applicant signs a Rain Application]. Additional copies of the Policies and Procedures and Compensation Plan can be downloaded from the Company's website.

## 4.3 Placement

A Rain Partner is placed in his or her Sponsor's downline Marketing Organization after the Company has accepted his or her Rain Application. If a Sponsor attempts to place a new Rain Partner outside of his or her downline Marketing Organization, the Company retains the right to make adjustments to the Rain Partner's Marketing Organization to ensure that all lines are complete and the payout is accurate.

# SECTION 5 – SPONSORSHIP CHANGES, TRANSFERS, AND BENEFICIAL INTERESTS

## 5.1 Change of Sponsor or Placement

To protect the integrity of all Marketing Organizations and safeguard the hard work of all Rain Partners, the Company strongly discourages changes in sponsorship or placement. Maintaining the integrity of sponsorship is critical for the success of every Rain Partner and Marketing Organization. Accordingly, the transfer of an Independent Business from one Sponsor to another or change in placement is rarely permitted.

Requests for change of sponsorship or placement must be submitted in writing to the Rain Partner Education & Compliance Department and must include the reason for the transfer. The Company must have a current and accurate Rain Application for all Rain Partners requesting a change of sponsorship. Transfers will only be considered in the circumstances outlined in this Section.

In cases in which the new Rain Partner is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, a Rain Partner may request that he or she be transferred to another Marketing Organization with his or her entire Marketing Organization intact.

All requests for transfer that allege “fraudulent enrollment practices” shall be evaluated on a case-by-case basis. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within the same commission week as enrollment. The Rain Partner requesting the change has the burden of proving that he or she was placed beneath the wrong Sponsor. The Company has sole discretion in determining whether the requested change will be implemented.

### 5.1.1 Misplacement

In those instances in which a new Rain Partner is placed in a location in the binary structure that is different than what either the new Rain Partner or his or her Sponsor intended (e.g., the new Rain Partner was intended to be placed on the Left but was misplaced on the Right), the Rain Partner may request that he or she be placed in the correct location. Such a request for transfer pursuant to this policy must be made within the same commission week as enrollment. The Rain Partner requesting the change has the burden of proving that he or she was placed in the incorrect location. The Company will approve or not approve the change at its sole discretion.

### 5.1.2 Upline Approval

The Rain Partner seeking to transfer must submit a properly completed and fully executed Sponsorship Transfer Form which includes the signed approval of his or her active Sponsor and all parties whose income will be affected by the transfer. Photocopied or facsimile signatures are not acceptable. All Rain Partner signatures must be notarized. The Rain Partner who requests the transfer must submit a fee of one hundred and fifty dollars (\$150 USD or equivalent local currency) for administrative charges and data processing. If the transferring Rain Partner also wants to move any of the Rain Partners in his or her Marketing Organization, each downline Rain Partner must also obtain a properly completed Sponsorship Transfer Form and return it to the Company with the one hundred and fifty dollar (\$150 USD or equivalent local currency) change fee (i.e., the transferring Rain Partner and each Rain Partner in his or her Marketing Organization multiplied by one hundred and fifty dollars (\$150 USD or equivalent local currency) is the cost to move an Independent Business). Downline Rain Partners will not be moved with the transferring Rain Partner unless all of the requirements of this Section are met. Transferring Rain Partners must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by the Company for processing and verifying change requests.

### 5.1.3 Cancellation and Re-Application

A Rain Partner may legitimately change Marketing Organizations by voluntarily cancelling his or her Independent Business. To voluntarily cancel a Rain Partner's Independent Business, the Rain Partner must submit a cancellation letter and remain inactive for six (6) full calendar months. During the six month period of inactivity, the former Rain Partner may not participate in any form of Rain Partner

activity; including, but not limited to, purchasing Company products for resale, selling Company products, sponsoring other Rain Partners, operating or assisting in the operation of a Rain Partner's Independent Business, performing any activity or function that is normally performed by a Rain Partner or such Rain Partner's employees, or any other activity that in the sole discretion of the Company constitutes a meaningful promotion of the Rain International business. Following the six (6) month period of inactivity, the former Rain Partner may reapply under a new Sponsor; however, the Company may, at its discretion, accept or deny the Rain Application. The former Rain Partner's downline will remain in their original line of sponsorship. Any attempt to cross recruit may result in disciplinary action. A Rain Partner is prohibited from terminating his or her account and having his or her spouse (or anyone else with a Beneficial Interest) enroll as a Rain Partner to circumvent this policy. The Rain Partner cannot partner with another Rain Partner or add his or her name to an existing Rain Partner account. The Company will consider waiving the six (6)-month waiting period under exceptional circumstances. Such requests for waiver must be submitted to the Company in writing. The Company reserves the right to accept or reject such requests at its sole discretion.

#### 5.1.4 Waiver of Claims

In cases wherein the appropriate sponsorship change procedures have not been followed, and a downline Marketing Organization has been developed in the second Independent Business developed by a Rain Partner, the Company reserves the sole and exclusive right to determine the final disposition of the downline Marketing Organization. Resolving conflicts over the proper placement of a downline that has developed under a Marketing Organization that has improperly switched Sponsors is often extremely difficult. Therefore, RAIN PARTNERS WAIVE ANY AND ALL CLAIMS AGAINST THE COMPANY, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND/OR AGENTS THAT RELATE TO OR ARISE FROM THE COMPANY'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE MARKETING ORGANIZATION THAT DEVELOPS BELOW A MARKETING ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.

## 5.2 Sale, Transfer, or Assignment of an Independent Business

Although a Rain Partner's Independent Business is a privately owned, independently operated business, the sale, transfer, or assignment of an Independent Business is subject to certain limitations. If a Rain Partner wishes to sell his or her Independent Business, the following criteria must be met:

- A) Protection of the existing line of sponsorship must always be maintained so that the Independent Business continues to be operated in that line of sponsorship.
- B) The buyer or transferee must be eligible to become a qualified Rain Partner. If the buyer is an active Rain Partner, he or she must first terminate his or her Independent Business and wait six (6) calendar months before acquiring any interest in a different Independent Business.
- C) Before the sale, transfer, or assignment can be finalized and approved by the Company, any debt obligations the selling Rain Partner has with the Company must be satisfied.

- D) The selling Rain Partner must be in good standing and not in violation of any of the terms of the Agreement to be eligible to sell, transfer, or assign an Independent Business.
- E) The business that is being sold must have achieved the Paid-As Rank of Gold. If this sale or transfer is approved by Rain International, the purchaser/transferee will acquire the Independent Business at the title or rank for which the Independent Business is actually qualified during the week of sale/transfer (i.e. the current "paid as" rank).

Prior to selling an Independent Business, the Rain Partner must notify the Company of his or her intent to sell the Independent Business by submitting a properly completed Request for Approval of Sale or Transfer of Independent Business form and a one hundred and fifty dollar (\$150 USD or equivalent local currency) administrative fee to the Company. The Company reserves the right, in its sole discretion, to approve or disapprove any proposed sale, transfer, or assignment of an Independent Business. In the event the transaction is approved, upon complete execution of the purchase and sale agreement, the parties must submit copies of the same to the Rain Partner Education & Compliance Department for review. The Company reserves the right to request additional documentation that may be necessary to analyze the transaction between the buyer and seller. The Rain Partner Education & Compliance Department will, in its sole and absolute discretion, approve or deny the sale, transfer, or assignment within thirty (30) days after its receipt of all necessary documents from the parties.

If the parties fail to obtain the Company's approval for the transaction, the transfer shall be voidable at the Company's option. The purchaser of the existing Independent Business will assume the obligations and position of the selling Rain Partner. A Rain Partner who sells his or her Independent Business shall not be eligible to re-apply as a Rain Partner for a period of at least six (6) full calendar months after the date of the sale.

An Independent Business may be assigned or transferred without consideration (e.g., as a gift) subject to the Company's prior written approval. No changes in line of sponsorship can result from the sale or transfer of an Independent Business. A Rain Partner may not sell, transfer, or assign individual business centers. If an Independent Business is sold, transferred, or assigned, all business centers must be included in the transaction.

### 5.2.1 Right of First Refusal

A Rain Partner's Independent Business is subject to a Right of First Refusal ("RFR") to the Company, followed by a RFR to the Qualified Direct Upline of the Rain Partner.

If a Rain Partner receives a Bona Fide Offer to purchase his or her independent Business the Rain Partner shall first offer to sell such Independent Business to the Company on the same terms and conditions contained in the Bona Fide Offer. The Rain Partner shall deliver the Bona Fide Offer in writing to the Company, and the Company shall have thirty (30) days in which to accept the offer. Evidence of a legitimate offer may include, but is not limited to, cash or securities deposited into an escrow account, evidence of a loan commitment, and other substantial steps taken for the sole purpose of purchasing such Independent Business.

If the Company fails to exercise its RFR within the thirty (30) day time period, the Rain Partner shall extend the same offer to its Qualified Direct Upline on the same terms and conditions as those contained in the Bona Fide Offer. The Company shall convey the Bona Fide Offer by providing written notice of the same to the Rain Partner's Qualified Direct Upline. The Qualified Direct Upline shall have thirty (30) days in which to accept or reject such offer. If the Qualified Direct Upline accepts the offer, he or she must provide written notice to the Company upon acceptance.

If the Qualified Direct Upline fails to exercise his or her RFR within the time allotted, the Rain Partner may transfer the Independent Business to the third party according to the same terms and conditions contained in the Bona Fide Offer. However, the Rain Partner shall comply with the transfer procedures contained in this Section and as may be amended by the Company.

The RFR shall apply to each new Bona Fide Offer received by the Rain Partner. The following circumstances are not subject to the RFR requirements in this Section; however, each instance requires that an amended Rain Application be filed with the company:

- A) When the name of a Person who has a Beneficial Interest in the Independent Business is added to the Rain Application (e.g., a wife adding her husband).
- B) When the name of a Person who no longer has a Beneficial Interest in the Rain Partnership is removed from the Rain Application (e.g., a minority member who is removed from an Independent Business; or a shareholder, not holding a controlling interest, sells his or her interest in an Independent Business.)
- C) When the Rain Partner is an individual and is transferring his or her ownership rights to a legal entity in which only that Rain Partner has a Beneficial Interest (e.g., a husband and wife form a limited liability company to operate their Independent Business and are the only members/managers).

## 5.2.2 Interpretation

The Company reserves the right to accept or reject any Request for Approval of Sale or Transfer of Independent Business. The interpretation of these Policies and Procedures regarding the sale, assignment, or transfer of an Independent Business shall be made in a manner that serves the best interests of the Company.

