

INDEPENDENT DISTRIBUTOR'S MANUAL



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INDEPENDENT DISTRIBUTOR'S MANUAL FOR THE U.S.A.

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WELCOME LETTER

Congratulations on deciding to become part of this new family whose purpose is to “help you change your life.”

As an Omnilife Independent Distributor, you have an exciting independent business opportunity, since our products are made for both nutrition and personal care.

As you succeed, you will reap earnings through one of the most exciting compensation plans in the world: direct purchases/sales and a distribution independent network.

Read, study, and master the material contained in this Distributor’s Manual. Become an expert at your own independent business. You’ve already demonstrated your will to succeed, and now we propose to support you with knowledge and action. It’s your decision to get as much as possible out of the Omnilife opportunity. We suggest that you rely on your Sponsor so that he or she can provide you with information and support, and always keep in mind:

The key to an independent distribution network is giving people the independence to build up their own business.

I’m sure you’ll do your best to use and share these excellent products. You’ve acquired valuable literature and materials to help you; rely on them. Share the benefits you’ve received by consuming Omnilife products with other people. This is the way to spark other people’s interest in them.

My responsibility towards you is to provide you with the support of one of the strongest distribution models that any company has ever offered. Like you, I began as an Independent Distributor. Contact me whenever you need to.

REMEMBER, CHANGE BEGINS WITH YOU!

Welcome!

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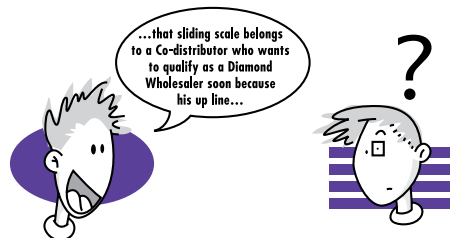


CHAPTER ONE

KNOW THE TERMS USED AT OMNILIFE

In order to get to know the company, we suggest you become familiar with the words you'll hear most often. This exercise will also show you how far it is possible to go in your independent business if you focus on it.

The terms used at Omnilife are presented by subject matter: Independent Distributor, Distributor's Independent Network, Reimbursements, and Prices and Points.



THE INDEPENDENT DISTRIBUTOR

Omnilife's sales system is done through Independent Distributors (frequently referred to only as "distributors") who purchase our products to sell them to third parties, or for their own consumption.

INDEPENDENT DISTRIBUTOR

A person who has been introduced to Omnilife, purchased the Distribution Kit, signed the Distribution Application ("application") contained in the Kit, and has been accepted as an Independent Distributor by Omnilife. The Distribution Kits are sold at cost. The application, together with this Distributor's Manual, constitutes the Agreement between Omnilife and the Independent Distributor.

Distribution Kits and applications must be purchased only from Omnilife or through an authorized Independent Distributor who intends to be your Sponsor.

The Independent Distributor can reach different levels of growth, depending on his or her perseverance and effort. Independent Distributors can purchase products directly from Omnilife for their own use and/or to offer them to the people they deal with every day, such as friends, family members, neighbors, co-workers, etc.

CO-DISTRIBUTOR

A person designated by the main Distributor who can participate in product distribution under the same Agreement.

NON-WHOLESALE DISTRIBUTOR

A Distributor who gets a discount of 20 to 35 percent on his or her purchases.

WHOLESALE DISTRIBUTORS

BRONZE DISTRIBUTOR

A distributor who has qualified as such as established in this manual, obtaining the maximum discount of 40 percent on his or her purchases.

SILVER DISTRIBUTOR

A wholesale distributor who has three (3) wholesale distributors in his or her first down line, each one with monthly royalties of \$100.00 (one hundred dollars), in addition to having a minimum of nine (9) active wholesale distributors in his or her second down line, as defined in this Manual.

GOLD DISTRIBUTOR

A wholesale distributor who has six (6) wholesale distributors in his or her first down line, each one with monthly royalties of \$100.00 (one hundred dollars), in addition to having a minimum of eighteen (18) active wholesale distributors in his or her second down line, as defined in this Manual.

DIAMOND DISTRIBUTOR

A wholesale distributor who has nine (9) wholesale distributors in his or her first down line, each one with monthly royalties of \$100.00 (one hundred dollars), in addition to having a minimum of twenty-seven (27) active wholesale distributors in his or her second down line, as defined in this Manual.

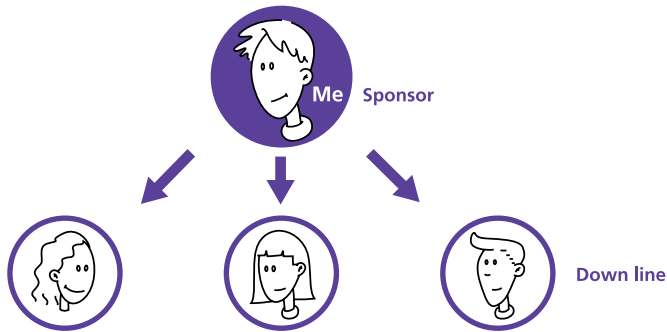
DISTRIBUTOR'S INDEPENDENT NETWORK

SPONSOR

The distributor who introduces Omnilife to another person interested in using and/or selling Omnilife products. A distributor does not receive any type of payment or reimbursement solely for being a Sponsor or for having a Sponsor.

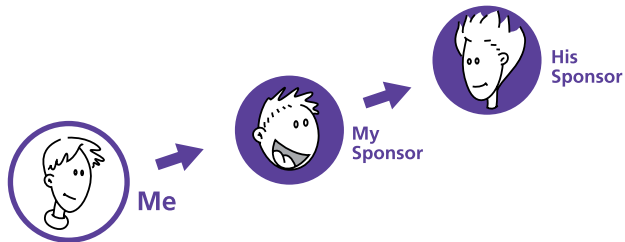
DOWN LINE OR DISTRIBUTION LINE

The Distributor's independent network, from top to bottom in descending order, which a Distributor can build up with the new Distributors he or she introduces to Omnilife. It includes distributors introduced to Omnilife by the distributor, distributors introduced by those distributors, and so forth.



UP LINE

The line of the Distributor's Sponsor, the Sponsor's Sponsor, and so forth.



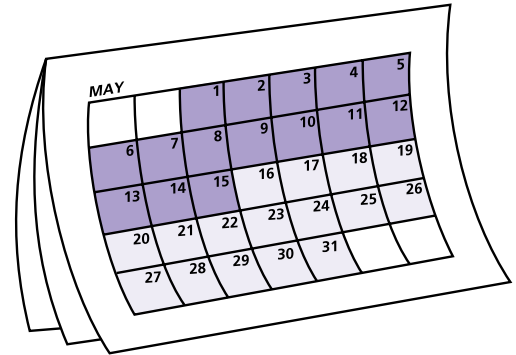
DISTRIBUTOR'S INDEPENDENT NETWORK

The down lines of Distributors that each Distributor has in any category.

REIMBURSEMENTS

REIMBURSEMENTS

The amount that Omnilife returns to the Independent Distributor by the purchases/sales volume of the distributors in his or her down lines. The Reimbursements can be generated in different ways, such as Discount Differences, Royalties, and other earning plans. Omnilife's suggestion is that Independent Distributors sell the products they purchase at retail, or that they or their family members consume them directly. Omnilife will not pay reimbursements for any purchase that Omnilife considers to be beyond the purpose of resale or personal consumption.



- **Discount Differences:** Reimbursement that consists of the difference between the Sponsor's discount rate and the discount rate of each of the Non-Wholesale sponsored Distributors in his or her down line, on purchases/sales made by the sponsored Distributors (calculated according to the Official Price List).
- **Royalties:** Reimbursement granted to the Wholesale Distributor (bronze, silver, gold, diamond) that ranges from one (1) to four (4) percent of the purchases/sales of up to 3 generations in his or her down line (calculated according to the Official Price List).
- **Special Royalties:** Reimbursement granted to the Wholesale Distributor from one more generations in his or her down line; Silver Distributor (4th generation), Gold Distributor (4th and 5th generations), Diamond Distributor (4th, 5th, and 6th generations). A Distributor is entitled to these royalties as long as he or she complies with the requirements established in Chapter 3 (calculated according to the Official Price List).

CALENDAR PERIODS

Each month of the year contains two (2) Calendar Periods. The first one spans from the first day of the month to the 15th, and the second one spans from the 16th to the last day of the month.

PRICES AND POINTS

OFFICIAL PRICE LIST

The value assigned to each Omnilife product. It is the official reference by which all reimbursements are calculated.

SUGGESTED PRICE LIST

The price at which you will receive the full profit of your discount as an Independent Distributor and recover the shipping and handling costs. The prices contained in this list are just a suggestion; you have the right to set your own resale prices and should calculate sales tax on the actual prices charged to your clients. Your invoice will include a column with this price.

PRODUCT	OFFICIAL LIST PRICE	TAX*	HANDLING	SUGGESTED LIST PRICE
	A	B	C	A+B+C
OML PLUS (bottle)	37	EXEMPT	4.07 37 x 11%	41.07 37 + 4.07 + EXEMPT
MAGNUS (bottle)	19	EXEMPT	2.09 19 x 11%	21.09 19 + 2.09 + EXEMPT

*NOTE: To illustrate this example, the state of Texas was used to determine the tax rate (8.25%) and whether the products are taxable. Taxes vary from state to state; please review the Official Price List.

POINTS

The points Omnilife assigns to each of its products.

PERSONAL POINTS

The total points accumulated due to the volume of products purchased by an Independent Distributor.

DISTRIBUTION NETWORK POINTS

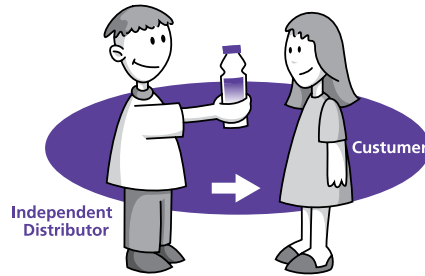
Total purchases/sales points made by the Non-Wholesale Distributors in your down line, as long as they are not under a Wholesale Distributor.

SLIDING SCALE

The discounts ranging from 20 to 35 percent of the Official Price List, applied according to the accumulated purchases/sales points by a Non-Wholesale Distributor. The 40 percent discount is reserved for Wholesalers.

