



Rain International, LLC

STATEMENT OF POLICIES *and* PROCEDURES

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SECTION 1. INTRODUCTION

1.1 - Policies and Compensation Plan Incorporated into Distributor Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of Rain International, LLC, a Delaware limited liability company, doing business as —Rain International (hereafter —Rain International or the —Company), are incorporated into, and form an integral part of, the Rain International Distributor Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Rain International Distributor Application and Agreement, these Policies and Procedures, the Rain International Marketing and Compensation Plan, and the Rain International Business Entity Registration Form (if applicable). These documents are incorporated by reference into the Rain International Distributor Agreement (all in their current form and as amended by Rain International). It is the responsibility of each Distributor to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Distributor, it is the responsibility of the sponsoring Distributor to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the Rain International Marketing and Compensation Plan prior to his or her execution of the Distributor Agreement.

1.2 - Purpose of Policies

Rain International is a direct sales company that markets its products and services through Rain International Distributors and Partners (hereafter “Distributor”). It is important to understand that your success and the success of your fellow Distributors depend on the integrity of the men and women who market our products and services. To clearly define the relationship that exists between Distributors and Rain International, and to explicitly set a standard for acceptable business conduct, Rain International has established the Agreement. Rain International Distributors are required to comply with all of the Terms and Conditions set forth in the Agreement which Rain International may amend at its sole discretion from time to time, as well as all federal, state, and local laws governing their Rain International business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an independent contractor and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from your Sponsor or from Rain International.

1.3 - Changes to the Agreement

Because federal, state, and local laws, as well as the business environment, periodically change, Rain International reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By entering into the Distributor Agreement, a Distributor agrees to abide by all amendments that Rain International elects to make. Amendments shall be effective thirty (30) days after publication of notice to all Distributors that the

Agreement has been modified. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment.

Notification of amendments shall be published in official Rain International materials. The Company shall provide or make available to all Distributors a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official web site; (2) electronic mail (e-mail); (3) inclusion in Company periodicals; (4) inclusion in product orders or bonus payments; (5) posting in the Distributors' Back Offices; or (6) special mailings. The continuation of a Distributor's Rain International business, the acceptance of any benefits under the Agreement, or a Distributor's acceptance of bonuses or commissions constitutes acceptance of all amendments.

1.4 - Delays

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

1.5 - Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

1.6 - Waiver

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

SECTION 2 - BECOMING A DISTRIBUTOR

2.1 - Requirements to Become a Distributor

To become a Rain International Distributor, each applicant must:

- Be at least 18 years of the age;
- Reside in the United States, a U.S. Territory, or any country that Rain International has officially announced is open for business;
- Provide Rain International with his or her valid Social Security or Federal Tax ID number or equivalent number in the country of residence;
- Purchase a Rain International Business Kit (optional for residents of North Dakota);
- Submit a properly completed Distributor Application and Agreement to Rain International.

Rain International reserves the right to accept or reject any Distributor Application and Agreement for any reason or for no reason.

2.2 - No Product Purchase Required

Except for the purchase of a Business Kit, no person is required to purchase Rain International products, services, or sales aids, or to pay any charge or fee to become a Distributor. In order to familiarize new Distributors with Rain products, services, sales techniques, sales aids, and other matters, the Company requires that they purchase a Business Kit. Rain will repurchase resalable kits from any Distributor who terminates his or her Distributor Agreement pursuant to the terms of Section 7.3.

2.3 - Distributor Benefits

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

- Sell Rain International products and services;
- Participate in the Rain International Marketing and Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Preferred Customers or Distributors into the Rain International business and thereby, build a Marketing Organization and progress through the Rain International Marketing and Compensation Plan;
- Receive periodic Rain International literature and other Rain International communications;
- Participate in Rain International-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by Rain International for its Distributors.

2.4 - Term and Renewal of Your Rain International Business

The term of the Distributor Agreement is one year from the date of its acceptance by Rain International (subject to prior termination or reclassification pursuant to Section 10). Distributors must renew their Distributor Agreement each year by paying an annual renewal fee of \$25.00 on or before the anniversary date of their Distributor

Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the Distributor Agreement, the Distributor Agreement will be canceled. Distributors may elect to utilize the Automatic Renewal Program (ARP). Under the ARP, the renewal fee will be charged to the Distributor's credit card on file with the Company.

SECTION 3 - OPERATING A RAIN INTERNATIONAL BUSINESS

3.1 - Adherence to the Rain International Marketing and Compensation Plan

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

3.2 - Advertising

3.2.1 General

All Distributors shall safeguard and promote the good reputation of Rain International and its products. The marketing and promotion of Rain International, the Rain International opportunity, the Marketing and Compensation Plan, and Rain International products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and services, and the opportunity Rain International offers, Distributors should use the sales aids and support materials produced by or approved by Rain International. Accordingly, if a Distributor wishes to create his or her own promotional material(s), the Distributor must submit all written sales aids, promotional materials, advertisements, and other literature to the Company for review. Unless the Distributor receives specific written approval to use such tools, the request shall be deemed denied.

The rationale behind this requirement is simple: Rain International has carefully designed its products, product labels, Marketing and Compensation Plan, and promotional materials to ensure that each aspect of Rain International is fair, truthful, substantiated,

and complies with the vast and complex legal requirements of federal and state laws. If Rain International Distributors were allowed to develop their own sales aids and promotional materials, notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting a Rain International business is almost certain. These violations, although they may be relatively few in number, would jeopardize the Rain International opportunity for all Distributors.

In addition, Distributors may not create side-businesses selling sales aids to other Rain International Distributors. Therefore, Distributors who receive authorization from Rain International to produce their own sales aids may not sell such material to any other Rain International Distributor. Distributors may make approved material available to other Distributors free of charge if they wish, but may not charge other Rain International Distributors for the material.