## 5.3 Merger

If one Rain Partner is the Sponsor of the other, the two (2) Rain Partners may elect to merge their Independent Businesses into a single Independent Business. Each Partner must submit an amended Rain Application to the Company and obtain the Company's written consent. By submitting this information, both Rain Partners agree that the merger is final.

## 5.4 One Independent Business Per Rain Partner and Per Household

A Rain Partner may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one independent Business. No

individual may have, operate, or receive compensation from more than one Independent Business. A Rain Partner's spouse or other member of the Rain Partner's immediate household can sign up and have an individual position but has to be in the same Sponsor tree line. The Company deems all persons residing in the Rain Partner's household a Beneficial Interest in their Independent Business. However, if adequate proof can be provided that another adult who is not a spouse is operating an Independent Business separately, the Company may waive this rule until circumstances change. If a Rain Partner marries another Rain Partner, no effect will be given to the provisions of this section and the two may maintain separate Independent Businesses. If a Rain Partner is receiving the rights to another's Independent Business upon death, the Company may waive this policy, subject to the succession rules herein.

## 5.5 Actions of Household Members or Affiliated Individuals

If any member of a Rain Partner's immediate household engages in any activity which, if performed by the Rain Partner, would violate any provision of the Agreement, such activity will be deemed a violation by the Rain Partner, and the Company may take disciplinary action pursuant to these Policies and Procedures against the Rain Partner. Similarly, if any individual associated in any way with a corporation, partnership, trust, or other entity (collectively "Affiliated Individual") violates the Agreement, such action(s) will be deemed a violation by the Affiliated Individual, and the Company may take disciplinary action against the Affiliated Individual.

## 5.6 Effects of Divorce or Entity Dissolution of the Independent Business

In some cases, Rain Partners operate their Independent Businesses as husband-wife partnerships, regular partnerships, corporations, limited liability companies ("LLCs"), or trusts (collectively referred to herein as "Business Entities"). At such time as a marriage may end in divorce or a Business Entity may dissolve, arrangements must be made to assure that any divorce or entity dissolution is accomplished so as not to adversely affect the interests and income of other Independent Businesses up or down the line of sponsorship.

A spouse is deemed to have a Beneficial Interest in an Independent Business and all acts and omissions of the spouse shall be imputed to the Rain Partner.

During the divorce or Business Entity dissolution process, the parties must adopt one of the following methods of operation:

- A) One of the parties may, with consent of the other(s), operate the Independent Business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize the Company to deal directly and solely with the other spouse or no relinquishing shareholder, partner, or trustee.
- B) The parties may continue to operate the Independent Business jointly on a "business as-usual" basis, whereupon all compensation paid by the Company will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the

default procedure if the parties do not agree on the format set forth above. The Company will continue paying earnings under the Compensation Plan in the same manner as prior to the separation or divorce until the Company is served with a legally binding certified copy of a divorce decree or other court order that provides direction on payment and/or disposition of the rights under the Agreement. Where there is a change in ownership as ordered by the court, the individual remaining as a Rain Partner must submit an amended Rain Application.

Under no circumstances will the Marketing Organization of divorcing spouses or a dissolving Business Entity be divided. Similarly, under no circumstances will the Company split commission and bonus payments between divorcing spouses or members of dissolving Business Entities. The Company will recognize only one Marketing Organization and will issue only one (1) commission payment per Independent Business per commission cycle. Commission payments shall always be issued to the same individual or Business Entity.

If a former spouse has completely relinquished all rights in the original Independent Business pursuant to a divorce, he or she is thereafter free to enroll under any Sponsor of his or her choosing without waiting six (6) calendar months. In the case of Business Entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the Independent Business must wait six (6) calendar months from the date of the final dissolution before re-enrolling as a Rain Partner. During this six (6) month waiting period, such individual must remain inactive.

In either case, however, the former spouse or business affiliate shall have no rights to any Rain Partners in his or her former Marketing Organization or to any former Preferred Customer and must develop the new Independent Business in the same manner as would any other new Rain Partner.

## 5.7 Succession

A Rain Partner may provide in a will that his or her Independent Business will pass to his or her heirs (who can properly qualify according to the Agreement) in accordance with applicable laws. The Company will honor such bequests if the Company is provided with certified copies of the death certificate and appropriate legal documentation establishing the right of the deceased Rain Partner's heirs to the Independent Business. A Rain Partner should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an Independent Business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Rain Partner's Marketing Organization provided the following qualifications are met. The successor(s) must:

- A) Complete and execute a Rain Application.
- B) Comply with terms and provisions of the Agreement; and
- C) Meet all the qualifications for the deceased Rain Partner's status

Bonus and commission payments of an Independent Business transferred pursuant to this section will be paid in a single payment jointly to the devisees. The devisees must provide



the Company with an address of record to which all bonus and commission payments will be sent. If the Independent Business is bequeathed to joint devisees, they must form a Business Entity and acquire a Federal Tax Identification Number. The Company will issue all bonus and commission payments and one IRS Form 1099 MISC (Non-Employee Compensation) earnings statement to the Business Entity.

If the legal successor wishes to terminate the Independent Business, a written, signed statement of request to terminate must be submitted along with appropriate legal proof of death. If the legal successor to the Independent Business is already an existing Rain Partner, the Agreement will be assigned to the existing Rain Partner and the Company will allow the multiple Independent Businesses through inheritance for up to six (6) months, by which time the existing Rain Partner must have sold or otherwise transferred either the existing Rain Partner account or the inherited Rain Partner account.

### 5.7.1 Transfer Upon Death of a Rain Partner

To effectuate a testamentary transfer of an Independent Business, the Personal Representative or Executor of the estate of the deceased Rain Partner must provide all necessary documentation to establish the right of the successor(s) to the Independent Business. The successor(s) must complete and execute a Rain Application and meet the other requirements set forth in Section 2.1.

### 5.7.2 Transfer Upon Incapacitation of a Rain Partner

To effectuate a transfer of an Independent Business because of incapacity, the Trustee of the incapacitated Rain Partner must provide all necessary documentation to establish the right of the subject Trust and Trustee to the Independent Business. The Trustee must, on behalf of the Trust, complete and execute a Rain Application and meet the other requirements set forth in Section 2.1.

## SECTION 6 – COMPENSATION

### 6.1 Product Sales

The Compensation Plan is based on the sale of Company products and services to end consumers. The success of a Rain Partner depends largely on his or her own personal efforts, the Company does not guarantee any specific income or level of success of a Rain Partner. A Rain Partner must fulfill personal and Marketing Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions, and advancement to higher levels of achievement.

### 6.2 Bonus and Commission Qualifications

A Rain Partner must be Active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Rain Partner complies with the terms of the Agreement, the Company shall pay commissions to the Rain Partner in accordance with the Compensation Plan. The

minimum amount for which the Company will issue a payment is twenty dollars (\$20 USD or equivalent local currency). If a Rain Partner's bonuses and commissions do not equal or exceed twenty dollars (\$20 USD or equivalent local currency), the Company will accrue the commissions and bonuses until they total twenty dollars (\$20 USD or equivalent local currency) and then payment will be issued.

### 6.3 Adjustment to Bonuses and Commissions

A Rain Partner receives bonuses and commissions based on the actual sales of Company products and services to end consumers. When a product is returned to the Company for a refund or repurchase, or a service is cancelled and the customer is entitled to a refund, either of the following may occur at the Company's discretion:

- A) The bonuses and commissions attributable to the returned or repurchased product or the refunded service will be deducted, in the period in which the refund is given and continuing every pay period thereafter until the bonuses and commissions are recovered, from the Rain Partners who received bonuses and commissions on the sales of the refunded product or cancelled service.
- B) The Rain Partners who earned commissions or bonuses based on the sale of the returned product or cancelled service will have the corresponding points deducted from their Group Volume in the next period and all subsequent periods until such points are completely recovered.

### 6.4 No Manipulation

A Rain Partner is strictly prohibited from manipulating, or attempting to manipulate, the Compensation Plan. Such manipulation may, in the discretion of the Company, result in disciplinary action, including the termination of the Rain Partner account and the suspension of commissions. Manipulation of the Compensation includes, but is not limited to the following:

- A) Purchasing large quantities of Company product that is not sold through the direct marketing channel in the attempt to qualify for various Ranks or Commissions.
- B) Placing orders in the Rain Partner's downline Marketing Organization in the attempt to qualify for various Ranks or Commissions; or
- C) Any other action(s) that may violate state, federal, or foreign anti-pyramid scheme laws.

### 6.5 Sales Receipts

A Rain Partner must provide his or her retail customers with two (2) copies of an official Company sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. A Rain Partner must maintain all retail sales receipts for a period of two (2) years and furnish them to the Company at the Company's request. Records documenting the purchases by a Rain Partner's customers will be maintained by the Company. In addition, a Rain Partner must orally inform the buyer of his or her cancellation rights at the time of the sale.

## 6.6 Reports

All information provided by the Company in online or telephonic Downline Activity Reports, including, but not limited to, Personal Volume and Group Volume (or any part thereof), and downline sponsoring activity, is believed to be accurate and reliable.

Nevertheless, due to various factors including, but not limited to, the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; and credit card and electronic check charge-backs, the information is not guaranteed by the Company or any persons creating or transmitting the information;

ALL PERSONAL AND GROUP VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, THE COMPANY AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY RAIN PARTNER OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL VOLUME AND GROUP VOLUME INFORMATION (INCLUDING, BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS; LOSS OF OPPORTUNITY; AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF THE COMPANY OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, THE COMPANY OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO THE RAIN PARTNER OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of the Company's online and telephone reporting services and a Rain Partner's reliance upon such information is at the Rain Partner's own risk. All such information is provided to the Rain Partner "as is".

## SECTION 7 – ORDERING COMPANY PRODUCTS

### 7.1 Inventory

The Company does not impose a minimum inventory requirement on its Rain Partners. Each Rain Partner must use his or her own judgement to determine the amount of inventory he or she will need for personal use and retail sales.

### 7.2 Ordering

Products can be ordered by telephone, mail, facsimile, Internet, or by direct request at the Company's headquarters. Faxed, mailed, or personally delivered orders must be submitted using a current Rain Partner price list and a fully completed order form. The prices of Company products are subject to change at the discretion of the Company. Payment must be the exact amount of the

order and may be made by those methods presently available (cashier's check, money order, credit card, cash, direct debit, EFT, and/or personal or business check). Bank wire may be available for high volume orders only. Orders must be paid in full prior to pick-up or shipping. All shipping and handling costs are based on delivery location and the number of products ordered. An order placed over the phone is not deemed made to the Company until the Company's Rain Partner Services Department provides the Rain Partner or Preferred Customer an order number.

