

Income Escalator System Policies

INTRODUCTION

Thank you for taking the time to read and study these policies. These policies are available on www.Income-Escalator.com and are intended to outline legally binding policies and procedures that must be followed to operate and manage a Tahitian Noni International ARC account in good standing with Tahitian Noni International, Inc.

If you have a question regarding any of these policies, please write to the TNI Global Compliance Department (TNI Compliance) at P.O. Box 4000, Orem, UT, 84059, or e-mail compliance@tni.com. Tahitian Noni International encourages each person to seek independent financial or legal advice regarding the policies and procedures in these policies.

The Income Escalator system is founded on the same Founding Principles as Morinda and Tahitian Noni International. Tahitian Noni International USA, Inc., hereafter TNI, markets nutritional, personal care, and other consumer products through independent contractors in an access marketing structure.

SECTION A – CODE OF CONDUCT

1. ARC Code of Ethics

In pursuing the success of their TNI business, ARCs will safeguard and protect the reputation of TNI and its products. ARCs will refrain from all conduct which might be harmful to the reputation of TNI and its products or will damage the ability of others to participate in the TNI opportunity. ARCs will be professional in the approach to their business, and will treat other independent contractors, customers, consumers, and TNI employees respectfully and courteously in their interactions. ARCs will strictly avoid all deceptive, misleading, discourteous, unethical, and immoral conduct. ARCs will respect the honest efforts of independent contractors and will not engage in predatory or unethical recruitment practices.

2. Circumvention of Policy

TNI policies and procedures are designed to protect ARCs and the company from the adverse consequences of their violation. ARCs who intentionally circumvent policies and procedures to accomplish indirectly what is prohibited directly will be disciplined as if the applicable policy or rule had been broken directly. At its sole discretion, TNI has the right to adjust bonuses, commissions, and/or the placement or status of an ARC or of those in the ARC's upline who were affected. These policies and procedures are not intended to give ARCs the right to enforce the policies against one another directly, or to take any legal action against one another.

3. Recruiting Prospects Who Have Not Signed Up As Independent Contractors

The policies governing predatory recruiting apply only to the recruiting of existing independent contractors and do not apply to persons who have not signed up as independent contractors. Such policies cannot punish a personal sponsor who signs up a prospect who has been contacted by another ARC but who has not previously signed up as an independent contractor. As with any commercial enterprise, ARCs who invest time and money into a prospect are taking a risk that the prospect may choose to sign up under someone else.

4. Predatory Recruiting of an Existing Independent Contractor

An ARC may not attempt to recruit, directly or indirectly, another existing independent contractor into his or her own organization. The owner of an independent contractor account may not be approached to change sponsors until the independent contractor has complied with the Six Month Waiting Period policy.

An existing independent contractor may not sign up under another personal sponsor or try to circumvent the policies and procedures by using an alias, a family member or friend's name, a fictitious personal identification number, or any other means.

If an ARC is successful in recruiting an existing independent contractor to sign up again under a new sponsor without waiting the six-month waiting period, TNI, in its sole discretion, will have the right to terminate the original independent contractor account, the new independent contractor account created under the new personal sponsor, or both.

5. Simultaneous Interests

No individual or entity may have a simultaneous beneficial interest, either directly or indirectly, in more than one independent contractor account. An independent contractor may not encourage or facilitate a simultaneous beneficial interest. A simultaneous beneficial interest includes but is not limited to any ownership interest directly or indirectly in an independent contractor account as a shareholder, partner, trustee, beneficiary, or principal; any control of or ability to control an independent contractor account; any direct or indirect receipt of income derived from an independent contractor account; spousal support derived from an independent contractor account; familial support derived from an independent contractor account; access to a bank account into which commissions and royalties derived from an independent contractor account are deposited; and any other similar interests pertaining to an independent contractor account.

The spouse of an independent contractor, de facto or common-law spouse or cohabitant, or dependent family members living in the same household as an independent contractor are presumed to have a beneficial interest under the above definition.

An independent contractor, the spouse of an independent contractor, de facto or common-law spouse or cohabitant, or dependent family members living in the same household as an independent contractor may not have a simultaneous beneficial interest, either directly or indirectly, in a Preferred Customer (PC) account or an Auto-Preferred Customer (APC) account.

ARCs who inherit a second ARC account or inherit an IPC account from a deceased ARC or IPC may have simultaneous interest in both accounts. The transfer of the second ARC or IPC account must comply with TNI's policies. ARCs and IPCs who marry after becoming ARCs or IPCs for TNI may be allowed to retain both separate accounts.

6. Conflict of Interest

A person may be a distributor of another direct sales company and apply to become an ARC with TNI provided there is no conflict of interest (as described below) with TNI at the time of application. The ARC must also ensure that no such conflict occurs throughout the duration of the ARC account or for one year thereafter.

A. Ownership in a Competing Company

During the term of his or her ARC Agreement, and for one year thereafter, an ARC may not receive compensation from any company that can be defined as a network marketing company or direct sales company, other than as a distributor for that network marketing company or

direct sales company, without prior written approval from TNI. This includes, but is not limited to, being a principal, owner, employee, director, executive officer, advisor or shareholder (excluding shareholdings of 5% or less of any publicly traded company) of another network marketing company or direct sales company.

B Promotion of Competing Products

During the term of their contract with TNI and for one year thereafter, ARCs may not promote or sell any non-Tahitian Noni® brand ingestible or topical products derived from the *Morinda citrifolia* plant.

ARCs may not solicit or attempt to solicit other independent contractors, customers, consumers, vendors, or employees to enter into any business relationship with any commercial venture, enterprise, entity, or person that sells products or services that compete with TNI's products without prior written approval from TNI.

Non-Tahitian Noni® products or materials may not be promoted in any way at official TNI events, meetings, conventions, or other gatherings (see the "Selling and Sponsoring in Other Marketing Opportunities" below).

C Selling and Sponsoring in Other Marketing Opportunities

ARCs may not sell or represent non-Tahitian Noni® products or represent or encourage representation of marketing opportunities from other companies to other independent contractors except to those the ARC personally sponsors. An initial response to an inquiry about an ARC's non-TNI business activities does not constitute solicitation under this policy.

Non-TNI opportunities may not be promoted in any way at official TNI events, meetings, trainings, conventions, or other gatherings.

D Endorsing Other *Morinda citrifolia* Companies or Products

During the term of the ARC Agreement and for one year thereafter, an ARC may not endorse or act as a spokesperson, in any medium including but not limited to radio, television, or internet, for any products derived in whole or in part from the *Morinda citrifolia* plant, including but not limited to the fruit, leaves, bark, or roots of the plant, or any company promoting such products.

