

THE
RICHWAY
GROUP

RICHWAY & FUJI BIO INC.
R & L CORPORATION
THE LIFE CO., LTD.
RICHWAY & LIFE JAPAN CORP.
RICHWAY EUROPE B.V.

RICHWAY

The name you can
trust!



We believe that people must be healed
from their wounds, renewed in spirit,
restored from illness,
enlightened from ignorance,
and saved from pain.

No one should be left behind.

Our beauty does not lie in our appearance,
but in our passion of caring for others.

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POLICIES AND PROCEDURES

RICHWAY & FUJI BIO INC.



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RICHWAY & FUJI BIO INC. POLICIES AND PROCEDURES

Capitalized terms used in the Policies and Procedures have the meanings set forth in the Definitions of Terms.

1. Introduction

Richway has grown tremendously in the last few years due to its Independent Sales Associates hard work and success. With Richway's growth, it becomes important that all Independent Sales Associates are kept up to date so that Richway can continue to grow. This means that all Independent Sales Associates must explain information pertaining to Richway and its product line accurately.

Up until now, we have not found it necessary to enforce many of our Policies and Procedures. However it has come to our attention that to encourage Richway's growth for the future, it is imperative that we make revisions and additions to our Policies and Procedures and reinforce them thoroughly. These changes will bring an improved buying and selling experience for both you and your customer.

In light of these realizations, we will be making the following changes to our Policy and Procedures:

2. Becoming a Customer

To become a Customer, a person must: (a) have a Sponsor who has submitted an Independent Sales Associate Agreement; (b) complete and sign a Richway Order Form. Customers are not authorized to market or resell Richway products unless they have also signed and submitted an Independent Sales Associate Agreement.

3. Becoming an Independent Sales Associate (ISA)

To become an Independent Sales Associate, a person must first (a) have a Sponsor who has submitted an Independent Sales Associate Agreement, which has been accepted and approved by Richway; (b) sign and submit an Independent Sales Associate Agreement. Once Richway has accepted and approved the Independent Sales Associate Agreement, the Independent Sales Associate is authorized to market or resell products. Richway reserves the right to accept or reject anyone as an ISA.

An Independent Sales Associate may only have one sponsor. Richway prohibits transferring from one sponsor to another. In addition, once a person has been placed, the placement may not change under any circumstance.

No inventory purchase is required to be an Independent Sales Associate. Any and all purchases are made at the sole discretion of the Independent Sales Associate. Independent Sales Associates should make it clear in each presentation that no inventory purchase is required to market Richway products. It should be stressed that Independent Sales Associates can build their business by selling Richway's products directly from the catalog, and having it shipped directly to the customer.

4. Individuals, Corporations and Tax Exempt Entities

Richway will only consider for acceptance as Independent Sales Associates individuals or entities that fall into one of the following

categories:

- (a) Individuals who are of the legal age
- (b) Corporations in good standing in the state, province, or country of their incorporation which have as their sole shareholder(s), director(s), and officer(s) either one unmarried individual or a married couple.
- (c) Tax exempt entities which are registered and approved as tax exempt institutions under Section 501(c)(3) of the United States Internal Revenue Code or under Section 248(1) of the Income Tax Act of Canada.
- (d) Charitable giving corporations established in accordance with Richway guidelines.

5. Customer Numbers

Customers may not use or submit to Richway any Social Security Number, Social Insurance Number, portion of Social Insurance Number, Tax Revenue Number, Taxpayer Identification Number or Corporate Account Number, unless they intend to become an Independent Sales Associate and complete an Independent Sales Associate Agreement.

Currently, an Independent Sales Associate's ID number is their Tax ID number.

6. Proper Completion of Documents

All agreements must be completely and properly filled out and signed. No copies or alterations will be accepted. If any agreement is altered in any way the agreement will not be deemed accepted by Richway except in its original unaltered form, regardless of passage of time or payment of commissions by Richway. Richway will not be responsible for loss of commissions or bonuses or for delays in Customer or Independent Sales Associate registrations or orders due to: (a) errors by Customers or Independent Sales Associates in preparing or sending agreements, orders or other documents; (b) delays or errors caused by the mail or fax transmission; (c) non-receipt of documents by Richway (d) illegible or incomplete information on agreements (e) the inability of Customers or Independent Sales Associates to reach Richway by telephone or fax during busy calling periods. Richway will process and credit orders and enrollments in the calendar month in which they are received by Richway. Richway will contact Sponsors if any issues and errors are found. It is the responsibility of the Sponsor to contact and follow up with their Customers and those in their Marketing Organization.

7. Ordering Products

Orders may be placed by telephone, mail, fax or the Internet. All telephone or fax orders must be paid by Visa, MasterCard, Discover, American Express, or wire transfer. Orders by mail may be paid by check, money order, Visa, MasterCard, Discover, American Express, or wire transfer. When paying with a credit card, the card number, expiration date, card security code, and billing address must be included. Customers and Independent Sales Associates will be charged \$35 USD for checks returned for insufficient funds and stop-payments.

