



Important: Upcoming Policies and Procedures Update

Rodan + Fields® announces upcoming revisions to the Policies and Procedures effective November 13, 2013. It is the responsibility of all Consultants to be familiar and comply with these Policies and Procedures.

The revisions reflect R+F's mission of maintaining integrity beyond reproach and to change skin and change lives by redefining independent business ownership. To achieve these objectives, it is necessary to regularly review the Policies and Procedures to ensure that they are safeguarding the brand reputation and the business opportunity as we grow. Additionally, some updates to the Policies and Procedures were necessary to answer questions we routinely receive and to ensure compliance with current law.

The list below highlights some of the major sections that will be modified, but a full review by all Consultants is required. The revised Policies and Procedures will be available for review in the Pulse Business Development Library on November 13, 2013.

SECTION 3: BECOMING A CONSULTANT

3b. Independent Contractor Status

Consultants are responsible for obtaining any state or local licenses, permits, and other governmental approvals applicable to her or his business, including qualifications to transact business in states other than her or his domicile.

SECTION 5: CONSULTANT REQUIREMENTS AND RESTRICTIONS

5c. Purchase Limitations

Rodan + Fields reserves the right to rescind qualification for Recognition Titles or Performance Bonuses, including incentive trips and car allowances, or to claw back Commissions, in instances in which a Consultant is found to have placed excessive orders, whether those orders are placed in her or his own Consultant account or in a Customer account.

5f. Single Consultant Account

Consultants whose credit card information appears on Consultant accounts other than their own will be in violation of this policy.

SECTION 6: CONSULTANT BUSINESS PRACTICES

6c. Product Claims

Consultants may use the before & after photos and product testimonials that R+F publishes in support of the R+F Products.

Before & after photos and product testimonials may be submitted for suggested publication on the R+F Product Success Stories website located at <http://rodanandfieldsresults.com>. If a Consultant wishes to use her or his own personal before & after photos, the subsequent guidelines must be followed: (i) the information shared must represent the Consultant's honest opinions, findings,

beliefs, and experiences from using R+F Products; (ii) the information shared must clearly and conspicuously disclose the substantiation of representations conveyed (e.g., how often and how long the R+F Products were used, whether any other products or treatments contributed to the results); (iii) makeup must be removed and hair pulled back from the face; (iv) photos must be in focus, in a portrait landscape, and with a well-lit, plain background; (v) the before & after photos must be taken under the same conditions; and (vi) touch-ups and photo editing are not permitted.

If a Consultant wishes to use before & after photos or product testimonials of a Customer, friend or family member, in addition to the foregoing requirements, the Consultant must obtain permission from the person who is the subject of the photos or testimonial. A form that may be used for this purpose can be found in the Pulse Business Development Library. A Consultant who posts a before & after photo or product testimonial on social media sites is responsible for ensuring that all requirements of this Section are met. Such photos and testimonials may be shared on social media sites, unless the Consultant who shares it has any reason to believe that the foregoing requirements have not been met.

Any other photos or testimonials relating to the R+F Products are considered prohibited product claims.

6d. Income Claims Prohibited

Lifestyle claims and hypothetical income examples are considered to be equivalent to income claims. Consultants may make lifestyle claims or provide hypothetical income examples only if the specific conditions are met: (i) the information must be accurate and not misleading; (ii) the level of effort required to achieve the results described must be fully detailed; (iii) claims of potential or guaranteed income may not be made; (iv) actual earnings may not be disclosed; (v) hypothetical income examples must be clearly indicated as such; and (vi) the Income Disclosure Statement must be provided in all instances. Any writings, including social media posts, e-mail signature blocks, or written personal stories that include any lifestyle claim must include the following statement: "For information regarding earnings under the R+F Compensation Plan, see the Income Disclosure Statement: <https://www.rodanandfields.com/images/Archives/RF-Income-Disclosure-Statement.pdf>," and a copy of the Income Disclosure Statement should be handed out if speaking about lifestyle claims during in-person meetings.

6i. Retail Sales Receipts

A Consultant is required to inform her or his Customer that they are entitled to cancel any purchase of \$25 or more within three (3) Business Days from the date of the sale (five (5) Business Days for Alaska residents who purchase \$10 or more, fifteen (15) Business Days for North Dakota residents aged 65 or older who purchase \$50 or more, and fifteen (15) days after enrollment for Montana Consultants).

6o. Venues: Personal Service Facilities

Each Consultant with a personal service facility is responsible for the actions of her or his non-Consultant employees and independent contractors. If any such non-Consultant employee or independent contractor engages in any activity which, if performed by the Consultant, would violate the Consultant Agreement, such activity will be deemed a violation by the Consultant and R+F may take remedial action pursuant to the Consultant Agreement and seek other appropriate remedies against such Consultant.