3.2.2 - Distributor Web Sites

If a Distributor desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's replicated website program only. This program permits Distributors to advertise on the Internet and to choose from among a variety of home page designs that can be personalized with the Distributor's message and the Distributor's contact information. These websites seamlessly link directly to the official Rain International website giving the Distributor a professional and Company-approved presence on the Internet. Except as provided below, no Distributor may independently design a website that uses the names, logos, or product descriptions of Rain International or otherwise promotes (directly or indirectly) Rain International products or the Rain International opportunity. Nor may a Distributor use "blind" ads on the Internet that make product or income claims which are ultimately associated with Rain International products, the Rain International opportunity, or the Rain International Marketing and Compensation Plan. The use of any other Internet website or web page to in any way promote the sale of Rain International products, the Rain International opportunity, or the Marketing and Compensation Plan is a breach of the Agreement and may result in any of the disciplinary sanctions set forth in Section 8.

Alternatively, Distributors may develop their own web pages or websites. However, any Distributor who does so: (a) may do so only with the express written permission of Rain International's Compliance Department; OR (b) must use the text of the Company's official website; and may not supplement the content of his or her website with text from any source other than the Company. Distributors who develop or publish their own websites must register their site(s) with the Company and receive written approval from the Company prior to the site(s) public availability. The failure to register constitutes a material breach of these policies and procedures.

3.2.3 - Blogs, Chat Rooms, Social Networks, Online Auctions, and other Online Forums

Distributors may use online blogs, chat rooms, social networks, online auctions sites, or any other online forum to market, sell, advertise, promote, or discuss Rain International's products or services or the Rain International opportunity. However, the use of these sites is subject to the advertising guidelines set forth in this Section 3.2.

3.2.4 - Domain Names and Email Addresses

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

3.2.5 - Trademarks and Copyrights

The name of Rain International and other names as may be adopted by Rain International are proprietary trade names, trademarks, and service marks of Rain International (collectively “marks”). As such, these marks are of great value to Rain International and are supplied to Distributors for their use only in an expressly authorized manner. Rain International will not allow the use of its trade names, trademarks, designs, or symbols, or any derivatives of such marks, by any person, including Rain International Distributors, without its prior, written permission.

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

As an independent Distributor, you may use the Rain International name in the following manner

Distributor’s Name
Independent Rain International Distributor

Example:
Alice Smith
Independent Rain International Distributor

Distributors may not use the name “Rain International” in any form in a team name, a tagline, an external website name, a personal website address or extension, in an e-mail address, as a personal name, or as a nickname. For example, a Distributor may not secure the domain name www.buyraininternational.com, nor may a Distributor create an email address such as RainInternationalSales@gmail.com. Additionally, a Distributor may only use the phrase *Independent Rain International Distributor* in telephone greetings or on an answering machine to clearly separate the Distributor’s independent Rain International business from Rain International.

3.2.6 – Advertised Prices

Rain International has established a Minimum Advertised Price (“MAP”) program that sets forth the Company’s policy with respect to the advertising and sale of its products. The Company reserves the right to refuse to sell its products to any Distributor who sells Rain

International products at prices less than those listed on MAP program price list. Notwithstanding this policy, Distributors are free to re-sell Rain International products at any price they choose. However, the Company reserves the right to refuse to do business with any Distributor who chooses to sell Rain International products at prices less than those published on the MAP program price list. The MAP program price list, which Rain International may amend at any time at its sole discretion, may be accessed via each Distributor's Back Office.

Distributors may not create their own marketing or advertising materials offering any Rain International products at a price less than the prices listed on the current MAP program price list. This includes products listed and sold via online websites such as eBay and craigslist.

3.2.7 - Media and Media Inquiries

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

3.2.8 - Unsolicited Email

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

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

Rain International may periodically send commercial emails on behalf of Distributors. By entering into the Distributor Agreement, Distributor agrees that the Company may send

such emails and that the Distributor's physical and email addresses will be included in such emails as outlined above. Distributors shall honor opt-out requests generated as a result of such emails sent by the Company.

3.2.9 - Unsolicited Faxes

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

3.2.10 – Telephone Directory Listings

Distributors may list themselves as an "Independent Rain International Distributor" in the white or yellow pages of the telephone directory, or with online directories, under their own name. No Distributor may place telephone or online directory display ads using Rain International's name or logo. Distributors may not answer the telephone by saying "Rain International", "Rain International Incorporated", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of Rain International. If a Distributor wishes to post his or her name in a telephone or online directory, it must be listed in the following format:

Distributor's Name
Independent Rain International Distributor

3.2.11 - Prohibited Postings

When posting any information concerning Rain International, Rain International products, or the Rain International opportunity on the Internet or via any social media site, Distributors may not make any postings, or link to any postings or other material that:

- Is sexually explicit, obscene, or pornographic;
- Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- Is graphically violent, including any violent video game images;
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity;
- Is in violation of any intellectual property rights of the Company or any third party.

3.2.12 – Online Classifieds

As long as the price advertising requirements of Section 3.2.6 are adhered to, Distributors may use online classifieds (e.g., craigslist) to list, sell or retail Rain International products. In addition, Distributors may use such online classifieds for prospecting, recruiting, sponsoring and informing the public about the Rain International business opportunity, provided Rain International-approved templates/images are used. These templates will identify the Distributor as an Independent Rain International Distributor. If a link or URL is provided, it must link to the Distributor’s Replicated Website or Registered External Website.

3.2.13 – eBay / Online Auctions

Provided the price advertising requirements of Section 3.2.6 are adhered to, Distributors may list Rain International products on eBay or other online auctions. However, Distributors may not enlist or knowingly allow a third party to sell Rain International products on eBay or other online auction.

3.2.14 – Online Retailing

Provided the price advertising requirements of Section 3.2.6 are adhered to, Distributors may list or sell Rain International products on online retail stores and ecommerce sites. However, a Distributor may not enlist or knowingly allow a third party to sell Rain International products on any online retail store or ecommerce site.

3.2.15 – Banner Advertising and Links

Distributors may place banner advertisements on a website provided the Distributor uses Rain International-approved templates and images. All banner advertisements must link to a Distributor’s Replicated Website. Distributors may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or income claims that are ultimately associated with Rain International products or the Rain International opportunity.