Richway has a 7-14 business day processing period for product orders. Orders for products will usually be processed by Richway within 48 hours of receipt, given the correct information is provided.

8. Ordering Products with Product Certificates

Product Certificate orders may be placed by mail. All Product Certificate orders must be paid by Visa, MasterCard, Discover,

American Express, wire transfer, check, or money order. When paying with a credit card, the card number, expiration date, card security code, and billing address must be included. Customers and Independent Sales Associates will be charged \$35 USD for checks returned for insufficient funds and stop-payments. The original Product Certificates must be mailed with proper signatures and/or endorsements. Photo/scanned copies are not acceptable. Product Certificate orders must meet all the requirements of the terms and conditions.

Richway has a 15-30 business day processing period for Product Certificate orders. Orders for products purchased with Product Certificates will usually be processed by Richway within 14 business days of receipt, given the correct information is provided and the requirements have been met.

9. Returns and Refunds

If for any reason any Customer is not completely satisfied with any product purchased by such Customer from Richway, the Customer may return the product with a copy of the purchase receipt to Richway within (a) 7 days from the date of receipt for 100% refund (less shipping and handling charges); (b) 8-14 days from the date of receipt for 70% refund (less shipping and handling charges); (c) 15-30 days from the date of receipt for 50% refund (less shipping and handling charges); (d) 31 days or more from the date of receipt receives no refund. Customers must receive a Return Merchandise Authorization (RMA) number from Richway before sending back the product. The RMA number is to be written on the outside of the package. Customers are responsible for shipping the product back to Richway. Refunds, when requested, will be issued to the original method of payment used to purchase the product unless that method of payment is unavailable, in which case a refund check will be issued to the Customer. Refund checks that remain uncashed for more than 90 days will not be honored. Customers and Independent Sales Associates will be charged \$35 USD for checks that require a stop-payment.

10. Returns and Product Point Adjustments

Independent Sales Associates receive commission based on actual sales of product to End Consumers. When product is returned to Richway, the commissions and Product Certificates attributable to that product is to be returned to Richway. Commissions and Product Certificates will not be released to Independent Sales Associates if the return request occurs before the processing of commissions and Product Certificates. Product points attributable to that product will be deducted automatically in both instances.

11. Independent Sales Associate Registration & Distributor Kit Refund

When an Independent Sales Associate applicant registers, a free Distributor Kit will be sent to the Independent Sales Associate. If an Independent Sales Associate applicant cancels his/her Independent Sales Associate Agreement (also referred to as Independent Sales Associate Contract in the Terms and Conditions) and returns his/her Distributor Kit within 14 days after the Independent Sales Associate applicant's date of enrollment, Richway will give such Independent Sales Associate applicant a full refund for the cost of the Independent Sales Associate Registration/Distributor Kit. A refund will only be sent to the Independent Sales Associate in whose name it is registered. This policy will apply whether the Independent Sales Associate applicant registers directly from Richway or from his/her Sponsor. An Independent Sales Associate cannot register under another person's

name and resale. It must be registered under the Independent Sales Associate applicant name. Richway updates and revises Distributor Kits from time to time. Independent Sales Associates are encouraged to keep their Distributor Kits current by purchasing update packets or new Distributor Kits as they become available. Outdated or old Distributor Kits may not be exchanged for current Distributor Kits.

12. Election to Cancel Agreements

An Independent Sales Associate may suspend/cancel his/her Independent Sales Associate Agreement for any reason at any time by sending a completed Richway Independent Sales Associate Agreement Suspension Form or by giving written notice to Richway bearing his/her original signature, printed name, address, Independent Sales Associate ID Number and reason for cancelling. A Richway suspension form will help ensure the accurate information necessary to process the cancellation is submitted. Suspension notices must be mailed, faxed or emailed to: Richway, 1314 S. King Street Suite 520, Honolulu, HI 96814; Fax No: (808) 597-1651; Email: customerservice@richwayusa.com.

The Company may terminate your Independent Sales Associate Agreement as a result of breach of any of the provisions of your Independent Sales Associate Agreement. The Company may also take actions short of termination of your Independent Sales Associate Agreement, as a result of breach of any of its provisions. In determining what actions to take in the event of breach of the Independent Sales Associate Agreement, the Company may consider without limitation the nature and severity of the breach, whether the breach can be or has been cured following notification by the Company of the existence of the same, and whether there are multiple simultaneous, serial or repeating breaches. If you do not agree with action taken by the Company under this paragraph, you may submit a dispute.

13. Errors or Questions

Independent Sales Associates should notify Richway immediately of any errors or questions about commissions, bonuses, Product Certificates, orders or changes. Richway will correct any errors reported to it within 10 business days. Richway will not be responsible for any errors, omissions or problems that failed to be reported within 10 business days.

14. Conduct of Household Members

If any member of the Independent Sales Associate's Immediate Household engages in any activity which, if performed by the Independent Sales Associate, would violate any Richway policy or any provision of the Independent Sales Associate Agreement, such activity will be deemed a violation by the Independent Sales Associate.