7. Confidentiality Agreement

Upon signing an ARC Agreement, an ARC agrees to maintain confidentiality regarding trade secrets, proprietary information, and any other confidential information. This confidentiality obligation is irrevocable, remains after termination of an ARC with TNI, and is subject to legal enforcement by injunction and award of costs and fees necessarily incurred.

During the term of the ARC Agreement, TNI may supply confidential information to ARCs. This includes but is not limited to genealogical and organization reports, customer lists, customer information developed by TNI or developed for and on behalf of TNI by ARCs (including but not limited to credit data, customer and ARC profiles, and product purchase information), ARC lists, manufacturer and supplier information, business reports, commission or sales reports, and other financial and business information that would be reasonably understood to be confidential.

All confidential information (whether in written, oral, or electronic form) is transmitted to ARCs in strictest confidence on a need-to-know basis for use solely in the ARCs' TNI business. ARCs must use their best efforts to keep such information confidential and must not disclose any such information to any third party, directly or indirectly. ARCs must not use the information to compete with TNI or for any purpose other than for promoting TNI's program and its products

and services. TNI may require a signed Non-Disclosure Agreement before releasing genealogical or organization information. Upon expiration, non-renewal or termination of the ARC Agreement, ARCs must discontinue the use of such confidential information and destroy or promptly return to TNI any confidential information in their possession.

SECTION B – RESPONSIBILITIES & DUTIES

1. Correct Address and Contact Information

No more than two independent contractor accounts may use the same mailing and/or shipping address.

Each ARC must submit and maintain a correct mailing and shipping address that accurately reflects where the ARC resides and/or is doing business. Email addresses and phone, fax, and cell phone numbers must also be kept accurate.

ARCs have an obligation to verify the contact information of their customers and to ensure that accurate information is submitted to TNI.

If the ARC has failed to notify TNI of a change in address and TNI is unable to deliver commissions, rebates, bonuses, or products to that ARC as earned or requested, the ARC account may be charged a \$25.00 administrative cost associated with TNI's efforts to correct the error. In the event that any commissions checks remain undeliverable for ten months after the commission or bonus is earned or entitlement to rebate occurs, after a final effort to make contact by TNI, the outstanding funds remaining (less the \$25.00 charge for administrative costs) will be turned over to the respective state's unclaimed property authorities when required under the laws of that state. So long as the inability to receive money from TNI has arisen because of the failure of the ARC to maintain a correct address on file with TNI, any and all claims to prejudgment interest on any amount not paid are waived by the ARC.

2. Correct Tax Identification Numbers

ARCs must submit and maintain accurate and truthful tax-related information to TNI.

TNI may void at its own discretion ARC accounts that are set up or maintained in any manner that includes a false social security or tax identification number, or use of the same without the knowledge and consent of the person or entity to whom it rightfully belongs. TNI reserves the right to seek verification of the information in question from the controlling interest of the ARC account, the sponsoring ARC, or any relevant governmental agency prior to making a determination that the agreement is void. Both the void and sponsoring ARC accounts will be required to pay to TNI any and all commissions, bonuses, and rebates of any kind paid to an invalid ARC and forfeit any income or title derived as a result of the void ARC account.

3. Advertising Tahitian Noni® Products and Programs

For information on advertising, consult the Advertising Addendum to these policies, available on www.Income-Escalator.com.

4. Marketing Tahitian Noni® Products and Programs

A Retail Sales Policy

Only authorized ARCs with whom TNI has a signed agreement may sell Tahitian Noni® products. It is against TNI policy for ARCs to sell Tahitian Noni® products for the purpose of resale by others.

B. Sale and Display of Products

Tahitian Noni® products may not be sold, displayed, or stored in public retail establishments, including but not limited to health food stores, grocery stores, chain stores, shopping malls, internet auction sites, internet malls, internet stores, virtual shopping sites, or other establishments in which the primary function is the retail sale of products as opposed to professional services. TNI advertising or promotional materials may not be displayed inside or outside such retail establishments.

Tahitian Noni® products may be sold and displayed in private or restricted-access offices, clubs, etc. Such establishments are those in which the general public is not allowed unless by appointment or through a membership and in which the primary function of the establishment is the provision of services and not products. Tahitian Noni® products and promotional materials may be displayed in the interior of such establishments. These materials may not be placed on the outside of these establishments, such as a wall or window that is accessible by the public.

ARCs who are selling or displaying products in a service establishment must notify TNI with the location name and address, and what services are provided in the service establishment.

C Promotion of Suggested Retail Price

All promotion of Tahitian Noni® products, through any media, must promote the suggested retail price of the products. Any promotion for less than the suggested retail price is expressly prohibited.

D ARCContact with Customers and with other Independent Contractors

A written receipt completed by the ARC should be provided to each retail customer upon sale of Tahitian Noni® products. However, for any retail orders placed directly with the company, TNI will include the appropriate receipt with the order.

Contact with potential customers and prospects and with other independent contractors will be made in a reasonable manner and during reasonable hours. A demonstration or sales presentation will be discontinued upon the request of the potential customer, prospect, or independent contractor.

E. International Importation Policy

In each country in which TNI is doing business, the local TNI corporate entity or a TNI designee will be the only authorized importer of all Tahitian Noni® products. It is TNI's policy that ARCs may not ship products from one country in which TNI is doing business into any other country, regardless of whether or not TNI is doing business in that other country. ARCs also may not order products in one country knowing that the products are intended to be shipped into another country.

F. International ARCActivity in Unopened Markets

It is TNI's right to open new markets. TNI does not give any ARC sole or exclusive access to any market, and any claim to such effect is false. TNI does not authorize any third party to obtain importation rights or product approval in any country. TNI reserves these rights exclusively for itself and its designated agents.

G Obtaining ARCOrganization Information

Most ARC organization information necessary to successfully operate an ARC account can be found at www.Income-Escalator.com.

H Reliance on Corporate Officer or Employee Opinions or Representations

Customer support staff are provided to facilitate the ability of ARCs to effectively run their ARC accounts. Except as outlined below, support staff is not authorized to issue binding opinions regarding these policies, the significance of the terms of the ARC Agreement, the creation of a contract, or the qualification or sales statistics regarding any ARC account.

Any legally binding interpretation of an ARC Agreement provision or policy expressed in these policies, or the creation or interpretation of any other contract, must be in writing and can come only from the TNI Legal Department or by a resolution of the TNI Board of Directors.

Because TNI employees and officers are not authorized to give opinions or make representations to ARCs except as noted above, ARCs are not authorized to rely on such opinions when they are contrary to the stated policies, and TNI specifically disclaims liability for any reliance thereon by any ARC.

