

INDEPENDENT DISTRIBUTOR APPLICATION AND AGREEMENT

Neways, Inc. • 2089 Neways Drive • Springville, UT 84663 • Phone 801.418.2702 • Fax 800.799.5656

Terms and Conditions

1. I understand that as a Neways Distributor:
 - a. I have the right to offer for sale Neways products and services in accordance with these Terms and Conditions.
 - b. I have the right to enroll persons in Neways.
 - c. I will train and motivate the Distributors in my downline marketing organization.
 - d. I will comply with all federal, state, county, and municipal laws, ordinances, rules, and regulations and shall make all withholdings or other deductions as may be required by any federal, state, county, or municipal law, ordinance, rule, or regulation.
 - e. I will perform my obligations as a Distributor with honesty and integrity.
 - f. I will use only the sales contracts and order forms that are provided by Neways for the sales of its goods and services.
2. I agree to present the Neways Marketing and Compensation Plan and Neways products and services as set forth in official Neways literature.
3. I agree that as a Neways Distributor I am an independent contractor and not an employee, agent, partner, legal representative, or franchisee of Neways. I am not authorized to and will not incur any debt, expense, obligation, or open any checking account on behalf of, for, or in the name of Neways. I understand that I shall control the manner and means by which I operate my Neways business, subject to my compliance with these Terms and Conditions, the Neways Policies and Procedures, and the Neways Marketing and Compensation Plan (all of which are collectively referred to as the "agreement"). I agree that I will be solely responsible for paying all expenses incurred by myself, including but not limited to travel, food, lodging, secretarial, office, long distance telephone, and other expenses. **I UNDERSTAND THAT I SHALL NOT BE TREATED AS AN EMPLOYEE OF NEWAYS FOR FEDERAL OR STATE TAX PURPOSES.** Neways is not responsible for withholding and shall not withhold or deduct from my bonuses and commissions, if any, FICA or taxes of any kind, unless such withholding becomes legally required. I agree to be bound by all sales tax collection agreements between Neways, Inc., and all appropriate taxing jurisdictions and all related rules and procedures.
4. **I have carefully read and agree to comply with the Neways Policies and Procedures and the Neways Marketing and Compensation Plan, both of which are incorporated into and made a part of these Terms and Conditions.** I understand that I must be in good standing, and not in violation of any of the terms of this agreement, in order to be eligible to receive any bonuses or commissions from Neways. I understand that these Terms and Conditions, the Neways Policies and Procedures, or the Neways Marketing and Compensation Plan may be amended at the sole discretion of Neways, and I agree that any such amendment will apply to me. Notification of amendments shall be published in official Neways materials. Amendments shall become effective 30 days after publication. The continuation of my Neways business or my acceptance of bonuses or commissions shall constitute my acceptance of any and all amendments.
5. **The term of this agreement is one year. If I fail to annually renew my Neways business, or if it is cancelled or terminated for any reason, I understand that I will permanently lose all rights as a Distributor. I shall not be eligible to sell Neways products and services, nor shall I be eligible to receive commissions, bonuses, or other income resulting from the activities of my former downline sales organization. In the event of cancellation, termination, or nonrenewal, I agree to waive all rights I have, including but not limited to property rights, to my former downline organization and to any bonuses, commissions, or other remuneration derived through the sales and other activities of my former downline organization.**
6. I may not assign any rights or delegate my duties under this agreement without the prior written consent of Neways. Any attempt to transfer or assign this agreement without the express written consent of Neways renders this agreement voidable at the option of Neways and may result in termination of my business.
7. I understand that if I fail to comply with the terms of this agreement, Neways may, at its discretion, impose upon me disciplinary action as set forth in the Policies and Procedures. If I am in breach, default, or violation of this agreement at termination, I shall not be entitled to receive any further bonuses or commissions, whether or not the sales for such bonuses or commissions have been completed.
8. Neways, its directors, officers, shareholders, employees, assigns, and agents (collectively referred to as "affiliates") shall not be liable for, and I release Neways and its affiliates from and waive all claims for, consequential and exemplary damages. I further release Neways and its affiliates from all liability arising from or relating to the promotion or operation of my Neways business and any activities related to it (e.g., the presentation of Neways products or Compensation and Marketing Plan, the operation of a motor vehicle, the lease of meeting or training facilities, etc.) and agree to indemnify Neways for any fines, penalties, damages, settlements, or other expenses imposed upon Neways as a result of my unauthorized conduct.
9. This agreement, in its current form and as amended by Neways at its discretion, constitutes the entire contract between Neways and myself. Any promises, representations, offers, or other communications not expressly set forth in this agreement are of no force or effect. To the extent of any conflict or inconsistency between this agreement and any other agreement (other than the Policies and Procedures), this Distributor application and agreement shall supersede and prevail over any other agreement as to the matters addressed herein. To the extent of any conflict or inconsistency between this agreement and the Policies and Procedures (in their current form or as subsequently modified), the Policies and Procedures shall in all instances supersede and prevail over any term of this agreement as to the matters addressed herein.
10. Any waiver by Neways of any breach of this agreement must be in writing and signed by an authorized officer of Neways. Waiver by Neways of any breach of this agreement by me shall not operate or be construed as a waiver of any subsequent breach.
11. If any provision of this agreement is held to be invalid or unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable, and the balance of the agreement will remain in full force and effect.
12. This agreement will be governed by and construed in accordance with the laws of the State of Utah. All disputes and claims relating to Neways, the Distributor agreement, the Neways Marketing and Compensation Plan or its products and services, the rights and obligations of an independent Distributor and Neways, or any other claims or causes of action relating to the performance of either an independent Distributor or Neways under the agreement or the Neways