### 7.3 Will Call

Where will call service is available, a Rain Partner may pick up the order at the will call location. Any "will call" orders must be picked up within five (5) days or Rain will attempt to ship the product paid for by the credit card using the address on file. If Rain is unable to ship the product there will be a 10% restocking fee. If the order is not picked up after thirty (30) days, there will be a five dollar (\$5 USD or equivalent local currency) monthly storage fee.

### 7.4 Back Orders

If the Company is temporarily out of stock on ordered product, a Rain Partner will receive a "back order" notice with his or her shipment. Back orders are filled first as new inventory arrives. Volume on back orders is credited to the month in which payment for the original order was received by the Company.

### 7.5 Returned Checks

All checks returned by a Rain Partner's bank for insufficient funds will be re-submitted for payment. A thirty-five dollar (\$35 USD or equivalent local currency) returned check fee will be charged to the account of the Rain Partner. After receiving a returned check from a customer or a Rain Partner, all future orders must be paid by credit card, money order, or cashier's check. Any outstanding balance owed to the Company by a Rain Partner for NSF (non-sufficient funds) checks and returned check fees will be withheld from subsequent bonus and commission payments. The Rain Partner understands that all Persons listed on the Rain Application, or any Person having a Beneficial Interest in the Independent Business, will be held jointly and severally liable for the outstanding amount for unpaid product and fees. It is expressly understood by the Rain Partner that this joint and several liability supersedes any limitations of liability otherwise available to the Rain Partnership or its Beneficial Interest holders. No additional charge will be applied for checks that are reissued because of the Company's error.

### 7.6 Restrictions on Third Party Use of Credit Cards and Checking Account Access

A Rain Partner shall not permit other Rain Partners or Preferred Customers to use his or her credit card, or permit debits to his or her checking accounts, to enroll or to make purchases from the Company.

## 7.7 Automatic Delivery Program (ADP)

A Rain Partner may choose to participate in the Automatic Delivery Program (ADP). ADP may be established at any time through the submission of the ADP application or with a written request to the Company indicating the amount of Product to be shipped each month and the method of payment to be used. When instituting ADP at the time of enrollment, the Rain Application serves as confirmation for the setup. An ADP account will be charged at a set time during the month, and the Product will be shipped at a set time thereafter. The Rain Partner may obtain tracking numbers from the Company after the Product is shipped. The scheduled dates for ADP processing, account charges, shipping or account changes are posted on the Company's website and are subject to change by the Company from time to time.

## 7.8 The 70 Percent Rule

The Company imposes no specific minimum inventory requirement of Rain Partners. A Rain Partner must use his or her own judgment to determine the amount of inventory needed to sustain the Rain Partner's projected retail sales and personal use. Rain Partners are prohibited from buying or influencing any other Rain Partner to buy more than a reasonable amount of inventory. By placing an order, a Rain Partner certifies that he or she has sold or consumed at least 70 percent of the Rain Partner's total inventory from previous orders. Each Rain Partner that receives commissions and orders additional product agrees to retain documentation that demonstrates compliance with this policy, including evidence of Retail Sales, for a period of at least two (2) years. A Rain Partner agrees to make this documentation available to the Company at the Company's request. Failure to comply with this requirement or falsely representing the amount of product sold or consumed to advance in the Compensation Plan constitute a breach of the Agreement and is grounds for termination. Furthermore, a breach of this requirement entitles the Company to recover any commissions paid to the Rain Partner for any period during which such documents is not maintained or for which this provision has been breached.

## 7.9 Sales Taxes

The Company intends to free each Rain Partner from as many administrative, operational, and logistical tasks as possible. In doing so, a Rain Partner is free to concentrate on those activities that directly affect his or her income, namely product sales and enrollment activities. To these ends, the Company relieves each Rain Partner of the burden of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales taxes. By virtue of its business operations, the Company is required to charge sales taxes on all purchases made by Rain Partners and Preferred Customers, and remit the taxes charged to the respective states. Accordingly, the Company will collect and remit sales taxes on behalf of Rain Partners. Sales taxes are based on the suggested retail price of the products according to applicable tax rates in the state or province to which the shipment is destined. If a Rain Partner has submitted, and the Company has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Rain Partner. It is the responsibility of the Rain Partner to

provide an updated copy of his or her certification for exemption from sales tax each year. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by the Company is not retroactive.

## 7.10 Notice of Cooling-Off Period to Customers

When making a retail sale, a Rain Partner shall verbally disclose the customer's rights to cancel the sale. Those rights are set forth in the pre-printed sales receipt provided by the Company, which sales receipts must be completed and delivered to the retail customer upon making the sale. The sales receipt may be downloaded by Rain Partners from the Company's website. If the customer exercises the right to cancel the sale, the Rain Partner making the sale shall follow the refund procedures described in Section 7.11. The customer shall return all unused product.

## 7.11 Return Policy

### 7.11.1 Returns

The Company reserves the right to review all returns on a case-by-case basis. Returns may cause promotions, commissions, and bonuses to be adjusted or reversed, affecting both the Rain Partner making the return and any upline Rain Partners who received compensation on such purchase.

### 7.11.2 Initial Product Order

If a Rain Partner or customer is not fully satisfied with the Initial Product Order, he or she can send the unused portion of the Initial Product Order to the Company within thirty (30) days of the original purchase date and the Company will refund 100% of the purchase price (less shipping and handling). Initial Product Order returns after the thirty (30) day period will be refunded under Section 7.11.3.

The Initial Product Order is a Rain Partner's or customer's first order of a single unit of Company product (e.g. carton or bottle) offered by the Company. The product must be in resalable condition to receive a refund. If a Rain Partner wishes to return his or her Initial Product Order, the return will be deemed an inventory repurchase and the Company shall repurchase the inventory and the Rain Application shall be cancelled. All Rain Partners, Preferred Customers, and Retail Customers enrollment orders purchased directly from the Company must be returned to the Company at the Rain Partner's/Customer's expense. All products refunded are subject to bonus withholdings and qualification recalculations based on the original purchase date. Withholdings and refunds are based on enrollment package units, not individual units. Used or opened Product is only available for return/refund within thirty (30) days of purchase date.

### 7.11.3 Product Purchases And Initial Product Orders Returned After 30 Days

The Company will refund a percentage of the purchase price, less shipping and handling, for all product purchases. All returns including initial order purchases after 30 days are subject to the following conditions:

- A) Returns must have been personally purchased by the Rain Partner from the Company (purchases from other Rain Partners or third parties are not subject to refund).
- B) Returns must be in resalable condition.
- C) Returns in resalable condition and returned after thirty (30) days, but within ninety (90) days of purchase will receive a 90% refund (less shipping costs).
- D) Returns in resalable condition and returned after ninety (30) days, but within one year of purchase will receive a 50% refund (less shipping costs).
- E) Returns after one year of purchase are not entitled to a refund.

### 7.11.4 Retail Purchase from a Rain Partner's Inventory

If, for any reason, a retail customer is dissatisfied with his or her initial order of Company Products, the retail customer may return the unused/used portion of the Product to the Rain Partner from whom it was purchased, within thirty (30) days of the original purchase date, for a full refund of the purchase price (less shipping costs). All Rain Partners agree to honor this refund policy for their retail customers. After the initial order, retail customers may return Product for a full refund within thirty (30) days of the order (less shipping costs) as long as Product is in Resalable condition (see Definition of "Resalable" in Section 12).

In the event a Rain Partner issues such a refund to a retail customer, the Rain Partner may return the refunded Products to the Company within thirty (30) days of the original, retail order date for a full Product replacement provided the Rain Partner includes a copy of the retail receipt with proof of the refund payment. All retail orders and returns are subject to confirmation by the Company. The Product must be received by the Company within ten (10) days from the date on which the retail customer returned the merchandise to the Rain Partner. Rain Partners are responsible for shipping charges for all replacement Products sent from the Company.

**The following provision sets forth the minimum refund permitted by law to a retail customer:** A retail customer who makes a purchase of \$25.00 or more has three (3) business days after the sale or execution of the contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form. When a Rain Partner makes a sale or takes an order from a retail customer who cancels or requests a refund within the three (3) business day period, the Rain Partner must promptly refund the customer's money as long as the Products are returned to the Rain Partner in substantially as good condition as when received. Additionally, Rain Partners must verbally inform all customers of their rights to rescind a purchase or an order within three (3) business days and ensure that the date of the order or purchase is entered on the order form. All retail customers must be provided with a copy of an official Company sales receipt at the time of sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

### 7.11.5 Inventory Repurchase Upon Cancellation

Upon cancellation of a Rain Partner's Agreement, the Rain Partner may return Starter Kits, Products, and sales aids for a 90% refund. To receive a full refund from the Company pursuant to this policy, the following requirements must be met:

- A) The items being returned must have been personally purchased by the Rain Partner from the Company (purchases from other Rain Partners or third parties are not subject to refund).
- B) The items must be in Resalable condition (see Definition of "Resalable" below); and
- C) The items must have been purchased from the Company within one (1) year prior to the date of cancellation.

If the purchases were made by credit card, the refund will be credited back to the same account, if a Rain Partner was paid a bonus or commission based on a Product(s) that he or she purchased, and such Product(s) is subsequently returned for a refund, the bonus and/or commission that was paid to the Rain Partner based on that Product purchase will be deducted from the amount of the refund. Products and Sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that, in accordance with commercially reasonable practice within the trade, the merchandise may be resold at full price; and 4) they are returned to the Company within one (1) year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be Resalable.

### 7.11.6 Montana Residents

A Montana resident may cancel his or her Rain Application within fifteen (15) days from the date of enrollment, and may return his or her Starter Kit for a full refund within such time period.

### 7.11.7 Procedures for Returns

- A) The Rain Partner or customer who purchased the product directly from the Company must return the product. The Company does not provide refunds for products or sales aids purchased from another Rain Partner.
- B) The returned product must be in its original container.
- C) The Company does not refund the original or return shipping costs on returned products.
- D) The return must have a Return Merchandise Authorization number (RMA) written on the outside of the shipping carton. The RMA number can be obtained by contacting the Company's Rain Partner Services Department.
- E) Except for Initial Product Orders, the product(s) must be returned in Resalable Condition, as defined in Section 12.
- F) The product must be returned through a traceable delivery system (e.g. UPS or Fed-Ex). It is the responsibility of the party returning the product to track the shipment. The Company is not responsible for product that is lost or damaged during shipment.
- G) The Company will issue a refund to the Rain Partner within thirty (30) days from receiving the returned product.