SECTION C – ADMINISTRATION

1. Becoming an Auto-Referring Customer (ARC)

A Application Process for Becoming an ARC

An individual may become an ARC. To apply, persons may register via electronic sign up over the internet.

TNI reserves the right to request legal proof of identification from an ARC, e.g. driver's license, passport, or other form acceptable to TNI. ARCs must be of legal age in the state in which the ARC resides. TNI reserves the right to reject any ARC Agreement that is incomplete or otherwise unacceptable. Upon discovery of incomplete or unacceptable information on a previously accepted ARC Agreement, TNI reserves the right to void the ARC account.

B Independent Contractor Status

ARCs are independent contractors. For both taxation and legal purposes, ARCs are not franchisees, joint ventures, partners, employees, or agents of TNI. ARCs are prohibited from stating or implying anything to the contrary, either orally or in writing. ARCs are responsible for their own liability, health, automobile, disability, workers compensation, and all other insurance. TNI is not responsible for payment or copayment of any ARC benefits. If the government of an ARC's local jurisdiction requires TNI to withhold taxes related to the ARC's status, TNI will deduct such amounts from the ARC's commissions prior to issuing the commissions. In the event that TNI is assessed any withholding taxes, interest or penalties associated with the ARC's commissions payments after the commissions have been issued, TNI will deduct such amounts directly from the ARC's future commissions payments. If TNI is required to garnish an ARC's commissions pursuant to a court order, TNI will deduct such amounts from the ARC's future commissions payments.

C Coapplicants

Only individuals who are married or living as such are allowed to apply as coapplicants without a written agreement between the applicants. The spouse of an ARC, de facto or common-law spouse, or cohabitant is always considered to have a beneficial interest in the primary applicant's ARC account and may not sign up as a separate ARC (see "Simultaneous Interests" policy).

Coapplicants have the right to contact TNI on behalf of the ARC to receive information about the ARC account, and place orders under the ARC ID number. The coapplicant is not allowed to sign for sponsor changes or make any request which alters the status of the ARC account without written authorization from the primary applicant. Commission and bonus checks will always be in the name of the primary applicant.

D Conflicting Personal Sponsor Information

Where sponsor information on the submitted ARC Agreement conflicts with information previously received, the information previously received is presumed to be correct and will control. In the case of any other discrepancy, the ARC Agreement will prevail. TNI reserves the right to make sponsor and commission adjustments if it concludes, in its sole discretion, a TNI employee error was made during the sign up process.

If, after completing the ARC sign up process, an ARC or IPC changes his or her mind about who should be the personal sponsor, a completed Error Correction Form must be submitted to TNI within 14 days of the sign up of the ARC account. This form can be found on www.Income-Escalator.com.

E. Sponsoring

ARCs may sponsor other ARCs in any country which TNI is officially operating the Income Escalator system, and may sponsor IPCs in any other country in which TNI is officially doing business. ARCs must ensure that each potential ARC or IPC has reviewed and has access to the current Income Escalator system policies or Tahitian Noni International Policy Manual prior to or at the time of the individual signing up as an ARC or IPC.

2. Changing the Status of an ARC Account

A Voluntary Resignation of ARC Account

An ARC may terminate the ARC Agreement with TNI at any time. The contract may be terminated for any or no reason, and the ARC is not required to specify the reason to TNI.

The terminating ARC must send a signed written notice to TNI of the intent to terminate. Any request to terminate that TNI receives without the authorized signature of the ARC will be rejected. E-mail requests will be accepted if sent from the ARC's email address on file with TNI. Any ARC that desires to withdraw his or her voluntary resignation and be reactivated as an ARC account may do so at any time. The Six Month Waiting Period policy will apply to any ARC who voluntarily withdraws from his or her contract with TNI.

B. Annual Renewal of ARC Status

Unless an ARC voluntarily resigns or is terminated for violation of TNI Policies, the length of an ARC Agreement, and each subsequent renewal, is one year. TNI retains the same discretion that it has to accept or reject a request to renew an ARC account as it does to refuse the initial ARC Agreement. If the ARC has not placed an order for 13 consecutive months, the ARC account will be terminated for no activity and all right to compensation earned and not yet issued by TNI will be forfeited. The terminated ARC account's organization will be transferred to the next applicable personal sponsor in the ARC's upline unless otherwise determined by TNI. Rewards members will roll up directly to TNI.

C Reactivation of Previous ARC Account

An ARC who voluntarily resigns or is terminated for no activity may reactivate his or her former ARC account without having to wait the Six Month Waiting Period. The ARC will be reactivated in the same place in the organization. If the ARC reactivates within 30 days of termination, the

organization of the account will be reinstated to the account. An ARC account that has been terminated by TNI for policy violations may not be reactivated unless approved in writing by TNI.

D Six Month Waiting Period

An ARC who has a beneficial interest in any independent contractor account and wishes to replace it with a beneficial interest in another existing or new independent contractor account must terminate the current beneficial interest. He or she may initiate a beneficial interest in another independent contractor account six months after his or her cancellation, six months from the date of the last order placed, or six months from the date that the ARC last had a beneficial interest in any independent contractor account, whichever date is later. A beneficial interest in any independent contractor account includes, but is not limited to, being a co-applicant on an ARC account, advertising Tahitian Noni® products or the TNI business, participating in ARC meetings, directly or indirectly representing oneself as an independent contractor, financial assistance provided to an independent contractor account, financial benefit from an independent contractor account, etc. If a person wishes to continue using Tahitian Noni® products during the six month waiting period, the person may place retail orders directly with TNI.

E Upline Release Policy

The six month waiting period may be waived if a completed Upline Release Form is received by TNI for the ARC. The ARC can submit a completed Upline Release Form to TNI Compliance, which will cancel the current ARC account. Upon cancellation, the ARC will forfeit his or her existing ARC organization, which will usually roll up to the next qualified ARC. Rewards members will roll up directly to TNI. The ARC will also forfeit all privileges related to the cancelled ARC account. TNI reserves the right to refuse any release at its discretion for any business or economic reason.

F. Other Types of ARCAccount Status Changes

For other types of ARC account status changes, consult the Account Status Change Addendum to these policies, available on www.Income-Escalator.com.

3. Building an ARCAccount Organization

A Changing the Personal Sponsor of an ARC

The following requirements apply to personal sponsor changes:

- The personal sponsor of moving ARC must be on AutoShip.
- The new Personal sponsor must be on AutoShip.
- The new Personal sponsor must be in the organization of the current Personal sponsor.
- The new Personal sponsor must be in the upline of the moving ARC.
- The signatures required are the notarized signatures of the moving ARC and of the five upline personal sponsors.
- There are no volume requirements for a personal sponsor change.
- Request must be submitted on an official Personal Sponsor Change Form.
- ARC signatures and authorizations will be considered valid for 90 days from the date of the signature or 90 days from the date the signature or authorization is first submitted to TNI Compliance.

