



Norwex USA
Consultant
Policies and
Procedures

Consultant Policies and Procedures

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U.S. Independent Sales Consultant Policies and Procedures

INTRODUCTION

These Policies and Procedures in their present form and as may be amended at the sole discretion of Norwex USA, Inc. ("Norwex") are incorporated into and form an integral part of the Independent Sales Consultant Agreement, which sets forth the respective legal rights and obligations of Norwex and Norwex Independent Sales Consultants. Throughout these Policies and Procedures, where the term "Consultant Agreement" is used, it refers to the legally binding agreement between Norwex and each Norwex Independent Sales Consultant ("Consultant") which consists of (i) a properly completed and signed Independent Sales Consultant Agreement that has been accepted by Norwex; (ii) these Policies and Procedures; (iii) the Norwex Success Builder (the "Compensation Plan"); (iv) the Norwex Advertising and Media Policy; and if applicable, (v) a properly completed and signed Business Entity Registration Form.

It is the responsibility of each Consultant to read, understand, adhere to, and ensure that she or he is aware of and operating under the most current version of these Policies and Procedures. When sponsoring a potential Consultant, it is the responsibility of the Sponsor to provide access to the most current version of these Policies and Procedures to the new applicant prior to the potential Consultant's submission of the Independent Sales Consultant Application. Norwex may at any time revise the terms of the Consultant Agreement including these Policies and Procedures, the Compensation Plan and the Norwex Advertising and Media Policy. Notice of any substantive proposed changes will be provided on the Norwex Consultant Service website and the changes shall become effective thirty (30) days after notice is provided. It is the responsibility of all Consultants to check the Norwex Consultant Service website frequently for amendments to the Consultant Agreement. A Consultant's continued participation following the effective date of any changes to the Policies and Procedures constitutes acceptance of any changes or additions.

COMPLIANCE WITH NORWEX CORE VALUES

The core values of Norwex are integrity, trust, respect and transparency.

At Norwex, our core values are as important as our company mission and are based upon the highest moral standard – we want to improve quality of life. Therefore it is important that every Norwex Consultant understand and agree to operate their Norwex business in accordance these core values.

Integrity – is the quality of being honest and morally upright.

Trust – is the expectation or belief that one can rely upon another person's actions and words.

Respect – implies you hold the person in high regard. All human beings deserve respect just because they are human beings.

Transparency – is the quality of quality of being open about your affiliation with Norwex as an Independent Sales Consultant - unless you are specifically authorized to speak on Norwex's behalf as a spokesperson, you must represent that the views expressed in your postings, etc. are your own.

*"There is no
compromise
between
success and
doing it right"*

DEFINITIONS

Applicant refers to a potential Independent Sales Consultant (“Consultant”) who has submitted an Independent Sales Consultant Application that is under consideration by Norwex and has yet been neither accepted nor rejected by Norwex.

Business Entity refers to a corporation, limited liability company, partnership or trust that has submitted a properly completed and signed Consultant Application and Business Entity Registration Form that have been approved by Norwex.

Business Entity Registration Form refers to the form that must be properly completed and signed and submitted by every Consultant who wishes to conduct their Norwex business through a business entity.

Compensation Plan refers to the program by which Norwex Consultants can earn commissions and bonuses. The Compensation Plan is set forth in the Norwex Success Builder and is incorporated and made a part of the Consultant Agreement.

Confidential Information refers to confidential and/or proprietary information of Norwex, which includes, but is not limited to Downline Activity Reports and all information contained in such reports, all Customer Data, and Norwex’s pricing, reports and performance information, marketing and financial plans and data, and training materials.

Consultant refers to an individual, married couple or Business Entity that:

- (i) has submitted an Independent Sales Consultant Application that has been accepted by Norwex; and
- (ii) is in compliance with the requirements of the Consultant Agreement, including the renewal requirement and other obligations set forth in the Consultant Agreement including these Policies and Procedures.

Unless otherwise specified, the term “CONSULTANT” refers to any Norwex Independent Sales Consultant, regardless of whether such Consultant has been promoted to a higher Recognition Title.

Consultant Agreement refers to the legally binding agreement between Norwex and each Consultant consisting of:

- (i) a properly completed and signed Independent Sales Consultant Application & Agreement that has been accepted by Norwex;
- (ii) these Policies and Procedures, which are incorporated into and form an integral part of the Consultant Agreement;
- (iii) the Compensation Plan; and
- (iii) if applicable, a properly completed and signed Business Entity Registration Form.

Consultant Information refers to each Consultant’s name, address, phone number, e-mail address, Social Security Number or Federal Tax Identification Number, date of birth, and other information required to be provided in or with the CONSULTANT Application.

Customer refers to a customer (other than a Consultant) who purchases Norwex Products from or through a Consultant.

Customer Data refers to all data and information submitted by a Customer or potential Customer to a Consultant in connection with the purchase of Products or otherwise including, without limitation, such Customer’s name, address, phone number, and financial account information, products ordered, and order volume.

Downline refers to the organization consisting of Consultants directly or indirectly sponsored by a particular Consultant.

Norwex refers to Norwex USA, Inc. including its affiliates, successors and assigns.

Norwex Content refers to (i) all Norwex Marks (as defined below); (ii) all text, images, graphics, and other content and materials used or displayed on or in connection with any Norwex Product (or any related packaging), Norwex marketing materials or the Norwex website; and (iii) the names, images, and likenesses of the principals of Norwex.

Norwex Marks refers to all trademarks, service marks, trade names, product names, logos, and domain names used or displayed on or in connection with any Norwex Product (or any related packaging).

Norwex Products refers to the products distributed by Norwex that Consultants are authorized to sell under the Agreement.

Norwex Program refers to Norwex's direct sales program for Norwex Products as described in the Consultant Agreement.

Sponsor refers to a Consultant who enrolls another Consultant into the Norwex Program and is listed as the sponsor on the Consultant Application.

Termination refers to the non-renewal, voluntary termination or involuntary termination of a Consultant Agreement. Upon any termination, a terminated Consultant shall have no right, title, claim, or interest to the Consultant's former Downline or to any commissions or bonuses from the sales generated by the Consultant's former Downline following a Termination.

BECOMING AN INDEPENDENT SALES CONSULTANT

a. To become a Consultant, one must:

- be 18 years of age or older;
- be a legal resident of the United States, the District of Columbia, Puerto Rico, or Guam;
- have a valid Social Security Number;
- not be in jail or prison or otherwise confined to a correctional institution;
- not have ever been convicted of a felony or prohibited from engaging in direct selling activity;
- not be a current employee, officer, or director of Norwex or any affiliate of Norwex or the spouse of any of the foregoing;
- complete, sign, and submit an Independent Business Consultant Application that is accepted by Norwex;
- have a valid e-mail address and valid credit card.

A Business Entity (i.e., a corporation, limited liability company, partnership, or trust) applying to be a Consultant must also comply with the requirements of Section 6(j).

b. Independent Contractor Status:

Consultants are self-employed, non-exclusive independent contractors who are authorized to market and sell Norwex Products and sponsor other Consultants anywhere within the United States, its territories and any other country in which Norwex is authorized to conduct business. Consultants are not, and shall not represent themselves to be, employees, agents, or representatives of Norwex or purchasers of a franchise or a business opportunity. Any agreement between Norwex and a Consultant does not create an employee/ employer relationship, agency, partnership, or joint venture between Norwex and such Consultant. Consultants shall not be treated as employees of Norwex for any purpose including, without limitation, for federal, state, or local tax purposes. Consultants have no authority (expressed or implied), and shall not represent that they have any authority to bind Norwex to any obligation. Consultants shall establish their own goals, hours, place of business, and methods of sale, so long as they comply with their Consultant Agreement. Consultants are solely responsible for all decisions made and all costs incurred with respect to their business. Consultants assume all entrepreneurial and business risk in connection with their independent businesses. There is no guarantee that there is or will be a market for the Norwex Products or that Consultants' will earn or will not lose money.

c. Getting Started:

Once an Applicant has submitted a properly completed and signed Consultant Application, submitted any other documents that Norwex may require, and Norwex has accepted and processed the Consultant Application, the Applicant will become a Consultant and will be assigned a unique Identification Number. A Consultant's Identification Number must be used by that Consultant in all correspondence with Norwex and may also be required for transactions.