3.2.16 – Spam Linking

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

3.2.17 – Digital Media Submissions

Distributors may upload, submit or publish Rain International-related video, audio or photo content that they develop and create to sites such as YouTube, PhotoBucket, Pinterest, and Instagram, so long as it aligns with Rain International values, contributes to the Rain International community greater good and is in compliance with Rain International’s Policies and Procedures. All submissions must clearly identify the submitter as an Independent Rain International Distributor in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that the submitter is solely responsible for this content. Distributors may not upload, submit or publish any content (video, audio, presentations or any computer files) received from Rain International or captured at official

Rain International events or in buildings owned or operated by Rain International without prior written permission.

3.2.18 – Social Media Policies

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

- No product sales or enrollments may occur on any social media site. To generate sales, a social media site must link only to the Distributor’s Rain International Replicated Website.
- It is each Distributor’s responsibility to follow the social media site’s terms of use. If the social media site does not allow its site to be used for commercial activity, you must abide by the site’s terms of use.
- Any social media site that is directly or indirectly operated or controlled by a Distributor that is used to discuss or promote Rain International’s products or the Rain International opportunity may not link to any website, social media site, or site of any other nature, other than the Distributor’s Rain International replicated website.
- During the term of this Agreement and for a period of 12 calendar months thereafter, a Distributor may not use any social media site on which they discuss or promote, or have discussed or promoted, the Rain International business or Rain International’s products to directly or indirectly solicit Rain International Distributors for another direct selling or network marketing program (collectively, “direct selling”). In furtherance of this provision, a Distributor shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Distributors relating to the Distributor’s other direct selling business activities. Violation of this provision shall constitute a violation of the nonsolicitation provision in Section 3.10 below.
- A Distributor may post or “pin” photographs of Rain International products on a social media site, provided such photos depict Rain International and its products in a positive manner and do not contain any images that are offensive, inappropriate or in bad taste, as determined by Rain International at its sole and absolute discretion. Upon request by the Company, a Distributor shall immediately delete any photograph or image that the Company deems to be in violation of this policy.
- If a Distributor creates a business profile page on any social media site that promotes or relates to Rain International, its products, or opportunity, the business profile page must relate exclusively to the Distributor’s Rain International business and Rain International products. If the Distributor’s Rain International business is cancelled for any reason or if the Distributor becomes inactive, the Distributor must deactivate the business profile page.

3.3 - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. — Bonus buying includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Rain International Distributor Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Distributor or Preferred Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Distributors or Preferred Customers (phantoms); (d) purchasing Rain International products or services on behalf of another Distributor or Preferred Customer, or under another

Distributor's or Preferred Customer's I.D. number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers.

3.4 - Business Entities

A corporation, limited liability company (LLC), partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a Rain International Distributor by submitting a Distributor Application and Agreement together with a properly completed Business Entity Registration Form and a properly completed IRS Form W-9. The Business Entity and its shareholders, members, managers, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties") are jointly and severally liable for any indebtedness to Rain International, compliance with the Policies and Procedures, compliance with the Distributor Agreement, and all other obligations to Rain International. If a Business Entity enrolls as a Distributor online, Business Entity Registration Form and IRS Form W-9 must be submitted to Rain International within 30 days of the online enrollment. (If not received within the 30-day period, the Distributor Agreement shall automatically terminate.)

To prevent the circumvention of Section 3.25. (regarding transfers and assignments of Rain International business), if an additional partner, shareholder, member, or other business entity affiliate is added to a business entity, the original applicant must remain as a party to the original Distributor Application and Agreement. If the original Distributor wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with Section 3.25. If this process is not followed, the business shall be canceled upon the withdrawal of the original Distributor. All bonus and commission payments will be sent to the address of record of the original Distributor. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship. Changes of sponsorship are addressed in Section 3.5 below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Distributor Application and Agreement. Rain International may, at its discretion, require notarized documents before implementing any changes to a Rain International business. Please allow thirty (30) days after the receipt of the request by Rain International for processing.

3.4.1 - Changes to a Business Entity

A Rain International business may change its status under the same sponsor from an individual to a partnership, LLC, corporation or trust, or from one type of entity to another. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Distributor Application and Agreement. Such changes shall be processed only once per year and must be submitted by November 30 to become effective on January 1 of the following year. In addition, Distributors operating their Rain International businesses utilizing a business entity must notify Rain International of the addition or removal of any officers, directors, shareholders, managers, members or business associates of the business entity.

3.5 - Change of Sponsor

To protect the integrity of all Marketing Organizations and safeguard the hard work of all Distributors, Rain International strongly discourages changes in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every Distributor and Marketing Organization. Accordingly, the transfer of a Rain International business from one Sponsor to another is rarely permitted.

Requests for change of sponsorship must be submitted in writing to the Distributor Services Department, and must include the reason for the transfer. Transfers will only be considered in the following two circumstances:

a) In cases in which the new Distributor is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, a Distributor may request that he or she be transferred to another organization with his or her entire Marketing Organization intact. All requests for transfer alleging fraudulent enrollment practices shall be evaluated on a (case by case) basis. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within 60 days from the date of enrollment. The Distributor requesting the change has the burden of proving that he or she was placed beneath the wrong sponsor.

b) The Distributor seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her active sponsor and 4 generation upline Executives. Photocopied or facsimile signatures are not acceptable. All Distributor signatures must be notarized. The Distributor who requests the transfer must submit a fee of \$50.00 for administrative charges and data processing. If the transferring Distributor also wants to move any of the Distributors in his or her Marketing Organization, each downline Distributor must also obtain a properly completed Sponsorship Transfer Form and return it to Rain International with the \$50.00 change fee (i.e., the transferring Distributor and each Distributor in his or her Marketing Organization multiplied by \$50.00 is the cost to move a Rain International business.) Downline Distributors will not be moved with the transferring Distributor unless all of the requirements of this paragraph are met. Transferring Distributors must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by Rain International for processing and verifying change requests.