15. Inheritance of Business

An Independent Sales Associate Business may be inherited by a spouse or direct heir, which complies with Richway's guidelines, pursuant to a valid will or other appropriate document, or in accordance with the intestacy laws of the state, province, or country in which the Independent Sales Associate resides. A person who inherits an Independent Sales Associate's business must furnish Richway with proper documentation that he/she is the beneficiary and is authorized to represent the estate. He/she must also execute an Inheritance of Business Form, Independent Sales Associate Agreement, fulfill all of the functions of an Independent Sales Associate and abide by the terms of Richway's Policies and Procedures.

16. Presenting the Compensation Plan

You agree when presenting the Compensation Plan to present it in its entirety, emphasizing that there is only one Compensation plan for all Independent Sales Associates, and that sales to Customers are a requirement to receiving compensation in the form of bonuses on Sales Volume. In presenting the compensation plan to prospects, you agree to utilize information from Official Richway Material or any literature, materials, or aids specifically authorized in writing by the Company.

17. Non-Solicitation and Conflicts of Interest

Independent Sales Associates are independent contractors and may be active in other business ventures while they are Independent Sales Associates for Richway. However, to qualify for compensation under Richway's Compensation Plan, Independent Sales Associates have the ongoing responsibility to service, supervise, motivate, train, educate and assist the Independent Sales Associates in their Marketing Organizations. Independent Sales Associates should also attend sales training provided by the Company, or selected trainers approved by the Company. Independent Sales Associates have the responsibility to promote Richway products and the Richway business opportunity. Richway and its Independent Sales Associates have made a great investment in the establishment of organizations consisting of Customers and Independent Sales Associates. Richway reserves the right to cease paying compensation to any Independent Sales Associate who recruits any Richway Customer or Independent Sales Associate to participate in another business venture. In order to protect the efforts of all Independent Sales Associates in building and maintaining their individual Marketing Organizations and Customer bases, and in order to protect Richway's interest in the overall Customer base, Independent Sales Associates and all members of their Immediate Household are required to abide by the following policies:

- (a) Non-Solicitation of Richway Customers and Independent Sales Associates:
 - (i) During the period that their Independent Sales Associate Agreements are in force, Independent Sales Associates and all members of their Immediate Household are prohibited from directly, indirectly or through a third party recruiting any Richway Customers or Independent Sales Associates to participate in any other business venture.
 - (ii) For a period of twelve months after cancellation or termination for any reason of an Independent Sales Associate's Independent Sales Associate Agreement, the Independent Sales Associate and all members of his or her Immediate Household are prohibited from directly, indirectly or through a third party recruiting to participate in any other business venture any Richway Customers or Sales Associates:
 - (1) who were in the Independent Sales Associate's Marketing Organization at any time during the term of his or her association with Richway;
 - (2) with whom the Independent Sales Associate had contact during the term of his or her association with Richway;
 - (3) whose contact information (name, address, phone number or email address, etc.) the Independent Sales Associate or members of his or her Immediate Household has obtained at any time during the term of his or her association with Richway; or
 - (4) whose contact information (name, address, phone number or email address, etc.) the Independent Sales Associate or members of his or her Immediate Household obtained at any time from another person who obtained the information

because of any other person's association with Richway.

The prohibitions under clauses (a)(i) and (ii) above include but are not limited to, presenting or assisting in the presentation of other business ventures to any Richway Customer or Independent Sales Associate or implicitly or explicitly encouraging any Richway Customer or Independent Sales Associate to join any other business ventures. It is a violation of this policy to recruit a Richway Customer or Independent Sales Associate to participate in another business venture even if the Independent Sales Associate does not know that the prospect is also a Richway Customer or Independent Sales Associate. It is the Independent Sales Associate's responsibility to first determine whether the prospect is a Richway Customer or Independent Sales Associate before recruiting the prospect to participate in another business venture. (Please refer specifically to the definition of "recruit" in the Definitions of Terms at the end of these Policies.)

- (b) During the period that their Independent Sales Associate Agreements are in force, and for a period of twelve months after the cancellation or termination thereof for any reason, Independent Sales Associates and all members of their Immediate Household are further prohibited from the following:
- (i) Producing any literature, tapes or promotional material of any nature (including but not limited to websites and emails) which is used by the Independent Sales Associate or any third person to recruit Richway Customers or Independent Sales Associate to participate in another business venture;
 - (ii) Selling, offering to sell, or promoting any competing products or services to Richway Customers;
 - (iii) Offering any non-Richway products, services or business ventures in conjunction with the offering of Richway products, services or income opportunity or at any Richway meeting, seminar, launch, convention, or other Richway function.
- (c) (i) Violation of any provision of this Policy 17 constitutes an Independent Sales Associate's voluntary resignation and cancellation of his/her Independent Sales Associate Agreement, effective as of the date of the violation, and the forfeiture by the Independent Sales Associate of all commissions or bonuses payable for and after the calendar month in which the violation occurred.
- (ii) If Richway pays any bonuses or commissions to the Independent Sales Associate after the date of the violation, all bonuses and commissions for and after the calendar month in which the violation occurred shall be refunded to Richway.
 - (iii) Richway may seek and obtain from the violating Independent Sales Associate both injunctive relief and damages for violations of this Policy 17. Richway, may, at its option, elect to enforce this Policy by lawsuit in a court of competent jurisdiction in Hawaii rather than by arbitration.
 - (iv) In addition to being entitled to a refund of bonuses and commissions and to damages as described above, in the event a person or entity violates this Policy 17, Richway and any Independent Sales Associate that experiences an adverse financial impact as a result of such person's or entity's violation of this.