INDEPENDENT SALES CONSULTANT BENEFITS

Once an Applicant has become a Consultant as described above, the Consultant is eligible to:

- purchase Norwex Products at discounted prices;
- sell Norwex Products;
- participate in the Norwex Compensation Plan (receiving commissions and bonuses, if eligible);
- sponsor other potential Consultants to build a Downline and advance through the various levels under the Compensation Plan;
- receive periodic Norwex literature and other Norwex communications; and
- participate in Norwex sponsored support, service, training, motivational, promotional, incentive, and recognition programs for Consultants (upon payment of appropriate charges if applicable).

CONSULTANT REQUIREMENTS AND RESTRICTIONS

a. Consultant Starter Kit:

A Norwex Starter Kit is provided to each Norwex Independent Consultant upon enrollment. This kit is provided at no charge to a new Independent Consultant who generates sales of \$2000.00 retail (approx. \$670.00 per month) during each of the first 90 days from the date of enrollment. Otherwise, a new Independent Consultant who fails to satisfy this criteria will be billed \$200.00 plus tax and shipping for the Starter Kit. By signing an application, Applicant agrees to return all brochures, presentation sheets and folders contained in the Starter Kit if she or he resigns or otherwise terminates their Consultant Agreement within one year from the date of enrollment.

b. No Inventory Requirements/70% Rule:

Consultants are neither required to purchase nor required to carry any amount of inventory of Norwex Products, and it is possible to maintain active status and earn bonuses and commissions without carrying any inventory at all. Norwex encourages Consultants to provide their Personal Website addresses to their Customers so that those Customers may place orders directly through their Consultant's Personal Websites. Consultants may also place orders through the Norwex website using their Consultant Identification Numbers. Consultants will receive full credit for all such sales, without the need to carry any inventory at all. Consultants may, at their option, purchase Norwex Products for personal consumption or resale to Customers. If a Consultant purchases over \$500 of Norwex Products, the Consultant must retain receipts showing that at least 70% of those products were resold to at least three different Customers within 30 days of the product order date. Consultants shall furnish copies of such receipts upon request by Norwex. Falsely representing the sale of Norwex Products shall be grounds for termination.

c. Consultant Status:

An Applicant becomes a Consultant when her or his Consultant Application is accepted by Norwex. A Consultant remains a Consultant in the Norwex program by (i) renewing the Consultant Agreement in accordance with Section 6(k) below; and (ii) complying with the requirements of the Consultant Agreement (including these Policies and Procedures).

d. Eligibility:

Norwex reserves the right to accept or reject any Consultant Application for any reason in its sole discretion. Without limiting the generality of the foregoing, Norwex reserves the right to reject any Consultant Application if Norwex determines, in its sole discretion that its acceptance of a particular Consultant Application would result in an actual or potential conflict of interest.

e. Limitation on Number of Accounts:

A Consultant may hold only a single account under a single Sponsor. A Consultant may not be a party to more than one Consultant

Agreement or hold, directly or indirectly, any interest in another Consultant's business, including any Norwex business operated by a Business Entity. No Consultant may pay others to market and sell Norwex Products.

f. Husband and Wife Treated as a Single Consultant:

Subject to the provisions of Section 13(c), if a husband and wife both wish to be Consultants, they must be registered together as a single Consultant under a single Sponsor. A husband and wife may neither sponsor each other directly or indirectly, nor have different Sponsors.

g. Territory:

No Consultant shall assert or imply that she or he has ownership of, or exclusivity in, any particular geographic area, territory, market, or region. All Consultant Agreements are nonexclusive, and all active Consultants have the full right to market and sell Norwex Products and otherwise conduct their business in all geographic areas and territories within the United States, its territories, and any other country in which Norwex is authorized to conduct business.

h. Consultant Information:

Each Consultant is responsible for keeping the information submitted with the Consultant Application up-to-date and accurate and must immediately notify Norwex in writing of any changes. It is particularly important that a Consultant provide Norwex with a current e-mail address, as e-mail is one of the primary ways that Norwex will communicate with the Consultant.

i. Business Entities/Change in Consultant Status:

A corporation, limited liability company, partnership, or trust may apply to become a Consultant. To become a Consultant, a corporation, limited liability company, partnership, or trust must:

- be incorporated or organized in the United States, the District of Columbia, Puerto Rico, or Guam;
- have its principal place of business in the United States, the District of Columbia, Puerto Rico, or Guam;
- have a valid Federal Tax Identification Number;
- complete, sign, and submit a Consultant Application that is accepted by Norwex;
- complete, sign, and submit a Business Entity Registration Form that is accepted by Norwex; and
- submit a true and complete copy of the organizational and charter documentation (e.g., certificate of incorporation, articles of organization, certificate of formation, operating agreement, trust agreement, etc.) of such corporation, limited liability Norwex, partnership, or trust.

All sales and sponsorship activities of a Consultant that is a Business Entity must be conducted only by the beneficial owners of the Business Entity or persons under their direct supervision. A Consultant that is a Business Entity and undergoes a change of control must comply with Section 13(d). Failure to do so will result in termination. A Consultant that is a Business Entity may not use any trade name, business name, or DBA that includes any Norwex Trademark.

Subject to the above requirements and restrictions, a Consultant may change a Consultant's status from a sole proprietorship to a corporation, limited liability company, partnership, or trust, or from one type of Business Entity to another, by submitting a new Consultant Application and Business Entity Registration Form, and paying a \$100 fee for each such change. A Consultant may also add her or his spouse to a sole proprietorship as a co-applicant to the Consultant's existing Agreement by submitting a new Consultant Application. In each such case, upon Norwex's acceptance of the new Consultant Application and, if applicable, the Business Entity Registration Form, the original Consultant Agreement will automatically terminate and be replaced and superseded by the new Consultant Agreement. Note that none of the changes described above will permit a Consultant to change Sponsors, except pursuant to Section 8(d), or to assign or transfer a Consultant Agreement except pursuant to Section 13(a).

j. Actions of Household Members, Employees, Agents, etc.:

Each Consultant is responsible for the actions of her or his immediate household members and each Consultant that is a Business Entity

is responsible for the actions of its owners, officers, directors, employees, contractors, and agents. If any such household member or such owner, officer, director, employee, contractor, or agent engages in any activity which, if performed by the Consultant would violate the terms of the Consultant Agreement, such activity will be deemed a violation by the Consultant and Norwex may take remedial action against the Consultant pursuant to the terms of the Agreement in addition to seeking other appropriate remedies.

k. Renewal of Consultant Agreement:

A Consultant Agreement has a term of one year from the date on which it is accepted by Norwex. The Consultant Agreement will automatically renew for an additional one year term(s) unless terminated by Norwex or a Consultant.

l. Income Taxes:

Each Consultant is responsible for paying (and agrees to indemnify and hold Norwex harmless from) all local, state, federal, and other taxes on any income derived from the sale of Norwex Products and any payments or other compensation made pursuant to the Consultant Agreement. Norwex will provide an Internal Revenue Service (IRS) Form 1099 MISC (non-employee compensation) earnings statement to each Consultant who had earnings of over \$600 in the previous calendar year or made purchases from Norwex during the previous year in excess of \$5,000. Norwex will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain worker's compensation insurance on Consultant's behalf.