B Personal Sponsor Change Deadline

All Personal Sponsor Change Forms need to be completed and received by TNI by the 15th of the month in order to be processed for that month's commissions. If a signature or required notary stamp is missing when the deadline arrives, the deadline will not be extended. The

corrected form will be reviewed for the following month. Any changes that have not been received in complete form will be sent back to the personal sponsor shown on the form.

C Personal Sponsor Change Cancellation Deadline

If the personal sponsor requesting a personal sponsor change wishes to cancel that change, a signed cancellation request must be submitted in writing and must be received by TNI by the 28th of the month for which that change was submitted. Sponsor change cancellation requests submitted after this date will be rejected.

D ARC Authorization of Sponsor Changes

ARCs who are contacted by other independent contractors regarding authorization for personal sponsor changes, upline releases or error corrections should respond to that contact. If the independent contractor's repeated documented attempts to make contact are unsuccessful, TNI will send a certified letter to the non-responding ARC at the address on file. If the letter is returned or not replied to prior to the deadline stated in the letter, the ARC will be deemed to have waived the right to object to the proposed change, and the independent contractor requesting the change will be required to obtain the signature of the next applicable ARC or IPC.

4. Ordering and Purchasing Tahitian Noni® Products

A IE AutoShip Program

IE AutoShip consists of a commitment to purchase one unit of the product each month. All ARCs are enrolled on the IE AutoShip program upon sign-up as an ARC and will be assigned to an IE AutoShip week. Each ARC and APC may purchase the product prior to the IE AutoShip billing and shipping day of his or her assigned week to fulfill his or her IE AutoShip commitment. If no order is placed by this day, the ARC or APC will automatically be sent his or her IE AutoShip order and funds will be charged to the authorized form of payment. Unless otherwise requested, the order will be sent to the shipping address on file. In any particular month, an ARC or APC is only deemed to be AutoShip qualified if he or she is properly enrolled on the IE AutoShip program and has fulfilled or will fulfill his or her commitment to purchase one unit of the product in that month.

B. Removal from AutoShip

If the authorized form of payment provided for AutoShip results in either a decline or an insufficient funds transaction, no order will be placed and TNI reserves the right, at its discretion, to remove the ARC from the IE AutoShip program. If IE AutoShip orders are refused or returned without reason, the ARC may be removed from the IE AutoShip program.

Removal from the program will disqualify the ARC from bonuses, commissions, and promotions. For ARCs removed from the IE AutoShip program, reinstatement will require online enrollment accompanied by a qualifying order and a valid form of payment on file for future IE AutoShip payment.

C Price Changes

Product availability and price are subject to change without notice.

D Sales Tax

TNI will collect and remit all applicable sales and use taxes on behalf of ARCs based on the suggested retail price of the products ordered and according to applicable tax rates for each state to which the products or materials are shipped. If an ARC account has a current valid resale permit on file for the ARC account, TNI will not charge sales tax. TNI will not charge sales tax for the orders shipped to states where there is no sales tax required on the items shipped.

California. If a Californian ARC has a seller's permit that has been issued for a non-Section 6015(b) related business and sells the property from the non-Section 6015(b) business through a storefront location, TNI will accept the California sellers permit. For more information, please refer to www.Income-Escalator.com.

E. Shipping and Handling Charges

For all orders of Tahitian Noni® products, a shipping charge is added. This charge covers the cost of shipping and handling to the 48 contiguous states. ARCs outside the 48 contiguous states will be subject to additional charges. Express shipping is available (two-day or overnight) on all orders. Additional shipping charges will apply.

F. Payment

All orders made to TNI must be accompanied by proper payment including all applicable shipping and handling fees and sales taxes. It is the responsibility of ARCs to ensure that proper payment is received by TNI. An ARC may use a credit card owned by another person only if the owner of the credit card has authorized such use.

G. Credit Card Charge Backs or Insufficient Funds Payments

If a payment for a sales order results in either a credit card charge back or an insufficient funds transaction and the products have already been released to the ARC, TNI may reverse commissions paid on the commissionable value of the order at the time of the unpaid balance. In its sole discretion, TNI may seek to recover the funds that are not paid. If any funds are recovered, administrative costs of TNI and any legal or collection costs will be deducted from the total recovery before apportioning out any refund payable to those ARCs whose commissions or bonuses had been reversed.

6. Returning Tahitian Noni® Products

A. Refund Policies for Purchased Products

All products returned must be in marketable condition and not beyond the reasonable shelf life of the products. Products are considered to be past the shelf life 1) one year from the date of purchase, 2) if the expiration date printed on the product package has passed, or 3) if the package has been opened.

ARCs are responsible for the cost incurred in shipping the products back to TNI. Any and all refunds that are paid may result in a reversal of commissions paid on the commissionable value of the purchase at the time it was made. Shipping charges, handling fees, and customs fees are non-refundable unless TNI made an error originally. Only the ARC under whose ID number the order was placed can initiate the return. If an order is refused, the return shipping costs will be deducted from the refund amount. Questions regarding whether a purchase qualifies to be returned under these policies should be directed to TNI's Customer Service Center.

B. Incomplete Orders and Damaged Goods

In the event that an ARC receives an incomplete order, it is the responsibility of the ARC to review the order and report the discrepancy within 10 days of receipt of the order. TNI endeavors to ship products in quality resaleable condition. Some products may become damaged in the shipping process. Damaged orders should be refused if possible. The return shipping costs will not be deducted from the refund amount if the order is damaged. If a damaged order is delivered, the ARC should immediately contact TNI for instructions on returning the damaged order.

C ARC Order Returns

An ARC who is not satisfied with the first-time order of any product may return that first order and receive a refund. The return must be initiated by the ARC on whose account the products were ordered. Unless TNI made a shipping error, the ARC returning the products is responsible for the cost incurred in shipping the products back to TNI. Any and all refunds that are paid may result in a reversal of commissions paid on the commissionable value of the purchase at the time it was made. Shipping charges, handling fees, and customs fees are nonrefundable, unless TNI made a shipping error.

The conditions of the refund are:

1. Products received within 30 days of the order date will receive 100% credit or exchange, less original shipping. Products received from 31 to 180 days of the original order date will receive a 90% credit or exchange, less original shipping. Products that are received after 181 days from the order date will not be refunded unless the ARC is terminating his or her contract with TNI (see "Product Buy Back").
2. An ARC may only return a product type one time. Subsequent attempts to return that product type will be refused.

