

RUBY RIBBON TERMS AND CONDITIONS

1. I understand that as a Ruby Ribbon Stylist:
 - a. I have the right to offer for sale Ruby Ribbon products and services in accordance with these Terms and Conditions.
 - b. I have the right to enroll persons in Ruby Ribbon.
 - c. If qualified, I have the right to earn commissions and bonuses pursuant to the Ruby Ribbon Compensation Plan.
2. I agree to present the Ruby Ribbon Compensation Plan and Ruby Ribbon products and services as set forth in official Ruby Ribbon literature.
3. I agree that as a Ruby Ribbon Stylist I am an independent contractor, and not an employee, partner, legal representative, or franchisee of Ruby Ribbon. 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 RUBY RIBBON FOR FEDERAL OR STATE TAX PURPOSES.** Ruby Ribbon is not responsible for withholding and shall not withhold or deduct from my bonuses and commissions, if any, FICA, or taxes of any kind.
4. I have carefully read and agree to comply with the Ruby Ribbon Policies and Procedures and the Ruby Ribbon Compensation Plan, both of which are incorporated into and made a part of these Terms and Conditions (these three documents and any Addendums shall be collectively referred to as the "Agreement"). I understand that I must be in good standing, and not in violation of the Agreement, to be eligible for bonuses or commissions from Ruby Ribbon. I understand that the Agreement may be amended at the sole discretion of Ruby Ribbon, and I agree to abide by all such amendments. Notification of amendments shall be posted on Ruby Ribbon's website and in my Ruby Ribbon Back Office. Amendments shall become effective 30 days after publication but amended policies shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. The continuation of my Ruby Ribbon business or my acceptance of bonuses or commissions after the effective date of any amendment shall constitute my acceptance of any and all amendments.
5. If the Agreement is canceled or terminated for any reason, I understand that I will permanently lose all rights as a Stylist. I shall not be eligible to sell Ruby Ribbon 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 or termination of the Agreement I 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.** Ruby Ribbon reserves the right to terminate all Stylist Agreements upon 30 days notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels. Stylist may cancel this Agreement at any time, and for any reason, upon written notice to Ruby Ribbon at its principal business address.
6. I may not assign any rights under the Agreement without the prior written consent of Ruby Ribbon. Any attempt to transfer or assign the Agreement without the express written consent of Ruby Ribbon renders the Agreement voidable at the option of Ruby Ribbon and may result in termination of my business.
7. I understand that if I fail to comply with the terms of the Agreement, Ruby Ribbon may, at its discretion, impose upon me disciplinary sanctions as set forth in the Policies and Procedures. If I am in breach, default or violation of the 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. I agree that Ruby Ribbon may deduct, withhold, set-off, or charge to any form of payment I have previously authorized, any amounts I owe or am indebted to Ruby Ribbon.
8. Ruby Ribbon, its parent or affiliated companies, directors, officers,

shareholders, employees, assigns, and agents (collectively referred to as "affiliates"), shall not be liable for, and I release and hold harmless Ruby Ribbon and its affiliates from, all claims for consequential and

exemplary damages for any claim or cause of action relating to the Agreement. I further agree to release and hold harmless Ruby Ribbon and its affiliates from all liability arising from or relating to the promotion or operation of my Ruby Ribbon business and any activities related to it (e.g., the presentation of Ruby Ribbon products or Compensation and Marketing Plan, the operation of a motor vehicle, the lease of meeting or training facilities, etc.), and agree to indemnify Ruby Ribbon for any liability, damages, fines, penalties, or other awards arising from any unauthorized conduct that I undertake in operating my business.