CONSULTANT BUSINESS PRACTICES

a. Media Inquiries:

Consultants should refer any inquiries regarding Norwex, Norwex's products or services, or any other aspect of Norwex's business to Norwex's corporate office. This policy is designed to ensure that accurate and consistent information is provided to the public.

b. Adherence to the Program:

Consultants shall present the Norwex program in a truthful and accurate manner consistent with the information presented on Norwex's website and in Norwex marketing materials which are made available to Consultants. Consultants shall not offer or present the Norwex program through or in combination with any other system, program, or method of marketing. Consultants shall not require or encourage any current or potential Consultants or Customers to (i) participate in Norwex in a manner that varies from the Norwex program as set forth in the Consultant Agreement and the Norwex marketing materials, or (ii) execute or adhere to any agreement or contract other than the Consultant Agreement (including these Policies and Procedures) in order to become a Norwex Consultant.

c. Product Claims:

Consultants shall not make any claims or representations regarding the Norwex Products other than those claims and representations found in marketing materials created or distributed by Norwex.

d. Income Claims Prohibited:

While Consultants may believe it is beneficial to tell other Consultants and potential Consultants about their earnings or the earnings of others, federal and state laws and regulations prohibit certain types of income claims and testimonials by persons engaging in direct selling/network marketing unless the appropriate disclosure required by law is made contemporaneously with the income claim.

e. No Representations Regarding Governmental Approval:

Consultants may not represent that the Norwex program or the Norwex Products have been approved or endorsed by any governmental or regulatory agency.

f. No Repackaging and Relabeling:

Norwex Products must be sold in original Norwex containers only. Re-labeling or repackaging may violate applicable laws, which could

result in civil damages or criminal penalties. Civil liability may also result if a person using Norwex Products suffers any type of injury or property damage due to the repackaging or re-labeling of Norwex Products.

g. Downline Activity Reports:

Norwex will make activity reports available to Sponsors for the sole purpose of supporting communication and leadership with their own respective Downlines and the development of their downline organizations. The reports will contain names and sales performance data and other pertinent information for all Consultants in a Sponsor's Downline Network. Consultants agree that such information may be included in the activity reports provided to their Upline. All activity reports and the information contained in the reports are Confidential Information of Norwex pursuant to Section 7(p). In particular, except as expressly permitted by Section 7(p), Consultants must not:

- directly or indirectly disclose any information contained in any activity report to any third party;
- use such information to compete with Norwex for any purpose other than supporting communication and leadership with their own respective Downline Organizations;
- encourage or solicit any Consultants or Customers listed in an activity report to alter their business relationship with Norwex;
- directly or indirectly disclose to any third party the Identification Number of any Consultant (except that Sponsors may disclose their Identification Number to Applicants they are sponsoring for the purpose of identifying such Sponsor to Norwex).

h. Ethical Marketing:

Consultants shall safeguard and promote the good reputation of Norwex. Consultants shall at all times conduct their Norwex business in a manner that reflects favorably at all times on the Norwex Products and the good name, goodwill, and reputation of Norwex. Consultants shall not engage in deceptive, misleading, or unethical conduct or practices that are or might be detrimental to Norwex, the Norwex Products, or the public, including, without limitation, disparagement of Norwex or the Norwex Products (as discussed in more detail below). Consultants shall comply with all laws, rules, regulations, and governmental requirements applicable to the operation of their independent Norwex business and performance of their obligations under this Agreement, including the marketing, promotion, and sale of the Norwex Products. In addition, Consultants shall: (i) not publish or use any misleading or deceptive advertising material regarding Norwex or the Norwex Products; (ii) honor the Customer Satisfaction Guarantee with respect to all Norwex Products; (iii) not make any statements, representations, guarantees, or warranties regarding the Norwex Products that are inconsistent with those set forth in the Consultant Agreement and Norwex marketing materials (whether with regard to prices, quality, performance, standards, grades, contents, style or model, place of origin, availability, or otherwise); (iv) distribute the Norwex Products only as shipped by Norwex, unopened and with all documentation, packaging, and other supplemental materials intact; and (v) not alter or modify any Norwex Product or packaging, or take any action that affects or could affect the appearance, quality, content, or performance of any Norwex Product.

i. Retail Sales Receipts:

A Consultant must provide her or his Customer with two copies of a Norwex sales receipt at the time of the sale. The Norwex sales receipt sets forth certain customer protection rights afforded by federal law. A Consultant is required to inform her or his Customer that they are entitled to cancel any purchase of \$25 or more within 3 business days from the date of the sale. A Consultant must retain copies of their retail sales receipts for a period of two years and furnish them to Norwex upon request. Retail sales receipts are available for purchase from Norwex.

j. Non-disparagement:

Norwex welcomes constructive input regarding the Norwex program and Norwex Products, but negative comments and remarks by Consultants about Norwex, the Norwex Products, the Compensation Plan or other Consultants serve no purpose other than to undermine the enthusiasm of other Norwex Consultants and potential Consultants. For this reason, and to set a proper example for newly enrolled Consultants, Consultants must not disparage Norwex (or any of its employees, officers, or directors), the Norwex Products,

the Compensation Plan or other Consultants. The disparagement of Norwex (or any of its employees, officers, or directors), the Norwex Products, the Compensation Plan or other Consultants shall constitute a material breach of the Consultant Agreement and may be grounds for termination of a Consultant's Agreement.

k. Security:

All Consultants must adopt, implement, and maintain appropriate administrative, technical, and physical safeguards to protect against anticipated threats or hazards to the security of Confidential Information and Customer Data. Appropriate safeguards for electronic and paper records may include, but are not limited to: (i) encrypting data before electronically transmitting it; (ii) storing records in a secure location; and (iii) password-protecting computer files or locking up physical files containing Confidential Information.

l. Reporting Security Breaches:

Consultants must comply with all applicable privacy and data security laws, including security breach notification laws. In the event of an actual or suspected security breach affecting Confidential Information or Customer Data, the Consultant shall promptly notify the affected Customers and Norwex in writing after becoming aware of such security breach and specify the extent to which Confidential Information or customer data was disclosed or compromised and shall promptly comply with all applicable security breach disclosure laws. Consultants, at their expense, shall cooperate with Norwex and affected Customers and use their best efforts to mitigate any potential damage caused by a security breach, including by sending notice to the affected individuals, state agencies, and consumer reporting agencies, if such notification is required by law.

m. Commercial Outlets:

Norwex is a person-to-person marketing company and as such does not allow the Norwex Products to be sold or displayed in or otherwise distributed through retail establishments open or available to the general public. This includes department stores, health food stores, beauty supply outlets, supermarkets, mall booths, kiosks, discount establishments, swap meets, drugstores, flea markets, specialty gift shops, or any other business or commercial establishment that is open or available to the general public. No Consultant shall (i) sell, display, or distribute any Norwex Products in or through any such establishment; (ii) sell any Norwex Products to any Customer that the Consultant knows or has reason to believe may intend to resell such Norwex Products in or through any such establishment; or (iii) solicit or encourage any third party to sell Norwex Products in a retail establishment.

n. Fairs and Trade Shows:

Subject to the requirements set forth in this Section, a Consultant may be permitted to operate temporary booths to promote Norwex Products and the Norwex program at fairs and trade shows. When arranging and participating in such an event, the Consultant must comply with the following requirements:

- The Consultant must register for the event as a Norwex Independent Business Consultant and the registration must be approved by Norwex prior to the event.
- The Consultant's booth must meet Norwex's advertising and trademark guidelines.
- The booth must be staffed at all times by knowledgeable Consultants.
- The Consultant shall be solely responsible for complying with any insurance requirements imposed by the fair or trade show.
- Each Consultant is responsible for contacting the local authorities regarding any required permits or other documentation with regard to participating in the trade show, fair, or other event. If a permit or other documentation is required, the Consultant must submit a copy of the permit or other documentation to Norwex prior to the event. All Norwex Products displayed, used, or sold at such events must be owned by the Consultant that is registered to work the event. No Consultant may display, use, or sell any Norwex Products for any other Consultant.

o. Taxes:

As a direct-selling company, Norwex collects sales tax on behalf of Consultants based on the suggested retail price of the Norwex

Products. Norwex collects sales tax based on the purchase price of Norwex marketing materials and sales aids as these items are for personal use or demonstration purposes only and not intended for resale. Sales tax collected by Norwex is based on the sale occurring at the applicable "Ship To" address. Norwex submits sales tax collected to the appropriate agency on behalf of each Consultant. If a Consultant has submitted, and Norwex has accepted, a current sales tax exemption certificate, Norwex will not collect sales tax on the Consultant's direct purchase of Norwex Products and it shall be the Consultant's responsibility to collect and remit sales tax to the appropriate tax agency.

p. Confidential Information and Competitive Businesses:

A Consultant shall hold in strict confidence, and shall not disclose to any third party any Confidential Information (as defined in Section 2 above). A Consultant shall use the Confidential Information only for the purposes of performing her or his obligations or exercising rights under her or his respective Consultant Agreement. A Consultant shall limit access to the Confidential Information to only those persons who have a legitimate need to know such information in the performance of Consultant's rights and obligations under her or his respective Consultant Agreement. A Consultant shall be responsible for the acts and omissions of her or his respective employees, contractors, and agents with respect to such confidentiality obligations. Notwithstanding the foregoing, a Consultant may disclose the Confidential Information to the extent she, he, or it is legally compelled to do so; provided, however, that, prior to any such compelled disclosure, the Consultant notifies Norwex and fully cooperates with Norwex in protecting against or limiting the disclosure of Confidential Information.