D AutoShip Order Returns

Upon AutoShip sign up, an ARC agrees that he or she will sell, consume, or use at least 70% of the products from each order before placing subsequent orders. ARCs should not purchase products in an amount that cannot be sold or consumed in a reasonable amount of time. Accordingly, TNI will accept returns for up to two unopened and unused products from AutoShip orders under the standard return policy.

E. Product Buy Back (for Terminating ARCs)

TNI's product buy-back policy is to assist ARCs who are terminating their ARC Agreement with TNI by alleviating the financial burden of unused products. If conditions are met, and an ARC so requests, TNI will repurchase the products for 90% of the purchase price, less original shipping and other costs. All repurchases are subject to a deduction based on the amount of commissions paid to the ARC for that order.

The product buy-back conditions are as follows:

1. Any ARC desiring to participate in TNI's buy-back policy must be terminating his or her ARC account. A repurchase will not take place until TNI has received a notice of termination or until the ARC has been terminated by TNI.
2. Products must be returned to TNI within one year of the original purchase date.
3. All products must be in marketable condition and not beyond the shelf life of the products (products are considered past the shelf life 1) one year from the date of purchase, 2) after the expiration date indicated on the product package has passed, or 3) once it has been opened).
4. The terminating ARC is responsible for all costs associated with returning the products.

F. Product Liability Insurance

Morinda Holdings, Inc. and its subsidiaries maintain a global product liability insurance policy in an appropriate amount covering claims that its products are defective. Please note, however, that the insurance coverage and Morinda's commitment apply only to product liability claims.

They do not apply to situations, for example, where an ARC has made an unauthorized health claim or where an accident or other incident has occurred on ARC or third party premises.

Accordingly, if any product liability issues arise, Morinda Holdings, Inc. should be immediately notified and allowed to fully investigate such claim(s) and, in coordination with its insurance carriers, appropriately address and deal with each situation.

SECTION D – REGULATIONS FOR ENFORCEMENT

1. ARC Discipline for Violation of Policies

A Investigation of Policy Violations

The goal of TNI Compliance is to handle all compliance issues fairly and efficiently. Therefore, TNI Compliance must act only on substantiated evidence in documentary form. This procedure helps ensure that all independent contractors will be treated with equal fairness. Any complaint submitted to TNI Compliance must be in writing, with written evidence of the policy violation linked to the independent contractor account in question. Upon receipt of such a claim against an independent contractor, TNI Compliance will contact that independent contractor and other relevant persons to obtain all facts and assertions relating to the conduct in question.

Because of TNI's privacy procedures, TNI may or may not notify the submitting independent contractor of any investigation done or disciplinary action taken as a result of the claim submitted by the independent contractor.

Written notification of any claim must be received by TNI within one year of the date that the independent contractor knew, or should have known, about the claim.

B Fines For Policy Violations

If an ARC violates a TNI policy, TNI may fine the ARC at TNI's reasonable discretion as compensation for costs incurred.

C Suspension

An ARC may be suspended for violating the terms of his or her ARC Agreement or the policies and procedures outlined in these policies, including any published amendments to the policies. TNI will inform the ARC in writing that the suspension has occurred or will occur effective the date cited on the written notification. TNI will cite the reason for the suspension and the steps necessary (if any) to remove the suspension. The suspension notice will be sent to the ARC's address on file with TNI. Suspension may or may not lead to termination of the ARC account, as determined by TNI at its sole discretion.

TNI may take certain action during the suspension period, including but not limited to the following:

- Holding commissions and/or bonuses.
- Prohibiting the ARC from presenting himself or herself as an ARC of TNI or using any of TNI's proprietary marks and/or materials.
- Prohibiting the ARC from purchasing products and services from TNI.

- Prohibiting the ARC from sponsoring new independent contractors, or contacting current independent contractors.

If TNI, at its sole discretion, determines that the violation which caused the suspension is continuing or has not satisfactorily been resolved, or if a new violation involving the suspended ARC has occurred, the suspended ARC may be terminated.

D Termination

At its sole discretion, TNI may terminate an ARC for any reason upon 30 days prior written notice.

An ARC may be terminated for violating the terms of his or her ARC Agreement or the policies and procedures outlined in these policies, including any published amendments to these policies. TNI will inform the ARC in writing that the termination has occurred or will occur effective the date cited on the written notification. The written notification will cite the reason for the termination. The termination notice will be sent to the ARC's address on file with TNI.

E Effects of Termination

Immediately upon termination, the terminated ARC:

- must remove and permanently discontinue use of trademarks, service marks, trade names and any signs, labels, stationery, or advertising referring to or relating to any TNI products, plan, or program;
- must cease representing himself or herself as an ARC of TNI;
- loses all rights to his or her ARC account, including but not limited to titles, organization, and future commissions and earnings resulting therefrom; and
- must take all action reasonably required by TNI relating to protection of its confidential information.

TNI reserves the right to offset any amounts owed by an ARC to TNI from any commissions or other compensation due to the ARC. Upon termination of an ARC account, the ARC account's organization will be transferred to the next applicable personal sponsor in the ARC's upline unless otherwise determined by TNI. Rewards members will roll up directly to TNI.

F. Appeal

If an ARC wishes to appeal termination by TNI, an appeal in writing must be received within 30 days of the effective date on the termination notice. If no appeal is received within the 30-day period, the termination will be deemed final. If an ARC files a timely notice of appeal, TNI will review the appeal and notify the ARC of its decision. The decision of TNI will be final and subject to no further review. In the event the action is not rescinded, the discipline will remain effective as of the date stated in the original notice. The effects of termination stated above will continue to apply to the ARC during the appeal process, regardless of the outcome.

SECTION E – RIGHTS OF TNI

1. Amending TNI Policies

TNI reserves the right at any time to amend the ARC Agreement, these policies, product prices, company literature, and the compensation plan without prior notice.

Any such changes will be communicated to ARCs by posting them on www.Income-Escalator.com and by sending written communication, which may be done by email, to all ARCs. These amendments are binding on all ARCs at the time of their publication by TNI on the company website or otherwise communicated to active ARC accounts, whichever is earlier. In the event of any conflict between the amendment and the terms of the ARC Agreement, these policies, or any other document, the amendment will control.

2. Use of ARC Images

By attending a TNI event, an ARC grants TNI the right to use images of him or her taken at the event in any company marketing materials and on the company websites.

Income Escalator System Compensation Plan

Tahitian Noni International (TNI) has created the Income Escalator™ system (IE) as the perfect companion to TNI's current opportunity and marketing plan. The IE system is an entry-level system that appeals to individuals who may never have been interested in a successful networking career and earning residual income. TNI has also created this system as the first in the industry where participants can rise above their Personal Sponsor and Upline. The IE system acts as the perfect training ground for beginning networkers—it presents no risk, includes low requirements, promotes the promise of huge rewards, and sells a universally accepted product at an affordable price.