CHAPTER TWO

SUGGESTED MARKETING PLAN



Omnilife suggests a Marketing Plan to help you distribute its products. Because our sales system is a direct system, our products reach the public through Distributor's independent networks rather than through businesses (natural product stores, supermarkets, pharmacies, etc.). This plan is designed so that if you devote yourself to your independent business, you may get results. Nevertheless, you can create your own plan for marketing and growth, always taking into consideration the conditions regarding the distribution of our products.

The multi-development concept designed by Omnilife is currently one of the most successful. Each distributor starts in the same position with the same opportunities for success and progress, and can do business alone or with a partner. The compensation you can receive will be in proportion to the time and effort you can devote to your business and that you consider most appropriate. That is, Omnilife's suggested Marketing Plan is designed to give a dedicated Independent Distributor the best chance for success.

Before reviewing the suggested Marketing plan, remember the following:



1. Personally experience the benefits that Omnilife products have to offer. It's important that you are capable of sharing the products with other people by using them and talking about them. What does this mean exactly? It means you can consume the products, get results, and obtain the knowledge to be able to talk about them with other people, and sell more as a result.
2. Don't make false statements about the products or statements not approved by Omnilife.

3. Answer your clients' questions about the products and how they are used in an appropriate and honest way. If someone asks you about a product and you don't know the answer, consult with the Center for Response to Entrepreneurs at Omnilife (CREO).

4. Your success as an Independent Distributor is based on the volume of purchases/sales (retail sales) you make, and on those of your independent distribution network (organization), so we recommend that you follow the Marketing Plan suggested by Omnilife.

OMNILIFE MARKETING PLAN

The Omnilife marketing plan has two parts, and you can work on them at the same time or independently. Below we will tell you what they are, and the benefits of each of them.

Retail:

Direct sales

Personal attention to the client

Bronze Level Wholesaler

Profits on discounts for purchases/sales.

Qualification for Bonuses in Contests launched by Omnilife



Network:

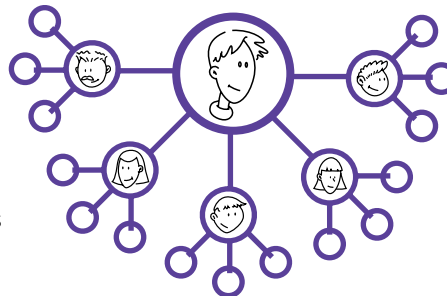
Sponsoring other people

Following up on your lines

Bronze, Silver, Gold and Diamond Wholesalers

Earnings from reimbursements

Qualification for Bonuses in Contests launched by Omnilife



In both cases you obtain earnings from the direct resale to your customers (based on the difference between your discount on the purchase price and the suggested price list).

2.1 RETAIL SALES



This is one option of the marketing plan suggested by Omnilife: direct sales or retail sales can be one of the fastest ways to earn money. You can purchase the products at a discount directly from Omnilife and resell them; thus you get an economic benefit that amounts to the difference between the purchase price (Official Price List) and the resale price to your customers (Suggested Price List).

By purchasing and selling more Omnilife products and increasing your personal point score, you get the right to purchase products on a Sliding Scale of discounts, ranging from twenty (20) to thirty-five (35) percent:

	POINTS	DISCOUNTS
SLIDING SCALE	0 to 499	20%
	500 to 999	25%
	1000 to 1999	30%
	2000 and up	35%

* The (40) percent discount is only for qualified wholesalers who have attained four thousand (4,000) points through any of the qualification methods described in Chapter 3.

If the Distributor introduces more people to Omnilife, the points accumulated by the Non-Wholesale Distributors in his or her independent distribution network also count towards moving up on the discount Sliding Scale. Once you advance on the Sliding Scale, your discounts will never get smaller.

2.1.1 SUGGESTIONS FOR RETAIL SALES

In this section we offer you suggestions on how to make retail sales. These suggestions can be useful to you if you've just joined and aren't sure where and how to start your independent business. Your dedication and perseverance will allow you to reap greater economic earnings.

First of all, we suggest that you make a list of the needs you wish to satisfy, both basic and day to day expenses (for example, pay debts, rent, food, clothing, etc.).

- How much money do I need to earn today?
- According to my purchase discount, how many products do I need to sell today to satisfy my basic financial needs?

PRODUCT	IF I'M AT 20%	IF I'M AT 25%	IF I'M AT 30%	IF I'M AT 35%	IF I'M AT 40%	
MAGNUS (box) Earnings at the suggested price of 21.09*	\$3.80	\$4.75	\$5.70	\$6.65	\$7.60	
How many must I deliver to earn approximately \$10.00 per day?	2.5 boxes per day	2 boxes per day	1.75 boxes per day	1.5 boxes per day	1.25 boxes per day	I earn \$300.00 per month!
OML PLUS (box) Earnings at the suggested price of 44.07*	\$7.94	\$9.93	\$11.91	\$13.90	\$15.88	
How many must I deliver to earn approximately \$20.00 per day?	2.5 boxes per day	2 boxes per day	1.75 boxes per day	1.5 boxes per day	1.25 boxes per day	I earn \$600.00 per month!
POWER GAIN (box) Earnings at the suggested price of 48.84*	\$8.80	\$11.00	\$13.20	\$15.40	\$17.60	
How many must I deliver to earn approximately \$30.00 per day?	3.5 boxes per day	2.75 boxes per day	2.25 boxes per day	2 boxes per day	1.75 boxes per day	I earn \$900.00 per month!

We recommend making the calculation on the Suggested Price List. This is just an example.

- What can I do? Look for people who really want to improve their health and share the products with them.

- How can I do it? Ask people you know, and those you don't know, if they'd like to feel better.

If the answer is:

YES, then talk to them about your experience and share testimonials. Ask them about their needs, offer them products accordingly, and ask them if they know anybody else who might want to benefit from Omnilife products.

NO, then you can ask them if they know anybody else who might want to benefit from Omnilife products.

Either way, you can set a goal of talking to 10 people every day.

***Follow up with your clients.** It's a matter of asking them about their results with the products; be aware of their needs so that you can recommend certain products and answer their questions. If you don't know the answer, you can consult the Center for Response to Entrepreneurs at Omnilife (CREO) or your local Distribution Center by sending an e-mail to CREO@omnilife.com or by calling 1 888 326 1188 (toll-free).*

2.1.2 RETAIL EARNINGS

Retail sales allow you to earn money quickly with the purchase and sale of our products. The more products you sell, the more money you make, and the sooner you'll begin to improve your quality of life.

2.2 DISTRIBUTOR'S INDEPENDENT NETWORK

This is another option of the Marketing Plan suggested by Omnilife: selling Omnilife products through an independent distribution network. You can invite more people to join Omnilife by introducing them to the products. Depending on your perseverance and the dedication to your independent business and to building your distribution network, you will be able to earn additional money by getting royalties for the purchases made by your independent distribution network. Just sponsoring people will not provide you with any reimbursement; the people you sponsor must purchase/sell products in order for you to obtain earnings.

2.2.1 SUGGESTIONS FOR BUILDING YOUR INDEPENDENT DISTRIBUTION NETWORK

Below, we offer suggestions on how to build up your independent distribution network. Nevertheless, you can run your business any way you like, according to your needs and always taking into consideration the particular distribution characteristics of our products. Likewise, we suggest that you always keep in mind the Omnilife philosophy and mission, which is “Gente que cuida a la Gente” (“People taking care of People”). That’s why it is important to listen, follow up, and guide the people you invite as Distributors and those who are in your independent network.

Suggestions for building up your Independent Distribution Network:

A. *Bring your guests to your home or to your Support Center.*

The Independent Distributor can set up a Support Center if he or she chooses to do so. A Support Center is a place where Distributors meet and share their experiences and testimonials. They get to learn more about Omnilife, its products, and the independent business.

We suggest you organize Opportunity Meetings and talk about the products every day. How can you find people to invite? Invite those who are dissatisfied with their financial situation. You can tell people you know and people you don’t know alike: “Would you like to earn extra money? Then allow me to invite you to a meeting to hear about the Omnilife opportunity” (Opportunity Meeting at your Support Center). Don’t guarantee or promise any level of sales or income, and emphasize the fact that the results will depend on the distributor’s effort.

The only requirement for your Support Center is that it must be at least 300 feet away from the nearest Omnilife Distribution Center.

B. *How to hold an Opportunity Meeting*

Opportunity Meetings are gatherings during which you can present the products and the distribution system used at Omnilife. Below, we suggest one way to run a meeting. However, you can run it any way you like.

1. Welcome (greet your guests and show them to their seats).
2. Offer a brief description of Omnilife. Offer the Testimonial of the person who will lead the meeting.
3. Show the most recent Success video.
4. Talk about four products maximum, and give clear and concise health testimonials.
5. Present the business opportunity and provide earnings testimonials.
6. Promote the next meeting.
7. Present the Distribution Kit (promote the opportunity, not the package).
8. Bring the meeting to a close and ask who wants to take advantage of the opportunity.

Important suggestions for the Opportunity Meeting:

- The distributor who organizes the meeting should arrive 45 minutes early.
- Consume the products before, during, and after the meeting.
- Play upbeat music.
- Sample products must be complete, clean, and up to date.
- Have enough Distribution Kits available for when your guests want to join.
- Meetings should not last more than one hour and a half.

Do not promise or imply to your guests that the products offer any specific health benefits. If you give a testimonial on the products' health benefits, you must only use examples that are typical of what users of the products will experience.

Do not promise or imply to your guests that they can obtain any specific income just by joining Omnilife. If you give a testimonial on the earnings of a particular Independent Distributor, you must also explain that person's experience. Use real examples and emphasize the fact that results will depend on the dedication and work each person puts into it.

CHAPTER THREE

THE INDEPENDENT DISTRIBUTOR



3.1 GENERAL CONSIDERATIONS

Anyone can seize the opportunity that Omnilife has to offer and obtain great earnings in accordance with their dedication and effort. By signing the Independent Distributor application, you commit to the following:

1. Omnilife Independent Distributors are independent and cannot be considered, by themselves or by others, franchisees of Omnilife, contractors, partners, associates, employees, representatives, proxies, commission agents, joint venturers, authorized concessionaires, or Omnilife agents; and understands that the Distribution Agreement does not constitute a franchise, an exclusive Distributorship, or a security, and that there are no exclusive territories granted to any Distributor.

2. Independent Distributors are not permitted to make any declaration or use any phrasing, be it implicit or explicit, oral or written, that would lead one to think that the Independent Distributor is a franchisee of Omnilife, contractor, partner, associate, employee, representative, proxy, commission agent, joint venturer, authorized concessionaire, or Omnilife agent.