Each Consultant further agrees that, during the term of her or his Consultant Agreement and for a period of one (1) year following termination of the Agreement, the Consultant shall not, directly or indirectly, solicit business from any Customer of Norwex unless the Consultant can prove by credible evidence that such action was done without the use in any way of any Confidential Information.

In order to avoid disruption to Norwex's business, each Consultant agrees that, during the term of her or his Consultant Agreement and for a period of two (2) years following termination of the Agreement, the Consultant shall not, directly or indirectly, solicit any person employed by Norwex or any Norwex Independent Sales Consultant to become employed or engaged as an independent contractor with any competitive business, program or activity. A business, program, or activity is "competitive" if it involves or is related to (i) the direct sale of products or services by independent contractors or representatives; or (ii) the business of selling microfiber cleaning products or organic personal care products to third parties.

Each Consultant further agrees to not use any aspect of the Norwex program to promote, market, or sell the products, services, or programs offered by any competitive business or to market or sell Norwex Products together with the products or services of any competitive business during the term of this Consultant Agreement. Once a Consultant has reached the level of Executive Sales Leader or higher, that Consultant may not participate in any competitive business while their Consultant Agreement is in effect.

Each Consultant agrees that (i) the provisions contained in this section are reasonable and necessary to protect the legitimate interests of Norwex; (ii) Norwex would not have accepted the Consultant's Application in the absence of the Consultant's agreement to such provisions; and (iii) the Consultant's breach or threatened breach of such provisions would cause Norwex irreparable harm and significant injury, the amount of which would be extremely difficult to estimate and ascertain and thus making any remedy at law or in damages inadequate. Each Consultant therefore agrees that Norwex shall be entitled, without the necessity of posting of any bond or security, to the issuance of injunctive relief by any court or arbitrator of competent jurisdiction as provided in Section 18(i), enjoining any breach or threatened breach of such provisions and for any other relief such court deems appropriate. This right shall be in addition to any other remedy available to Norwex at law or in equity.

q. Sales in Authorized Countries Only:

Subject to the requirements of this section, the countries in which Consultants are permitted to engage in business activities are the United States, Canada, Australia, Norway, Latvia and , Estonia (the "Authorized Countries"). Consultants must comply with any and all applicable laws, regulations and requirements for doing business internationally. Due to legal and tax considerations, Norwex products purchased in the United States cannot be delivered or sold in any foreign country for the purpose of resale. In addition, US Consultants may not physically enter into another Authorized Country for the purpose of training on Norwex products. (Norwex recognizes that Personal Websites may be available for viewing worldwide through the Internet, and Consultants will not be deemed to be in violation

of this Section based solely on such availability, as long as they comply with the other provisions of this section.) US Consultants may, however, recruit and enroll new consultants in any Authorized Country provided that they comply with the country's applicable laws, regulations and requirements.

SPONSORING AND TRAINING

a. Sponsoring Other Consultants:

Consultants may sponsor other persons to become Consultants within the 50 United States, the District of Columbia, Puerto Rico, and Guam. Consultants may also sponsor consultants in other countries in which Norwex is authorized to do business. . However, Consultants earn bonuses and commissions based on the sale of Norwex Products, not merely from sponsoring other Consultants. Compensation earned by a Consultant through the Norwex compensation plan will be paid to the Consultant in the currency of the country where the Consultant resides. The most current version of the Consultant Agreement can always be found on the Norwex website. Once a potential Consultant has read and understood the Consultant Agreement (including these Policies and Procedures), they may complete the Consultant Application with the Sponsors' full name and identification number. Consultant Applications must be sent to Norwex.

b. Responsibilities of Sponsors:

Sponsors must always present the Norwex Products and the Norwex Program to others in a manner that complies with the Consultant Agreement, including the requirements of Section 7 of these Policies and Procedures regarding business ethics and practices. In addition, Sponsors are responsible for assisting, motivating, and training their Downlines. Accordingly, Sponsors must:

- provide assistance, as appropriate, in the sale and delivery of Norwex Products to Customers by their Downlines;
- train and communicate to their Downlines to ensure that their Downline Consultants do not make improper product or business claims, engage in illegal or inappropriate conduct, or otherwise violate the Consultant Agreement;
- assist, motivate, and train their Downlines by having ongoing contact and communication, which may include the use of newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and training sessions, and inviting their Downline Consultants to Norwex training and orientation meetings; and
- motivate and train their Downlines regarding Norwex Products, effective sales techniques, the Compensation Plan, and compliance with these Policies and Procedures.

As Consultants progress through the various levels of leadership in the Norwex Program, they will become more experienced in sales techniques, as well as more knowledgeable about the Norwex Products and the Program. Such Consultants may be called upon to share this knowledge with less experienced Consultants.

Those who sponsor widely but do not help new Consultants develop their business organizations usually meet with limited success. Therefore, all Sponsors have a responsibility to work with new Consultants in their Downline, helping them learn the business, and encouraging them during the critical early months.

c. Applicant Rights:

Norwex strongly encourages any new Consultant to enroll under the Sponsor who introduced them to the Program. If two Consultants both claim to be the Sponsor of an Applicant, Norwex shall treat the first Consultant Application received by Norwex as the controlling Application, and shall designate the Consultant listed as the Sponsor on such Application as the Applicant's Sponsor.

d. Line Switching:

Each Consultant can have only one Sponsor, and no Consultant shall sponsor or attempt to sponsor any person or Business Entity that has already submitted a Consultant Application to Norwex or any person or Business Entity (or any Business Entity that is controlled by such a person or Business Entity) that was previously a Consultant under a different sponsor. This practice, known as "Line Switching," is strictly prohibited, as is any attempt to circumvent the prohibition on Line Switching through the use of pseudonyms or assumed

names, a spouse's or relative's name, trade names, D/B/As, or Business Entities. Consultants shall not encourage, offer, or assist any other Consultant in attempting to change Sponsors or Uplines. Under no circumstance shall any Consultant offer or provide any financial or other consideration or incentive to another Consultant in exchange for such other Consultant's agreement to terminate her or his existing Consultant Agreement and re-enroll under another Sponsor. Once a Consultant is sponsored, Norwex requires that the relationship between the Consultant and the Sponsor be maintained and protected.

ORDERING PROCEDURES

a. General:

Consultants must order all Norwex Products, marketing materials, and business supplies from Norwex or its approved suppliers. All orders are subject to acceptance by Norwex or Norwex's applicable third party supplier. Orders for Norwex Products may be placed via the Norwex Website or by telephone. Following the procedures below will facilitate the processing of orders so that they proceed with speed and accuracy.

b. Ordering via the Internet:

Consultants may place orders online through the Norwex website at www.norwexcs.com. Norwex generally makes the Norwex Website order entry service available 24 hours per day, 7 days a week (other than downtime for maintenance or due to technical problems). For orders placed through the Norwex Website, Consultants must log in using their account username and password to ensure that they are credited for each purchase.

Consultants may also place Customers' orders for Norwex Products by logging on their Norwex Consultant Services Websites. Consultants may use their Norwex Consultant Services Websites to enter orders on behalf of their Customers and pay for such orders using the applicable Customers' credit cards. Finally, Consultants may provide their Consultant Services Websites to their Customers so that they can place orders directly through their Consultant's Websites. As long as Consultants or their Customers use the Consultant's Personal Services Websites to place the order and use a credit card for payment, the Consultant will receive credit for the purchase.