3.5.1 - Cancellation and Re-application

A Distributor may legitimately change organizations by voluntarily cancelling his or her Rain International business by submitting a cancelation letter and remaining inactive (i.e., no purchases of Rain International products for resale, no sales of Rain International products, no sponsoring, no attendance at any Rain International functions, participation in any other form of Distributor activity, or operation of any other Rain International business) for six (6) full calendar months. Following the six-month period of inactivity, the former Distributor may reapply under a new sponsor. They cannot partner or add his or her name to an existing Distributor account. Rain International will consider waiving the six-month waiting period under exceptional circumstances. Such requests for waiver must be submitted to Rain International in writing.

3.5.2 - Waiver of Claims

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

3.6 – Unauthorized Claims and Actions

3.6.1 - Indemnification

A Distributor is fully responsible for all of his or her verbal and written statements made regarding Rain International products, services, and the Marketing and Compensation Plan which are not expressly contained in official Rain International materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through Social Media, in print, or any other means of communication. Distributors agree to indemnify Rain International and Rain International's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Rain International as a result of the Distributor's unauthorized representations or actions. This provision shall survive the termination of the Distributor Agreement.

3.6.2 - Product Claims

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

3.6.3 – Compensation Plan Claims

When presenting or discussing the Rain International Marketing and Compensation Plan, Distributors must make it clear to prospective Distributors that financial success with Rain International requires commitment, effort, and sales skill. Conversely, Distributors must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include:

- The system will do the work for you;
- Just get in and your downline will build through spillover;
- Just join and I will build your downline for you;

- The company does all the work for you;
- You don't have to sell anything; or
- All you have to do is buy your products every month.

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

3.6.4 - Income Claims

In their enthusiasm to enroll prospective Distributors, some Distributors are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Distributors may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At Rain International, we firmly believe that the Rain International income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Distributors may believe it beneficial to provide copies of commission payments, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Rain International as well as the Distributor making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation.

Because Rain International Distributors do not have the data necessary to comply with the legal requirements for making income claims, a Distributor, when presenting or discussing the Rain International opportunity or Marketing and Compensation Plan to a prospective Distributor, may not make income projections, income claims, or disclose his or her Rain International income (including the showing of commission payments, copies of commission payments, bank statements, or tax records).

3.7 - Repackaging and Re-labeling Prohibited

Rain products may only be sold in their original packaging. Distributors may not repackage, re-label, or alter the labels on Rain product. Tampering with labels/packaging could be a violation of federal and state laws, and may result in civil or criminal liability. Distributors may affix a personalized sticker with your personal/contact information to each product or product container, as long as you do so without removing existing labels or covering any text, graphics, or other material on the product label.

3.8 - Commercial Outlets

Provided the price advertising requirements of Section 3.2.6 are adhered to, Distributors may display and sell Rain International products at service, retail and commercial outlets, and may offer Rain International products for sale at auction and classified websites such as eBay and craigslist.

3.9 - Trade Shows, Expositions and Other Sales Forums

Distributors may display and/or sell Rain International products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Distributors must contact the Distributor Services Department in writing for conditional approval, as Rain International's policy is to authorize only one Rain International business per event. Final approval will be granted to the first Distributor who submits an official advertisement of the event, a copy of the contract signed by both the Distributor and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Distributor Services Department. Rain International further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the Rain International opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image Rain International wishes to portray.

3.10 - Conflicts of Interest

3.10.1 - Nonsolicitation

Rain International Distributors are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively —network marketing). However, during the term of this Agreement, Distributors may not directly or indirectly recruit other Rain International Distributors or Preferred Customers for any other network marketing business.

Following the cancellation of a Distributor's Distributor Agreement, and for a period of six calendar months thereafter, with the exception of a Distributor who was personally sponsored by the former Distributor, a former Distributor may not recruit any Rain International Distributor or Preferred Customer for another network marketing business.

During the term of this Agreement and for a period of 12 calendar months thereafter, a Distributor may not use any social media site on which they discuss or promote, or have discussed or promoted, the Rain International business or Rain International's products to directly or indirectly recruit Rain International Distributors for another direct selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, a Distributor shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Distributors relating to the Distributor's other direct selling business activities.

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

As used in this subsection 3.10.1, The term “recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Rain International Distributor to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

3.10.2 - Sale of Competing Goods or Services

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

3.10.3 - Distributor Participation in Other Direct Selling Programs

If a Distributor is engaged in other non-Rain International direct selling programs, it is the responsibility of the Distributor to ensure that his or her Rain International business is operated entirely separate and apart from any other program in which the Distributor participates. To this end, the following must be adhered to:

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

3.10.4 - Downline Activity (Genealogy) Reports

Downline Activity Reports are available for Distributor access and viewing at Rain International’s official web site. Distributor access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Rain International. Downline Activity Reports are provided to Distributors in strictest confidence and are made available to Distributors for the sole purpose of assisting Distributors in working with their respective Marketing Organizations in the development of their Rain International business. Distributors should use their Downline Activity Reports to assist, motivate, and train their downline Distributors. The Distributor and Rain International agree that, but for this agreement of confidentiality and nondisclosure, Rain International

would not provide Downline Activity Reports to the Distributor. A Distributor shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly use or disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information contained in any Downline Activity Report to compete with Rain International or for any purpose other than promoting or supporting his or her Rain International business; or
- Recruit or solicit any Distributor or Preferred Customer listed on any Downline Activity Report, or in any manner attempt to influence or induce any Distributor or Preferred Customer, to alter their business relationship with Rain International.

Upon demand by the Company, any current or former Distributor will return the original and all copies of Downline Activity Reports to the Company. The obligations of a Distributor under this subsection 3.10.4 shall survive cancellation or termination of the Agreement, and shall remain effective and binding irrespective of whether a Distributor's Agreement has been terminated, or whether the Distributor is or is not otherwise affiliated with the Company.

3.10.5 - Targeting Other Direct Sellers

Rain International does not condone Distributors specifically or consciously targeting the sales force of another direct sales company to sell Rain International products or to become Distributors for Rain International, nor does Rain International condone Distributors solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Distributors engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against a Distributor alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, Rain International will not pay any of Distributor's defense costs or legal fees, nor will Rain International indemnify the Distributor for any judgment, award, or settlement.