3. The Independent Distributor must obey the laws of the United States of America, whether federal, state, county, district, civil, commercial, administrative, financial, taxation, or social laws and any regulation as they relate to their activities as an Independent Distributor.

4. Independent Distributors are responsible for their commercial, financial, and taxation decisions and actions, as well as for the payment of any and all licenses, expenses, and taxes incurred in the practice of their commercial activity.

5. Independent distributors are responsible for their own statements and representations.

6. Independent Distributors do not have an exclusive territory. There are no geographical limits within the United States, or within other countries in which Omnilife operates, for the purchase/sale of our products or for introducing new distributors to Omnilife. Independent Distributors cannot claim the condition of exclusive of Omnilife, or of its products.

6.1 The Independent Distributor may create a different legal entity (The Entity) in other countries in which Omnilife is present for the purpose of receiving any of the types of Reimbursements provided in this Manual that were generated in that country.

6.2 If the Independent Distributor decides to carry out the option contemplated in the previous paragraph, he/she should request in writing the specific BASES, which will set forth the proper way to pay reimbursements. This document will also be considered a part of the Agreement. The BASES are non negotiable and are subject to the laws of each country.

7. If an Independent Distributor signs more than one Distribution application, Omnilife shall recognize only the first one that was submitted and accepted.

8. No changes of Sponsor are accepted. Before signing your Distribution application, you must be satisfied with the person who introduced you, and this person must be the one who has given you adequate follow-up with respect to the products and the independent business. Once the application is signed, there will be no changes.

9. The person who signs the application accrediting him or her as an Omnilife Independent Distributor understands, agrees to, and accepts that he or she bears exclusive responsibility for the financial, legal, and tax obligations generated in the practice of his or her commercial activity.



3.2 THE BRONZE WHOLESALE DISTRIBUTOR

Once you become an Omnilife Independent Distributor, you are entitled to discounts on your purchases. When you join, you begin with a twenty (20) percent discount, and as your purchases/sales increase, the discount will increase as well. You can choose to grow gradually and achieve the discounts according to your purchases, or qualify to become a Bronze Wholesaler and have a forty (40) percent discount.

3.2.1 HOW TO BECOME A BRONZE WHOLESALER

You become a Bonze Wholesaler when you obtain four thousand (4,000) points in no more than four (4) consecutive calendar periods. The points can come from your personal purchases/sales and/or from your Non-Wholesale independent distribution network that is not below a Wholesaler. You must score multiples of one thousand (1,000) points in each calendar period in order to qualify.

Some suggestions on how you can qualify:

1ST PERIOD	2ND PERIOD	3RD PERIOD	4TH PERIOD	RESULT
1,000 points	→ 1,000 points	→ 1,000 points	→ 1,000 points	Wholesaler
2,000 points	→ 1,000 points	→ 1,000 points		Wholesaler
4,000 points				Wholesaler

If the volume of points in any calendar period exceeds one thousand (1,000) points and the excess does not reach another one thousand (1,000) points, the excess will not be taken into consideration for qualifying purposes and will not be carried over to another calendar period.

1ST PERIOD	2ND PERIOD	3RD PERIOD	4TH PERIOD	RESULT
1,100 points	→ 2,000 points	→ 800 points	→ 100 points	Non-Wholesaler

If you want to qualify as a Wholesaler using the points of your Non-Wholesale independent distribution network, you must take the following into consideration:

You can only use points from your Distributors who do not qualify as Wholesalers.

If a single line in your Non-Wholesale Independent Distribution network accumulates one thousand (1,000) points in one calendar period, they can only help you to qualify as a Wholesaler if you make another one thousand (1,000) points or multiples of one thousand (1,000) personal points and/or points from different Non-Wholesaler down lines of your independent network in the same calendar period. However, if your distribution network accumulates fewer than one thousand (1,000) points in a calendar period, you can use them to qualify as a Wholesaler.

If you have accumulated four thousand (4,000) points before the close of the qualification calendar period, all subsequent orders from that same calendar period will have a temporary forty (40) percent discount (as long as you comply with the qualification requirements). This will apply only if you accumulated one thousand (1,000) personal points in that calendar period; if you accumulated them along with the points of your distribution network, you will have to wait until the next calendar period to have the forty (40) percent discount.

NOTE: If a distributor sponsored by you becomes a Wholesaler and you have not yet reached this category, you will have one year from the date of your Distributor's qualification to qualify. If you do not qualify during that calendar period, Omnilife reserves the right to change your sponsored Distributor and his/her independent distribution network, to advance a generation or level permanently.

As a Wholesale Distributor, you have the right to a forty (40) percent discount on your purchases.

One of the most motivating privileges that Bronze Wholesale Distributors enjoy is the Royalties. These reimbursements vary from one (1) to four (4) percent of purchases/sales made by three (3) generations of Wholesalers in the down line. This is why it's important for your sponsored Distributors to become Wholesalers and for you to help them achieve this, because the earnings from Royalties can be larger than those that stem from Discount differences with your sponsored Non-Wholesalers. The percentage of Royalties that you can obtain as a Bronze Distributor is based on the volume of personal points and those of your Non-Wholesale distribution network points that you score in each calendar period.

The following table reflects the points and percentages of the applicable Royalties*:

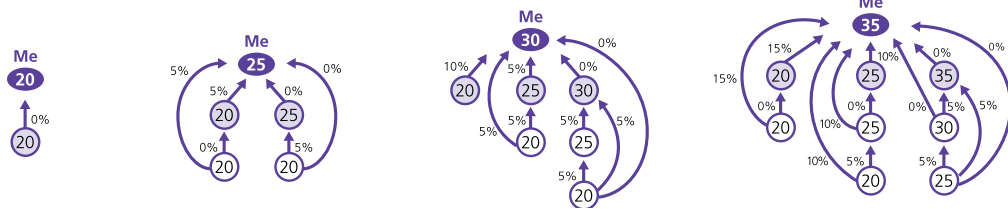
Personal/Distribution Network Points	Percentage
0-249	0%
250-499	1%
500-749	2%
750-999	3%
1000 or more	4%

*Some products only get up to 2% of Royalties, even when you score more than 749 points in one calendar period. Ask about these exceptions at your nearest Distribution Center or at the CREO.

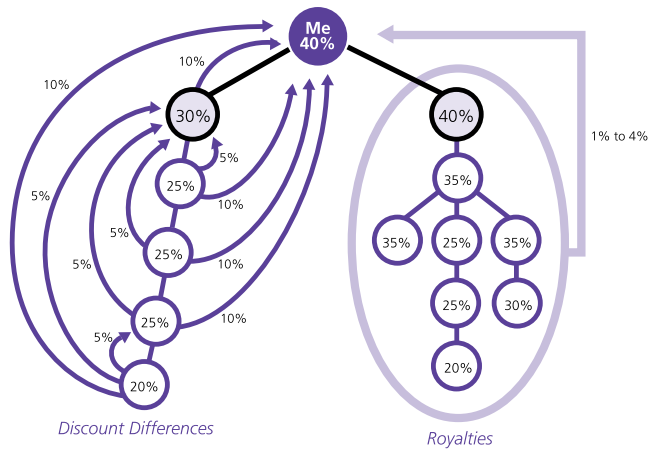
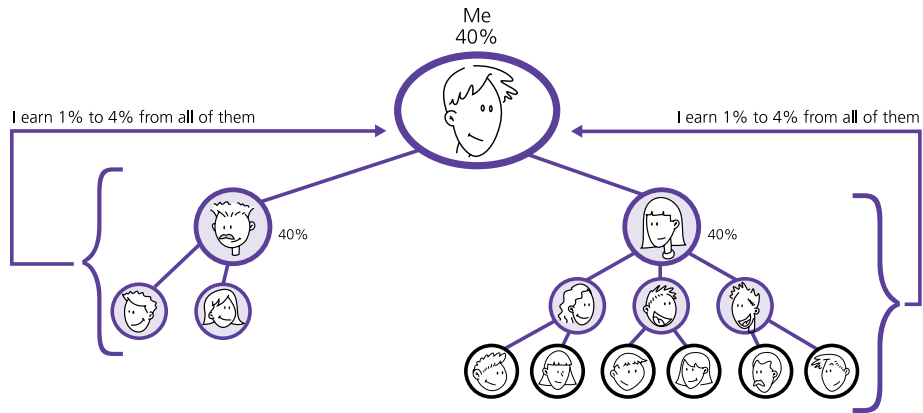
3.2.2 BENEFITS OF BECOMING A BRONZE WHOLESALER

- You get a forty (40) percent discount on purchases
- You can obtain Discount differences of five (5) to twenty (20) percent
- You can obtain Royalties between one (1) and four (4) percent

Discount Differences



Royalties (1% to 4%)

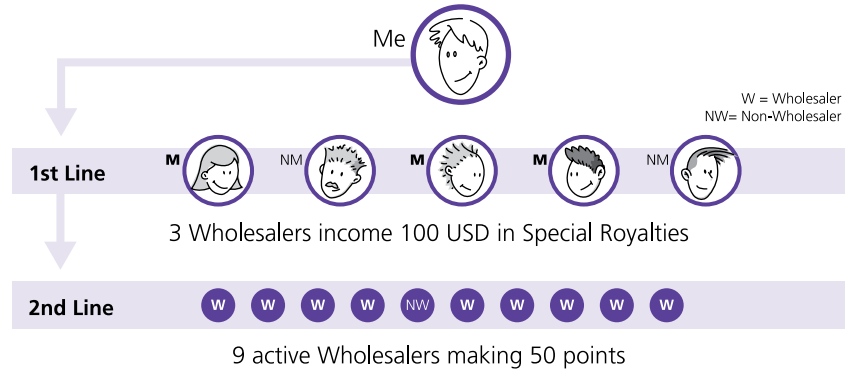


3.3 OTHER TYPES OF WHOLESALE DISTRIBUTORS AND THEIR BENEFITS

In addition to becoming a Bronze Wholesaler, there are other levels you can reach as long as you comply with the requirements. To advance a level means to increase the financial earnings.