Policy 17 shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits which the person or entity directly or indirectly receives and/or may receive as a result of, growing out of, or in connection with any violation of this Policy. Such remedy shall be in addition to and not in

limitation of any damages, or injunctive relief or other rights or remedies to which Richway is or may be entitled at law or in equity.

(d) Violations of this Policy 17 are especially detrimental to the growth and sales of other Independent Sales Associates' Independent Sales Associate Businesses and to Richway's business. Consequently, Independent Sales Associates who have knowledge that any Independent Sales Associate has violated this Policy must immediately report that information to Richway's Policy Administration Department. The failure of an Independent Sales Associate to report such information to Richway will also constitute a violation of this Policy. The names of those reporting violations of this Policy 17 will be held in confidence.

18. Proprietary Information and Trade Secrets

By executing the Independent Sales Associate Agreement, the Independent Sales Associate acknowledges that all information which is contained in the Independent Sales Associate's Monthly Business Report, including names, addresses and telephone numbers of Independent Sales Associates and Customers, and all identifying information relating to other Independent Sales Associates or customers that the Independent Sales Associate became aware of while conducting Richway business in any way or while attending Richway related events, is Richway's proprietary trade secret information. The Independent Sales Associate agrees not to disclose such information to any third party (except to existing or prospective Richway Independent Sales Associates or Customers for the purpose of promoting Richway products and business opportunity) or to utilize such information for the purpose of promoting any other business opportunity at any time, whether during the term of his/her association with Richway or thereafter. The Independent Sales Associate acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Richway and to Independent Richway Businesses.

Richway and its Independent Sales Associates will be entitled to injunctive relief to prevent violation of this policy. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of attorney's fees and expenses.

19. The Sponsor

- (a) An Independent Sales Associate who is the Sponsor of a new Customer or Independent Sales Associate may not list another Independent Sales Associate who did not participate in the contact or the presentation as the Sponsor of such new Customer or Independent Sales Associate. Regardless of where a Customer or Independent Sales Associate is placed in a Marketing Organization, the actual Sponsor of such Customer or Independent Sales Associate must be listed as the Sponsor on the Order Form.
- (b) The Sponsor and any other Independent Sales Associates involved in the recruiting and enrollment process may use only Richway's products and its compensation plan and their personal commitment to help the new Independent Sales Associate build his or her business as an inducement to enroll. Independent Sales Associates may not enter into special deals with a Sponsor, including, but not limited to, promises of the payment of money or roll ups.

20. Supervisory and Leadership Functions

Independent Sales Associates' compensation is based on sales of product to the End Consumer. To qualify for this compensation,

Independent Sales Associates have the ongoing responsibility to promote the Richway business opportunity, to support Richway's policies, programs and personnel, and to service, supervise, motivate and train the Independent Sales Associates in their Marketing Organization to sell and market Richway products and promote the Richway business opportunity. Any effort by an Independent Sales Associate to convince or entice any Customer or Independent Sales Associate to discontinue or diminish purchasing Richway products, to move from one Richway Marketing Organization to another, to discontinue or diminish efforts to promote the Richway business opportunity, or to promote or pursue another direct selling opportunity, or to disparage Richway, or its products, marketing plan, management team or other personnel is a violation of the Independent Sales Associate's leadership responsibility and a violation of this policy.

21. Excess Inventory Purchases Prohibited

The Richway business is built upon sales to the End Consumer. It is Company policy, however, to strictly prohibit the purchase of products in unreasonable amounts solely for the purpose of qualifying for commissions or advancement in the binary bonus program. ISAs may not load inventory, nor encourage others to load inventory. An ISA must be able to document that at least 70% of products purchased have been sold. Distributors will be requested to prove retailing of products of five (5) or more of the same product. Any device or scheme whereby an Independent Sales Associate directly or through a third party purchases excess product solely for purposes of qualifying for bonuses or commissions constitutes fraud on the part of the Independent Sales Associate. Failure to abide by this policy will result in termination.

22. Selling in Stores

Richway is in strong support of home-based businesses and personal product presentations. To maintain a standard of fairness, Independent Sales Associates may not display or sell Richway products in drug stores, health food stores or grocery stores. Any display of Richway products to the public must be tasteful and professional.

23. Media Inquiries

It is Richway's policy to have a single spokesperson handle all inquiries from the media and all media relations. Therefore, Marketing Executives may not, for any reason, discuss their Independent Richway Business with the media, nor act as spokespersons for Richway nor talk to the media regarding Richway, its Compensation Plan, its products or services. It is a violation of this policy to provide any information to the media, regardless of whether the information is positive or negative, accurate or inaccurate. All inquiries from the media (whether radio, television or print) must be referred to Richway.