- H) Refund payments will be issued in the original form of payment (if available) or by check in US dollars or such other form of payment as the Company may choose.
- I) The product must be received by the Company within seven (7) days of contacting the Company.

### 7.11.8 Definition of Resalable

Products and sales aids shall be deemed in Resalable Condition if each of the following elements is satisfied: 1) they are unopened; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) they are returned to the Company within one (1) year from the purchase date. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item shall not be returnable.

### 7.11.9 Buy Back

The Company will buy back unused product and sales material sold to a Rain Partner who voluntarily terminates the Agreement. Such buy back is subject to the return policies set forth in this Section, except that sales materials (open or unopened) purchased by the Rain Partner are subject to a 100% refund of the purchase price, less shipping costs. Written notice of a Rain Partner's voluntary termination is required to obtain a refund when returning sales materials.

### 7.11.10 Subscription Services

Subscription services billed on a month-to-month or annual basis may be cancelled at any time unless the terms of the subscription provides otherwise. Except as provided in the subscription terms, subscription services are not eligible for a refund.

### 7.11.11 Exchanges

The Company will provide an exchange for any product that is defective, incorrectly sent, or damaged during shipment if purchased directly from the Company and if the exchange request is made to the Company within thirty (30) days of purchase. If an exchange is not feasible, the Company may a) issue a credit for the exchange; or b) refund the full purchase price.

## SECTION 8 – MARKETING THE PRODUCT AND OPPORTUNITY

### 8.1 Advertising in General

A Rain Partner shall safeguard and promote the good reputation of the Company and its products. To promote both the products and services, and the opportunity the Company offers, a Rain Partner shall only use the sales aids and support materials produced by or approved by the Company.

## 8.2 Use and Approval of Sales Tools

If a Rain Partner wishes to create his or her own promotional material(s), the Rain Partner must submit all written sales aids, promotional materials, advertisements, and other literature (collectively referred to herein as "Sales Tool(s)") to the Company's Rain Partner Education & Compliance Department for approval prior to use. Unless the Rain Partner receives specific written approval to use such Sales Tools, the request shall be deemed denied.

The rationale behind this requirement is simple: the Company has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that each aspect of the Company is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If Rain Partners were allowed to develop their own sales aids and promotional materials without approval by the Company, notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting an Independent Business is almost certain. These violations, although they may be relatively few in number, would jeopardize the Rain International opportunity for all Rain Partners.

The Company has complete discretion whether to approve or reject a proposed sales tool. The approval process generally requires a minimum of three (3) weeks to complete. If approved, the Company will issue to the Rain Partner: 1) a unique Sales Tool approval number and logo; and 2) a written authorization from the Company specifically stating that the Sales Tool may be distributed.

Rain Partners may not create side-businesses selling Sales Tools to other Rain Partners. Therefore, a Rain Partner who receives authorization from the Company to produce his or her own Sales Tool(s) may not sell such material to any other Rain Partner. Rain Partners may make approved material available to other Rain Partners free of charge if they wish but may not charge other Rain Partners for the material. The Rain Partner agrees that if he or she uses a fulfillment house or other third party to sell or distribute Company-approved Sales Tools, the Rain Partner is required to enter into a non-disclosure agreement (to be provided by the Company) with the fulfillment house or third party to ensure that all Rain Partner and customer information (along with any other Confidential Information) is protected from disclosure and remains the sole property of the Company.

## 8.3 Product Claims

No express or implied claims (which include personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by the Company may be directly or indirectly made except those contained in official Company literature. In particular, no Rain Partner may make any claim that Company products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims, and they may lack adequate substantiation. Not only are such claims in violation of the Rain Application, they also potentially violate the laws and regulations of the United States, Canada, and other countries. Under no circumstances may a Rain Partner prescribe any Company product as suitable for a particular ailment.

## 8.4 Repackaging and Relabeling Prohibited

Company products may only be sold in their original packaging. A Rain Partner may not repackage, relabel, or alter the labels on Company product. Tampering with labels/packaging could be a violation of federal and state laws and may result in civil or criminal liability. A Rain Partner may affix a personalized sticker with his or her personal/contact information to each product or product container as long as he or she does so without removing existing labels or covering any text, graphics, or other material on the product label.

## 8.5 Governmental Approval or Endorsement Claims

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, a Rain Partner shall not represent or imply that the Company, Company products, or the Compensation Plan have been "approved," "endorsed," or otherwise sanctioned by any government agency.

## 8.6 Compensation Plan Claims

When presenting or discussing the Compensation Plan, a Rain Partner must make it clear to prospective Rain Partners that financial success with the Company requires commitment, effort, and sales skills. Conversely, a Rain Partner must never represent that one can be successful without diligently applying him or herself. Examples of misrepresentations in this area include:

- “The system will do the work for you.”
- “Just get in and your downline will build through spillover.”
- “Just join and I will build your downline for you.”
- “The company does all the work for you.”
- “You don’t have to sell anything.”
- “All you have to do is buy your products every month.”

The above are just examples of improper representations about the Compensation Plan. It is important that Rain Partners do not make these or any other representations that could lead a prospective Rain Partner to believe that he or she can be successful as a Rain Partner without commitment, effort, and sales skills.

## 8.7 Trademarks and Copyrights

“Rain International” and other names as may be adopted by the Company are proprietary trade names, trademarks, and service marks of the Company (collectively “marks”). As such, these marks are of great value to the Company and are supplied to Rain Partners for their use only in an expressly authorized manner. The Company will not allow the use of its trade names, trademarks, designs, or symbols, or any derivatives or confusingly similar variations of such marks, by any person, including Rain Partners, without its prior, written permission. The Company reserves the right to revoke use of the Company’s trademarks for any reason and at any time.

The content of all Company-sponsored events is copyrighted material. A Rain Partner may not produce for sale or distribution any recorded Company events and speeches without written permission from the Company. Nor may Rain Partners reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

A Rain Partner's title may not imply that the Rain Partner is an employee or agent of the Company. A Rain Partner may use his or her title in the following manner:

Rain Partner's Name  
Independent Rain Partner

Example:  
Alice Smith  
Independent Rain Partner

A Rain Partner may not use the name "Rain International" (or any confusingly similar variation such as "R41N 1NTL") in any form in a team name, business name, tagline, external website name, personal website address or extension, e-mail address, as a telephone number, as a personal name, as a nickname, or in any other address or title. For example, a Rain Partner may not secure a domain name such as [www.buyraininternational.com](http://www.buyraininternational.com), nor may a Rain Partner create an email address such as [RainInternationalSales@gmail.com](mailto:RainInternationalSales@gmail.com). It is within the sole discretion of the Company to determine whether a variation of its trademark is confusingly similar. A Rain Partner shall not use the Company's marks in countries where the use of such marks is prohibited. The Rain Partner may not use the Company's trademarks on non-approved Sales Tools. Additionally, a Rain Partner may only use the phrase, "Independent Rain Partner" in telephone greetings or on an answering machine to clearly separate the Rain Partner's Independent Business from the Company. A Rain Partner agrees to immediately re-assign to the Company any registration of the Company names, trade names, trademarks, or Internet domain names registered or reserved in violation of this policy. A Rain Partner must not use the name, logos, trademarks or other references to the Company's business or manufacturing partners in any Sales Tool, correspondence, or any form of advertising. The Company's literature and media are copyrighted by the Company and may not be duplicated. The provisions of this Section shall survive the termination of the Agreement.

If a Rain Partner's Independent Business is cancelled for any reason, the former Rain Partner must discontinue using the Company name, and all of the Company's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all social Media sites that the former Rain Partner utilized.

## 8.8 Use of "Independent Rain Partner" in Advertising

As Independent Contractors, Rain Partners shall use the Company name in the following manner:

Rain Partner's Name  
Independent Rain Partner

Example:

Alice Smith  
Independent Rain Partner

## 8.9 Methods of Advertising

### 8.9.1 Newspaper

A Rain Partner may place a generic business opportunity advertisement in the classified section of a local newspaper, provided the advertisement conforms to the Agreement and all applicable laws and regulations. The Company's name or logo may not be published in the newspaper, and the Rain Partner must identify his or her title using the following format:

Rain Partner's Name  
Independent Rain Partner

### 8.9.2 Telephone Directory Listings

A Rain Partner may list him or herself as an "Independent Rain Partner" in the white or yellow pages of the telephone directory, or with online directories, under his or her own name. Graphical and display ads in telephone directories are prohibited.

No Rain Partner may place telephone or online directory display ads using the Company's name or logo. A Rain Partner may not answer the telephone by saying "Rain International", "Rain International Incorporated", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of the Company. If a Rain Partner wishes to post his or her name in a telephone or online directory, it must be listed in the following format:

Rain Partner's Name  
Independent Rain Partner

### 8.9.3 Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although the Company does not consider Rain Partners to be telemarketers in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that a Rain Partner's inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause the Rain Partner to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 USD per violation).

Therefore, a Rain Partner must not engage in telemarketing in the operation of his or her Independent Business. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Company product or service, or to recruit an individual or entity for the Rain International opportunity. Cold calls made to prospective customers or Rain Partners that promote either the Company’s products or services or the Rain International opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Rain Partner (referred to in this Section as a "Prospect") is permissible under the following situations:

- The Rain Partner has an established business relationship with the Prospect. An “established business relationship” is a relationship between a Rain Partner and a Prospect based on the Prospect’s purchase, rental, or lease of goods or services from the Rain Partner, or a financial transaction between the Prospect and the Rain Partner, within the eighteen (18) months immediately preceding the date of a telephone call to induce the Prospect's purchase of a product or service.
- The Prospect’s personal inquiry or application regarding a product or service offered by the Rain Partner was made within the three (3) months immediately preceding the date of such a call.
- The Rain Partner receives written and signed permission from the Prospect authorizing the Rain Partner to call. The authorization must specify the telephone number(s) which the Rain Partner is authorized to call.
- A Rain Partner may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom a Rain Partner has at least a recent first-hand relationship within the preceding three (3) months. If a Rain Partner is “card collecting” with everyone he or she meets and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if a Rain Partner engages in calling acquaintances, he or she must make such calls on an occasional basis only and not make this a routine practice.

In addition, a Rain Partner shall not use automatic telephone dialing systems or software relative to the operation of his or her Independent Business. A Rain Partner shall not place or initiate any outbound telephone call to any person that delivers a pre-recorded message (a “robocall”) regarding or relating to the Company products or opportunity.

#### 8.9.4 Unsolicited Email

The Company does not permit Rain Partners to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by a Rain Partner that promotes the Company, the Rain International opportunity, or Company products and services must comply with the following:

- There must be a functioning return email address to the sender.

- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
- The email must include the Rain Partner’s physical mailing address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honored. If a Rain Partner receives an opt-out request from a recipient of an email, the Rain Partner must forward the opt-out request to the Company.

The Company may periodically send commercial emails on behalf of Rain Partners. By entering the Rain Application, a Rain Partner agrees that the Company may send such emails and that the Rain Partner’s physical and email addresses will be included in such emails as outlined above. A Rain Partner shall honor opt-out requests generated because of such emails sent by the Company.

## 8.9.5 Unsolicited Faxes

Except as provided in this Section, a Rain Partner may not use or transmit unsolicited faxes in connection with the operation of his or her Independent Business. The term "unsolicited faxes" means the transmission via telephone facsimile of any material or information advertising or promoting the Company, Company products, the Compensation Plan, or any other aspect of the Company, which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Rain Partner has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between a Rain Partner and a person, on the basis of: (a) an inquiry, application, purchase, or transaction by the person regarding products offered by such Rain Partner; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

## 8.9.6 Other Sales Media

Upon prior written approval from the Rain Partner Education & Compliance Department, Company product(s) may be sold and/or promoted through catalogs, and other mass sales mediums, such as magazines, infomercials, television, radio, and other related sales media. Rain Partners may also advertise with a vehicle wrap, using images approved by the Company at its sole discretion. To begin the approval process, please contact [compliance@raintintl.com](mailto:compliance@raintintl.com).

## 8.9.7 Trade Shows, Expositions, and Other Sales Forums

A Rain Partner may display and/or sell Company products at trade shows and professional expositions. Before submitting a deposit to the event promoter, the Rain Partner must contact

the Rain Partner Services Department in writing for conditional approval, as the Company's policy is to authorize only one (1) Independent Business per event. Final approval will be granted to the first Rain Partner who submits an official advertisement of the event, a copy of the contract signed by both the Rain Partner and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events (even if it is the same type of event) must again be submitted to the Rain Partner Services Department. The Company reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the Rain International opportunity. Approval will not be given for swap meets, garage sales, flea markets, or farmer's markets, as these events are not conducive to the professional image the Company wishes to portray.

### 8.9.8 Online Classifieds & Internet Auction Sites

A Rain Partner is prohibited from selling or facilitating the sale of Company products using online classifieds (e.g., Craigslist) or online auction websites (e.g., eBay). A Rain Partner may not enlist or knowingly allow a third party to sell Company products using online classifieds or online auction websites. The provision of this Section shall survive the termination of the Agreement.

### 8.9.9 Online Retailing

Provided the price advertising requirements of Section 8.10 are adhered to, a Rain Partner may list or sell Company products on online retail stores and ecommerce sites. However, a Rain Partner may not enlist or knowingly allow a third party to sell Company products on any online retail store or ecommerce site.

### 8.9.10 Advertising at Company-Sponsored Events

At Company-sponsored events, a Rain Partner may not, unless specifically authorized in writing by the Company, advertise, sell, or promote non-Company products or services, including, but not limited to: (i) the promotion of non-Company events, systems, or materials; (ii) organized person to person solicitations; (iii) distribution of flyers, DVDs, or other materials, or (iv) the use of any other form of promotion deemed inappropriate by the Company.

### 8.9.11 Rain Partner Websites

If a Rain Partner desires to utilize an Internet web page to promote his or her Independent Business, he or she may only do so through the Company's replicated website program. The replicated website program permits a Rain Partner to advertise on the Internet and to choose from among a variety of home page designs that can be personalized with the Rain Partner's message and contact information. These websites seamlessly link directly to the official Company website giving the Rain Partner a professional and Company-approved presence on the Internet.



## 8.9.12 Domain Names and Email Addresses

Rain Partners may not use or attempt to register "Rain International" or any of the Company's trade names, trademarks,, service names, service marks, product names) the Company's name, or any derivative thereof, for any Internet domain name. Nor may Rain Partners incorporate or attempt to incorporate any of the Company's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any electronic mail address.

## 8.9.13 Blogs, Chat Rooms, and Social Networking Websites

A Rain Partner may use online blogs, chat rooms, and Social Media websites to market, advertise, promote, or discuss Company products or services or the Rain International opportunity. However, the use of these sites is subject to the advertising guidelines set forth in this Section 8.10. A Rain Partner is prohibited from selling products using blogs, chat rooms, and Social Media websites.

## 8.9.14 Digital Media Submissions

A Rain Partner may upload, submit, or publish Company-related video, audio, or photo content that he or she develops and creates to Social Media sites such as YouTube, PhotoBucket, Pinterest, and Instagram, so long as it aligns with Company values, contributes to the Rain International community greater good, and is in compliance with the Agreement. All submissions must clearly identify the submitter as an Independent Rain Partner in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that the submitter is solely responsible for this content. A Rain Partner may not upload, submit, or publish any content (video, audio, presentations, or any computer files) received from the Company or captured at official Company events or in buildings owned or operated by the Company without prior written permission. The Company may monitor all websites for compliance with the Agreement and the Rain Partner agrees to immediately remove or modify the websites upon the Company's request to comply with the Agreement.

## 8.9.15 Social Media Policies

In addition to meeting all other requirements specified in these Policies and Procedures, should a Rain Partner utilize any form of Social Media, including, but not limited to, Facebook, Twitter, LinkedIn, YouTube, Instagram, or Pinterest, the Rain Partner agrees to each of the following:

- No product sales or enrollments may occur on any Social Media site. To generate sales, a Social Media site must link only to the Rain Partner's replicated website.
- It is each Rain Partner's responsibility to follow the Social Media site's terms of use. If the Social Media site does not allow its site to be used for commercial activity, the Rain Partner must abide by the site's terms of use.
- Any Social Media site that is directly or indirectly operated or controlled by a Rain Partner that is used to discuss or promote Company products or the Rain International opportunity may not link to any website, Social Media site, or site of any other nature, other than the Rain Partner's replicated website.

- During the term of this Agreement and for a period of twelve (12) calendar months thereafter, a Rain Partner may not use any Social Media site on which he or she discusses or promotes, or has discussed or promoted, the Rain International business or Company's products to directly or indirectly solicit Rain Partners for another Network Marketing program. In furtherance of this provision, a Rain Partner shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Rain Partners relating to the Rain Partner's other Network Marketing business activities.
- A Rain Partner may post or "pin" photographs of Company products on a social media site, provided such photos depict the Company and Company products in a positive manner and do not contain any images that are offensive, inappropriate, or in bad taste, as determined by the Company at its sole and absolute discretion. Upon request by the Company, a Rain Partner shall immediately delete any photograph or image that the Company deems to be in violation of this policy.
- If a Rain Partner creates a business profile page on any Social Media site that promotes or relates to the Company, Company products, or opportunity, the business profile page must relate exclusively to the Rain Partner's Independent Business and Company products. If the Rain Partner's Independent Business is cancelled for any reason or if the Rain Partner becomes inactive, the Rain Partner must deactivate the business profile page.

### 8.9.16 Banner Advertising and Links

A Rain Partner may place banner advertisements on a website provided the Rain Partner uses Company-approved templates and images. Rain Partners are strictly prohibited from placing banner advertisements on websites that would lead to express or implied product or income claims (i.e., placing a banner advertisement on a website about a medical issue). All banner advertisements must link to a Rain Partner's Replicated Website. A Rain Partner may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or income claims that are ultimately associated with Company products or the Company opportunity.

### 8.9.17 Spam Linking

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites, or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming, and/or spamdexing. Any comments that a Rain Partner makes on blogs, forums, guest books, etc. must be unique, informative, and relevant.

## 8.10 Advertised Prices

The Company has established a Minimum Advertised Price ("MAP") program that sets forth the Company's policy with respect to the advertising and sale of its products. The Company reserves the right to refuse to sell its products to any Rain Partner who sells Company products at prices less than those listed on MAP program price list. Notwithstanding this policy, a Rain Partner is free to re-sell Company products at any price he or she chooses. The MAP program price list, which the Company may amend at any time at its sole discretion, may be accessed via each Rain Partner's Back-Office.

## 8.11 Lead Distribution

Persons who are outside the Company network often make inquiries to the Company about its products. If the Company is able to determine that the inquiring person received the information from a specific Rain Partner or that there is a particular Rain Partner that the person is acquainted with, every attempt will be made to refer the person to that Rain Partner. If an association with a particular Rain Partner cannot be determined, the person will be randomly positioned under an existing Rain Partner. Final judgment with respect to the positioning of leads remains the right of the Company.

## 8.12 Media and Media Inquires

A Rain Partner must not attempt to respond to media inquiries regarding the Company, the Company's products, or services, or his or her Independent Business. All inquiries by any type of media must be immediately referred to the Company's Marketing Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image. A Rain Partner must not utilize radio or television media for the advertising, distribution, or promotion of Company products or opportunity without the express written consent of the Company. If the Company does grant permission for the use of such media, the Company must have final authority on every stage of the production process with full rights to all recordings.

## 8.13 Commercial Outlets

Provided the price advertising requirements of Section 8.12 are adhered to, a Rain Partner may display and sell Company products at service, retail, and commercial outlets.

## 8.14 Service Establishments

A Rain Partner may conduct business through service-related establishments with written authorization from the Company, except that no product banners or other Sales Tools may be displayed to the general public in a manner that would attract the public into the service-related establishment. The Company has sole discretion in determining whether an establishment is a service-related establishment and a proper place for the sale of Company products.

## 8.15 Prohibited Postings

When posting any information concerning the Company, Company products, or the Rain International opportunity on the Internet or via any Social Media site, a Rain Partner may not make any postings, or link to any postings or other material that:

- Is sexually explicit, obscene, or pornographic.
- Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);

- Is graphically violent, including any violent video game images.
- Is solicitous of any unlawful behavior.
- Engages in personal attacks on any individual, group, or entity; or
- Is in violation of any intellectual property rights of the Company or any third party.

## SECTION 9 – BREACH OF CONTRACT PROCEDURES

### 9.1 Conditional Obligations

The Company's obligations to a Rain Partner are conditioned upon the Rain Partner's faithful performance of the terms and conditions of the Agreement. The Company, in its sole discretion, will determine if a Rain Partner is in breach of the Agreement and may elect any or all available remedies.