3.11 - Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. —Cross sponsoring is defined as the enrollment of an individual who or entity that already has a current Preferred Customer or Distributor Agreement on file with Rain International, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited. Distributors shall not demean, discredit or defame other Rain International Distributors in an attempt to entice another Distributor to become part of the first Distributor's Marketing Organization. This policy shall not prohibit the transfer of a Rain International business in accordance with Section 3.25

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. Rain International may take disciplinary action against the Distributor that changed organizations and/or those Distributors who encouraged or participated in the Cross Sponsoring. Rain International may also move all or part of the offending Distributor's Marketing Organization to his or her original Marketing Organization if the Company deems it equitable and feasible to do so. However, Rain International is under no obligation to move the Cross Sponsored Distributor's Marketing Organization, and the ultimate disposition of the organization remains within the sole discretion of Rain International. Distributors waive all claims and causes of action against Rain International arising from or relating to the disposition of the Cross Sponsored Distributor's Marketing Organization.

3.12 - Errors or Questions

If a Distributor has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Distributor must notify Rain International in writing within 60 days of the date of the purported error or incident in question. Rain International will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

3.13 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Distributors shall not represent or imply that Rain International or its Marketing and Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.14 - Holding Applications or Orders

Distributors must not manipulate enrollments of new applicants and purchases of products. All Distributor Applications and Agreements, and product orders must be sent to Rain International within 72 hours from the time they are signed by a Distributor or placed by a customer, respectively.

3.15 - Identification

All Distributors are required to provide their Social Security Number, or a Federal Employer Identification Number to Rain International on the Distributor Application and Agreement. Upon enrollment, the Company will provide a unique Distributor Identification Number to the Distributor by which he or she will be identified. This number will be used to place orders, and track commissions and bonuses.

3.16 - Income Taxes

Each Distributor is responsible for paying local, state and federal taxes on any income generated as a Rain International Distributor. If a Rain International business is tax exempt, the Federal tax identification number must be provided to Rain International. Every year, Rain International will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000.

3.17 - Independent Contractor Status

Distributors are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between Rain International and its Distributors does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Distributor. Distributors shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Distributors are responsible for paying local, state, and federal taxes due from all compensation earned as a Distributor of the Company. The Distributor has no authority (expressed or implied), to bind the Company to any obligation. Each Distributor shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Distributor Agreement, these Policies and Procedures, and applicable laws.

3.18 - Insurance

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple —Business Pursuit endorsement attached to your present home owner's policy.

3.19 - International Marketing

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

Accordingly, Distributors are authorized to sell Rain International products and services, and enroll Preferred Customers or Distributors only in the countries in which Rain International is authorized to conduct business, as announced in official Company literature. Rain International products or sales aids cannot be shipped into or sold in any foreign country. Distributors may sell, give, transfer, or distribute Rain International products or sales aids only in their home country. In addition, no Distributor may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or Distributors; or (c) conduct any other activity for the purpose of selling Rain International products, establishing a Marketing Organization, or promoting the Rain International opportunity.

3.20 - Inventory Loading

Distributors must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other Distributor to buy more products than they can reasonably use or sell to retail customers in a month.

3.21 - Adherence to Laws and Ordinances

Distributors shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Distributors because of the nature of their business. However, Distributors must obey those laws that do apply to them. If a city or county official tells a Distributor that an ordinance applies to him or her, the Distributor shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of Rain International. In most cases there are exceptions to the ordinance that may apply to Rain International Distributors.

3.22 - Minors

A person who is recognized as a minor in his/her state of residence may not be a Rain International Distributor. Distributors shall not enroll or recruit minors into the Rain International program.

3.23 - One Rain International Business Per Distributor

A Distributor may operate or have an ownership interest in only one Rain International business. No individual may have, operate or receive compensation from more than one Rain International business. A Distributor's spouse can sign up and have an individual position but has to be in the same sponsor tree line.

3.24 - Actions of Household Members or Affiliated Individuals

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

3.25 - Sale, Transfer or Assignment of Rain International Business

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

- Protection of the existing line of sponsorship must always be maintained so that the Rain International business continues to be operated in that line of sponsorship.
- The buyer or transferee must not be a Rain International Distributor.
- Before the sale, transfer or assignment can be finalized and approved by Rain International, any debt obligations the selling Distributor has with Rain International must be satisfied.

- The selling Distributor must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a Rain International business.

Prior to selling a Rain International business by submitting a properly completed Request for Approval of Sale or Transfer of Independent Business form and the administrative fee of \$50.00 to the Legal Department. In the event the transaction is approved, upon complete execution of the purchase and sale agreement, the parties must submit copies of the same to the Legal Department for review. Rain International reserves the right to request additional documentation that may be necessary to analyze the transaction between the buyer and seller. The Legal Department will, in its sole and absolute discretion, approve or deny the sale, transfer or assignment within 30 days after its receipt of all necessary documents from the parties.

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

No changes in line of sponsorship can result from the sale or transfer of a Rain International business. A Distributor may not sell, transfer or assign individual business centers; if a business is sold, transferred or assigned, all business centers must be included in the transaction.

3.26 - Separation of a Rain International Business

Rain International Distributors sometimes operate their Rain International businesses as husband-wife partnerships, regular partnerships, corporations, limited liability companies ("LLC"), or trusts. At such time as a marriage may end in divorce or a corporation, LLC, partnership or trust (the latter four entities are collectively referred to herein as —entities) may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Distributors and the Company in a timely fashion, Rain International will involuntarily terminate the Distributor Agreement.

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

- One of the parties may, with consent of the other(s), operate the Rain International business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Rain International to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.

- The parties may continue to operate the Rain International business jointly on a “business-as-usual” basis, whereupon all compensation paid by Rain International will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Marketing Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will Rain International split commission and bonus payments between divorcing spouses or members of dissolving entities. Rain International will recognize only one Marketing Organization and will issue only one commission payment per Rain International business per commission cycle. Commission payments shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Distributor Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original Rain International business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Distributor. In either case, however, the former spouse or business affiliate shall have no rights to any Distributors in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Distributor.