Customers may purchase Tahitian Noni NatureBorn™ Whole Health Complex (the product) as IE preferred customers or as IE referring customers. Referring customers have the opportunity to earn retail profits and compensation from sales of the product and have the title Auto-Referring Customer (ARC). This compensation plan is designed for ARCs (also referred to in this document as 'you'). An Independent Product Consultant (IPC) in the TNI compensation plan may participate in the Income Escalator system as an ARC.

The Income Escalator system has three positions:

- Preferred Customer (PC): This is a retail customer who purchases the product at full retail price directly from TNI.
- Auto-Preferred Customer (APC): This is a customer who purchases the product through an automatic shipment each month (IE AutoShip) and receives a discount on the purchase price of the product.
- Auto-Referring Customer (ARC): This is a customer who purchases the product through an automatic shipment each month (IE AutoShip) and receives a discount on the purchase price of the product. An ARC is also able to refer other customers to the system and can receive sales-based compensation.

KEY ASPECTS OF THE IE COMPENSATION PLAN

IE AutoShip Program

IE AutoShip consists of a commitment to purchase one unit of the product each month. All ARCs are enrolled on the IE AutoShip program upon sign-up as an ARC and will be assigned to an IE AutoShip week. Each ARC and APC may purchase the product prior to the IE AutoShip billing and shipping day of his or her assigned week to fulfill his or her IE AutoShip commitment.

If no order is placed by this day, the ARC or APC will automatically be sent his or her IE AutoShip order and funds will be charged to the authorized form of payment. Unless otherwise requested, the order will be sent to the shipping address on file. In any particular month, an ARC or APC is only deemed to be AutoShip qualified if he or she is properly enrolled on the IE AutoShip program and has fulfilled or will fulfill his or her commitment to purchase one unit of the product in that month.

ARCs and APCs who sign up as an ARC between the 1st and the 7th of the month will be assigned to week one IE AutoShip, ARCs and APCs who sign up between the 8th and the 14th of the month will be assigned to week two IE AutoShip, ARCs and APCs who sign up between the 15th and the 21st of the month will be assigned to week three IE AutoShip, and ARCs and APCs who sign up between the 22nd and the end of the month will be assigned to week four IE AutoShip. The IE AutoShip billing and shipping day will be the Tuesday of each week; that is, the IE AutoShip billing and shipping day for week one IE AutoShip will be the first Tuesday of the month, the IE AutoShip billing and shipping day for week four IE AutoShip will be the fourth Tuesday of the month. For information on how to customize your IE AutoShip week, go to www.Income-Escalator.com. ACH will not be an authorized form of payment for IE AutoShip orders that are placed in week four.

Income Sources

- **Retail Profits**: You will earn the difference between the retail price and the wholesale value of the product that is ordered by the PCs you personally refer.
- **Auto Profits**: You will earn the difference between the auto-preferred price and wholesale value of the product ordered by the APCs and ARCs you personally refer.
- **Group Commissions**: You may earn commissions on sales to four levels of participants based on a 4 x 4 matrix placement system.
- **Matching Bonus**: You may earn a matching bonus on commissions to levels three and four of your personally sponsored ARCs.
- **Global Bonus Pools**: You may qualify to participate in four global bonus pools and receive matching global bonuses from qualified personally sponsored ARCs.

Income from retail profits and auto profits will be paid out weekly to qualified ARCs. Commissions from the other income sources will be paid out monthly to qualified ARCs.

Retail Profits

You have the opportunity to earn retail profits on the sales made to PCs that you personally refer. This profit is the difference between the retail price and the wholesale value of the product. The product is never sold at a wholesale price; wholesale value is a term that is used as a reference only in determining the amount of profits earned. You must be IE AutoShip qualified in order to earn these retail profits.

Auto Profits

You have the opportunity to earn auto profits on the sales made to APCs and ARCs that you personally refer. You also have the opportunity to earn auto profits on any of your personal use orders of the product that you purchase in addition to your IE AutoShip qualifying order each month. This profit is the difference between the IE AutoShip price and the wholesale value of the product. You must be IE AutoShip qualified in order to earn these auto profits.

Group Commissions

You can earn group commissions based on a 4 x 4 matrix structure that pays on four levels of customer purchases below you in the matrix. You are placed in this structure every month based

on your personal activity, as determined by a point system to be explained hereafter. The four level payout in the 4 X 4 matrix structure is as follows:

<i>Level</i>	<i>Maximum positions (one unit of product per position)</i>	<i>Commissions Percentage</i>	<i>Required Number of Customers</i>
1	4	1%	1
2	16	5%	2
3	64	6%	3
4	256	7.5%	4

Qualification: To qualify to earn commissions from any level, you must be IE AutoShip qualified and have personally sponsored the requisite number of customers for that level.

Matching Bonus

You can earn a matching bonus when your personally sponsored ARCs earn Group Commissions on their third or fourth levels in the matrix. You will earn a dollar-for-dollar match of the amount of Group Commissions your personally sponsored ARCs earn on their third or fourth level:

<i>Level</i>	<i>Matching Bonus Percentage</i>	<i>Required Number of Customers</i>
1	0%	n/a
2	0%	n/a
3	6%	6
4	7.5%	8

Qualification: To qualify to earn commissions from any level, you must be IE AutoShip qualified and have personally sponsored the requisite number of customers for that level.

Global Bonus Pools

You can participate in four different global bonus pools. These pools are made up of the total commissionable value (CV), also called wholesale value, sold each month and are called OneStar, TwoStar, ThreeStar, and FourStar. Each global bonus pool is allocated 3% of the total CV sold each month.

Global Bonus Pools will be paid to three categories of ARCs:

- Original Qualifiers: These are ARCs who meet the qualifications personally to receive a share of the global bonus pool.
- Personal Matching Qualifiers: These are ARCs who have personally sponsored ARCs who are Original Qualifiers in any of the global bonus pools and qualify to receive a matching global bonus based on the stated qualifications.
- 2nd Generation Matching Qualifiers: These are ARCs who have ARCs who are Original Qualifiers on their second generation in any of the global bonus pools and qualify to receive a matching global bonus based on the stated qualifications.