24. Checks and Weekly/Monthly Business Reports

Commission and weekly bonus checks are generally mailed by Richway to Independent Sales Associates two (2) weeks after proof in which the bonuses were qualified from the week ending date in which the order(s) were placed for commissions and bonuses earned. When the two (2) weeks falls on a weekend or holiday, checks will generally be mailed on the next business day. Monthly bonus checks are paid on the last weekend of every month. Each Independent Sales Associate qualifying for a commission or bonus will receive a Weekly/Monthly Business Report showing the status of each Customer and Independent Sales Associate in his/her Marketing Organization. The Weekly/Monthly Business Report will show the

calculation of the Independent Sales Associate's commission and bonus. Independent Sales Associates should use their Weekly/Monthly Business Report as a tool to manage, supervise and train the members of their Marketing Organizations. The information contained in Business Reports is Richway's proprietary trade secret information, and Independent Sales Associates are prohibited from disseminating the information contained therein. See Policy 16 for further detail regarding Independent Sales Associates' obligations with respect to such proprietary trade secret information. A data processing fee is charged to each Independent Sales Associate for generating and maintaining computerized Weekly/Monthly Business Reports. Commission and bonus checks which remain uncashed for more than 90 days will be honored. Commission and bonus checks which require a bank cancellation/stop-payment before the 90 day period will be charged a fee of \$35 USD.

25. Purchases for Other Persons

An Independent Sales Associate may not order or pay for products for Customers without such Customer's express authorization and agreement to reimburse the Independent Sales Associate for such product.

26. Restrictions on International Marketing (Japan and Czech Republic)

Enrolled Independent Sales Associates are authorized to sell Richway products and to enroll Customers and Independent Sales Associates internationally, except for Japan and Czech Republic. Independent Sales Associates may only enroll Customers and Independent Sales Associates in all other countries in which Richway or its affiliates are authorized to conduct business. Independent Sales Associates and Customers may not sell and/or ship Richway products to Japan and Czech Republic.

27. Trademark, Service Mark and Trade Name Restrictions

Customers and Independent Sales Associates may not use, reproduce or disseminate the Richway trade name or logo or any Richway trademark or service mark except in the use and dissemination of literature published and made available by Richway and except on stationery and business cards produced and authorized by Richway. This includes, but is not limited to, the term "Richway," the Richway bull logo, and all marks or slogans designating products or services offered by Richway. Richway's logo will be made available, to use with Richway's approval. The size ratio to your logo/name may not exceed more than 25% of the size of your business name (100%). Richway's name and logo may not be used in any part, as an Independent Sales Associate's URL, business name, banner heading or footer. You may say "Authorized Richway Independent Sales Associate" or "Authorized Richway Distributor". Independent Sales Associates will be given three months to comply from the date of the warning notice.

28. Rules regarding Advertising, Internet Usage and Sale of Materials

- (a) Independent Sales Associates may not:
- (i) create, publish, sell, use, display or distribute any literature, audio or video recording, Internet web site, telephone ad message, Internet bulletin board message, mass or bulk email message (including auto-response messages), infomercial or other print, audio, visual, electronic media or social networking sites which represents Richway, its products, services,

Compensation Plan or business opportunity other than as specifically permitted pursuant to this Policy or that which is produced and provided by Richway;

- (ii) copy or reproduce any materials produced by Richway except as specifically permitted pursuant to this policy;
 - (iii) unless approved by Richway, use the Richway name or logo or the name or logo of any of Richway's products or services in any notice, display, advertisement or promotion, including, but not limited to, newspaper, magazine, radio, television or Internet or email advertisements, or telephone, Internet or other directories, (except an Independent Sales Associate may have a directory listing in the following format: "Richway Independent Sales Associate—[name of Independent Sales Associate]");
 - (iv) display, advertise or promote Richway's products, services or business opportunity at county fairs, craft fairs, business fairs, trade shows, flea markets or any similar event, including the use of booths, without written documentation of the event submitted with the associated orders;
 - (v) charge for Richway-related meetings performed or arranged by an Independent Sales Associate except to the extent necessary to cover the actual out-of-pocket expenses incurred.
 - (vi) advertise on any Online Internet Sales Commerce sites, such as but not limited to Amazon, eBay, Craig's List, iOffer, Webidz, eBid, BlueJay, eCrater, Online Auction, CQOut, etc.
 - (vii) advertise special offers, discounts, calls for specials, free shipping and similar statements on websites, social media (Facebook, Twitter, etc.) or any other types of media.
- (b) Independent Sales Associates may use websites and email messages only in accordance with Richway's Policies and Procedures. This may be revised and modified from time to time at Richway's sole discretion. Richway will take reasonable measures to publish notice of any changes to the guidelines on its website, however it is the Independent Sales Associates' responsibility to review these guidelines periodically to be informed of and comply with any changes.
- (c) Richway will have the right, in its absolute discretion, to require that any Richway related website be taken down and that any Richway related email message be discontinued. An Independent Sales Associate's failure to comply with any provision of this policy may result in forfeiture of commissions and bonuses, fines, and/or in termination of the Independent Sales Associate's Independent Sales Associate Agreement.