3.27 - Sponsoring

All active Distributors in good standing have the right to sponsor and enroll others into Rain International. Each prospective Preferred Customer or Distributor has the ultimate right to choose his or her own Sponsor. If two Distributors claim to be the Sponsor of the same new Distributor or Preferred Customer, the Company shall regard the first application received by the Company as controlling.

When sponsoring a new Distributor through the online enrollment process, the Sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online application and agreement, Rain International’s Policies and Procedures, and the Rain International Marketing and Compensation Plan. The Sponsor may not fill out the online application and agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

3.28 - Succession

Upon the death or incapacitation of a Distributor, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Distributor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument.

Whenever a Rain International business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Distributor's Marketing Organization provided the following qualifications are met. The successor(s) must:

- Complete and execute a Distributor Agreement;
- Comply with terms and provisions of the Agreement; and
- Meet all of the qualifications for the deceased Distributor's status.

Bonus and commission payments of a Rain International business transferred pursuant to this section will be paid in a single payment jointly to the devisees. The devisees must provide Rain International with an address of record to which all bonus and commission payments will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer Identification number. Rain International will issue all bonus and commission payments and one 1099 to the business entity.

3.28.1 - Transfer Upon Death of a Distributor

To effectuate a testamentary transfer of a Rain International business, the Personal Representative or Executor of the estate of the deceased Distributor must provide all necessary documentation to establish a successor's or successors' right to the subject Rain International business. The successor or successors must complete and execute a Distributor Agreement and meet the other requirements set forth in Section 2.1.

3.28.2 - Transfer Upon Incapacitation of a Distributor

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

3.29 - Telemarketing Techniques

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

Therefore, Distributors must not engage in telemarketing in the operation of their Rain International businesses. The term —telemarketing means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Rain International product or service, or to recruit them for the Rain International opportunity. —Cold calls"

made to prospective customers or Distributors that promote either Rain International's products or services or the Rain International opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Distributor (a "prospect") is permissible under the following situations:

- If the Distributor has an established business relationship with the prospect. An "established business relationship" is a relationship between a Distributor and a prospect based on the prospect's purchase, rental, or lease of goods or services from the Distributor, or a financial transaction between the prospect and the Distributor, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- The prospect's personal inquiry or application regarding a product or service offered by the Distributor, within the three (3) months immediately preceding the date of such a call.
- If the Distributor receives written and signed permission from the prospect authorizing the Distributor to call. The authorization must specify the telephone number(s) which the Distributor is authorized to call.
- You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you make a habit of "card collecting" with everyone you meet and subsequently calling him or her, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling "acquaintances," you must make such calls on an occasional basis only and not make this a routine practice.
- In addition, Distributors shall not use automatic telephone dialing systems or software relative to the operation of their Rain International businesses. Distributors shall not place or initiate any outbound telephone call to any person that delivers a pre-recorded message (a "robocall") regarding or relating to the Rain International products or opportunity.

3.30 - Back-Office Access

Rain International makes online back offices available to its Distributors. Back offices provide Distributors access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Distributor's Rain International business and to increase sales of Rain International products. However, access to a back office is a privilege, and not a right. Rain International reserves the right to deny Distributors' access to the back office at its sole discretion.

SECTION 4 - RESPONSIBILITIES OF DISTRIBUTORS

4.1 - Change of Address or Telephone

To ensure timely delivery of products, support materials, and commission payments, it is critically important that the Rain International's files are current. Street addresses are required for shipping since Shipping Carriers cannot deliver to a post office box. Distributors planning to move should update their personal information via the Back Office function of the Distributor's replicated Rain International website or send their new address and telephone numbers to Rain International's Corporate Offices to the attention of the Distributor Services Department. To guarantee proper delivery, two weeks advance notice must be provided to Rain International on all changes.

4.2 - Continuing Development Obligations

4.2.1 - Ongoing Training.

Any Distributor who sponsors another Distributor into Rain International must perform a bona fide assistance and training function to ensure that his or her Marketing Organization is properly operating his or her Rain International business. Distributors must have ongoing contact and communication with the Distributors in their Marketing Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Distributors to Rain International meetings, training sessions, and other functions. Upline Distributors are also responsible to motivate and train new Distributors in Rain International product knowledge, effective sales techniques, the Rain International Marketing and Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline Distributors must not, however, violate Section 3.2. (regarding the development of Distributor-produced sales aids and promotional materials). Distributors must monitor the Distributors in their Marketing Organizations to ensure that downline Distributors do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Distributor should be able to provide documented evidence to Rain International of his or her ongoing fulfillment of the responsibilities of a Sponsor.

4.2.2 - Increased Training Responsibilities.

As Distributors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the Rain International program. They will be called upon to share this knowledge with lesser experienced Distributors within their organization.

4.2.3 - Ongoing Sales Responsibilities.

Regardless of their level of achievement, Distributors have an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing their existing customers.

4.3 - Nondisparagement.

Rain International wants to provide Distributors with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Customer Service Department. Remember, to best serve you, we must hear from you! While Rain International

welcomes constructive input, negative comments and remarks made in the field by Distributors about the Company, its products, or Marketing and Compensation Plan serve no purpose other than to sour the enthusiasm of other Rain International Distributors. For this reason, and to set the proper example for their Marketing Organization, Distributors must not disparage, demean, or make negative remarks about Rain International, other Rain International Distributors, Rain International's products, the Marketing and Compensation Plan, or Rain International's directors, officers, or employees.

4.4 - Providing Documentation to Applicants.

Distributors must provide the most current version of the Policies and Procedures and the Marketing and Compensation Plan to individuals whom they are sponsoring to become Distributors before the applicant signs a Distributor Agreement or ensure that such individuals have online access to these materials. Additional copies of Policies and Procedures and Marketing and Compensation Plan can be downloaded from Rain International's website.

4.5 - Reporting Policy Violations.