Should Customers pay for their purchases by cash or check, the Consultant should deposit the funds or check into their accounts and place the orders through their Consultant Website or through the Norwex website using their own credit card numbers.

c. Telephone Orders:

Orders placed by telephone must be placed by calling 1-877-766-7939 and providing the following information: (i) the Consultant name and Identification Number; (ii) a valid credit card number (Visa or Master Card) and other required billing information; (iii) the shipping address (if different from the billing address); and (iv) the Norwex Products to be ordered, including the product names, code numbers, and quantity desired. There may be a \$5.00 service and processing charge added to any orders placed via telephone.

d. Cut-Off Date:

All orders are credited to a Consultant's account for the commission period in which they are purchased. In order for a Consultant to be credited for an order in a particular month, Norwex must receive the order with all necessary information (including payment) by 11:59 a.m. Central Standard Time on the first day of each calendar month. For all orders processed via the Norwex Website or a Personal Website, the cut off for receipt of orders to be included in commission and bonus calculations for any given month is 11:59 am CST on the first day of each calendar month. Norwex shall not be liable for incorrect, incomplete, lost, or mailed orders.

e. Placing Orders Under Another Consultant Identification Number Prohibited:

Consultants must place all orders using their own Identification Number. Placement of an order by a Consultant using another Consultant's Identification Number or account is strictly prohibited and constitutes a material breach of the Consultant Agreement.

f. Forms of Payment:

In order to simplify the payment process, facilitate the shipment of orders, and maintain accurate Consultant account records, Norwex

requires payment using a Visa or Master Card, certified check or money order. Norwex does not accept personal checks.

g. Shipping and Handling Charges:

Shipping and handling charges will be applied on applicable orders.

SHIPMENTS

a. General:

After Norwex has accepted and processed an order, it will use reasonable efforts to ship the order to the address specified in the order using a carrier chosen by Norwex. Risk of loss or damage will pass to the ordering Consultant upon Norwex's delivery to the carrier. Orders are shipped on business days only and Consultants should allow up to 48 business hours for order processing. Orders can be shipped only to a street address within the 50 United States, the District of Columbia, Puerto Rico, and Guam or in most cases Military APO/FPO or Military P.O. Box addresses. Although Norwex uses reasonable efforts to fill all orders, it is not liable for any damages arising from any failure to fill an order or any delay in delivery.

b. Special Handling:

Some Norwex Products require special handling as specified by federal, state, and local regulations governing the shipping of these items. The method of shipment for these items is dictated by these regulations. Norwex complies with these regulations and therefore the shipment of some products to certain locations may not be possible. Please contact the Norwex Customer Service Department for additional shipping information.

c. Shipment to APO/FPO/PO Boxes"

Most Norwex Products may be shipped to Military APO/FPO or Military P.O. Box addresses, but some restrictions may apply. Orders being sent to Military P.O. Boxes or Military APO/FPO addresses must be shipped via United States Postal Service and cannot be shipped via overnight or 2nd day service.

d. Shipments to Alaska, Hawaii, Puerto Rico and Guam:

Most Norwex Products can be shipped to Alaska, Hawaii, Puerto Rico and Guam, but some restrictions apply and additional shipping and handling charges may apply. Priority shipping methods (overnight or 2nd day service) are not available for certain locations in Alaska, Hawaii, Puerto Rico and Guam.

e. Receiving Shipments:

After receiving an order, the Consultant or Customer should promptly and carefully inspect the ordered items to make sure they are complete and undamaged. After inspection, if there is a problem with an order, the Consultant or Customer should:

- not accept delivery, or note on the delivery receipt any damaged or missing items;
- set any damaged boxes or items aside for later inspection by the carrier, and ask the driver or delivery agent to make arrangements to have the boxes or items inspected; and
- immediately notify the Norwex Customer Service Department.

Section 10 describes the procedures for returning damaged or defective Norwex Products.

f. Non-Deliverable Orders:

In some cases, an order may be returned to Norwex if the carrier is unable to deliver it to the specified shipping address.

This may happen because:

- the Consultant or Customer did not accept the order when it was delivered by the carrier;
- the Consultant or Customer was unavailable to accept delivery for orders that require signature upon delivery; or
- the Consultant or Customer provided invalid or incorrect shipping information.

When this occurs, at the Consultant's or Customer's request within one week following the date of the final delivery attempt, Norwex will reship the order. Norwex will reship orders only once. The Consultant or Customer will be required to pay the original shipping and handling charges and the charges for the second delivery. If an order is returned a second time, that order will be cancelled and no credit shall be received by the Consultant for that order. If the order has already been credited to the Consultant, the credit (and any associated awards, bonuses, or commissions) will be cancelled.

g. Out-of-Stock Items:

Norwex's inventory control procedures are intended to ensure that shortages of Norwex Products rarely occur. However, should an item not be available at the time of an order, the item will be identified as out-of-stock, and orders will not be accepted for such items. Consultants and Customers will be asked to order another item. Norwex will use reasonable efforts to notify Consultants of the expected future availability of out-of-stock items.

h. Discontinued Items:

Norwex may at any time discontinue the manufacture and/or sale of any Norwex Products, or make any changes in their respective prices, quality, performance, standards, grades, contents, place of origin, or otherwise, in its sole discretion. Norwex will have no liability to any Consultant based on any such discontinuation or change. When an item is discontinued, orders will not be accepted for such items. Norwex will use reasonable efforts to notify Consultants of the date of discontinuance.

RETURN PROCEDURES

a. General:

A Consultant or Customer who wishes to return Norwex Products to Norwex for any reason must complete a Return Form (available on www.norwexcs.com or request a form from returns@norwex.com). If the Norwex Products are being returned because they are deemed defective, Norwex will refund the cost of postage provided that a copy of the postage receipt accompanies the returned item (only regular postage charges are refundable; express mail or courier delivery charges are not refundable). Norwex will determine, in its sole discretion, whether any Norwex Product returned to it claimed to be defective is defective. Otherwise, the Consultant or Customer is responsible for shipping the Norwex Products to Norwex at her or his own expense. Norwex does not accept ship-collect packages. Proper shipping cartons and packing materials must be used in packaging any Norwex Products being returned and the Consultant must write the Return Form Number on each shipping carton being returned. The risk of loss or damage in shipping shall be the responsibility of the Consultant or Customer. Norwex will not accept return of any items that were damaged during shipping due to improper packing.

b. Product Return Policy:

If for any reason a Customer or Consultant is not completely satisfied with any Norwex product, the Customer or Consultant may return the unused portion of the product within 60 days from the date of purchase provided that a completed Return Form and the original Customer order form with purchase date accompanies the item(s). For Norwex Products returned pursuant to this policy, Norwex will, at the Consultant's or Customer's option:

- refund the amounts paid for the items by crediting 100% of the purchase price (less shipping and handling charges) and sales tax by check or on the credit card used to make the purchase. Qualifications and commissions will be adjusted accordingly; or
- exchange the returned item for an item of equal or lesser value selected by the Consultant or Customer. The original order will be refunded and a new order will be submitted, as well as applicable sales tax and shipping and handling charges.

Products on Host/Hostess Order form are exchangeable only within the 60 day return period. Host/Hostess gifts cannot be returned unless they were received damaged. No refund or exchange will be given for products received by a Host/Hostess for free. Items purchased with the Host/Hostess discount can be exchanged only for other items of equal value.

It is the responsibility of the Consultant to refund the Customer the full price of the product.