29. Income Claims

Independent Sales Associates are prohibited from making false, misleading or inaccurate claims about their or other persons' compensation received under the Richway Compensation Plan. If, when presenting the Richway business opportunity, an Independent Sales Associate makes any claim regarding his/her compensation from Richway, or the potential compensation payable under Richway's Compensation Plan, the Independent Sales Associate must also show the person(s) receiving the presentation his/her Weekly/Monthly Business Report.

30. Product Claims and Warranties

- (a) Independent Sales Associates may not make any product claims, weight loss or health benefit claims, or product warranties other than those published in Official Richway Material. Independent Sales Associates shall not publish or distribute information relating

to uses of Richway products other than those which are set forth in Official Richway Material, or state that the products cure or is a replacement for other medical devices, procedures, supplements or medications. All such claims must be removed from literature and websites. Testimonials must be very clearly stated as such.

- (b) The FDA logo may be used in its correct format and the Bio-mat must be referred to as a Class II Medical Device. No other reference/classification to the FDA may be made.
- (c) All information disseminated related to Richway products must include and clearly state:
- (i) The information presented in the US FDA's Medical Device 510K indications for use: Temporary relief of minor muscle pain, minor joint pain and stiffness, joint pain associated with arthritis, muscle spasms, minor sprains, minor strains, minor muscular back pain, relaxation of muscles, and temporary increase of local circulation where applied.
 - (ii) Any additional information related to the Bio-mat, which are not stated in the 510K's indications for use, must clearly state that: "These claims/statements have not been tested and/or proven with the Bio-mat".
 - (iii) Information disseminated related to far infrared rays, negative ions, and their benefits must state the source (peer reviewed journals, clinical studies, etc.).
 - (iv) This disclaimer must be added to any statements made other than those approved by the FDA: "These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure or prevent any disease. This device does not cure cancer. It does not intend to provide diagnosis or treatment and only claims the statements in the medical device listing of intended use approved by the FDA. Specific medical advice should be obtained from a licensed health care practitioner. Any information and personal testimonies about this device does not reflect any medical claims." Failure to comply will result in termination.
- (d) Richway's product warranty term is a limited lifetime. If there are any problems with the product within one (1) year from date of receipt, the Company will repair or exchange the product presented with their original invoice number free of charge. From the second year and on, there will be charges for repairs or exchanges. See Refund and Repair Policy for more detailed information.

31. Ethical Sales Practices

- (a) Independent Sales Associates shall:
- (i) conduct themselves in a professional, courteous and considerate manner;
 - (ii) represent Richway products in a sincere and honest manner and will honor Richway's Refund and Repair Policy;
 - (iii) represent the Richway Compensation Plan only as prescribed by Official Richway Material;
 - (iv) become familiar with and utilize sales techniques, Richway's Compensation Plan and Policies and Procedures, and other materials as prescribed by Richway;
 - (v) present the Richway business opportunity in a manner which is consistent with Official Richway Material; and
 - (vi) provide training, motivation and support to Independent Sales Associates in their organization
- (b) Independent Sales Associates shall not:
- (i) engage in any deceptive, unlawful, or unethical business or recruiting practice;

- (ii) engage in any high pressure selling or recruiting practices;
- (iii) enroll minors or persons who are not capable of making an informed decision with respect to entering into an Independent Sales Associate Agreement;
- (iv) order Richway products for other Customers or Independent Sales Associates without the express permission of such persons; or
- (v) seek in any way to violate or circumvent Richway's policies

32. Policy Disclosure Requirement

Prior to enrolling a prospective Independent Sales Associate, Independent Sales Associates shall provide to and review with the prospective Independent Sales Associate a current copy of Richway's Policies and Procedures and Definitions of Terms.

33. Inactivity and Voluntary Resignation

- (a) It is the Independent Sales Associate's responsibility to lead his/her Marketing Organization with the proper example in production of sales. Without this proper example and leadership, the Independent Sales Associate will lose his/her right to receive commissions and bonuses from his/her Marketing Organization.
 - (i) Therefore, Independent Sales Associates who do not produce Personal Sales or Personal Purchases for 12 consecutive months or longer will not receive the commission or bonus attributable to such status for the sales generated through their Marketing Organization. Failure to produce Personal Sales or Personal Purchases for 12 consecutive months constitutes the Independent Sales Associate's status as inactive. An Independent Sales Associate who has voluntarily become inactive will not lose all his/her Personal Enrollees and his/her Marketing Organization. The status of inactivity shall become effective on the day following the last day of the Personal Sale or Personal Purchase.
 - (ii) An Independent Sales Associate may voluntarily resign from their current position for any reason at any time by sending a completed Richway Letter of Resignation Form or by giving written notice to Richway bearing his/her original signature, printed name, Independent Sales Associate ID Number, date of resignation, and Sponsor from which they are resigning from. A Richway Letter of Resignation Form will help ensure the accurate information necessary to process the resignation is submitted. Resignation notices must be mailed, faxed or emailed to: Richway, 1314 S. King Street Suite 520, Honolulu, HI 96814; Fax No: (808) 597-1651; Email: customerservice@richwayusa.com.