SILVER WHOLESALE DISTRIBUTOR

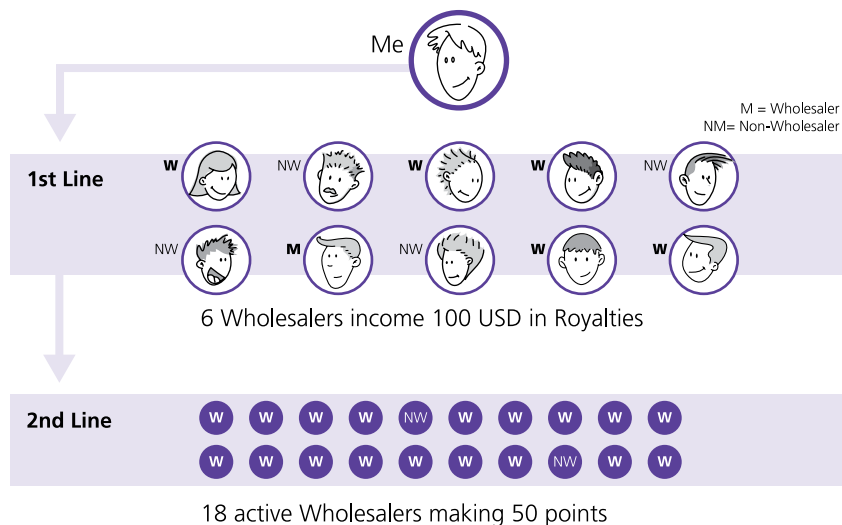
You can become a Silver Wholesale Distributor when three (3) of your first line Wholesale Distributors have achieved Royalties of at least one hundred dollars (\$100.00 USD) each. In addition, you must have at least nine (9) Wholesale Distributors in your second line, with an activity of at least fifty (50) personal and/or Non-Wholesaler Distribution network points. As a Silver Wholesale Distributor you can obtain Special Royalties of up to four (4%) percent even from four (4) generations of Wholesalers of your down line.



I can earn up to 4% in Special Royalties even from my 4th generation of Wholesalers

GOLD WHOLESALE DISTRIBUTOR

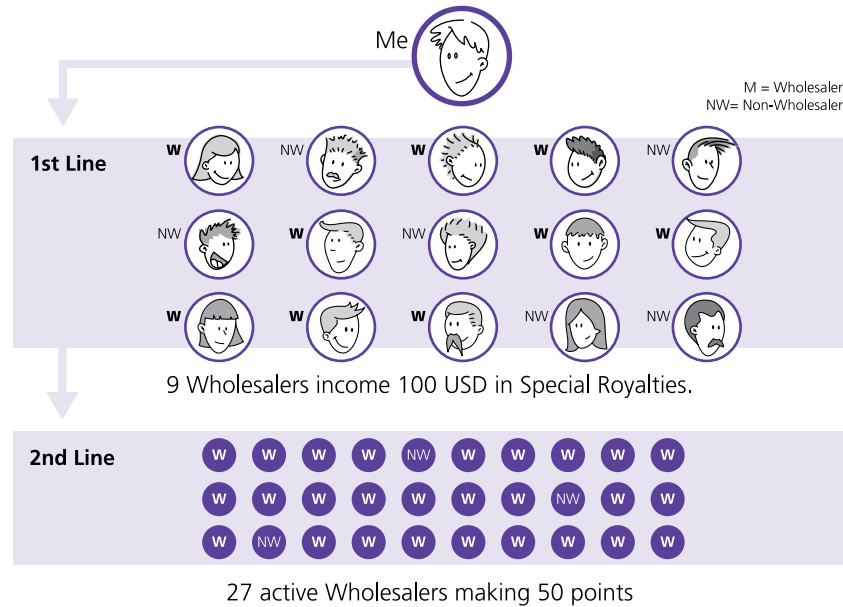
You can become a Gold Wholesale Distributor when six (6) of your first line Wholesale Distributors have achieved Royalties of at least one hundred dollars (\$100.00 USD) each. In addition, you must have at least eighteen (18) Wholesale Distributors in your second line, with an activity of at least fifty (50) personal and/or Non-Wholesaler Distribution network points. As a Gold Wholesale Distributor, you can obtain Special Royalties of up to four (4%) percent even from five (5) generations of Wholesalers in your down line.



I can earn up to 4% in Special Royalties even from my 5th generation of Wholesalers

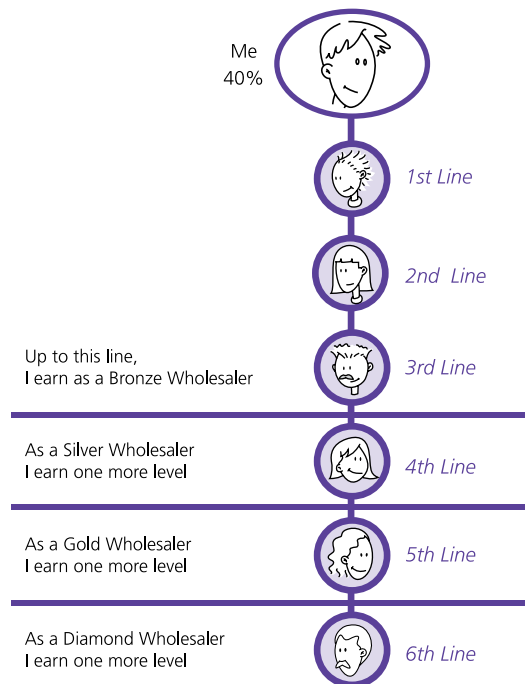
DIAMOND WHOLESALE DISTRIBUTORS

You can become a Diamond Wholesale Distributor when nine (9) of your first line Wholesale Distributors have achieved Royalties of at least \$100 (one hundred dollars) each. In addition, you must have at least twenty-seven (27) Wholesale Distributors in your second line, with an activity of at least fifty (50) personal and/or Non-Wholesaler Distribution network points. As a Diamond Wholesale Distributor, you can obtain Special Royalties of up to four (4%) percent even from six (6) generations of Wholesalers in your down line.



I can earn up to 4% in Special Royalties even from my 6th generation of Wholesalers

Special Royalties



3.3.1 CONSIDERATIONS FOR ANY LEVEL OF WHOLESALE DISTRIBUTOR

- A.** You must qualify as a Bronze, Silver, Gold, or Diamond Wholesale Distributor to later have the right to obtain reimbursements in that capacity, as long as you comply with the requirements throughout the next calendar periods.
- B.** Once you've achieved the distinction (Bronze, Silver, etc.) you cannot lose the title, but if you don't comply with the aforementioned requirements, you will stop receiving reimbursement for whichever rank you are, and you'll get it back when you again comply with the requirements.

3.4 PAYMENT OF REIMBURSEMENTS

You already know some suggestions about how you can grow as an Independent Distributor. In this section we'll explain how you can request and receive your Reimbursements.



A. Omnilife will do everything possible to ensure that the products that the distributors purchase each month are sold to third parties. This can include products consumed by the distributors and their family members. Omnilife will not pay Reimbursements on any purchase/sale that Omnilife considers to have been made with a purpose other than retail sale or personal consumption.

B. Reimbursements are calculated twice a month according to the calendar periods; that is, from the 1st to the 15th and from the 16th until the last day of each month.

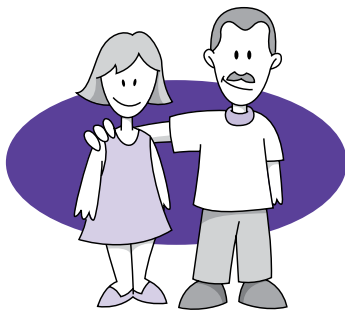
C. Reimbursements are paid through checks made out to the Independent Distributor. They can be given to a person previously authorized in writing by the Distributor or sent by mail to the Independent Distributor's address registered in our files. Omnilife also offers the Independent Distributor the possibility of a direct deposit made into his or her bank account. You can request this service from Omnilife's Accounts Department by calling the CREO. The Distributor is obligated to keep Omnilife informed of any change in his or her address and telephone number. Omnilife will not be responsible for checks sent to a wrong address.

D. Reimbursements are calculated on the fifteenth (15th) day after they have been generated. For example, those generated during the calendar period from November 1ST to November 15TH are paid on November 30th; those generated during the calendar period from November 16th to November 30th are paid on December 15th.

E. In the event that the payment date does not fall on a business day, the reimbursements will be paid on the following business day.

F. Reimbursements are deemed earned (payable) only when they exceed \$20 in a 12 month period.

3.5 CO-DISTRIBUTION



The purpose of Co-distribution is to extend the benefits to the person who helps you run your independent business. Therefore, the Distributor who signs the Agreement may authorize the person who helps him or her in the independent business (wife, friend, parent, etc.) to participate in distributing the products under the name of Co-distributor. The Co-distributor may participate directly in purchasing and selling the products, as well as in operating and marketing the independent business. The Distributor is responsible for all the activities carried out and the obligations incurred by the Co-distributor.

To register your Co-distributor, check the requirements with the CREO or your nearest Distribution Center.

3.5.1 CHARACTERISTICS OF THE CO-DISTRIBUTION

- When you fill out your Distribution application you can register your Co-distributor in the proper section as long as your Co-distributor signs the document and attaches a copy of his or her identification (signed).
- If you did not register your Co-distributor when you signed the Distribution application/Agreement, you may do so at any time simply by filling out the Co-distribution form and attaching the required documents. Consult your nearest Distribution Center or the Center for Response to Entrepreneurs at Omnilife (CREO) about any change in the requirements for Co-distribution.
- If you wish to transfer the Agreement to the Co-distributor, a notarized transfer of rights must be filed and said application will be subject to approval.
- In the case of a transfer of rights from the main Distributor to a person other than the Co-distributor, the Co-distributor will maintain that condition.
- When a Distributor marries or has a common law marriage with another distributor, each shall keep his or her previous condition with Omnilife, unless they opt for a single distribution Agreement. In that case, they must notify Omnilife in writing of the cancellation of one of the Agreements and join one such partner as the Co-distributor of the other (in this case, no benefit is transferred).
- If you marry or live in common law marriage with your Sponsor, the lines may be unified as long as you cancel your Agreement in writing and become your Sponsor's Co-distributor.
- First and foremost, the Co-distributor must follow the rules established and accepted in the Distribution Agreement and in this Manual.