Section 10(e) applies to returns of Norwex Products by Consultants after the 60 Day Product Return Policy has expired. Norwex reserves the right to review and terminate any Consultant for excessive return activity.

c. Missing Items

When an item is missing from an order, the Consultant or Customer is requested to complete and submit a Return Form. If Norwex determines that the item was not shipped with the original order, it will use reasonable efforts to ship the missing item to the address specified by the Consultant or Customer at no charge within three to five days. Out-of-stock items may require a longer period.

d. Host/Hostess Monthly Specials

Host/Hostess monthly specials are not refundable and are exchangeable for the same product only if received damaged or defective.

e. Returns of Unsold Inventory by a Terminating Consultant:

A terminating Consultant may return any unsold Norwex Products that were purchased from Norwex more than 60 days prior to the date of termination and within twelve months preceding the date of termination for a partial refund as described in this Section if she or he is unable to sell or use the items.* A Consultant may only return Norwex products that are current and in salable condition.** After Norwex's receipt of the Norwex Products, Norwex will refund 90% of the original purchase price of the resalable returned items, less shipping and handling charges. The refund will be credited back to the same credit card used for the original order or by another method of Norwex's choice. Any returned Norwex Products that Norwex determines are not in resalable condition will be shipped back to the Consultant at the Consultant's expense. Commissions and Bonuses will be adjusted accordingly. For information on Adjustments to Commissions and Bonuses, refer to section 12(c).

*Twelve month requirement not applicable to residents of Maryland, Wyoming, Massachusetts and Puerto Rico.

**Current and salable means any product being offered for sale by Norwex on the date it receives the unsold product from the Consultant, in current packaging and having ample shelf life remaining; the items are unopened and unused; the packaging and labeling has not been altered or damaged; the items and their packaging are in condition such that it is commercially reasonable within the trade to sell the items at full price; and the items are not identified as non-returnable, discontinued, or as seasonal items.

COMPENSATION

a. General:

The Norwex Success Builder (the "Compensation Plan") is incorporated into and made a part of the Consultant Agreement along with these Policies and Procedures. The Compensation Plan identifies the earning opportunities available to Consultants and sets forth the sales and organizational requirements necessary to earn commissions and bonuses. The Compensation Plan is built upon sales of Norwex Products to Customers. Consultants who meet certain sales and downline requirements are eligible to earn commissions and bonuses as described in the Compensation Plan.

b. Commission Period:

Commissions are calculated on a monthly basis and the Commission Period ends at 12:00 pm (noon CST) on the first day of each calendar month. Orders received on the last day of a Commission Period via the Norwex website by 12:00 pm (CST) on the last day of a Commission Period will be included for that Commission Period's commission and bonus calculation. All orders received after the cut-off date and time will be included in the commission and bonus calculation for the following Commission Period.

c. Adjustments to Qualifications, Bonuses and Commissions:

When a product is returned to Norwex for a refund, the qualifications, bonuses and commissions attributable to the returned product(s) will be deducted from the Consultant's qualifications, bonuses and commissions as well as any qualifications, bonuses and commissions earned by any upline Consultant. These deductions will be made in the month in which the refund was given. In the event a Consultant terminates and the amounts of the bonuses and commissions attributable to the returned product(s) have not yet been fully recovered by Norwex, the remainder of the outstanding balance may be set off against any amounts owed to the terminated Consultant. Norwex reserves the right to review and terminate any account for consistently excessive or improper return activity associated with non-defective merchandise.

d. Unclaimed Bonuses, Commissions, and Credits:

A Consultant must deposit or cash her or his bonus or commission checks within six months from the date of issuance. A check that remains uncashed after six months will be void. After a check has been voided, Norwex will attempt to notify the Consultant who has an un-cashed check by sending written notice to her or his last known address, identifying the amount of the check and advising that she or he may request that the check be reissued. There shall be a \$15.00 charge for reissuing a check and \$10.00 fee for each notice that is sent to the Consultant. The charges will be deducted from the balance owed to the Consultant. Norwex will not attempt to contact a Consultant if the balance on the voided check is less than \$15.00.

TRANSFER OF CONSULTANT AGREEMENT

a. Sale or Transfer of Consultant Agreement:

A Consultant may not sell, assign, or otherwise transfer her or his Consultant Agreement without the prior written consent of Norwex. Norwex reserves the right in its sole judgment to disapprove and prohibit any sale, assignment, or transfer of a Consultant Agreement.

b. Divorce or Separation of Consultants:

Husband and wife Consultants must operate under a single Consultant Agreement. Upon a divorce or separation, husband and wife Consultants must do one of the following:

- Either the husband or wife may agree in writing to (i) terminate the Consultant Agreement as it applies to him or her; (ii) relinquish his or her interest in the Consultant Agreement; and (iii) authorize Norwex to pay all commissions and bonuses to, and otherwise deal directly and solely with, the non-relinquishing spouse; or
- Notwithstanding the divorce or separation, the husband and wife may agree to continue to jointly operate under the Consultant Agreement on a "business-as-usual" basis, in which case Norwex will continue to pay all commissions and bonuses and otherwise deal with the husband and wife in the same manner as it did prior to the divorce or separation.

Under no circumstances will the Downline of any divorcing or separating Consultant spouses be divided. Similarly, under no circumstances will Norwex split bonus or commission payments between divorcing or separating spouses.

c. Marriage of Consultants:

Should an unmarried Consultant get married to a person who is not currently a Consultant, the Consultant has the option of adding the new spouse to the Consultant's Consultant Agreement. To add a spouse to an existing Consultant Agreement, the spouse must complete and submit a new Consultant Agreement and otherwise meet all applicable eligibility requirements. Should an unmarried Consultant marry a person who is currently a Consultant, the new couple is encouraged, but not required, to work together under a single Consultant Agreement. If one of the Consultants in the marriage chooses to be added to their spouse's Consultant Agreement, such Consultant must relinquish all right and interest in her or his existing Consultant Agreement. If a Consultant marries a Consultant that he or she personally sponsored, the two Consultants may merge their respective Consultant Agreements into a single Consultant Agreement.

d. Business Entity Change of Control:

With respect to any Consultant that is a Business Entity, a "change of control" means the acquisition by any other person or entity or group of persons or entities of a controlling or majority ownership interest in such Business Entity. If Norwex determines in its sole

discretion that such a Change of Control will adversely affect other Consultants or Norwex, Norwex may terminate the Business Entity's Consultant Agreement. Upon any Change of Control, the surviving Business Entity must continue to meet each of the requirements of the Consultant Agreement, including these Policies & Procedures.

e. Death and Incapacity:

Upon death or incapacity of a Consultant, the Consultant's rights in the Consultant Agreement may be passed to the Consultant's heirs, trustees, or other beneficiaries, provided that arrangements are made to ensure that other Consultants in the applicable Upline, and Norwex are not adversely affected. If Norwex determines in its sole discretion that such a disposition of a Consultant Agreement will adversely affect other Consultants or the business of Norwex, then Norwex may terminate the applicable Consultant Agreement upon the death or incapacity of the Consultant. Appropriate legal documentation must be submitted to Norwex in connection with any transfer of a Consultant Agreement upon the death or incapacity of a Consultant. Accordingly, each Consultant should consult with their attorney to assist in the preparation of a will, trust, or other testamentary instrument that will properly transfer the Consultant's interest.

When the rights under a Consultant Agreement are transferred by will or other testamentary process with Norwex's approval, the beneficiary will acquire the right to collect bonuses and commissions generated by the deceased Consultant's Downline, and will otherwise assume all the rights and obligations of the deceased Consultant under the Consultant Agreement, provided the following requirements are met. The beneficiary must:

- submit a new Consultant Application and otherwise meet all the eligibility requirements to become a Consultant;
- comply with the terms and provisions of the Consultant Agreement; and
- meet all the qualifications for the deceased Consultant's level and title.

To affect a testamentary transfer of a Consultant Agreement upon the death of a Consultant, the successor must provide the following to Norwex:

- an original Certificate of Death;
- a notarized copy of the will or other instrument establishing the successor's right to the Consultant's Agreement; and
- a completed and properly executed Consultant Application.

To affect the transfer of a Consultant Agreement to a trustee upon the incapacitation of a Consultant, the trustee must provide Norwex with the following:

- a notarized copy of an appointment as trustee;
- a notarized copy of the trust document or other documents establishing the trustee's right to administer the Consultant Agreement;
- a completed and properly executed Consultant Application executed by the trustee.