6o. Venues: Events

Consultants may display and/or sell the R+F Products at trade shows and professional expositions that are limited in duration with an environment promoting R+F's brand integrity. Events consistent with R+F's brand integrity may include state fairs, health fairs, conventions, bridal shows, and trade shows. Swap meets, garage sales, flea markets or farmers' markets, on the other hand, are not conducive to R+F's professional image. Advance approval from R+F is not required to attend an event, but Consultants must use their best judgment in deciding whether a particular event is an appropriate forum to promote the R+F Products or the Program.

Consultants are responsible for registering to attend an event and confirming with the event manager that all event-specific requirements are met. For example, some promoters have a policy that allows only one vendor for a product brand to have a display at a function or may have other policies that prohibit a vendor from participating. It is therefore the Consultant's responsibility to ensure that the promoter will allow her or him to display before making a deposit with the promoter. While representing R+F as Independent Consultants at an event, Consultants must personally comply with the Policies and Procedures and are responsible for the actions of any non-Consultant individuals who work the event to promote R+F. Consultants understand and agree that they must defend and hold R+F and its agents, stockholders, members, employees, directors, officers and attorneys harmless from any claims by third parties related to their participation in events not sponsored by R+F.

Rodan + Fields does not offer liability insurance and will not provide the Company Tax Identification Number for any event.

6r. Confidential Information, Non-Solicitation, and Competitive Businesses

Both during the term of her or his Consultant Agreement and indefinitely thereafter, a Consultant shall: 1) use Confidential Information only for the purposes of performing her or his obligations or exercising rights under her or his respective Consultant Agreement, and 2) limit access to 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.

Activities that would constitute a conflict of interest with Consultant's obligations under the Consultant Agreement are not permitted. During the term of the Consultant Agreement, Consultant will not accept work, enter into a contract or accept an obligation inconsistent or incompatible with Consultant's obligations, or the scope of services to be rendered for Company, under this Agreement. Consultant warrants that, to the best of Consultant's knowledge, there is no other existing contract or duty on Consultant's part that conflicts with or is inconsistent with this Agreement. Consultant agrees to indemnify and hold harmless Company from any and all losses and liabilities incurred or suffered by Company by reason of the alleged breach by Consultant of any services agreement between Consultant and any third party. The determination of whether an obligation is inconsistent or incompatible with Consultant's obligations under the Consultant Agreement shall be made at the reasonable discretion of R+F.

SECTION 7: SPONSORING AND TRAINING

7b. Responsibilities of Sponsors

Among other responsibilities, Sponsors must ensure that prospective Consultants complete and submit the Consultant Application themselves. If extraordinary circumstances prevent a prospective Consultant from submitting the online Consultant Application, the sponsoring Consultant may do so for the prospective Consultant so long as the prospective Consultant completes and signs a hard copy of the Consultant Application in advance, is provided access to the Policies and Procedures, and has the opportunity to review the Consultant Application Terms and Conditions before enrolling, in which case the signed Consultant Application must be sent to the Compliance Department, Rodan + Fields, 60 Spear Street, Suite 600, San Francisco, CA, 94105. Additionally, the Sponsor must advise the newly enrolled Consultant to change her or his password as soon as possible.

SECTION 8: ORDERING PROCEDURES

8b. Cut-Off Date

Consultants may monitor their Sales Volume via Pulse and are responsible for reporting any issues or inaccuracies within twenty-four (24) hours after the last day of the month.

SECTION 9: SHIPMENTS

9g. Canceled Orders

Consultants understand that once orders have been placed they cannot be canceled. Rodan + Fields will use reasonable efforts to refund an order placed in error. Since orders cannot be canceled, a Consultant must follow the procedure applicable to Returns under the Customer Satisfaction Guarantee as described in Section 10c. Replacements or refunds for such orders are also handled in the same manner as described in Section 10c.

SECTION 11: ADVERTISING AND USE OF R+F TRADEMARKS AND OTHER R+F CONTENT

11j. Pulse Program

It is the responsibility of each Consultant to ensure that her or his Pulse Pro website fully complies with the Pulse Terms and Conditions, the R+F Website Terms and Conditions, the Policies and Procedures, and all applicable federal and state rules and regulations. The requirement of compliance also extends to any social networking site that is linked from a Consultant's Pulse Personal Website (PWS). Rodan + Fields reserves the right to disable any link from a Consultant's Pulse Personal Website (PWS) to a non-compliant social networking site or posting. The PWS may not be promoted or marketed via mass media as outlined in Section 11g.

11k. Social Networking and Social Media

Rodan + Fields reserves the sole and exclusive right to classify a Consultant's social media and online presence as the functional equivalent of operating an independent website. In such an instance, the Consultant must adhere to the Company's policies regarding Independent Websites. For example, a blog, a website developed on a blogging platform, and other social media presence that is developed for the primary purpose of marketing or promoting the R+F Products or the Program may be classified by the Company as an independent website.

11m. Unsolicited Faxes and E-mails

A Consultant may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited bulk e-mail or engage in "spamming" in connection with the advertising, promotion or sale of the R+F

Products or the Program, or the operation of their respective Consultantships. The terms “unsolicited faxes” and “unsolicited bulk e-mail” mean the transmission via telephone facsimile or bulk electronic mail (i.e., similar message e-mailed to numerous recipients), respectively, of any material or information to any person on an unsolicited basis.