The following rules also apply:

- A.** Reimbursements generated by the Distribution agreement will be issued in the name of the main Distributor and may be delivered to the Co-distributor only when the main Distributor grants him or her proxy and this is approved by Omnilife.
- B.** In the case of the separation of the Distributor and Co-distributor, the Agreement and down lines will remain with the main Distributor, and the down lines will not be separated or divided for any reason.
- C.** The Co-distribution may be terminated when the main Distributor and the Co-distributor consider it convenient or necessary and either of them signs the corresponding cancelation application form (see requirements). If the Co-distributor wishes to be admitted immediately as the main part of a new Distribution Agreement, he or she may do so (as long as he or she joins under the same Sponsor); otherwise, he or she must wait 6 (six) months to be admitted as the main part of a new Distribution Agreement or the Co-distributor in another line (except for spouses and common law marriage).
- D.** In the case of the death of the Independent Distributor, all the rights derived from his or her Distribution Agreement will be transferred to the Co-distributor, and the surviving Co-distributor shall be the only person entitled to the deceased Independent Distributor's rights and/or monies pursuant to the Distribution Agreement, regardless of who may be named under the deceased Independent Distributor's Last Will and Testament.

In the case of the death of an Independent Distributor without a Co-distributor, the succession of the Agreement rights will be carried out according to the pertinent laws. Omnilife will not recognize the transfer of the main Distribution Agreement until the heir makes his or her condition as such known to Omnilife, and he or she has presented a declaration from a judicial court or documents accrediting his or her condition as heir according to the pertinent laws. The heir shall be subject to all rights and obligations derived from the Agreement, like any other Independent Distributor.

Because of the Agreement's indivisibility principle, in the case that there are two or more heirs, Omnilife will request in writing that the heirs designate a single successor, who will be designated as the main Distributor. If there is no agreement among them in the year following the Distributor's death, the Agreement will become inactive.

The Co-distributor or successor shall be subject to all rights and obligations derived from the Agreement, like any other Independent Distributor.

- E.** If the partner of a Distributor wishes to sign a distribution Agreement on his or her own, he or she may do so as long as he or she joins under the same Sponsor. If he or she is a Co-distributor, he or she must first resign that position in writing.

If a Distributor's partner joins with a different Sponsor, the second number (second Agreement) will be moved under the Sponsor of the first number registered; but if the Distributor holding the second number does not agree, the aforementioned second number must be cancelled and if there is a down line, it shall be moved under the sponsorship of the first number registered.

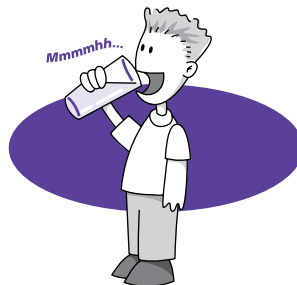
3.5.2 BENEFITS OF CO-DISTRIBUTION

The person who is accepted as a Co-distributor has the following benefits:

- **Purchase of products.** The Co-distributor, once he or she has joined as such, may purchase products directly from Omnilife presenting his or her identification.
- **Trips.** Both Distributor and Co-distributor may travel when they have achieved a double qualification. With a single qualification, they must decide which of the two will attend, and if it is the Co-distributor, the main Distributor must present a signed letter transferring this right, which will be subject to the approval of Omnilife and may be denied.
- **Personal development conferences.** The distributor and Co-distributor may attend Omnilife personal development conferences, either together or individually, as long as they cover their cost, making the payment at the nearest Distribution Center or through the Center for Response to Entrepreneurs at Omnilife (CREO).

CHAPTER FOUR

ETHICS REGARDING OUR PRODUCTS

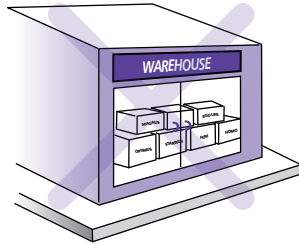


4.1 PURCHASES/ SALES

The possibility of growth at Omnilife and of obtaining greater benefits will depend on the time and perseverance you dedicate to your independent business. Taking this into consideration, the marketing (purchase/sale) of our products is subject to the following:

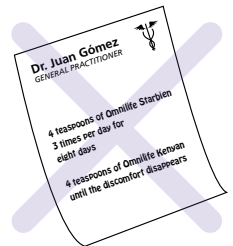
- Only those with the condition of Independent Distributors may purchase directly from Omnilife USA.
- The Independent Distributors agree that Omnilife may charge them USD\$.25 per purchase to offset advertising and promotion expenses incurred by Omnilife.

- A distributor may not directly or indirectly ask or lead another Omnilife distributor to purchase or sell products or services other than those offered by Omnilife.
- If an Independent Distributor wishes to make some of his or her purchases from Omnilife through a third party, he or she must grant a letter of temporary authorization according to Omnilife's requirements to that effect.
- The Independent Distributor must not sell the products using installments, promises for future payment, on credit, or through any type of financing.

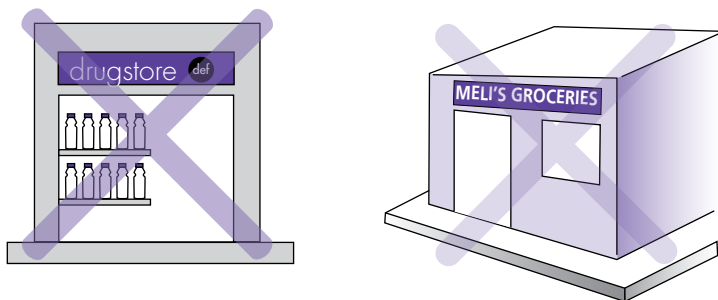


- Any type of storage or stockpiling of Omnilife products in commercially unreasonable quantities is not permitted.
- The Independent Distributor is obligated to keep sales records for three years after the end of the calendar year in which the products were sold. Omnilife has the right to monitor the retail sales of Independent Distributors and to request proof of sales from all Distributors. This point is discussed in Chapter 5.
- Products consumed by the distributor or his or her family are not considered sales for the purpose of bonuses, trips, contests, etc. Only retail sales of the products count as "sales".

- Products may not be sold or lent between Distributors to later be returned; therefore, if an Independent Distributor obtains products from the inventory of his or her Sponsor or from any other Distributor, Omnilife is not responsible and therefore shall not pay Reimbursements on such transactions or apply points towards discount changes, wholesaler qualifications, bonuses, contests, trips, or events.
- A Distributor should not sell individual parts of a package of any Omnilife product; in other words, partial contents of a package cannot be sold individually. The products must be resold as complete packages in the original, unopened presentation (for example: the sale of preparations, open packets, bulk product, mixtures, or droppers is not allowed).
- Omnilife products are not prescription drugs. Under no circumstances may they be advertised, marketed or prescribed as if they were.
- A distributor must not state that any government or quasi-government agency has approved, endorsed, or promoted Omnilife products.
- Each Independent Distributor, upon paying for and receiving his or her products, must check to make sure he or she is fully satisfied with them. All merchandise returns are regulated by the Return Policy.
- Prices and products and materials may change without prior notice.



- Each Independent Distributor, as an independent businessperson, will be responsible for his or her own tax obligations.
- Each Distributor will provide his or her clients with Retail Sales Receipts for the products he or she sells. The Distributor will deliver receipts to his or her clients as indicated in Chapter 5.
- The authorization to market and sell Omnilife products as an Independent Distributor depends on the observance of the requirements of the application and of the current Distributor's Manual (the "Agreement").



- Omnilife does not allow any type of exhibition or sale of the products (check with the Center for Response to Omnilife Entrepreneurs for exceptions to the suggestion) in stores or public places (such as grocery stores, supermarkets, pharmacies, flea markets, gyms, beauty shops, etc.).
- Independent distributors cannot sell products to people who intend to display or sell them in stores or other public places.
- Independent Distributors may sell their products only to persons who purchase them for personal use or to be used by their family members. Independent Distributors may not sell products to people who intend to resell them. Large-quantity retail sales are not permitted.
- Because the product labels follow the specific laws of each country, selling Omnilife products that have been purchased in another country is not permitted. The sale of products on the border from one country to another is also not permitted. For example, you may not purchase your products in Mexico and sell them in the United States.
- The Independent Distributor has purchased products with the discount percentage that corresponds to him or her on the Sliding Scale, and his or her profit will be the difference between that Official Price List and the Suggested Price List sold to the client.





- There's no need to go directly to Omnilife to place an order; you can do it by calling the Center for Response to Entrepreneurs at Omnilife and paying the shipping costs.
- Our products can be obtained at any Distribution Center and from the Center for Response to Entrepreneurs at Omnilife Entrepreneurs (CREO).

The following chart shows how you can calculate your order. Take the following into consideration:

Price: The Official Price List of the product with no discount applied.

Discount: The percentage of discount your receive, based on your current Distributor level.

Sales Taxes: Your state taxes (these taxes are calculated on the basis of Price).

Shipment: Handling expense calculated on the basis of the weight of the order.

This calculation may vary depending on how your order is processed (Distribution Center or Center for Response to Entrepreneurs at Omnilife).

* If you make a purchase from the CREO and your order is less than \$90.00, \$9.90 will be charged for handling. If the order is more than that, 11% will be applied, plus sales tax if the product is taxable, and/or the corresponding percentage for handling according to the product purchased.

*This is an example. Please use the current Official Price List and apply your State taxes. Shipment is calculated according to the order's weight.