Bonus and commission checks generated under a Consultant Agreement transferred pursuant to this Section will be paid in a single check jointly to the new Consultant. The checks will be mailed to the address shown on the new Consultant Application. If the Consultant Agreement is transferred to joint devisees, they must form a Business Entity, identifying the person responsible for the entity's operation, and acquire a Federal Taxpayer Identification Number that is supplied to Norwex, and otherwise comply with all the requirements for such Business Entity set forth in the Consultant Agreement. Norwex will issue all bonus and commission checks and one IRS Form 1099 to the new Business Entity.

f. Transfer of Consultant Agreement to Spouse or Children:

A Consultant may transfer his or her rights under a Consultant Agreement to a spouse or child so long as such spouse or child meets all the eligibility and other requirements to become a Consultant. Such transfer shall be subject to the requirements of Section 13(a). The transferee(s) must fulfill the ongoing responsibilities of the transferor Consultant, complete and submit a properly executed Consultant Application, and comply with all terms of the Consultant Agreement, including these Policies and Procedures.

g. Retirement:

Norwex provides no retirement benefits to Consultants and Consultants are not permitted to assign or transfer their Consultant Agreements upon retirement except as is otherwise permitted under this Section.

h. All Other Transfers by Consultants Prohibited:

Except as expressly permitted by this Section 13 and with Norwex's prior written approval, Consultants shall not assign, sell, transfer, delegate, or otherwise dispose of, whether voluntarily or involuntarily, by operation of law or otherwise, the Consultant Agreement or any rights or obligations under the Consultant Agreement. Any purported assignment, sale, transfer, delegation, or other disposition, except as permitted herein, will be null and void. Subject to the foregoing, the Consultant Agreement will be binding upon, and will inure to the benefit of, the parties and their respective successors and permitted assigns.

TERMINATION AND SUSPENSION

a. Effect of Termination:

Upon any expiration or termination of a Consultant Agreement, the former Consultant shall have no right, title, claim, or interest in the Consultant's Downline or the opportunity to receive any commissions or bonuses from sales generated by the Consultant or their Downline following the termination. A Consultant whose Consultant Agreement is terminated will lose all rights to participate in or benefit from the Compensation Plan and Norwex Program. This includes the right to sell Norwex Products, act as a Sponsor, use any Norwex Marks or other Norwex marketing materials for any purpose, and the right to receive future commissions and bonuses or other income resulting from sales and other activities of the Consultant's former Downline. In the event of termination, all licenses granted to the Consultant pursuant to the Consultant Agreement shall automatically terminate, and the terminated Consultant agrees to waive all rights, if any, she or he may have, including any property rights, if any, to her or his former Downline and any bonuses, commissions, or other amounts derived from the future sales and other activities of such Downline.

Consultants whose Consultant Agreements are terminated shall receive bonuses and commissions for the last full bonus and commission periods in which they were active prior to termination (less any amounts withheld during any suspension preceding an involuntary termination, any outstanding balance that may exist on the Consultants' accounts, or any other amounts that may be owed to Norwex).

Norwex will not be liable to any Consultant for damages of any kind solely as a result of terminating a Consultant Agreement in accordance with the Consulting Agreement including these Policies and Procedures, and termination of the Consultant Agreement will be without prejudice to any other right or remedy Norwex may have under the Consultant Agreement or applicable law.

Upon any expiration or termination of the Consultant Agreement, the following sections of these Policies and Procedures shall survive and continue: Section 7(g) (with respect to the confidentiality of Downline Business Reports), Sections 7(k) and 7(l) (in each case, with respect to any Confidential Information or Customer Data retained by Consultants after termination), Section 6(p), Section 11(e), Section 12, Section 14, Section 15, Section 16 and Section 17.

b. Re-Enrollment:

A Consultant who has voluntarily terminated may re-enroll as a Consultant by submitting a new Consultant Application that is accepted by Norwex. In the event of a re-enrollment, the Consultant must remain under the same sponsor. Upon any voluntary termination, the Consultant's Downline organization will remain with the Upline Consultant, which is where it was placed when the Consultant voluntarily terminated.

c. Involuntary Termination:

In addition to the imposition of any remedial actions by Norwex pursuant to Section 15, Norwex reserves the right to terminate the Consultant Agreement of any Consultant who, in the sole discretion of Norwex, has violated the terms of the Consultant Agreement (including, but not limited to, the provisions of these Policies and Procedures) or for acts or omissions which Norwex reasonably deems to be harmful to the interests of other Consultants or to Norwex. Involuntary termination shall be effective upon Norwex's notice to the

Consultant.

A Consultant that has her or his Consultant Agreement terminated on an involuntary basis may seek re-instatement by submitting a formal written request after the one year anniversary of the termination date. Norwex, however, reserves the right to reject any such request in its sole discretion. If Norwex accepts the reinstatement request, the Consultant must complete and submit a new Consultant Application that is accepted by Norwex. A reinstated Consultant will have no access or rights to any Downline organization that may have existed under the prior Consultant Agreement.

d. Cessation of Business:

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

e. Voluntary Termination:

A Consultant has the right to terminate the Consultant Agreement at any time regardless of the reason. Notice of termination must be submitted in writing to Norwex and will be effective upon Norwex's receipt. The written notice must include the Consultant's signature, printed name, address, and Identification Number.

A Consultant who terminates the Consultant Agreement on a voluntary basis shall have the right to seek reinstatement to the Norwex program pursuant to the provisions of Section 14(b) above.

f. Suspension:

Norwex reserves the right to suspend any Consultant who violates the terms of the Consultant Agreement including these Policies and Procedures or for any acts or omissions which Norwex deems to be harmful or adverse to the best interest of other Consultants or Norwex. Depending upon the severity of the conduct giving rise to the suspension, the suspended Consultant may be required to forfeit the right to any commissions or bonuses that would otherwise have been generated by the Consultant during the suspension period. Norwex will determine the period of suspension and the severity of the sanctions based on the nature of the applicable violation.

REMEDIAL ACTIONS; GRIEVANCES AND COMPLAINTS

Norwex reserves the right to enforce the terms of the Consultant Agreement, including these Policies and Procedures, and to take remedial action as necessary to preserve the goals and purpose of the Norwex Program. Breach of the Consultant Agreement, including violation of these Policies and Procedures, including any illegal, fraudulent, deceptive, or unethical business conduct by any Consultant may result, in Norwex's sole discretion, in one or more of the following corrective measures:

- (i) Issuance of a written warning and admonition;
- (ii) Requiring a Consultant to take immediate corrective measures;
- (iii) Loss of rights to receive future commission or bonuses;
- (iv) Suspension of the Consultant Agreement;
- (v) Involuntary termination of the Consultant Agreement; or
- (vi) Any other measure or remedy expressly allowed by the Consultant Agreement including these Policies and Procedures.

A Consultant who is subject to the remedial actions described in (iii), (iv) or (v) above may appeal the determination by submitting a letter to Norwex stating the reason(s) why such action should not be taken. To be considered, an appeal must be sent by certified or registered mail and received by Norwex within twenty (20) days from the date on which Norwex sent notice of the remedial action to the Consultant. If a Consultant files a timely appeal, the appeal will be reviewed by a Norwex Compliance Panel consisting of Norwex employees and other Norwex Consultants. Norwex will notify the Consultant of the decision of the Norwex Compliance Panel and such decision shall be final.

In addition, in situations deemed appropriate by Norwex, Norwex may institute legal proceedings for damages, equitable relief, and any other remedies available to it. Norwex may withhold from a Consultant all or part of the Consultant's commissions and bonuses earned during the period that Norwex is investigating any impermissible or illegal conduct or breach of the Consultant Agreement including these Policies and Procedures. If a Consultant is terminated for breach of the Consultant Agreement, the Consultant shall not be entitled to recover any bonuses and commissions withheld pending the investigation.