<i>Global Bonus Pool Category</i>	<i>Global Bonus Pool Percentage</i>
Original Qualifier	1%
Personal Matching Qualifier	1%
2 nd Generation Matching Qualifier	1%

You may qualify as an Original Qualifier for one Global Bonus Pool per month. You will be an Original Qualifier for the highest bonus pool to which you qualify. Original Qualifiers may only participate in the OneStar global bonus pool one time and in the TwoStar global bonus pool one time. However, Original Qualifiers may participate in the ThreeStar and FourStar global bonus pools an unlimited number of times. Additionally, there is no limit to the number of times you may receive a Matching Global Bonus as a Personal Matching Qualifier or as a 2nd Generation Matching Qualifier. You may qualify as a matching qualifier an unlimited number of times in all pools in any combination.

You must progress from global bonus pool to global bonus pool, beginning with OneStar. You may not qualify for the TwoStar global bonus pool before you have qualified for the OneStar global bonus pool; you may not qualify for the ThreeStar global bonus pool before you have qualified for the TwoStar global bonus pool; etc.

The matching portions of the global bonus pools do not compress. If your personal sponsor or your second generation personal upline does not qualify as a matching qualifier, that portion of the global bonus will roll forward into the global bonus pool for the following month. If your personal sponsor does not qualify as a matching qualifier, but your second generation personal upline does qualify as a matching qualifier, the second generation upline will receive the 2nd Generation Matching Qualifier portion, but the Personal Matching Qualifier portion will roll forward into the global bonus pool for the following month.

Qualification: In order to qualify as an Original Qualifier or a matching qualifier for the global bonus pools, you must be IE AutoShip qualified and have personally sponsored the requisite number of customers for that level. For all global bonus pools beyond the OneStar global bonus pool, you must also be TNI Case AutoShip qualified. Additionally, to qualify as an Original Qualifier, you must have the requisite number of non-personally sponsored customers in your second, third, and fourth generations, and to qualify as a matching qualifier, you must have the requisite number of non-personally sponsored customers in your second through fourth generations (second through sixth generations for the FourStar matching qualifier global bonus pool).

		<i>IE AutoShip Qualified</i>	<i>Active Personally Referred Customers</i>	<i>Customers/Generations</i>	<i>TNI Case AutoShip Qualified</i>	
<i>Global Bonus Pools</i>	Original Qualifiers	OneStar	*	10		
		TwoStar	*	15	*	
		ThreeStar	*	15	20/2-4 Generations	*
		FourStar	*	20	40/2-4 Generations	*
	Matching Qualifiers	OneStar	*	15		
		TwoStar	*	15	20/2-4 Generations	*
		ThreeStar	*	20	40/2-4 Generations	*
		FourStar	*	30	80/2-6 Generations	*

Pro-Rata Share Calculation: If you qualify to participate in a global bonus pool, your share of the global bonus pools is determined by a pro-rata distribution of the total pool amount. The pro-rata share will be calculated each month based on the global bonus pool point total of the qualifiers. Each qualifier will be assigned one global bonus pool point for each individual active customer within three generations (an active customer is one who has purchased the product during the month). These global bonus pool points will accumulate each consecutive month that the individual customer remains active to a maximum of four global bonus pool points per customer. The qualifier will retain the accumulated four bonus pool points as long as that individual customer remains active. If that customer becomes inactive, the global bonus pool points accumulated by the qualifier for that customer are lost. The qualifier will begin to accumulate global bonus pool points for that customer once that customer becomes active again.

IE commissions compress upline following personal sponsorship: if an ARC is terminated, that ARC's personally sponsored customers will compress upline to the first qualified upline ARC or IPC sponsor following personal sponsorship. The Global Bonus Pool Matching Bonuses and unearned Group Commissions do not compress.

Matrix Points

You will earn matrix points based on your activity and the activity of the customers in your downline generations. These matrix points can be earned through the following methods:

- Jumpstart Points: You earn 12 Jumpstart matrix points upon enrollment in IE AutoShip. These matrix points remain yours as long as you refer at least one new customer each month. For each month in which you do not refer at least one new customer, you will lose one of your Jumpstart matrix points. You may not lose more than your original 12 Jumpstart matrix points.
- IE AutoShip Activity: You earn one matrix point per month for your participation in the IE AutoShip program. These matrix points accumulate from month to month to a maximum of 24 matrix points. If you do not fulfill your IE AutoShip commitment or your IE AutoShip enrollment is cancelled in any month, all of your accumulated IE AutoShip activity matrix points will be lost.
- Personal Sponsoring, Referring and Sales Activity: You will earn 10 matrix points each month per PC or APC you personally refer who purchases at least one product unit in that month. You will earn five matrix points each month per ARC you personally sponsor who purchases at least one product unit in that month. These matrix points do not accumulate from month to month.
- Personal Group Sponsoring, Referring and Sales Activity: You will earn two matrix points each month per customer in your second or third downline generations who purchases at least one product unit in that month. These matrix points do not accumulate from month to month.
- Training and Group Support Activity: You may earn matrix points by attending TNI-sponsored training events, webinars, and corporate incentive events. The schedule for these events will be announced periodically.

You will be allocated a position in the matrix each month based on the matrix points you have accumulated for that month. The matrix is considered a "floating matrix" and each position in

the matrix represents one unit of the product sold to a customer. You are not allocated a permanent position in the matrix; the matrix is readjusted each month based on the matrix points you and other ARCs have accumulated for that month. The more matrix points you have in a month, the higher your position will be in the matrix. In the event of a tie between two ARCs in the number of matrix points accumulated for a month, the most recent ARC ID# will be allocated the preferred position in the matrix.

Multiple Purchases of the Product

You may purchase multiple units of the product each month for your personal use or to use in the process of introducing new people to the product. Each unit of the product purchased in a month will fill one position in that month's matrix. The first unit of the product that you purchase in a month will meet the requirements of your IE AutoShip commitment for that month. Matrix points will only be issued on the first product unit that is purchased per customer per month. Each unit of the product you subsequently purchase in that month will be allocated into positions at the bottom of that month's matrix for the commissions payout on those units. If you have prospects or referrals to whom you would like to introduce the product, you may register these prospects or referrals as your personally sponsored PCs; this may be done through www.Income-Escalator.com. If a PC or APC purchases multiple units of the product in a month, each of those units of the product will also be allocated into a position at the bottom of that month's matrix.

Interface between the IE Compensation Plan and the TNI Compensation Plan

This information will be useful for ARCs who are also IPCs in the TNI Compensation Plan.

The CV of the IE product:

- Does not count towards AutoShip qualification in TNI compensation plan,
- Does not count towards any QPV requirement in the TNI compensation plan,
- Does not earn personal rebates,
- Does not count toward title qualification in the TNI compensation plan,
- Does not factor in the TNI Global Bonus Pools qualification or distribution, and
- Does not contribute to the TNI Global Bonus Pools.

The CV of any product in the TNI compensation plan does not meet any IE qualifications. Qualification for all IE global bonus pools beyond the OneStar global bonus pool requires TNI Case AutoShip qualification.