D I S T R I B U T I O N		C E N T E R S		E R S			
PRODUCT	DISCOUNT	OFFICIAL PRICE LIST	DISCOUNT	PRICE WITH DISCOUNT	TAX	HANDLING	DISTRIBUTOR PRICE
1 OML PLUS (bottle)	20%	\$37	\$7.40 \$37 x 20%	\$29.60 \$37 - \$7.40	EXEMPT	\$4.07 \$37 x 11%	\$33.67 \$29.60 + 4.07
3 MAGNUS (bottle)	25%	\$57 \$19 x 3	\$14.25 \$57.00 x 25%	\$42.75 \$57.00 - \$14.25	EXEMPT	\$6.27 \$57.00 x 11%	\$49.02 \$42.75 + 6.27
1 BLU (20.288 fl oz)	30%	\$1.10	\$0.33 \$1.10 x 30%	\$0.77 \$1.10 - \$0.33	EXEMPT	\$0.12 \$1.10 x 11%	\$0.89 \$0.77 + 0.12

CREO (Center for Response to Entrepreneurs at Omnilife)

PRODUCT	DISCOUNT	OFFICIAL PRICE LIST	DISCOUNT	PRICE WITH DISCOUNT	TAX	HANDLING	DISTRIBUTOR PRICE
2 FIBER N' DURAZNO (can)	20%	\$49 \$24.5 x 2	\$9.80 \$49.00 x 20%	\$39.20 \$49 - \$9.8	EXEMPT	\$10.72 9.9*1.0825	\$49.92 \$39.20 + \$10.72
50 BLU (20,288 fl oz) 3 OML PLUS (bottle)	25%	\$166 (\$1.10x50)+(\$37.00x3)	\$41.50 \$166.00 x 25%	\$124.50 \$166.00 - \$41.50	EXEMPT	\$42.99 \$111 x 11%*1.0825 \$55.00 x 50%*1.0825	\$167.49 \$124.50 + 42.99
7 EGO FRUTAS (six pack) 6 ALOE LIMON (32,461 fl oz)	30%	\$153.90 (\$13.20x7)+(\$10.25x6)	\$46.17 \$153.9 x 30%	\$107.73 \$153.9 - \$46.17	\$7.62 \$92.40 x 8.25% ALOE EXEMPT	\$32.33 \$92.40 x 25%*1.0825 \$61.50 x 11%*1.0825	\$147.68 \$107.73 + \$7.62 + \$32.33
10 SOFT DRINK COLA (six pack)	35%	\$90 \$1.50 x 60	\$31.50 \$90.00 x 35%	\$58.50 \$90.00 - \$31.50	\$7.43 \$90.00 x 8.25%	\$48.71 \$90.00 x 50%*1.0825	\$114.64 \$58.50 + \$7.43 + \$48.71
3 POWER GAIN (bottle)	40%	\$120 \$40.00 x 3	\$48.00 \$120.00 x 40%	\$72.00 \$120.00 - \$48.00	EXEMPT	\$14.29 \$120.00 x 11%*1.0825	\$86.29 \$72.00 + \$14.29

- Omnilife accepts payment for the purchase of products with cash and major credit and debit cards (including prepaid credit cards). Payment with credit or debit card may be discontinued without prior notice.

4.2 SPONSORSHIP, RESPONSIBILITY AND CANCELANATION

As an Independent Distributor, you are the owner of the products you acquired from Omnilife. Nevertheless, you must adhere to the terms of the application, the Distributor's Manual, and the Return Policy in order to remain authorized to sell and market Omnilife products as an Independent Distributor and to obtain earnings from your independent business Omnilife.

The following are some important considerations that you should keep in mind in relation to sponsorship, responsibility, and cancelation.

4.2.1 SPONSORSHIP—GENERAL INFORMATION

All Independent Distributors may introduce clients, friends, or any other person to Omnilife so that they may conduct the activity of Independent Distributors. To be considered as such, they must purchase the Distribution Kit, fill out and sign the application, and deliver it to an Omnilife Distribution Center or send it to the general offices, which reserve the right to accept or reject it.

The Independent Distributor who sponsors new Distributors must make sure they are duly informed of the Omnilife product line and Marketing Plan.



4.2.2 INTERNATIONAL SPONSORSHIP

An Independent Distributor can expand his or her business and sponsor Distributors in the countries in which Omnilife has presence. The Independent Distributor's identification number is unique and valid in any country in which Omnilife has presence.

In order for Omnilife to accept an application of a Distributor, the person named as his or her Sponsor in the application must be registered as an Omnilife Distributor in any country in which Omnilife has presence.

Applications for admission vary from country to country. When you are going to sponsor another person in any country in which Omnilife has presence, the Distribution Agreement must correspond to the country of residence of the new Distributor. For example: if a new Distributor is on vacation in Mexico, but he or she resides in the United States, he or she must sign a U.S. Agreement.

The points needed to qualify as a Wholesaler, the payment of Discount differences, the qualification for bonuses or to participate in contests (as long as it is established as such in the rules and regulations), etc., may be generated in any country by either the Distributor or his or her independent distribution network, always in accordance with the rules and regulations established in the application and Distributor's Manual of the country where he or she generated them. The applicable points and Official Price List of each product, may vary from country to country.

Payment of international reimbursements will be made at the same time as the payment of reimbursements generated in the Distributor's country of residence.

Omnilife complies with the regulations of each country where it has business. For this reason, it will withhold the amounts required by the corresponding legislation and which are necessary to pay the taxes that the Distributor must by law pay in each country for what he or she has generated in that country.

If an Independent Distributor moves to a country in which Omnilife operates, he or she must observe and comply with the laws in effect in that country in his or her activity as an Independent Distributor.

Omnilife products may not be transferred or shipped from one country to another. Noncompliance with this policy will lead to the termination of the Distribution Agreement, and the Independent Distributor will be the only person responsible for the fines and penalties derived from the illegal practices that he or she has carried out, and which may have some consequence for Omnilife.

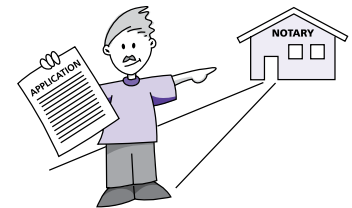
Omnilife reserves the right to market and promote the products it considers most appropriate in each country.

4.2.3 RESPONSIBILITY

Distributors may only assign or transfer their distribution Agreement to another person when that person is not an Omnilife Distributor, is not married to a Distributor (except if they are under the same Sponsor), is not his or her dependent, does not participate in a business or company related to Omnilife, and has not resigned his or her distribution Agreement by his or her own free will.

Before Omnilife authorizes such a transfer or reassignment of an Agreement's rights and obligations, all required documents must be signed by the parties and duly certified by a Notary Public. Then they must be presented to Omnilife, which reserves the right to accept or reject the change in the main Independent Distributor in the Agreement. To learn more about these requirements, contact the Center for Response to Entrepreneurs at Omnilife or the nearest Distribution Center. The Distributor who transferred the rights must wait 6 months to rejoin as an Omnilife Distributor or Co-distributor.

In accordance with Chapter 3 of this manual, the Independent Distributor is at no time considered exclusive. Nevertheless, Omnilife considers the composition of its



distribution network confidential. Therefore, Independent Distributors may not market the products of other companies using Omnilife's network, and may not lead other Omnilife distributors to do so. Noncompliance with this policy will be cause for the immediate cancellation of the Distribution Agreement. In addition, Omnilife has the right to demand indemnification for any damages that result from the violation of this rule to the maximum amount permitted by law.

4.2.4. CANCELATION



An Independent Distributor may voluntarily terminate his or her Agreement by filing a written notice to Omnilife accompanied by a copy of his or her identification. If he or she wishes to join again, he or she must wait six (6) months.

The death of a Distributor results in the termination of his or her Agreement with Omnilife, unless he or she has a Co-distributor or legal heir, in which case the rules established in the paragraph concerning Co-distributors, found in Chapter 3.5.1, shall apply. If an Independent Distributor decides to cancel his or her Agreement, Omnilife will repurchase any unsold, unopened product that is still for sale, as well as any Kit he or

she has purchased. This repurchase obligation covers only products that have been returned to Omnilife in their original, closed packaging and in a sellable condition. All repurchases merchandise is regulated by the Return Policy.

Omnilife may, at its sole discretion, terminate a Distributor's status as such and his or her rights under the corresponding Agreement when the following occurs:

1. For the purpose of purging the system, if an Independent Distributor makes fewer than one hundred (100) personal points in an Omnilife calendar year, his or her Agreement will be canceled.
2. But if an Independent Distributor makes more than one hundred (100) and fewer than one thousand (1,000) personal points in that same year, he or she will be granted a reactivation period in order to be able to keep the benefits of his or her Agreement. If an Independent Distributor does not reactivate his or her Agreement during that specific period, the Agreement will be canceled. In this case, he or she may present a new application under the same or a different Sponsor. Omnilife will set the first and last dates of the year for this purpose, and these dates may vary at Omnilife's sole discretion.

3. If the Distributor commits any act that, at Omnilife's discretion, represents or may represent an illegal business practice or crime under the laws of the United States of America, Omnilife has the right to terminate the Agreement. Omnilife will not contract with those who are not authorized to work in the US.

If the Distributor has failed to comply with any of the terms of the application or Distribution Manual (the "Agreement"), including but not limited to the remission of a Resale Certificate that is suspected of being false or inadequate, Omnilife has the right to terminate the distributorship and to notify the Distributor, either in writing or by some other form of communication.

This manual is part of the Distribution Agreement, which will govern the relationship between the parties: you as an Independent Distributor and Omnilife as a supplier. Consequently, the noncompliance with any terms of the Omnilife rules and policies contained in the Distributor's application, Distributor's Manual, or Return Policy constitutes a violation that will cause the termination of the Distribution Agreement.

Termination or Cancellation of the Agreement in any form shall result in the loss of the benefits as an Independent Distributor.

4.3 INTELLECTUAL PROPERTY AND PUBLICITY

a) Intellectual Property

Omnilife, its controlling, affiliate and/or subsidiary companies (collectively "Omnilife") is(are) the sole and legitimate worldwide rightholder(s) of all intellectual property rights (in an ample sense) in connection with the products, the services, the contests, the projects, the web pages, the author's and artistic works, the phonograms, the videograms, the radio and television programs and spots, and the Omnilife materials, including but without limitation to all trademark rights, industrial property rights, author's rights and neighboring rights (collectively the "Intellectual Property"); therefore, all use of the Intellectual Property shall be subject to Omnilife's prior written approval.

Accordingly, only Omnilife is authorized to produce, reproduce, distribute, transform, and commercialize products, formats, brochures, literature and -in general- any good or service under the name Omnilife and its distinctive signs (trademarks, logos and slogans). Notwithstanding the foregoing, the Independent Distributors may use the slogan "People taking Care of People", the name "Omnilife" and the logo , provided that they appear accompanied by the phrase "Independent Distributor".



Example: Independent Distributors may not use the name “Omnilife”, nor any of Omnilife’s distinctive signs (trademarks, logos and slogans), on checks, invoices, domain names, ads, or letterheads without Omnilife’s prior written authorization.

Without prejudice to the other dispositions contemplated in this Distributor’s Manual and in the Distribution Agreement, the Independent Distributor agrees to use the Intellectual Property in accordance with the terms expressly contemplated in this Distributor’s Manual and in the Distribution Agreement. Furthermore, the Independent Distributor represents, accepts and acknowledges that, except as expressly contemplated herein, the Distributor’s Manual does not grant any right, authorization, license, privilege, title, and/or interest in connection with the Intellectual Property; therefore, he/she shall not perform (directly and/or through any third party) any act that could affect, interfere, infringe, violate, compete, be in detriment of, and/or put in disadvantage: (i) Omnilife’s prestige, image and/or good name, and/or (ii) the Intellectual Property rights.