Distributors observing a Policy violation by another Distributor should submit a written report of the violation directly to the attention of the Rain International Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

4.6 - Vendor Confidentiality/Communications

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

SECTION 5 - SALES REQUIREMENTS

5.1 - Product Sales

The Rain International Marketing and Compensation Plan is based on the sale of Rain International products and services to end consumers. Distributors must fulfill personal and Marketing Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for Distributors to be eligible for commissions:

- Distributors must satisfy the Personal Volume and Group Volume requirements to fulfill the requirements associated with their rank as specified in the Rain International Marketing and Compensation Plan. “Personal Volume Qualification” includes purchases made by the Distributor and purchases from customers. Personal Group Volume shall include the total Sales Volume of all Distributors and customers in his or her Marketing Organization, and shall also include the Distributor’s Personal Volume.

5.2 - No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

5.3 - Sales Receipts

All Distributors must provide their retail customers with two copies of an official Rain International sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. Distributors must maintain all retail sales receipts for a period of two years and furnish them to Rain International at the Company’s request. Records documenting the purchases of Distributors’ Direct Customers will be maintained by Rain International.

Remember that retail customers must receive two copies of the sales receipt. In addition, Distributors must orally inform the buyer of his or her cancellation rights.

SECTION 6 - BONUSES AND COMMISSIONS

6.1 - Bonus and Commission Qualifications

A Distributor must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Distributor complies with the terms of the Agreement, Rain International shall pay commissions to such Distributor in accordance with the Marketing and Compensation Plan. The minimum amount for which Rain International will issue a payment is \$30. If a Distributor’s bonuses and commissions do not equal or exceed \$30, the Company will accrue the commissions and bonuses until they total \$30. Payment will be issued once \$30 has been accrued.

6.2 - Adjustment to Bonuses and Commissions

Distributors receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to Rain International for a refund or repurchase, or a service is cancelled and the customer is entitled to a refund, either of the following may occur at the Company’s discretion: (1) the bonuses and commissions attributable to the returned or repurchased product or the refunded service will be deducted, in the period in which the refund is given and continuing every pay period thereafter until the bonuses and commissions are recovered, from the Distributors who received bonuses and commissions on the sales of the refunded product or cancelled service; or (2) the Distributors who earned commissions or bonuses based on the sale of the returned product or cancelled service will have the corresponding points deducted

from their Group Volume in the next period and all subsequent periods until such points are completely recovered.

6.3 - Reports

All information provided by Rain International in online or telephonic Downline Activity Reports, including but not limited to personal and group volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including, but not limited to, the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by Rain International or any persons creating or transmitting the information.

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

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

Access to and use of Rain International's online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Rain International's online and telephone reporting services and your reliance upon the information.

SECTION 7 - PRODUCT RETURNS AND EXCHANGES

7.1 – Return Policy

7.1.1 – Returns

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

7.1.2 – Initial Product Order

If a Rain Partner or Customer is not fully satisfied with the Initial Product Order, he or she can send the unused portion of the Initial Product Order to the Company within thirty (30) days of the original purchase date and the Company will refund 100% of the purchase price. Initial Product Order returns after the thirty (30) day period will be refunded under section 7.1.3. The Initial Product Order is a Rain Partner's or Customer's first order of a single unit of Product (e.g. carton or bottle) offered by the Company.

7.1.3 – Product Purchases Other Than Initial Product Order

The Company will refund 90% of the purchase price, less shipping and handling, for all Product purchases other than the Initial Product Order.

7.1.4 – Product Returns with Agreement Cancellation

Notwithstanding anything herein to the contrary, the Company will refund 90% of the purchase price for all Product in marketable condition (as defined in 7.1.6) and Sales Aids (except subscription services unless required by law) returned within twelve (12) months of the purchase date, upon cancellation of the Distributor or Customer Agreement.

7.1.5 – Procedures for Returns

Procedures for Returns:

- a) The Rain Partner or Customer who purchased the Product directly from the Company must return the product. The Company does not provide refunds for Products or Sales Aids purchased from another Rain Partner.
- b) Returned Product must be in its original container.
- c) The Company does not refund the original or return shipping costs on returned Products.
- d) Except for Initial Product Orders, the refund must be requested within ninety (90) days of the purchase date.
- e) The return must have a Return Merchandise Authorization number (RMA). Contact the Company's Customer Service Department at 1-855-724-6606 to obtain the RMA number.

f) Except for Initial Product Orders, Product must be returned in marketable condition, as defined in 7.1.6.

g) Return the Product through a traceable delivery system (e.g. UPS). It is the responsibility of the party returning Product to track the shipment. The Company is not responsible for Product lost or damaged during shipment.

7.1.6 – Definition of Marketable

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

7.2 – Subscription Services

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

7.3 - Exchanges

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

SECTION 8 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 - Disciplinary Sanctions

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

- Issuance of a written warning or admonition;
- Requiring the Distributor to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission payments;
- Loss of rights to one or more bonus and commission payments;

- Rain International may withhold from a Distributor all or part of the Distributor's bonuses and commissions during the period that Rain International is investigating any conduct allegedly violative of the Agreement. If a Distributor's business is canceled for disciplinary reasons, the Distributor will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Distributor Agreement for one or more pay periods;
- Permanent or temporary loss of, or reduction in, the current and/or lifetime rank of a Distributor (which may subsequently be re-earned by the Distributor);
- Transfer or removal of some or all of the Distributor's downline Distributors from the offending Distributor's Marketing Organization;
- Suspension and/or termination of the offending Distributor's Rain International replicated website, website access, or Back Office access;
- Involuntary termination of the offender's Distributor Agreement; or
- Any other measure expressly allowed within any provision of the Agreement or which Rain International deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Distributor's policy violation or contractual breach.

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

8.2 - Grievances and Complaints

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

8.3 - Dispute Resolution Board

The purpose of the Dispute Resolution Board ("DRB") is to: (1) review appeals of disciplinary sanctions; and (2) review matters between Rain International Distributors. After the response or settlement instituted by Distributor Services has been denied or otherwise remains unresolved, the DRB reviews evidence, deliberates, and responds to current outstanding issues on a collective basis.