WARRANTIES; LIMITATION OF LIABILITY; INDEMNIFICATION

a. Warranty; Disclaimer:

Norwex warrants to Consultant that the Norwex Products as and when delivered by Norwex shall be free from material defects. Norwex's sole obligation to Consultant, and Consultant's sole and exclusive remedy for breach of this warranty shall be to return any defective Norwex Product and receive a replacement or credit as described in Section 11. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NORWEX DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE NORWEX PRODUCTS, THE NORWEX DIRECT SALES PROGRAM, THE NORWEX COMPENSATION PLAN AND ANY OTHER SUBJECT MATTER OF THE CONSULTANT AGREEMENT, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, ACCURACY, OR COMPLETENESS OF CONTENT, RESULTS, LACK OF NEGLIGENCE, OR LACK OF WORKMANLIKE EFFORT.

b. Limitation of Liability:

NOTWITHSTANDING ANYTHING IN THE CONSULTANT AGREEMENT (INCLUDING THESE POLICIES AND PROCEDURES) TO THE CONTRARY OR ANY FAILURE OF ESSENTIAL PURPOSE, IN NO EVENT SHALL NORWEX OR ANY OF ITS RELATED PARTIES (AS DEFINED IN SECTION 17(h)) BE LIABLE TO CONSULTANT FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, LOST BUSINESS, AND LOST OPPORTUNITIES, HOWEVER CAUSED, ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE SUBJECT MATTER OF THIS AGREEMENT (INCLUDING BUT NOT LIMITED TO THE NORWEX PRODUCTS, NORWEX DIRECT SALES PROGRAM AND NORWEX COMPENSATION PLAN), WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT, OR OTHER THEORY OF LIABILITY (INCLUDING BUT NOT LIMITED TO NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF NORWEX OR ANY OF ITS RELATED PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

c. Indemnification:

Each Consultant agrees to indemnify, defend, and hold harmless Norwex (together with its Related Parties (as defined in Section 17(i)), agents, other Consultants, stockholders, members, employees, directors, officers, and attorneys, collectively "Indemnified Parties") from and against any and all losses or liabilities (including attorneys' fees) they may suffer or incur as a result of such Consultant's breach or alleged breach of the Consultant Agreement including these Policies and Procedures. Without limitation of the foregoing, each Consultant shall specifically indemnify the Indemnified Parties against any losses or liabilities they may suffer or incur as a result of such Consultant being deemed an employee, agent, or holding any status other than an independent contractor, and such Consultant's tax liabilities.

MISCELLANEOUS

a. Severability:

If any provision of the Consultant Agreement including these Policies and Procedures is determined by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, such provision will be enforced to the maximum extent possible so as to effect the intent of the parties, or, if incapable of such enforcement, will be deemed to be deleted from the Consultant Agreement, and the remainder of the Consultant Agreement and such provisions as applied to other persons, places, and circumstances will remain in full force and effect.

b. Governing Law:

The Consultant Agreement is to be construed in accordance with and governed by the internal laws of the State of Texas without giving

effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Texas to the rights and duties of the parties.

c. Right to Use Third Parties:

Notwithstanding anything to the contrary in the Consultant Agreement, Norwex may use Consultants or other contractors in connection with the performance of its obligations and the exercise of its rights under the Consultant Agreement.

d. Force Majeure:

Norwex shall not be liable to any Consultant for failure or delay in performing its obligations under the Consultant Agreement if such failure or delay is due to circumstances beyond its reasonable control, including acts of any governmental body, war, insurrection, sabotage, embargo, fire, flood, strike or other labor disturbance, interruption of or delay in transportation, unavailability of or interruption or delay in telecommunications or third party services, or inability to obtain raw materials, supplies, equipment, or power needed to perform under the Consultant Agreement.

e. Interpretation:

For purposes of interpreting the Consultant Agreement, (i) headings are for reference purposes only and will not be deemed a part of the Consultant Agreement; (ii) unless the context otherwise requires, the singular includes the plural, and the plural includes the singular; (iii) unless otherwise specifically stated, the words "herein," "hereof," and "hereunder," and other words of similar import refer to the Consultant Agreement as a whole and not to any particular section or paragraph; and (iv) the words "include" and "including" shall not be construed as terms of limitation, and shall therefore mean "including but not limited to" and "including without limitation."

f. Entire Agreement:

The Consultant Agreement, including these Policies and Procedures and the Compensation Plan constitutes the entire agreement between Norwex and the Consultant, and such agreement supersedes all previous, contemporaneous, and inconsistent agreements, negotiations, representations, and promises between the parties, written or oral, regarding the subject matter of the agreement. There are no oral or written collateral representations, agreements, or understandings except as provided in the Consultant Agreement.

g. Notices:

Except as otherwise expressly set forth in the Consultant Agreement, all notices required or permitted by the Consultant Agreement shall be in writing and sent to the party to be notified by registered or certified mail or delivered in person, and shall be deemed effective upon receipt. Notices to a Consultant shall be sent to the address provided by the Consultant on the Consultant Application or subsequently submitted in writing by the Consultant. Notices to Norwex shall be sent to Norwex USA, Inc., 2550 Midway Road, Suite 115, Addison, Texas 75001.

h. Dispute Resolution:

Any controversy, claim, or dispute of whatever nature arising between a Consultant, on the one hand, and Norwex and/or the Related Parties (as defined below), on the other, including but not limited to those arising out of or relating to the Consultant Agreement or the breach thereof, or the commercial, economic, or other relationship of Consultant and Norwex and/or the Related Parties (for purposes of this Section 17(h), each is a "party"), whether such claim is based on rights, privileges, or interests recognized by or based upon statute, contract, tort, common law, or otherwise ("Dispute"), shall be settled through as provided in this Section 18(h).

Any Dispute shall be settled exclusively by final, binding arbitration before a single arbitrator in Dallas County, Texas in accordance with the then-prevailing Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall not have the power to alter, modify, amend, add to, or subtract from any provision of the Consultant Agreement or to rule upon or grant any extension, renewal, or continuance of the Consultant Agreement. The arbitrator shall not have the power to award special, incidental, indirect, punitive or exemplary, or consequential damages of any kind or nature, however caused.

All communications, whether oral, written, or electronic, in any negotiation, mediation, or arbitration pursuant to this Section shall be

treated as confidential and those made in the course of negotiation or mediation, including any offer, promise, or other statement, whether made by any of the parties, their agents, employees, experts, or attorneys, or by the mediator or any JAMS employee, shall also be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and shall be inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in negotiation or mediation.

The costs of negotiation, mediation, and arbitration, including fees and expenses of any mediator, arbitrator, JAMS, the American Arbitration Association, or other persons independent of all parties acting with the consent of the parties to facilitate settlement, shall be shared in equal measure by Consultant, on the one hand, and Norwex and any Related Parties involved on the other. The parties shall bear their own legal fees and expenses of negotiation, mediation, and arbitration.

Although the Consultant Agreement is made and entered into between Consultant and Norwex, Norwex's affiliates, owners, members, managers, and employees ("Related Parties") are intended third-party beneficiaries of the Consultant Agreement for purposes of the provisions of the Consultant Agreement referring specifically to them, including this agreement to negotiate, mediate, and arbitrate. The parties acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between Consultant and Norwex, and the parties further acknowledge that nothing contained herein shall be argued by either of them to constitute any waiver by the Related Parties of any defense which Related Parties may otherwise have concerning whether they can properly be made a party to any dispute between the other parties.

Any party may seek specific performance of this Section, and any party may seek to compel each other party to comply with this Section by petition to any court of competent jurisdiction. The pendency of mediation shall not preclude a party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the parties agree not to defend against any application for provisional relief on the grounds that mediation is pending. The prevailing party in any proceeding enforcing such provisions shall be entitled to the court's order for payment of reasonable attorneys' fees and costs in connection with such proceeding. If any portion of this Section is held to be unenforceable for any reason, the remainder shall remain in full force and effect.

Nothing in this Section shall preclude any party from seeking interim or provisional relief concerning the Dispute, including a temporary restraining order, a preliminary injunction, or an order of attachment, either prior to or during negotiation, mediation, or arbitration.

In the event any portion of the above provisions regarding arbitration are found to be unenforceable, such portion shall be severable from the remainder of the above provisions, which shall remain in full force and effect. Any amendment to this Section, or to the Dispute Resolution provision in the Consultant Agreement, shall not apply to (1) a dispute arising prior to the effective date of such amendment; or (2) a Consultant who voluntarily terminates or otherwise declines to participate in the Norwex Program following the effective date of such amendment.