### 9.2 Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, or any common law duty, including, but not limited to, any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Rain Partner that, in the sole discretion of the Company, may damage its reputation or goodwill (such act or omission need not be related to the Rain Partner's Independent Business), may result, at the Company's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition.
- Requiring the Rain Partner to take immediate corrective measures.
- Imposition of a fine, which may be withheld from bonus and commission payments.
- Loss of rights to one or more bonus and commission payments.
- Withholding all or part of the Rain Partner's bonuses and commissions during the period that the Company is investigating any conduct allegedly violative of the Agreement (if the Independent Business is cancelled for disciplinary reasons, the Rain Partner will not be entitled to recover any commissions withheld during the investigation period);
- Suspension of the individual's Rain Application for one or more pay periods.
- Permanent or temporary loss of, or reduction in, the current and/or lifetime rank of a Rain Partner (which may subsequently be re-earned by the Rain Partner);
- Transfer or removal of some or all the Rain Partner's downline Rain Partners from the offending Rain Partner's Marketing Organization.
- Involuntary termination of the offender's Rain Application.
- Termination of the Agreement; or
- Any other measure expressly allowed within any provision of the Agreement or which the Company deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Rain Partner's policy violation or contractual breach.

In situations deemed appropriate by the Company, the Company may institute legal proceedings for monetary and/or equitable relief.

### 9.3 Reporting Policy Violations

If a Rain Partner observes a violation of the Policies and Procedures or any term or condition of the Agreement by another Rain Partner, he or she should submit a written report of the violation directly to the attention of the Company's Rain Partner Education and Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

Because of the difficulties of investigating and asserting appropriate remedies for stale claims, any complaint for breach of the terms and conditions of the Agreement other than Cross Recruiting must be brought to the Company's attention for review within one (1) year of the start of the alleged violation. Cross Recruiting violations must be brought to the Company's attention within six (6) months of the alleged violation. Failure to report a violation within that time may result in the Company not pursuing the allegations in order to prevent the Independent Business from being disrupted due to sale claims. However, this policy does not waive the Company's right to investigate and discipline Rain Partners found guilty of the stale claims.

### 9.4 Grievances and Complaints

When a Rain Partner has a grievance or complaint with another Rain Partner regarding any practice or conduct in relationship to his or her respective Independent Business, the complaining Rain Partner should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline Sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Company's Rain Partner Education and Compliance Department, who will then review the facts and attempt to resolve the matter. If it is not resolved, it will be referred to the Dispute Resolution Board for final review and determination.

### 9.5 Circumvention of the Agreement

The Agreement is designed to protect Rain Partners and the Company from the adverse consequences of their violation. Rain Partners who intentionally circumvent the Agreement will be disciplined as if the applicable policy or rule had been broken directly. In such circumstances, all the available remedies as stated above will be available to the Company. The Agreement is not intended to give a Rain Partner the right to enforce the Agreement against another Rain Partner directly, or to take any legal action against another Rain Partner.

Those who hold a rank of Diamond or above are subject to higher standards in distributor conduct such as cross recruiting, disparagement, involvement in other Multi-Level Marketing (MLM) companies.

## 9.6 Dispute Resolution Board

The purpose of the Dispute Resolution Board (“DRB”) is to: (1) review appeals of disciplinary sanctions; and (2) review matters between Rain Partners. After the response or settlement instituted by the Rain Partner Education & Compliance Department has been denied or otherwise remains unresolved, the DRB reviews evidence, deliberates, and responds to current outstanding issues on a collective basis.

A Rain Partner may submit a written request for a telephonic or in-person hearing within seven (7) business days from the date of: (1) the written notice by the Company of disciplinary action; or (2) the written decision of the Company’s Rain Partner Education & Compliance Department regarding disputes between the Rain Partners. All communication with the Company and the Rain Partner seeking resolution of a dispute must be in writing. It is within the DRB’s discretion whether a claim is accepted for review.

If the DRB agrees to review the matter, it shall schedule a hearing within thirty (30) days of receipt of the Rain Partner’s written request. All evidence (e.g., documents, exhibits, etc.) that a Rain Partner desires to have considered by the DRB must be submitted to the Company no later than seven (7) business days before the date of the hearing. The Rain Partner shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be present at the hearing. The decision of the DRB will be final and subject to no further review. During the pendency of the claim before the DRB, the Rain Partner waives his or her right to pursue arbitration or any other remedy.

Following issuance of a disciplinary sanction, the disciplined Rain Partner may appeal the sanction to the DRB. The Rain Partner’s appeal must be in writing and received by the Company within ten (10) days from the date of the Company’s notice of the disciplinary sanction. If the appeal is not received by the Company within the ten (10)-day period, the sanction will be final. The Rain Partner must submit all supporting documentation with his or her appeal correspondence. If the Rain Partner files a timely appeal of a disciplinary sanction, the DRB will review and reconsider the sanction, consider any other appropriate action, and notify the Rain Partner in writing of its decision.

## 9.7 Mediation

Prior to instituting any arbitration as provided in Section 9.8 below, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One (1) individual who is mutually acceptable to the parties shall be appointed as the mediator. The mediator’s fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorney fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Utah County, State of Utah and shall last no more than two (2) business days.

## 9.8 Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration. The arbitration shall be filed with, and administered by, the American Arbitration Association (“AAA”) or JAMS under their respective rules and procedures. The Commercial Arbitration Rules and Mediation Procedures of the AAA are available at the AAA’s website at [www.adr.org](http://www.adr.org). The Streamlined Arbitration Rules & Procedures of JAMS are available at the JAMS website at [www.jamsadr.com](http://www.jamsadr.com). Copies of the AAA’s Commercial Arbitration Rules and Mediation Procedures or JAM’s Streamlined Arbitration Rules & Procedures will be emailed to Rain Partners upon request to the Company’s Rain Partner Education & Compliance Department.

Notwithstanding the rules of the AAA or JAMS, the following shall apply to all arbitration actions:

- The Federal Rules of Evidence shall apply in all cases.
- The parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure.
- The parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure.
- The arbitration shall occur within one hundred and eighty (180) days from the date on which the arbitrator is appointed, and shall last no more than five (5) business days; and
- The parties shall be allotted equal time to present their respective cases, including cross-examinations.

All arbitration proceedings shall be held in the City of Orem, Utah. There shall be one (1) arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel that the alternate dispute resolution services (the AAA or JAMS) provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim.
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration.
- The terms or amount of any arbitration award; or
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in the Agreement shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect its intellectual property rights and/or to enforce its rights under the non-solicitation and non-disclosure provisions of the Agreement.

## 9.9 Governing Law, Jurisdiction, and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Utah County, State of Utah. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Utah shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the arbitration provision, residents of the State of Louisiana shall be entitled to bring an action against the Company in their home forum and pursuant to Louisiana law.

## 9.10 Liquidated Damages

In any case which arises from or relates to the termination of a Rain Partner's Agreement and Independent Business, the parties agree that damages will be very difficult to ascertain. Therefore, the parties stipulate that if a Rain Partner's termination is proven and held to be wrongful under any theory of law, the Rain Partner's sole remedy shall be liquidated damages calculated as follows:

- For a Rain Partner at the rank Platinum Elite through Black Rain Diamond, liquidated damages shall be in the amount of his or her gross compensation that he or she earned pursuant to the Compensation Plan in the twelve (12) months immediately preceding the termination.
- For a Rain Partner at the rank Bronze Executive through Gold Executive, liquidated damages shall be in the amount of his or her gross compensation that he or she earned pursuant to the Compensation Plan in the eighteen (18) months immediately preceding the termination.
- For a Rain Partner at the rank Manager through Senior Manager, liquidated damages shall be in the amount of his or her gross compensation that he or she earned pursuant to the Compensation Plan in the twenty-four (24) months immediately preceding the termination.

Gross compensation shall include commissions and bonuses earned by the Rain Partner pursuant to the Compensation Plan as well as retail profits earned by the Rain Partner for the sale of Company merchandise. However, retail profits must be substantiated by providing the Company with true and accurate copies of fully and properly completed retail receipts provided by the Rain Partner to Preferred Customers at the time of the sale.

Any Rain Partner, of any rank, who has been a Rain Partner for fewer than twelve (12) full months prior to the termination, shall not be eligible for liquidated damages.



## 9.11 Attorney's Fees

If any suit, action or proceeding (excluding mediation as provided above herein) is brought to enforce any term or provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs, and expenses incurred, in addition to any other relief to which such party may be legally entitled.

## SECTION 10 – TERMINATION

### 10.1 Effect of Cancellation

So long as a Rain Partner remains Active and complies with the terms of the Agreement, the Company shall pay commissions to such Rain Partner in accordance with the Compensation Plan. A Rain Partner's bonuses and commissions constitute the entire consideration for the Rain Partner's efforts in generating sales and all activities related to generating sales (including building a Marketing Organization). Following a Rain Partner's non-renewal of his or her Rain Application, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Rain Application (all of these methods are collectively referred to as "cancellation"), the former Rain Partner shall have no right, title, claim or interest to the Marketing Organization which he or she operated, or any commission or bonus from the sales generated by the organization. A Rain Partner whose Independent Business is cancelled will lose all rights as a Rain Partner. This includes the right to sell Company products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Rain Partner's former Marketing Organization. In the event of cancellation, a Rain Partner agrees to waive all rights he or she may have, including, but not limited to, property rights to his or her former Marketing Organization and to any bonuses, commissions, or other remuneration derived from the sales and other activities of his or her former Marketing Organization.

Following a Rain Partner's cancellation of his or her Rain Application, the former Rain Partner shall not hold himself or herself out as a Rain Partner and shall not have the right to sell Company products or services. A Rain Partner whose Rain Application is cancelled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

When a vacancy occurs due to the voluntary or involuntary termination of a Rain Partner, each personally sponsored Rain Partner who was sponsored by the terminated Rain Partner, on the date of the cancellation, will now be sponsored by the terminated Rain Partner's sponsor. For example, if A sponsors B, and B sponsors C1, C2, and C3, if B terminates her business, C1, C2; and C3 will "roll-up" to A and become part of A's personally sponsored group.

## 10.2 Voluntary Cancellation

A Rain Partner has a right to cancel this Agreement at any time, regardless of reason. Cancellation must be submitted in writing or from the email address on file to the Company at its principal business address. The written notice must include the Rain Partner's signature, printed name, address, and Rain Partner Identification Number. If a Rain Partner is on the Autoship program, the Rain Partner's Autoship Agreement shall continue in force and the former Rain Partner shall be reclassified as a Preferred Customer, unless the Rain Partner also specifically requests that his or her Autoship Agreement also be cancelled.

## 10.3 Non-Renewal

A Rain Partner may voluntarily cancel his or her Rain Application by failing to renew the Agreement on its anniversary date. The Company may also elect not to renew a Rain Partner's Agreement upon its anniversary date.