TNI compensation plan titles will compress around ARCs who are not also IPCs in the TNI compensation plan. For example, IPCs whose personal sponsor is an ARC but not an IPC will be available for TNI compensation plan title qualification to the next upline IPC following personal sponsorship, until the ARC signs up as an IPC. Once that ARC personal sponsor of the IPC signs up as an IPC, the TNI compensation plan titles of his or her personally sponsored IPCs will be available to him or her for TNI compensation plan title qualification.

Income Escalator System Glossary

(ACH) Automatic Clearing House

Automatic withdrawal from an ARC's bank account. ACH may be used to pay for IE AutoShip orders of the product and individual orders of products.

Applicable law

This refers to whatever local, state, national or international law is applicable to the ARC's dealings as an ARC. TNI's acceptance of an ARC Agreement is conditioned upon the ARC's commitment to actual adherence to applicable law.

ARC Agreement

This is the electronic agreement that is accepted by an individual that desires to become an ARC. It is a binding contract between the ARC and TNI, and incorporates by reference the Income Escalator System Policies and Compensation Plan.

Auto-Preferred Customer (APC)

A customer who purchases the product through an automatic shipment each month and receives a discount on the purchase price of the product.

Auto Profits

An income source for ARCs that consists of the difference between the retail price and auto-preferred price of the product that is ordered by the ARC's personally-referred APCs and ARCs.

Auto-Referring Customer (ARC)

This is the name given to each person who has agreed to market products in and become an independent contractor in the Income Escalator system. All ARCs have an agreement with TNI to market Tahitian Noni® products in accordance with TNI's ideals, the Code of Ethics of the DSA, the policies and procedures expressed in these policies, any subsequent amendment, and any applicable law.

Calendar month

From the first day to the last day of a given month, as opposed to a 30-day or 4-week period.

Commissionable volume (CV)

The product has a commissionable volume, or CV. The CV is the value on which commissions or bonuses are calculated.

Commissions

Payout of up to 45% of total CV (see "Commissionable volume") to ARCs.

Customer

A Preferred Customer (PC), an Auto-Preferred Customer (APC), or an Auto-Referring Customer (ARC).

Data processing fee

TNI applies a Data processing fee of \$0.90 (US\$) for all commissions payments. This fee consists of the costs for processing and sending commission payments, which includes—but is not limited to—postage, printing, paper, supplies, manpower, etc.

Generation

The personally referred customers of an ARC constitute the first generation of an ARC. The second generation of an ARC consists of the personally referred customers of the ARC's first generation, and so on.

Global Bonus Pool Points

If an ARC has qualified for a global bonus pool, the ARC's share of a global bonus pool is determined by a pro-rata distribution of the total pool amount. The pro-rata share will be calculated each month based on the global bonus pool point total of the qualifiers. The points are earned based on the activity of the customers in the ARC's downline generations.

IE AutoShip program

IE AutoShip consists of a commitment to purchase one unit of the product each month. All ARCs are enrolled on the IE AutoShip program upon sign-up as an ARC and will be assigned to an IE AutoShip week. Each ARC and APC may purchase the product prior to the IE AutoShip billing and shipping day of his or her assigned week to fulfill his or her IE AutoShip commitment. If no order is placed by this day, the ARC or APC will automatically be sent his or her IE AutoShip order and funds will be charged to the authorized form of payment. Unless otherwise requested, the order will be sent to the shipping address on file. In any particular month, an ARC or APC is only deemed to be AutoShip qualified if he or she is properly enrolled on the IE AutoShip program and has fulfilled or will fulfill his or her commitment to purchase one unit of the product in that month.

Income Escalator System (IE)

TNI's innovative "floating matrix" system under which TNI markets its Tahitian Noni NatureBorn™ Whole Health Complex.

Income Escalator system positions

The Income Escalator system has three positions: Preferred Customer (PC), Auto-Preferred Customer (APC), and Auto-Referring Customer (ARC).

Independent contractors

Tahitian Noni International accepts three types of contractors: Auto-Referring Customers (ARCs), Independent Product Consultants (IPCs), and Rewards members. All independent contractor references in these policies are intended to include each contractor type.

Independent Product Consultant (IPC)

This is the name given to each person or entity whose offer to TNI to market its products has been accepted. All Independent Product Consultants (IPCs) have a contractual agreement with TNI to market Tahitian Noni® products in accordance with TNI's ideals, the Code of Ethics of the DSA, the policies and procedures expressed in this manual, any subsequent amendment, and any applicable law.

Levels

ARCs earn Group Commissions on four levels of customer volume in the matrix.

Matrix

Income Escalator system commissions are paid based on a 4 x 4 matrix structure. An ARC is placed in the matrix based on his or her personal activity, as quantified by a point system. The matrix is considered a "floating matrix" and is re-organized each month based on the matrix points earned by active ARCs. Positions within the matrix are never fixed, but are adjusted monthly according to activity.

Matrix Points

ARCs are allocated a position in the matrix each month based on the matrix points they have accumulated for that month. The points are earned based on the ARC's activity and the activity of the customers in the ARC's downline generations.

Organization

An organization is made up of the customers an ARC has personally sponsored and the customers sponsored by each successive generation. By receiving commissions based on matrix points derived from the sales generated by their organization, ARCs have a duty to train and encourage their organization.

Personal sponsor

This is the ARC that brings an independent contractor into TNI. This person benefits from the orders placed by the independent contractor.

Personally sponsored ARC

An individual that an independent contractor personally signs up and trains to be an ARC. Personally sponsored independent contractors constitute the ARC's first generation along with the ARC's personally referred customers.

Preferred Customer (PC)

A retail customer who purchases the product at full retail price directly from TNI.

Points

See "Global Bonus Pool Points" and "Matrix Points."

Policies

This refers to the Income Escalator Policies and Compensation Plan, which are incorporated by into the ARC Agreement, with all of the pertinent amendments thereto.

Products

Tahitian Noni® products for retail sale or personal use by authorized independent contractors.

Retail profit

An income source for ARCs that consists of the difference between the retail price and wholesale value of the product that is ordered by the ARC's personally-referred PCs.

Rewards program

A frequent shopping program designed for consumers of Tahitian Noni® products. The Rewards program provides many benefits for both the Rewards member and for his or her host IPC.

Rewards member

A consumer who has signed up to be a member of the Rewards program.

Sponsor

The independent contractor responsible for introducing an individual to the Income Escalator system and to Tahitian Noni International and then motivating him or her to become an independent contractor.

The product

Tahitian Noni NatureBorn™ Whole Health Complex.

Wholesale Value

The value associated with the product ordered.