Omnilife, as owner of the distinctive signs (trademarks, logos and slogans), reserves its right to prohibit or suspend their use, as well as to cancel the Independent Distributor’s Distribution Agreement if bad use of such distinctive signs is detected.

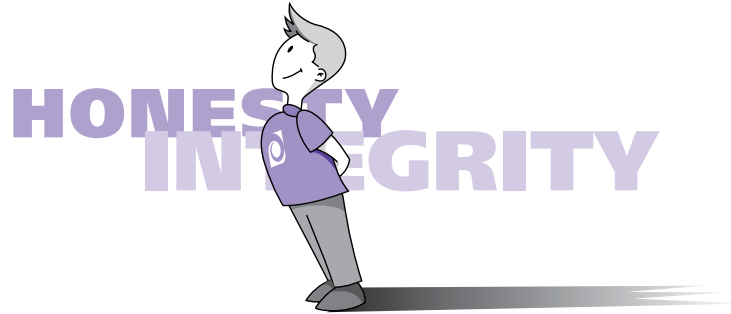
b) Publicity

Only the literature that Omnilife sells to Independent Distributors can be used in presenting the products and/or Marketing Plan. Distributors should not publish pamphlets, flyers, brochures or any other form of written publicity that contains information about the products, its content, its functions, classification, etc.

Independent Distributors cannot grant interviews to visual, radio or print media, regarding their role as Independent Distributors of Omnilife. The Independent Distributor may have his/her own website on the Internet, where he/she can publish information about his/her independent business (opportunity meetings, information about his/her own independent network, testimony, etc.), but for information regarding the products, content, functions, classification, etc., and to disseminate testimonies of other Independent Distributors, the distributor must establish a link to the official Omnilife website.



4.4 ETHICS REPORTS



The principles on which Omnilife is based are honesty and integrity, applied in accordance with Texas' laws. Therefore, the Omnilife Independent Distributor must honor and comply with the terms and conditions of his or her application and Distributor's Manual (the "Agreement"). If he or she does not do so, the following procedure shall be applied:

If an Independent Distributor, in conducting his or her business, detects any noncompliance with the Distribution Manual and/or application (the "Agreement") committed by another Distributor, he or she should first try to explain to the Distributor the noncompliance so that it can be corrected. If the Distributor who is not in compliance does not correct the problem, the Independent Distributor should file a written complaint addressed to Omnilife's Ethics Department (at the Center for Response to Entrepreneurs at Omnilife), specifying the source and nature of the complaint and detailing names, addresses, and telephone numbers of all affected parties. Additionally, the reporting Distributor should include the facts, dates, times, places, and any other information considered necessary to explain the situation. This complaint must be signed. Omnilife reserves the right not to investigate anonymous complaints.

When the Ethics Department receives a claim, it will be evaluated according to the Distribution Manual and the application (the "Agreement") and will be treated according to the established procedures, or those that may be established for a particular case. All involved parties will have the opportunity to present evidence and put forward in writing the proper considerations.

Once the Ethics Department has listened and confirmed the violation of the Agreement, this Department will give the Distributor written notification of his or her noncompliance. Omnilife may then proceed to impose on the Distributor a penalty for his or her noncompliance or cancel the Distributor's Agreement altogether, this being exclusively Omnilife's sole discretion.

CHAPTER FIVE

CONFIRMATION OF RETAIL SALES

The Omnilife system is based on the retail sale of Omnilife products to persons who are not Independent Distributors. Although you may purchase Omnilife products for your personal use as well as to sell at retail, you may not purchase Omnilife products with the sole purpose of raising your position (status) within the Omnilife organization. The following terms have been formulated to help you to comply with this requirement.

5.1 RECORDKEEPING AND SALES REPORTS

Retail Sales Receipt: You must record each sale of Omnilife products using the Retail Sales Receipts provided or obtained by you from Omnilife. A Retail Sales Receipt pad will be given to you as part of the Distribution Kit; if not, you must purchase the Retail Sales Receipt pads from Omnilife, whose prices have been set by Omnilife at approximately the same amount that Omnilife pays for its forms (stationery).

For each product sale that you make, you must fill in the required information on the Retail Sales Receipt. One copy of the Retail Sales Receipt will be presented to the purchaser; you must keep a second copy for your records, and a third copy to be reviewed by Omnilife.

You must keep the third copy of each Retail Sales Receipt (the one for Omnilife) for at least three (3) years after the end of the calendar year in which you made the sale. For example, for all retail sales you made in the year 2004, you will keep the Omnilife copies at least until December 31, 2007. From time to time, at the request of Omnilife, you must mail to Omnilife some and/or all of the Retail Sales Receipts that Omnilife asks from you. Omnilife has the right to contact your clients by telephone, in writing, or in person.

Resale Certification: Omnilife will periodically send you a “Resale Certification” asking for information about your current inventory of Omnilife Products, with the amount of Omnilife Products you have sold during a specific period of time. You must agree to do your best to fill in the information in a complete and precise manner, and also agree to present copies of the requested information. You will sign the requested information and your signature will certify that what you are sending us is correct; you will return said Resale Certification and the requested information to Omnilife within 10 working days after you received the Certificate. Omnilife reserves the right to audit Certifications. If the distributor does not present the notes of sales required by Omnilife, the distributor will be penalized according to Paragraph 5.4 of this Manual.

5.2 INSPECTION OF RECORDS AND INVENTORY BY OMNILIFE

From time to time, Omnilife may request you to send one or all copies of the Retail Sales Receipts or ask you to make this information available to Omnilife Representatives at the address of one of its Distribution Centers.

You must agree to comply completely with any and all of these requirements and to fully cooperate with Omnilife representatives during the course of the inspection. Additionally, you agree to permit Omnilife to review the Omnilife product Inventory that you have purchased but have not sold or delivered.

5.3 RESTRICTIONS ON PURCHASES TO PREVENT EXCESS INVENTORY

At any time, Omnilife, at its sole discretion, may decide that you have accumulated more inventory of Omnilife products than is necessary to cover the needs of your business and may limit future purchases of those products on your behalf for as long as Omnilife, according to its criteria, considers necessary to help you eliminate the surplus in your inventory. The company will put an alert in its system and, in extreme cases, Omnilife will terminate your Agreement.

5.4 DELAYS IN THE PAYMENT OF REIMBURSEMENTS

Omnilife reserves the right to withhold payment of Reimbursements corresponding to any 15-day period (Omnilife calendar period) to any Independent Distributor who has been a distributor for at least four calendar periods (15 days each) until Omnilife has received the required Retail Certification establishing that, by the end of the withholding period, the Distributor made sales according to the terms stipulated in the Omnilife Agreement, or at least a minimum of:

- a) Eighty (80) percent of all purchases of Omnilife Products during the withholding period and the four calendar periods (15 days each) immediately prior to the withholding period, or
- b) Ninety-five (95) percent of the purchases made during the entire interval of his or her current Distribution Agreement.

5.5 CLIENT'S MINIMUM BASE

As an Independent Distributor, you are required to maintain a minimum base of active clients who purchase Omnilife products directly from you.

You will be considered to be in compliance with this requirement for any calendar year if during that year you have sold at least one thousand dollars (\$1,000) in Omnilife products to clients who are not members of your family, this amount being determined with reference to the Suggested Price List effective on the date of sale, in addition to any of the following minimum quantities of said sales have been achieved:

- a) You have sold at least fifty dollars (\$50) in products to a minimum of ten (10) different clients; or
- b) You have sold at least twenty dollars (\$20) in products to a minimum of thirty (30) clients.

5.6 REPURCHASE OF SURPLUS PRODUCTS

At the termination of your Distribution Agreement, regardless of the reason, Omnilife will repurchase from you, under the conditions stipulated in this paragraph, any product or products you have purchased from Omnilife and have not resold, transferred, or used yourself by the termination of your Agreement. Omnilife's repurchase guarantee is subject to the following conditions:

- I. The guarantee extends only to products that have not been opened or used and that are returned in sellable condition;
- II. The guarantee does not cover products that you have sold, even if the product has not been delivered to the client;
- III. The guarantee does not cover products for which you have not paid in full, including sales tax and the cost for shipping and handling;
- IV. The payment made by Omnilife for returned products will be sent within ninety (90) days from the date the returned products were received by Omnilife.

This repurchase obligation applies only to those products that you return to Omnilife within thirty (30) days after your Distribution Agreement is terminated, accompanied by purchase receipts of the Products. They can be sent C.O.D. (cash on delivery); otherwise, Omnilife is not obligated to reimburse you for the shipping cost of your remaining Products. If Omnilife repurchases your products, the points you received for purchasing those products will be deducted, and any profit you would have received from them will be deducted. These deductions will also apply to the up line of the Distributor who would have received earnings from the repurchased products.

5.7 RETURN POLICY

Generally, Omnilife does not permit products to be returned and does not issue refunds. However, Omnilife makes exceptions to this policy for:

I. Clients who cancel their transaction in writing within three business days.

This exception is subject to the particular guidelines listed below. These guidelines must be followed precisely before Omnilife becomes obligated to accept any return or refund any purchase.

Customer Cancellation Option

A client may cancel a purchase of Omnilife products by giving you, the Distributor, a written notice within 03 business days from the date of the purchase. You must tell each customer about their cancelation option at the time of the sale and give each customer an Omnilife receipt and an Omnilife cancelation form.

A customer who cancels a purchase must make the products available to you in substantially the same condition as they were received or you can make arrangements for the client to return the products directly to Omnilife at your expense and risk.

Once a client exercises his/her cancelation option and either returns the products to Omnilife or makes them available to you, you have 10 days to return the customer's payment.

If the customer makes the products available to you and you do not pick them up within 20 days, the customer may retain or dispose of the products. Omnilife will only reimburse you for products that are returned to Omnilife by the client or by you.

General Return Provisions

Omnilife cannot be held responsible for product return information that is illegible, incomplete, or incorrect.

Omnilife products are not to be purchased in bulk or stored. For this reason, any returned products must be received by Omnilife within 60 days of your original purchase. Omnilife is under no obligation to provide a refund for a product that was purchased prior to that 60-day period.

Any reimbursements paid to an Independent Distributor based on returned products will be deducted from future reimbursements. All of the returning Distributor's up line Distributors are subject to deductions based on reimbursements previously paid on returned purchases.

If you fail to honor a legitimate refund request by a customer, Omnilife may deduct the retail price of the returned products, as well as a 10% processing fee, from your future reimbursements.