34. Reactivation and Reenroll Requirements

- (a) When an Independent Sales Associate who has been deemed to have voluntarily resigned due to inactivity under Policy 33 becomes reactivated, he/she will reenter his/her previous Marketing Organization in the first available position below his/her original Independent Sales Associate other than the position left vacant by such Independent Sales Associate.
- (b) Former Independent Sales Associates may reactivate their status as an Independent Sales Associates with their original Sponsor at any time if the Independent Sales Associate has been cancelled or inactive for 12 consecutive months or longer.
- (c) Former Independent Sales Associates who has been terminated, must wait at least 6 months before becoming an ISA again, becoming an employee of an Independent Sales Associate, or becoming an active participant with an Independent Sales

Associate under a different Sponsor.

- (d) If a former Customer or Independent Sales Associate desires to re-enroll in a new Marketing Organization or with a new Sponsor, he/she may re-enroll after (1) the Letter of Resignation and/or written notice has been received and accepted by Richway, (2) a completed Independent Sales Associate Agreement with the Lifetime Membership Registration Fee has been received and accepted by Richway. If a former Independent Sales Associate re-enrolls with a new Marketing Organization or a new Sponsor, he/she will begin receiving commission and bonus checks 6 months after the date of re-enrollment.

35. Obligations of Independent Contractors

As an independent contractor, it is an Independent Sales Associate's responsibility to:

- (a) Abide by any and all federal, state, provincial, county and local laws, rules and regulations pertaining to the acquisition, receipt, holding, selling, distributing or advertising of Richway products and services and the promotion of the Richway business opportunity;
- (b) At the Independent Sales Associate's own expense, make, execute or file all such reports and obtain such licenses as are required by law or public authority with respect to his/her Independent Richway Business and/or the receipt, holding, selling, distributing or promoting of Richway products;
- (c) Be solely responsible for declaration and payment of all local, state, provincial, federal and general sales taxes and fees as may accrue because of the Independent Sales Associate's activities in conjunction with his/her Independent Richway Business;
- (d) Supply all of his/her own equipment and tools for operating his/her business, such as telephone, transportation, professional services, office equipment, and office supplies; and
- (e) Provide his/her own place of business and determine his/her own work hours

36. Marketing Executives Are Not Corporate Representatives

Independent Sales Associates are not corporate representatives of Richway and are not authorized to incur any debt, expense or obligation on behalf of or for Richway, nor bind Richway to any agreement or contract. Independent Sales Associates may not imply or misrepresent themselves as being the Manufacturer/Richway, or part of the Corporate staff.

37. Corrective Measures

All of the policies in this Policies and Procedures, the provisions of the Independent Sales Associate Agreement, and any other agreements entered into by and between Richway and Independent Sales Associates are material terms to the agreement between Richway and Independent Sales Associates. An Independent Sales Associate's violation of any of the terms and conditions of any of these agreements or the Policies and Procedures or any illegal, fraudulent, deceptive or unethical conduct by an Independent Sales Associate may result, at Richway's discretion, in one or more of the following corrective measures:

- (a) issuance of a written warning or admonition;
- (b) imposition of a fine, which may be imposed immediately or withheld from future commission and/or bonus checks;
- (c) reassignment of all or part of his/her Marketing Organization;
- (d) suspension of his/her Independent Sales Associate Agreement for one or more months;

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- (e) cancellation of his or her Independent Sales Associate Agreement;
 - (f) termination of his or her Independent Sales Associate status; or
 - (g) any other measure expressly stated within any of the policies set forth in the Policies and Procedures or any provision of the Independent Sales Associate Agreement.

Richway has the right to withhold from an Independent Sales Associate all bonuses and commissions during the period that Richway is investigating the alleged violative conduct of the Independent Sales Associate. If an Independent Sales Associate's Independent Sales Associate Agreement is canceled due to a violation preceding the investigation, the Independent Sales Associate will not be entitled to any commissions or bonuses withheld by Richway during the investigation period.

38. Forfeiture of Rights to Bonuses and Commissions

So long as an Independent Sales Associate is complying with all policies and terms of the Independent Sales Associate Agreement, Richway is obligated to pay commissions and bonuses to such Independent Sales Associate in accordance with the Compensation Plan. An Independent Sales Associate's commissions and bonuses constitute the entire consideration for all of the Independent Sales Associate's efforts in generating sales, and the Independent Sales Associate's right to receive commissions and bonuses from Richway constitutes the entire value attributable to the Independent Sales Associate's Marketing Organization. Following an Independent Sales Associate's resignation, cancellation for inactivity, or voluntary or involuntary cancellation of his/her Independent Sales Associate Agreement, such former Independent Sales Associate shall have no right, title, claim or interest to the Marketing Organization. The former Independent Sales Associate shall have no claim for compensation for the Marketing Organization or for bonuses or commissions stemming from sales generated within or by the Marketing Organization or for car bonus amounts held in escrow by Richway. Following voluntary or involuntary cancellation of his/her Independent Sales Associate Agreement, the former Independent Sales Associate shall not hold himself/herself out as a Richway Independent Sales Associate and shall not have the right to sell Richway products or services.