Without limitation of the preceding paragraph, any electronic messages sent by e-mail, social networking sites or other means by a Consultant advertising or promoting the R+F Products, the Program or the Consultant’s Consultantship must meet all of the requirements set forth in this Section.

It is understood that Consultants may send individual messages via e-mail or social networking sites to persons they do not know but who are in the wider network of people they do know. Consultants are required to use their best judgment to respect the privacy and other interests of such persons and to follow all of the foregoing rules regarding the transmission of electronic messages.

SECTION 12: COMPENSATION

12d. Return Adjustments - Impact on Qualifications, Commissions and Performance Bonuses

When a product is returned to R+F for a refund or funds are returned to a Consultant due to a credit card chargeback, the qualifications, Commissions and Performance Bonuses attributable to the returned product(s) or returned funds will be deducted from the Consultant’s current and future qualifications, Commissions and Performance Bonuses.

12f. Accrual of Commission or Performance Bonus Payments

A Consultant must earn at least \$20 in Commissions and/or Performance Bonuses before she or he will receive payment to her or his RF Payday Account. If the \$20 threshold is not met, a Consultant will not receive payment to her or his RF Payday Account, including upon the Consultant’s termination.

12h. Special Hiatus

A Consultant placed on hiatus will receive Commissions and Performance Bonuses on their Downlines without having to meet the monthly minimum Sales Volume requirement of the Compensation Plan. For Executive Consultants, this means that the requirements to achieve monthly minimum of 100 in Personal Sales Volume (SV) and a minimum of 600 in Personally Sponsored Level 1 Volume (PSL1V) are suspended.

SECTION 13: RELATIONSHIP TO PROACTIV® SOLUTION

Consultants shall not solicit any employee of Guthy-Renker or direct any sales activity towards any person engaged in the sale of Proactiv®, including but not limited to posts on the Guthy-Renker Facebook page and solicitations of individuals selling Proactiv in shopping mall kiosks.

Consultants shall not state or suggest that R+F is “backed” by the Proactiv brand.

SECTION 14: TRANSFER OF CONSULTANTSHIPS

14a. Sale or Transfer of a Consultantship

If a transfer request is approved, the Seller must work with the buying Consultant and RF Payday to convert the RF Payday Accounts accordingly.

14e. Death and Incapacity

Appropriate legal documentation must be submitted to R+F in connection with any transfer or termination of a Consultantship upon the death or incapacity of a Consultant. Pending receipt of such documentation, the Consultant's heirs may request that the Consultantship be placed on hiatus.

SECTION 16: REMEDIAL ACTIONS, GRIEVANCES, AND COMPLAINTS

16a: Remedial Actions

Corrective measures may include suspension of the offender's Consultant Agreement, including suspension of payment of Commissions or Performance Bonuses for one or more Commission Periods.

16b: Grievances and Complaints

If a Consultant has a complaint of harassment or other inappropriate conduct on the part of an employee or representative of R+F, the Consultant may file a report with the Compliance Department without first reporting the issue to her or his Sponsor.

If a Consultant feels threatened with serious bodily harm or believes she or he is the victim of financial fraud or other criminal activity, then the Consultant should contact law enforcement authorities and file a police report.

SECTION 18: MISCELLANEOUS; DISPUTE RESOLUTION

18c. Governing Law

The Consultant Agreement is to be construed in accordance with and governed by the laws of the jurisdiction as determined by the arbitrator selected to preside over the matter pursuant to the arbitration rules as set forth in Section 18i.

This Agreement is intended to govern the terms and conditions that apply to all R+F Consultants, regardless of any individual's residence or sales territory. To the extent that any provision of this Agreement is not enforceable under applicable law, including Section 16600 of the California Business and Professions Code, which prohibits contracts that restrain persons from engaging in a lawful profession, trade or business of any kind, the parties agree to renegotiate such provision in good faith. In the event the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then: a) such provision shall be stricken from this Agreement, b) the balance of this Agreement shall be interpreted as if such provision were excluded, and c) the balance of this Agreement shall be enforceable in accord with its terms.

18h. Notices

Notices to R+F shall be sent to Rodan & Fields, LLC, 60 Spear Street, Suite 600, San Francisco, CA 94105, Attention: Compliance Department.

18i. Dispute Resolution

The negotiation, mediation or arbitration of any dispute shall be limited to individual relief only and shall not include class, collective or representative relief. In any arbitration of a dispute, the arbitrator shall only have the power to award individual relief and shall not have the power to award any class, collective or representative relief. The parties understand and agree that each is

waiving the right to trial by jury or to participate in a class, collective or other representative action.

APPENDIX A: COMPENSATION PLAN

Section 2: Definitions

The defined term “Generation Overrides” was replaced with “Generation Commissions” to better reflect the nature of the payment.