A Distributor may submit a written request for a telephonic or in-person hearing within seven business days from the date of: (1) the written notice by Rain International of disciplinary action; or (2) the written decision of Distributor Services regarding disputes between Distributors. All communication with Rain International and the Distributor seeking resolution of a dispute must be in writing. It is within the DRB's discretion whether a claim is accepted for review. If the DRB agrees to review the matter, it shall schedule a hearing within 30 days of receipt of the Distributor's written request. All evidence (e.g., documents, exhibits, etc.) that a Distributor desires to have considered by the DRB must be

submitted to Rain International no later than seven business days before the date of the hearing. The Distributor shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be present at the hearing. The decision of the DRB will be final and subject to no further review, except as provided in Sections 8.4 and 8.5 below. During the pendency of the claim before the DRB, the Distributor waives his or her right to pursue arbitration or any other remedy.

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

8.4 - Mediation

Prior to instituting any arbitration as provided in Section 8.5 below, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Springville, Utah and shall last no more than two business days.

8.5 - Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration as provided in this Section 8.5. The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") or JAMS under their respective rules and procedures. The *Commercial Arbitration Rules and Mediation Procedures* of the AAA are available at the AAA's website at www.adr.org. The *Streamlined Arbitration Rules & Procedures* of JAMS are available at the JAMS website at www.jamsadr.com. Copies of the AAA's *Commercial Arbitration Rules and Mediation Procedures* or JAM's *Streamlined Arbitration Rules & Procedures* will be emailed to Distributors upon request to Rain International's Compliance Department.

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

- The Federal Rules of Evidence shall apply in all cases;
- The parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;

- The arbitration shall occur within 180 days from the date on which the arbitrator is appointed, and shall last no more than five business days; and
- The parties shall be allotted equal time to present their respective cases, including cross-examinations.

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

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

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

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

8.6 - Governing Law, Jurisdiction and Venue

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

8.7 – Liquidated Damages

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

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

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

Any Distributor, of any rank, who has been a Distributor for fewer than 12 full months prior to the termination, shall not be eligible for liquidated damages under this Section 8.7.

SECTION 9 - PAYMENT

9.1 - Returned Checks

All checks returned by a Distributor's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the Distributor. After receiving a returned check from a customer or a Distributor, all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to Rain International by a Distributor for NSF checks and returned check fees will be withheld from subsequent bonus and commission payments.

9.2 - Restrictions on Third Party Use of Credit Cards and Checking Account Access

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

9.3 - Sales Taxes

In designing the Rain International opportunity, one of our guiding philosophies has been to free Distributors from as many administrative, operational, and logistical tasks as possible. In doing so, Distributors are free to concentrate on those activities that directly affect their incomes, namely product sales and enrollment activities. To these ends, Rain

International relieves Distributors of the burdens of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales taxes.

By virtue of its business operations, Rain International is required to charge sales taxes on all purchases made by Distributors and Preferred Customers, and remit the taxes charged to the respective states. Accordingly, Rain International will collect and remit sales taxes on behalf of Distributors, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If a Distributor has submitted, and Rain International has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Distributor. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Rain International is not retroactive.

SECTION 10 - INACTIVITY, RECLASSIFICATION, & CANCELLATION

10.1 - Effect of Cancellation

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

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

10.2 - Cancellation Due to Inactivity

If a distributor has not generated sales of at least 50 PV (Personal Volume) per month for 6 consecutive months his or her Distributor agreement shall be cancelled for inactivity.

10.3 - Involuntary Cancellation

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

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

10.4 - Voluntary Cancellation

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

10.5 - Non-renewal

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

SECTION 11 - DEFINITIONS

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

B. Active Rank — The term —active rank refers to the current rank of a Distributor, as determined by the Rain International Marketing and Compensation Plan, for any week. To be considered —active relative to a particular rank, a Distributor must meet the criteria set forth in the Rain International Marketing and Compensation Plan for his or her respective rank. (See the definition of —Rank below.)

C. Agreement - The contract between the Company and each Distributor includes the Distributor Application and Agreement, the Rain International Policies and Procedures, the Rain International Marketing and Compensation Plan, and the Business Entity Registration Form (where appropriate), all in their current form and as amended by Rain International in its sole discretion. These documents are collectively referred to as the —Agreement.

D. Cancel — The termination of a Distributor’s business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

E. Preferred Customer — An individual who registers with Rain International as a Preferred Customer or pursuant to Rain International’s Preferred Customer Program.

F. Downline Activity Report — A weekly report generated by Rain International that provides critical data relating to the identities of Distributors, sales information, and enrollment activity of each Distributor’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to Rain International.

G. Downline Leg — Each one of the individuals enrolled immediately underneath you and their respective Marketing Organizations represents one leg in your Marketing Organization.

H. Group Volume — The commissionable value of Rain International products or services sold by a Distributor’s Marketing Organization. Group Volume includes the Personal Volume of the subject Distributor and his or her customers. (Starter Kits and sales aids have no Commissionable Volume.)

I. Immediate Household — Heads of household and dependent family members residing in the same house.

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

K. Marketing Organization — The Preferred Customers and Distributors sponsored below a particular Distributor.

L. Official Rain International Material — Literature, audio or video tapes, and other materials developed, printed, published and distributed by Rain International to Distributors.

M. Personal Production — Moving Rain International products or services to an end consumer for personal use.

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

O. Lifetime Rank — The title that a Distributor has achieved pursuant to the Rain International Marketing and Compensation Plan.

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

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

R. Retail Customer — An individual who purchases Rain International products from a Distributor but who is not a participant in the Rain International Marketing and Compensation Plan or the Rain International Preferred Customer Program. See the definition of Preferred Customer above.

S. Sponsor — A Distributor who enrolls a Preferred Customer or another Distributor into the Company, and is listed as the Sponsor on the Distributor Application and Agreement. The act of enrolling others and training them to become Distributors is called—sponsoring.

T. Starter Kit — A selection of Rain International training materials and business support literature that each new Distributor is required to purchase. The Starter Kit is sold to Distributors.

U. Upline — This term refers to the Distributor or Distributors above a particular Distributor in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Distributor to the Company.