## 10.4 Credit Card Chargebacks

If a Rain Partner contacts his or her credit card company and attempts to chargeback any Product purchase from the Company, such action shall be deemed a voluntary cancellation of the Rain Application by the Rain Partner. If the Rain Partner also has an Autoship Agreement with the Company, the chargeback shall also be deemed the voluntary cancellation of the Rain Partner's Autoship Agreement. Similarly, if a Preferred Customer contacts his or her credit card company and attempts to chargeback a purchase made by credit card, such action will be deemed the voluntary cancellation of the Preferred Customer Agreement.

## 10.5 Involuntary Cancellation

A Rain Partner's violation of any of the terms of the Agreement, including any amendments that may be made by the Company in its sole discretion, may result in any of the sanctions, including the involuntary cancellation of his or her Rain Application. Cancellation shall be effective on the date on which written notice is mailed, faxed, emailed, or delivered to an express courier for delivery to the Rain Partner's last known address, fax number, or email address, or to his/her attorney, or when the Rain Partner receives actual notice of cancellation, whichever occurs first.

The Company reserves the right to terminate all Rain Applications upon thirty (30) days' written notice in the event that the Company elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of Company products via direct selling.

## 10.6 Cancellation Due to Inactivity

If a Rain Partner has not generated sales of at least 50 PV (Personal Volume) per month for six (6) consecutive months, his or her Rain Application may be cancelled for inactivity.

If a Rain Partner's Agreement is cancelled for inactivity as provided above, and the Rain Partner was enrolled in the Company's Autoship program (i.e. Preferred Customer), the Preferred Customer Agreement shall remain in force and the former Rain Partner shall be reclassified as a Preferred Customer. If the former Rain Partner was not a Preferred Customer, he or she will be entitled to continue purchasing Products directly from the Company at the Preferred Customer price. There is no charge for a former Rain partner to re-register as a Rain Partner if he or she does so within six (6) months of the date of cancellation due to inactivity.

## 10.7 Company's Rights Upon a Rain Partner's Termination

Upon termination, the Company may in its sole discretion, carry-out one or more of the following: a. retain the Rain Partnership for a period of up to six (6) months or, if the Company is involved in any actual or threatened litigation or dispute related to the terminated Rain Partnership, retain the Rain Partnership for the time period encompassing the litigation or dispute and for a period of up to six (6) months following the resolution of any litigation or dispute; b. authorize the position to be filled with any Person acceptable to the Company; and/or c. dissolve and remove the Rain Partnership from the Sponsor and Placement trees.

## 10.8 Return of Confidential Information

A Rain Partner must return all Confidential Information, including any information derived therefrom, over which he or she has direct or indirect control to the Company upon termination or upon demand of the Company. If any such Confidential Information cannot be returned because it is in electronic format, the Rain Partner shall permanently delete and erase the Confidential Information upon termination or upon demand.

## 10.9 Effects of Termination for Breach of Contract

Upon termination of the Agreement, all of the Rain Partner's rights in and to the Independent Business are revoked and terminated. In acknowledgement of the damages the Company has likely suffered and/or will suffer as a result of the Rain Partner's breach, including, but not limited to, all or any of the following: (i) loss of good will and loss in the value of the Company's Confidential Information, proprietary information, and trade secrets; (ii) loss of a portion of the value of the Company's business; and (iii) loss of future profits, a Rain Partner consents that any unpaid commissions will be forfeited to the Company to offset any portion of the damages.

The Company may elect to reorganize the downline Marketing Organization of the Independent Business terminated for breach in a manner that serves the best interests of the Company, downline Marketing Organization, and upline. Where the Company elects to terminate an Independent Business in which there is more than one Beneficial Interest holder, the following may apply: a. the departing Beneficial Interest holder(s) must relinquish all rights

to, and interests in, the Independent Business; b. the Company may not divide or reassign any of the downline Marketing Organization; and c. the Company may not split commissions between the prior or current Beneficial Interest holders of the Independent Business.

## 10.10 Effects of Voluntary Termination by the Rain Partner

Upon termination of the Agreement, all of the Rain Partner's rights in and to the Independent Business are revoked and terminated. A Rain Partner who voluntarily terminates may re-apply for a new Rain Partnership under a new Sponsor no earlier than after completing a six (6) month waiting period. The voluntarily terminated Rain Partner is not permitted to participate in any Independent Business or have a Beneficial Interest in any Rain Partnership. A Rain Partner may not terminate voluntarily if the Rain Partnership is not in a good standing with the Company, as may be evidenced by, but not limited to, any of the following conditions: (i) a temporary Rain Partnership; (ii) a Rain Partnership is on hold, suspension or probation; (iii) the Rain Partnership is under investigation, but no formal discipline has taken place; or (iv) notice of intent to terminate has been sent.

## 10.11 Survival

Section 10 shall survive the termination of the Agreement. The termination, relinquishment, or expiration of the Agreement shall not relieve the Rain Partner from obligations that are expressly indicated in the Agreement to survive termination or expiration of the Agreement.

# SECTION 11 – MISCELLANEOUS

## 11.1 Entire Agreement

The Agreement contains the entire understanding concerning the subject matter hereof between the Company and the Rain Partner, and is intended as a final, complete, and exclusive expression of the parties. This Agreement supersedes and replaces all prior negotiations and proposed, but unexecuted agreements, either written or oral. Should any prior agreements, promises, negotiations, or representations made to the Rain Partner by an employee or agent of the company conflict with the terms of the Agreement, the express written terms and requirements of the Agreement will prevail.

## 11.2 Headings

The section and subsection headings in the Agreement are inserted solely as a matter of convenience and for references and will not be considered in the construction or interpretation of any provision hereof. Unless the context otherwise specifically requires, all references to sections of the Agreement will refer to all subsections thereof.

### 11.3 Ambiguities

Ambiguities, if any, in the Agreement shall not be construed against any party, regardless of which party may be deemed to have authored the ambiguous provision.

### 11.4 Warranties

The Company extends no product warranties, either expressed or implied beyond those specifically articulated in the Agreement. The Company disclaims and excludes all warranties regarding possible infringement of any United States or foreign patent, trademark, trade name, copyright, or trade secret arising from the Rain Partner's operations. THE COMPANY HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OR MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY AND NON-INFRINGEMENT. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT.

### 11.5 Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of business. No failure of the Company to exercise any right of power under the agreement or to insist upon strict compliance by a Rain Partner with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of the Company's right to demand exact compliance with the Agreement. Waiver by the Company can be effectuated only in writing by an authorized officer of the Company. The Company's waiver of any particular breach by a Rain Partner shall not affect or impair the Company's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Rain Partner. Nor shall any delay or omission by the Company to exercise any right arising from a breach affect or impair the Company's rights as to that or any subsequent breach. The existence of any claim or cause of action of a Rain Partner against the Company shall not constitute a defense to the Company's enforcement of any term or provision of the Agreement.

### 11.6 Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason in any jurisdiction, only the invalid portion(s) of the provision shall be severed in that jurisdiction only and the remaining terms and conditions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible. Any provision found unenforceable may be partly enforced to the maximum extent enforceable under the law.

## 11.7 Delays

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

## 11.8 Successors and Assigns

The Agreement will be legal and binding upon and inure to the benefit of the heirs, devisees, executors, administrators, personal representatives, successors, and assigns (as applicable) of the respective parties hereto.

## 11.9 Limitation of Liability

To the extent permitted by law, the Company, its directors, officers, members, managers, shareholders, employees, assigns and agents (collectively referred to as "Reasonable Parties"), shall not be liable for, and the Rain Partner releases Company and its Responsible Parties from and waives all claims for, any loss of profits, indirect, direct, special or consequential damages, and for any other losses incurred or suffered by a Rain Partner as a result of: (i) a Rain Partner's breach of the Agreement; (ii) the promotion or operation of the Rain Partner's Independent Business; (iii) a Rain Partner's incorrect or wrong data or information provided to the Company or its Responsible Parties; or (iv) the Rain Partner's failure to provide any information or data necessary for the Company to operate its business. EACH RAIN PARTNER AGREES THAT THE ENTIRE LIABILITY OF THE COMPANY AND ITS RESPONSIBLE PARTIES FOR ANY CLAIM WHATSOEVER RELATED TO THE AGREEMENT, BUT NOT LIMITED TO, ANY CAUSE OF ACTION SOUNDING IN CONTRACT, TORT, OR EQUITY, SHALL NOT EXCEED, AND SHALL BE LIMITED TO, THE AMOUNT OF PRODUCTS THE RAIN PARTNER HAS PURCHASED FROM THE COMPANY THAT ARE IN RESALABLE CONDITION.

## 11.10 Force Majeure

The parties to the Contract shall not be responsible for any failure or delay in the performance of any obligations hereunder caused by acts of God, flood, fire, war or public enemy.

## SECTION 12 – DEFINITIONS

The following defined terms apply throughout and are capitalized where used:

**Active Customer:** A Customer who purchases Rain International products and whose account has been paid for the ensuing year.

**Active Rain Partner:** A Rain Partner who satisfies the minimum Personal Volume requirements, as set forth in the Compensation Plan, to ensure that he or she is eligible to receive bonuses and commissions.

**Active Rank:** The term “active rank” refers to the current rank of a Rain Partner, as determined by the Compensation Plan, for any week. To be considered “active” relative to a particular rank, a Rain Partner must meet the criteria set forth in the Compensation Plan for his or her respective rank. (See the definition of “Rank” below.)

**Agreement:** The contract between the Company and each Rain Partner includes the Rain Application, the Policies and Procedures, the Compensation Plan, and the Business Entity Registration Form (where appropriate), any amendments thereto, and any other written agreement between the Rain Partner and the Company, all in their current form and as amended by the Company in its sole discretion. These documents are collectively referred to as the “Agreement.”

**Applicant:** A person who has submitted a Rain Application.

**Authorized Country:** A country that the Company has officially sanctioned to be available to all Rain Partners for conducting the Rain International Business.

**Automatic Delivery Program (ADP):** An optional program that authorizes the Company to automatically ship Company products to a Rain Partner or Preferred Customer on a recurring monthly basis.

**Beneficial Interest:** A person is deemed to have a Beneficial Interest in a Rain Partnership if he/she/it has: (1) any direct or indirect ownership in a Rain Partnership as an individual, partner, shareholder, member, manager, beneficiary, trustee, officer, director or principal of a Rain Partnership; (2) has any actual or de facto control over a Rain Partnership; (3) receives any income directly or indirectly from a Rain Partnership (other than the receipt of income pursuant to the Compensation Plan by an Upline Rain Partner); (4) receives familial support from a Rain Partnership; (5) receives spousal support derived from a Rain Partnership; (6) is a member of the Rain Partner’s immediate household; (7) is a spouse or Co-habitant; or (8) has any other similar interest in a Rain Partnership.