39. Amendments to Compensation Plan, Statement of Policies, and/or Independent Marketing Executive Agreement

Upon notification to Independent Sales Associates, Richway may, at its sole discretion, amend the Compensation Plan, Policies and Procedures, Definitions of Terms and/or the terms of the Independent Sales Associate Agreement and any other agreements entered into by and between Richway and the Independent Sales Associates. By signing the Independent Sales Associate Agreement, Independent Sales Associates agree to abide by any such amendments. The continuation of an Independent Sales Associate Business or an Independent Sales Associate's acceptance of commissions and/or bonuses from Richway constitutes his/her acceptance of any such amendments. Independent Sales Associates will be bound by the most current versions of the Compensation Plan, the Policies and Procedures, the Definitions of Terms, the Independent Sales Associate Agreement and any other agreements entered into by and between Richway and the Independent Sales Associates.

DEFINITIONS OF TERMS

Compensation Plan: The plan offered by Richway that sets forth the compensation provided to Richway Independent Sales Associates for the continuing building, promoting, training, motivation, servicing and development of their Independent Sales Associate Businesses.

Customer: A person who has a sponsor, has completed, executed, and delivered to Richway an order form, and purchased a Richway product.

Distributor Kit: The Richway product and business opportunity information portfolio provided to a new Independent Sales Associate pursuant to terms of the Independent Sales Associate Agreement which includes product and marketing information and other Official Richway Material.

End Consumer: A person who purchases Richway products for the purpose of consuming them rather than for resale to someone else.

Enroll: To enlist, sponsor or sign up an individual or entity into a program or organization.

Enrollee: A Customer or Independent Sales Associate.

Immediate Household: Married couples and persons residing in the same home, and with respect to Independent Sales Associates and Customers which are entities (e.g., corporations, tax exempt entities, etc.) rather than individuals, Immediate Household means the shareholders, owners, directors, officers, trustees, responsible parties, etc. of such entities and persons married to or residing in the same home with the persons who are the shareholders, owners, directors, officers, trustees, responsible parties, etc. of such entities.

Inactive Independent Sales Associate: An Independent Sales Associate becomes inactive if he/she fails to personally produce Sales Volume for 12 consecutive months or longer. He/she will not receive the commission or bonus attributable to such status for the sales generated through their Marketing Organization.

Independent Sales Associate ("ISA"/"distributor"): A person who has signed and submitted an Independent Sales Associate Agreement.

Independent Sales Associate Agreement: Upon acceptance and approval by Richway, is part of a contract between the Independent Sales Associate and Richway.

Independent Sales Associate Business: The business organization consisting of an Independent Sales Associate and those persons and entities that purchase Richway products or generate sales of Richway products from which the Independent Sales Associate is entitled to receive commissions.

Independent Sales Associate ID Number: An Independent Sales Associate's ID Number is the Independent Sales Associate's Tax Identification Number. This must only be submitted to Richway if a Customer or Enrollee wishes to become an Independent Sales

Associate. It is required for the release of commissions and bonus checks for those residing in the U.S.

Marketing Organization: The Customers and Independent Sales Associates who comprise the group of individuals or entities from which the Independent Sales Associate is entitled to receive bonus checks based upon the collective Sales Volume of the group pursuant to the Compensation Plan.

Official Richway Material: Material in any form which is authorized, published and disseminated by Richway. This includes, but is not limited to, printed material, audio and visual materials, fax and electronic communications and Internet communications.

Order Form: The Order Form is an agreement between Richway and the Customer or End Consumer.

Personal Enrollees: A Sponsor's Enrollee to whom the Sponsor has personally introduced Richway and/or has played an active role in the presentation of Richway products or business opportunity.

Personal Purchase: Purchases that an Independent Sales Associate makes personally.

Personal Sales: Sales that an Independent Sales Associate makes to a Customer or End Consumer.

Product Certificate: A coupon with certain requirements to be used in exchange for Richway products.

Recruit: 1) To attempt to enroll, enlist, or solicit an individual or entity to join a business, program or organization; or 2) to attempt to promote, influence or encourage an individual or entity to join a business, program or organization; or 3) to present, or participate or assist in the presentation of, a business, program, organization or its products. To constitute recruiting, such efforts or attempts may be performed either directly through personal contact or indirectly through a third party.

Refund and Repair Policy: Richway's Refund and Repair Policy provides Customers and Independent Sales Associates the guidelines for product refunds and repairs.

Return Merchandise Authorization ("RMA") Number: The Return Merchandise Authorization Number is a Richway generated number for all returns. Customers and Independent Sales Associates must contact Richway for this number before returning any products to Richway for refund, repair, and/or exchange.

Sales Volume: The Sales Volume consist of the Independent Sales Associate's combined Personal Sales and Personal Purchases.

Sponsor ("Enroller"): The Independent Sales Associate who is listed on the Order Form as the Sponsor and has introduced Richway products to another person and/or has recruited that person as an Independent Sales Associate.

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