If you issue a refund to a customer after the 14-day Guarantee period or more than 60 days after you purchased the product from Omnilife, you will not be entitled to any refund, credit, or replacement from Omnilife.

CHAPTER SIX

GENERAL PROVISIONS

6.1 STIPULATIONS

1. Independent Distributors must not use sales practices that promise or imply that Omnilife products offer any specific health benefits. Any testimonial or statement on a product's health benefits must be typical of what users of that product will experience.

Independent Distributors must not use arguments based on calculations or projections of false or misleading income for their independent business. Omnilife firmly believes that a Distributor's independent income potential is very attractive without the need to commit to fanciful, deceitful, unreal, or artificial projections.

2. Omnilife may, at any time and at its own discretion, add new products or eliminate existing products. Also at any time and at its own discretion, it may modify the Official Price List of its products or the points attributable to the products.

3. Omnilife may, at any time and at its own discretion, change the approved marketing materials and the content of this Manual.

4. Omnilife may, at any time and at its own discretion, use translations into Spanish and any other language of this Distribution Manual, Official Lists, or other forms or documents related to the Omnilife system. The official language of each Omnilife document is English, and if the translated document contains an ambiguity for any reason, the English version will be the only one that prevails in all cases.

5. All orders to Omnilife must be approved and accepted by Omnilife. Omnilife reserves the right to accept or reject, partially or totally, orders from Independent Distributors.

6. The information contained in the Suggested Price List is only a recommendation of prices to set. You have the right to set your own resale prices for your products. If the resale price is greater than the Suggested Price List by Omnilife, the Distributor will be responsible for declaring the respective taxes for the difference between the Suggested Price List and the final price.

7. A court's declaration regarding any term or provision of this Manual or the Agreement as invalid or irrevocable, should not affect the rest of the content of this Manual.

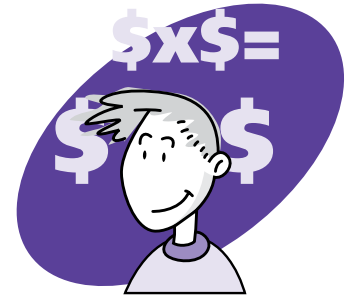
8. The waiver, by Omnilife or the Distributor, of a violation of any provisions of this Distribution Manual or the application (the "Agreement") shall not constitute a waiver of any other violation of that or any other provision.

9. This Distribution Manual and the application (the "Agreement") are governed by the laws of the State of Texas, setting aside its legal conflicts. With the exception of all questions concerning Section 6.2, they must be governed by the Commercial Rules of Arbitration of the American Arbitration Association, with the exception of inconsistency between those Rules and Section 6.2. Subject to the provisions of Section 6.2, and without limitation or waiver of the provisions of that paragraph, the parties shall submit to the exclusive jurisdiction of the courts located in Austin, Travis County, Texas for resolution of any dispute between the parties. The Distribution Agreement shall be considered entered into and carried out in Austin, Travis County, Texas.

10. This Distribution Manual and the application (the "Agreement") replace any other agreement, document, manual, or presentation (including representations previously made by any Omnilife Distributor or agent) in oral or written form.

6.2 ARBITRATION

All disputes, controversies, or complaints that may arise between Omnilife and you, including, without limitation, a dispute, controversy, or complaint that may arise from or in connection with this Distribution Manual, the application, Return Policy, or any other agreement in the relationship between you and Omnilife, or its breach, termination, or invalidity, thereof must be submitted to or determined by binding arbitration administered by the American Arbitration Association (the "AAA") according the Commercial Arbitration Rules (the "Rules"), except when those Rules are inconsistent with this section. Such arbitration must be conducted in the English language with a single arbiter. The exclusive site for arbitration will be Austin, Travis County, Texas.



- The arbitrator shall apply the laws of Texas, without giving effect to its conflict of law rules, in determining the substance of the dispute, controversy or claim. The arbitrator's award shall be in writing and shall set forth the findings and conclusions upon which the arbitrator based the award. The prevailing party in any such arbitration shall be entitled to recover its reasonable legal fees, costs and expenses incurred in connection with the arbitration. Any award pursuant to such arbitration shall be final and binding upon the parties, and judgment on the award may be entered in any court having jurisdiction. The provisions of this section shall survive the termination or expiration of the Distribution Agreement.
- This section shall not prevent Omniflife from seeking a temporary restraining order or temporary or preliminary injunctive relief from a court of competent jurisdiction in order to protect its rights. In the event Omniflife seeks injunctive relief, such action shall not constitute a waiver of the provisions of this section, which shall continue to govern any and every dispute between you and Omniflife.
- Unless the parties to the arbitration agree otherwise in writing, they will keep confidential the existence of the arbitration proceedings, any final or interim arbitration award, documents prepared for the arbitration by the parties and any contemporaneous or historical documents produced or exchanged by the parties during the arbitration procedure, save where disclosure is required by law, where disclosure is necessary to enforce any arbitration award or compel arbitration, or where disclosure is necessary for an application for interim procedures under this section.

6.3 HOW TO BECOME AN INDEPENDENT DISTRIBUTOR

To become an Independent Distributor, you must comply with the following requirements, as well as respect and comply with Omniflife's provisions and policies:

- A. Be a person with the legal capacity to enter into a contract according to the legal provisions in effect in the city and state where the candidate resides.
- B. Purchase the Distribution Kit directly from an Independent Distributor.
- C. Fill out, sign, and deliver to Omniflife the application included in the Kit. Attach a copy of a valid personal identification.

D. Each Omnilife Distribution application has a number assigned to it. For search purposes, if for any reason you should need a new application you should return the original one to Omnilife. When Omnilife has received the original application, Omnilife will provide you with a replacement of the application. If the original is not available, you must purchase a new application from Omnilife. Omnilife will not accept an application that Omnilife has reported as previously sold to another person or that has been canceled.

E. If the application presented to Omnilife has errors, erasures, or corrections that are not acceptable for Omnilife, Omnilife may, at its own discretion, withhold the application and will require that the candidate purchase a new application.

The following information requested of the candidate in order to become an Independent Distributor must be clearly presented, either typewritten or legibly printed.

PART I. CANDIDATE'S INFORMATION (INDEPENDENT DISTRIBUTOR)

- Name: Enter your last name(s) followed by your first name(s). Use one letter per space.
- Address: Enter the street name and number.
- City, state, and zip code: Enter the name of the city and state, as well as the zip code.
- Date of birth: Enter the date of birth in month-day-year order.
- Official Identification number: Enter a U.S. Social Security number, if you have one, or any other form of valid I.D. issued in the US or abroad (driver's license, passport, etc.) . You will be submitting a copy of this I.D. together with your Agreement.
- Email address: Enter a valid email address, if you have one.
- Telephone numbers: Enter your home and fax telephone numbers, if you have them, together with an additional number, preferably a cellular phone (include area codes).

PART II. CO-DISTRIBUTOR'S INFORMATION/ JOINT APPLICATION

- Co-distributor: Enter your Co-distributor's last name(s) followed by their first name(s). Use one letter per space.
- Official Identification number: Enter a U.S. Social Security number, if you have one, or any other form of valid I.D. issued in the US or abroad (driver's license, passport, etc.) . You will be submitting a copy of this I.D. together with your Agreement.
- Date of birth: Enter the date of birth in month-day-year order.
- Telephone number: Enter your Co-distributor's telephone number (home or cell phone)
- Mailing address: Enter your Co-distributor's mailing address (street name and number), city, state, and zip code.

Remember to attach a copy of your identification and that of your Co-distributor.

PART III. SPONSOR'S INFORMATION AND SIGNATURES

- Name: Enter the last name(s) followed by the first name(s). Use one letter per space.
- Distributor's identification number: Enter your Sponsor's Distributor number. This information is essential for Omnilife to be able to accept and process the Distribution Agreement.
- Distributor's initials: Enter your Sponsor's initials as they appear in his or her Distribution Agreement with Omnilife.
- Email address: Enter your Sponsor's email address, if he or she has one.
- Candidates' signatures: The application must be signed by both the Distributor and the Co-distributor, if there is one, in order to be accepted by Omnilife. The candidates' signatures certify that all the information presented in the application is true and that they have read, understood, and accepted the information contained in the application and in the Distributor's Manual (the "Agreement").

SUGGESTIONS FOR GROWING YOUR INDEPENDENT BUSINESS

ONE

Use the products every day! As recommended
To work hard: Magnus, Kenyan, Starbien, Ego10
To be well: OML Plus, C-Mas Mix, A-Oxi,
Aloe Piña, Kolina, Estop
To reduce size: Thermogenics, Fiber'N Durazno, Via Dulce

TWO

Make money every day! (retail sales)
Prepare a list of your financial needs.
Connect with those who do want to improve their health.
Share testimonials and deliver products on a daily basis.

THREE

Build your independent business by organizing
your Independent Distributors!
Offer the opportunity for health, independent business
and growth.
Manage the Independent Distributors.
Meet every day.

FOUR

Make sure your customers get results! (follow-up)
Call and visit your customers regularly.
Advise your Independent Distributors
on the elements they need to grow.
Use the markers to keep track of your own results!

FIVE

Teach how to teach! This step is the key to becoming
a good Sponsor and increasing your reimbursements.
Encourage other Independent Distributors
to replicate your accomplishments
Leading by example is the best motivation!

SIX

Become a Silver Wholesale Distributor!
You'll increase your income from 40 to 100 per cent
because the greatest income lies with the 4th level of your
Independent Organization

Keep on growing!

ELEMENTS THAT WILL HELP YOU BE SUCCESSFUL

VIDEOS

Each year a new Video is launched for all Independent Distributors. It's a fun and easy way to get to know the company and watch testimonials of distributors from different countries. You can use them at your Opportunity Meetings.

OM MAGAZINE

Information for the Distributor about products, testimonials, and independent business. It's an important resource for the Independent Distributor's growth. Also published in OM Magazine are news releases, articles about health, and others, as well as information about the Distribution Centers in each country.

OMNIPRESS

Bi-monthly periodical in which you can find information about the company: events, news, products, and testimonials. Find it at your local Distribution Center.

WEBSITE

At www.omnilife.com you can find information about the group's companies, products, latest news, and videos of trips, Rallies, and Extravaganzas. Also, Omnilife Radio programs can be accessed on the site.

TO FIND OUT MORE ABOUT YOUR REIMBURSEMENTS, VISIT:

<https://www.omnilife.com/shopping/>