**Bona Fide Offer:** An arm’s length written offer to purchase the Rain Partnership by a Person that is not a Rain Partner, which the Company, in its sole discretion, determines to be a legitimate offer.

**Business Entity:** Any type of business association authorized under the laws of the jurisdiction in which it was organized. This includes, but is not limited to, legally formed: corporations, partnerships, trusts, and limited liability companies.

**Cancel:** The termination of a Rain Partner's business. Cancellation may be either voluntary or involuntary, through non-renewal, inactivity, or termination by breach of the Agreement.

**Company:** Rain International, LLC, a Delaware limited liability company, or any lawful assignee, successor, subsidiary, or affiliate regardless of geographic location.

**Company Licensed Website:** An Internet website approved by the Company in accordance with the provisions of Section 8.

**Compensation Plan:** The specific plan used by the Company that details the requirements and benefits of the compensation structure for Rain Partners.

**Competing Company:** A direct selling, network marketing or multi-level marketing company which promotes, sells or distributes any health, nutrition or personal care products in any Authorized Country.

**Confidential Information:** Information disclosed to the Rain Partner pursuant to the Agreement or information gathered by a Rain Partner about other Rain Partners in connection with their promotion of products or sales materials, including, but not limited to, information regarding (i) downline Marketing Organizations or upline Rain Partners, including Rain Partner names and contact information, customer information developed by Company or developed for and on behalf of the Company by Rain Partners through Rain Partner meetings, websites, email and/or profile gathering tools, and any other electronic or manual application used by a Rain Partner or his or her agent to gather, store, and/or develop any information about Rain Partners and Customers (including but not limited to credit data, retail customer and Rain Partner profiles, and product purchase information and (ii) customer lists, manufacturing and supplier information, business reports, commission or sales reports, business plans, projections, trade secrets, intellectual property, analyses, and related information and other financial and business information that would be reasonably understood to be confidential and/or give competitive advantage. Confidential Information may take the form of documentation, drawings, specifications, software, technical or engineering data, or other forms, and may be disclosed orally, in writing, by electronic or magnetic media, by visual observation, or by other means.

**Cross-Company Recruiting:** Sponsoring, or a solicitation to Sponsor, indirectly or otherwise, an existing Partner (or anyone with a Beneficial Interest in that Rain Partner's Independent Business) is a violation of the Policies and Procedures. The Crossline Recruiting policy applies only to the recruiting of existing Rain Partners and does not apply to Persons who are not Rain Partners of the Company. The Company cannot punish a Rain Partner who solicits or entices a Person who has not previously been a Rain Partner, but who has been contacted by another Rain Partner. As with any commercial enterprise, Rain Partners who invest time and money into a Person are taking a risk that the Person may choose to be Sponsored under someone else.

**Co-habitant:** An individual who is eighteen (18) years of age or older who shares with another person a common residency and marriage-like relationship.



**Commissions:** Compensation paid to a Rain Partner based on the volume of products sold by the Rain Partner and purchased and/or sold by his or her downline Marketing Organization. Eligibility to receive Commissions is determined by the monthly sales requirements currently in effect, as outlined in the Compensation Plan.

**Customer:** A non-Rain Partner that purchases products at the Suggested Retail price.

**Date of Sign-Up:** The date the Company receives and accepts an Applicant's Rain Application bearing an original signature or electronic copy of an original signature.

**Downline Leg:** Each one of the individuals enrolled immediately underneath a Rain Partner and his or her respective Marketing Organizations represents one leg in the Rain Partner's Marketing Organization.

**Downline Organization:** A genealogically structured organization comprised of Rain Partners and their Customers who are below a Rain Partner in his or her Sponsor Tree or Placement Tree. The Rain Partners will have been personally Sponsored (i) by a Rain Partner and be downline of that Rain Partner through Placement, and their respective Customers, all in a direct chain of Rain Partnerships below the Rain Partner.

**Electronic Funds Transfer (EFT):** An optional program that authorizes the Company to electronically debit a Rain Partner's bank account for the amount of an order and/or other fees.

**Group Volume:** The commissionable value of Company products or services sold by a Rain Partner's Marketing Organization. Group Volume includes the Personal Volume of the subject Rain Partner and his or her customers. (Starter Kits and sales aids have no Commissionable Volume.)

**Identification Number:** The number issued specifically to an individual or company by the government. Examples include social security number (US individuals), social insurance number (Canadian individuals), employment identification number (US companies), Identity Card Number or NRIC Number (Singaporean individuals), and ID Card Number (Taiwanese individuals).

**Immediate Household:** Heads of household and dependent family members residing in the same house.

**Initial Product Order/ First Product Purchase:** The first purchase by a Rain Partner of any product offered by the Company.

**Level:** The layers of downline Preferred Customers and Rain Partners in a particular Rain Partner's Marketing Organization. This term refers to the relationship of a Rain Partner relative to a particular upline Rain Partner, determined by the number of Rain Partners between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A's fourth level.

**Lifetime Rank:** The title that a Rain Partner has achieved pursuant to the Compensation Plan.

**Marketing Organization:** The Preferred Customers and Rain Partners sponsored below a particular Rain Partner.

**Official Company Material:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Rain International to Rain Partners.

**Person:** An individual, a Business Entity, or any other entity with a distinct separate existence, and its successors, heirs, or assigns.

**Personal Volume (PV):** The commissionable value of services and products sold in a period: (1) by the Company to a Rain Partner; and (2) by the Company to the Rain Partner's personally enrolled Preferred Customers.

**Policies and Procedures:** The policies and procedures of the Company contained herein, including attachments and addenda, which are incorporated herein by this reference, as the same may be amended from time to time by the Company.

**Pre-launch Period:** A period announced by the Company prior to a country becoming an authorized Country during which a Rain Partner may begin preparation to commence the Rain Partner Business within that country.

**Preferred Customer:** An individual who registers with the Company as a Preferred Customer or pursuant to the Company's Preferred Customer Program.

**Product:** Any good or service that has Volume assigned to it and that is offered by the Company. Sales Tools and promotional material are not included in this definition.

**Qualified Direct Upline:** Regarding the Right of First Refusal, a Rain Partner's direct Sponsor who is not in violation of the Agreement and who the previous month qualified for earnings under the Compensation Plan.

**Rain Application:** The agreement submitted by an Applicant to become a Rain Partner. In signing the Rain Application, an Applicant certifies that he or she has read and will abide by the terms and conditions of the Agreement.

**Rain Partner:** A Person currently authorized by the Company to operate an Independent Business. If more than one Person is named on the Rain Application, then "Rain Partner" may refer to all Persons collectively.

**Rain Partner Business:** Activities determined at the sole discretion of the company to be a promotion of the Company's products or business opportunity. Some of these activities include, but are not restricted to: signing a Rain Application; advertising, selling or exhibiting Product; hosting, conducting, or speaking at meetings or events (whether hosted by the Company or by a Rain Partner); purchasing Product at Wholesale prices, exchanging, or returning Products; participating in the Compensation Plan, receiving periodic Company literature and other communications; participation in Company-sponsored support service training, motivational and recognition events; Sponsoring new Rain Partners; and/or selling of leads, sales tools, websites, etc. to Rain Partners.

**Rain Partner Rights:** The rights of a Rain Partner under the Agreement to conduct the Rain Partner Business.

**Rain Partnership:** As defined position within the Company's network of Rain Partners that is the subject of the Agreement.

**Rank:** The current payout qualification level of the Rain Partner according to the Compensation Plan. The Rank of a Rain Partner, which will affect the Rain Partner's Commissions calculated from the Sponsor Tree (as defined in the Compensation Plan), may fluctuate monthly and depends on the Rain Partner meeting various qualifications outlined in the Compensation Plan.

**Recruit:** For purposes of the Company's Conflict of Interest Policy the term recruit means: (a) The actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party (including, but not limited to, the use of a website), another Rain Partner or Preferred Customer to sell or purchase products or services and/or to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity; and (b) The conduct described in (a) above constitutes recruiting even if the Distributor's actions are in response to an inquiry or communication by another Rain Partner or Preferred Customer. This subsection (b) shall not be applicable in California.

**Resalable:** Products and Sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) they are returned to Rain International within one year from the date of purchase; and 5) the product contains current Rain International labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be Resalable.

**Retail Customer:** An individual who purchases Company products from a Rain Partner but who is not a participant in the Compensation Plan or the Preferred Customer Program. See the definition of Preferred Customer above.

**Retail Establishment:** Any enterprise with a physical location that is not a Service-related Establishment. Examples include, but are not limited to, mass market and specialty stores. For purposes of this definition, a Retail Establishment does not include the Internet when a Rain Partner complies with the relevant sections of the Policies and Procedures regarding authorized Internet sales and advertising.

**Retail Sales:** Sales by a Rain Partner of the Product to his or her Customers.

**Right of First Refusal "RFR":** The rights as set forth in the Policies and Procedures.

**Roll-up:** The method by which a vacancy in a Marketing Organization left by an Associate whose Rain Partner Agreement has been cancelled is filled.

**Sales Tool:** Any information, material or product created by the Rain Partner for Rain Partner Business.

**Service-related Establishment:** An enterprise where the general public typically does not have ready access unless through appointment or membership, and/or where the primary-function of the enterprise is the rendering of professional services rather than selling merchandise. Examples include but are not limited to private or restricted-access offices, salons, spas, gyms, health clubs, or private associations that may retail some products, but whose primary purpose is to offer a service.

**Sponsor:** A Rain Partner who enrolls a Preferred Customer or another Rain Partner into the Company and is listed as the Sponsor on the Rain Application. The act of enrolling others and training them to become Rain Partners is called sponsoring.

**Starter Kit:** A selection of Company training materials and business support literature that each new Rain Partner is required to purchase. The Starter Kit is sold to Rain Partners.

**Statement of Beneficial Interest:** A document required as part of the Agreement if an Applicant is applying as a Business Entity. The Statement of Beneficial Interest must list all persons who are partners, shareholders, principals, members, managers, officers, directors, trustees, beneficiaries, or who otherwise have any direct or indirect Beneficial Interest in or control over the Business Entity.

**Suggested Retail:** The price at which the Company suggests Rain Partners sell Products to Customers. The Suggested Retail prices are posted on the Company's website.

**Title:** The highest Rank ever achieved by a Rain Partner that is used for recognition purposes.

**Upline:** This term refers to the Rain Partner or Rain Partners above a particular Distributor in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any Rain Partner to the Company.

**Volume:** A value assigned to a Product for Commission purposes.

**Wholesale:** The price the Company charges Rain Partners for Products.

rain

seed nutrition co.

unearthing greatness in health,  
wealth, and potential.