Policies and Procedures shall be settled totally and finally by arbitration in Springville, Utah, or such other location as Neways prescribes, in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association, except that all parties shall be entitled to all discovery rights allowed under the Federal Rules of Civil Procedure. All issues related to arbitration shall be governed by the Federal Arbitration Act. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. This agreement to arbitrate shall survive any termination or expiration of the agreement. Nothing in this agreement or the Policies and Procedures shall prevent Neways from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect Neways' interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding. This arbitration provision shall not apply in cases of a violation of Neways' Conflict of Interest Policies in Section 4.9, Neways' Downline Report Request and Nondisclosure agreement (Form 9070), and/or Neways' Nondisclosure and Nonsolicitation agreement (Form 9074).

13. The parties consent to jurisdiction and venue before any federal or state court in Utah or Salt Lake Counties, State of Utah, for purposes of enforcing an award by an arbitrator or any other matter not subject to arbitration. If the law of the state in which the applicant resides prohibits consensual jurisdiction and venue provisions for purposes of arbitration and litigation, that state's law shall govern issues relating to jurisdiction and venue.
14. **Louisiana Residents Only:** Notwithstanding paragraphs 12-13, the law of the State of Louisiana shall apply to actions brought by Louisiana residents in the state of Louisiana, and jurisdiction and venue of any arbitration or litigation shall be as specified by Louisiana law. All other provisions of paragraphs 12 and 13 shall remain the same.
15. If a Distributor wishes to bring an action against Neways for any act or omission relating to or arising from this agreement, such action must be brought within one year from the date of the alleged conduct giving rise to the cause of action. Failure to bring such action within one year shall bar all claims against Neways for such act or omission. Distributor waives all claims that any other statute of limitations applies.
16. I authorize Neways to use my name, photograph, personal story, and/or likeness in advertising or promotional materials and waive all claims for remuneration for such use.
17. A faxed copy of this agreement shall be treated as an original in all respects.

NOTICE OF RIGHT TO CANCEL

DATE of Transaction _____

You may CANCEL this transaction, without any penalty or obligation, within THREE BUSINESS DAYS from the above date (five days for Alaska residents).

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good a condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this Cancellation Notice or any other written notice, or send a telegram, to Neways NOT LATER THAN MIDNIGHT of the third business day following the date set forth above.

I HEREBY CANCEL THIS TRANSACTION.

Buyer's Signature _____ Date _____