9. The Agreement, in its current form and as amended by Ruby Ribbon at its discretion, constitutes the entire contract between Ruby Ribbon and myself. Any promises, representations, offers, or other communications not expressly set forth in the Agreement are of no force or effect.
10. Any waiver by Ruby Ribbon of any breach of the Agreement must be in writing and signed by an authorized officer of Ruby Ribbon. Waiver by Ruby Ribbon of any breach of the Agreement by me shall not operate or be construed as a waiver of any subsequent breach.
11. If any provision of the Agreement is held to be invalid or unenforceable, such provision shall be severed, and the severed provision shall be reformed only to the extent necessary to make it enforceable. The balance of the Agreement shall remain in full force and effect.
12. This Agreement will be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. In the event of a dispute between a Stylist and Ruby Ribbon arising from or relating to the Agreement, or the rights and obligations of either party, the parties shall attempt in good faith to resolve the dispute through nonbinding mediation as more fully described in the Policies and Procedures. Ruby Ribbon shall not be obligated to engage in mediation as a prerequisite to disciplinary action against a Stylist. If the parties are unsuccessful in resolving their dispute through mediation, the dispute shall be settled totally and finally by arbitration as set forth below.
13. **AGREEMENT TO ARBITRATE. THE PARTIES MUTUALLY AGREE THAT ANY CLAIM OR DISPUTE BETWEEN THEM ARISING FROM OR RELATING TO THIS AGREEMENT, THE RUBY RIBBON COMPENSATION PLAN OR THE POLICIES AND PROCEDURES WHICH CANNOT BE RESOLVED BY NEGOTIATION OR MEDIATION SHALL BE RESOLVED BY BINDING INDIVIDUAL ARBITRATION BEFORE A SINGLE ARBITRATOR PURSUANT TO THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE "AAA"). THE COMMERCIAL RULES OF THE AAA ARE AVAILABLE AT www.adr.org. BY AGREEING TO ARBITRATE, THE PARTIES EXPRESSLY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY. Unless otherwise agreed upon by the Parties, any arbitration hearing shall take place in Santa Clara, CA, although either party may elect to participate in the arbitration by telephone. The Party filing the Demand for Arbitration shall be responsible for the initial filing fees and costs charged by AAA and the respondent shall be responsible for payment of filing fees for any Cross-Complaint or Counterclaim. The Parties shall share equally the costs of case management fees, arbitrator fees or other fees charged by AAA other than the filing fees referenced above. The Parties shall bear their own costs for attorney's fees, court reporter fees, transcript fees and other litigation costs. Although this agreement to arbitrate is made and entered into between the Stylist and Ruby Ribbon, Inc., Ruby Ribbon, Inc.'s affiliates, owners, officers, shareholders and employees ("Related Parties") are intended third party beneficiaries of the Agreement, including this agreement to arbitrate. c. This agreement to arbitrate shall survive the termination of this Agreement. Any issues related to the arbitrability of any claim,**

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or the scope, validity or enforceability of this agreement to arbitrate shall be determined by the arbitrator. If either party wishes to initiate arbitration, the initiating party must notify the other party in writing via certified mail, return receipt requested, or hand delivery via courier. The Demand for Arbitration must include a statement of the legal and factual basis of the claim(s) to be arbitrated. The parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure and the parties shall be permitted to bring motions under FRCP Rules 12 and 56. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a final judgment in a court of competent jurisdiction.

14. **Class Action Waiver.** Stylist agrees that by entering into the above agreement to arbitrate Stylist is waiving his or her right to have any dispute or claim brought, heard or arbitrated as a class action lawsuit or class action arbitration, any private attorney general lawsuit or private attorney general arbitration, or any joint or consolidated lawsuit or joint or consolidated arbitration of any kind. The Parties agree that an arbitrator shall not have any authority to hear or arbitrate any class or collective action. The Parties agree that any claim that all or part of this class action waiver is unenforceable shall be determined by the U.S. District Court for the Northern District of California and not by an arbitrator.
15. Notwithstanding the foregoing, either party may bring an action in court seeking a restraining order, temporary or permanent injunction, or other equitable relief to protect intellectual property rights, including but not limited to customer and/or Stylist lists as well as other trade secrets, trademarks, trade names, patents, and copyrights. The parties may also seek judicial enforcement of an arbitration award. In all actions before the courts, the parties' consent to exclusive jurisdiction and venue before the U.S. District Court for the Northern District of California, or state court located in San Mateo County, State of California.
16. Maryland, Massachusetts and Wyoming Residents: If you reside in these states, you may return your Start Kit for a refund at any time after your account cancellation, so long as the Kit and business supplies are currently marketable and in resalable condition. See Stylist P&Ps for more information.
17. Montana Residents: Should a Montana resident cancel this Agreement within 15 days from the date of enrollment and return the Starter Kit within such time period, Ruby Ribbon will refund 100% of the purchase price for the Starter Kit.
18. Except as provided in paragraph 15, refunds shall be issued as provided in the Policies and Procedures and in the Notice of Right to Cancel below.
19. If either party wishes to bring an action against the other party for any act or omission relating to or arising from the Agreement, such action must be brought within one year from the date of the alleged conduct giving rise to the cause of action, or the shortest time permissible under state law. Failure to bring such action within such time shall bar all claims related to or arising from such act or omission. The parties **waive all claims that any other statute of limitations applies.**
20. I authorize Ruby Ribbon to use my name, photograph, personal story and/or likeness in advertising or promotional materials and waive all claims for remuneration for such use.
21. A faxed copy of the Agreement shall be treated as an original in all respects.

NOTICE OF RIGHT TO CANCEL

You may CANCEL this transaction, without any penalty or obligation, within THREE BUSINESS DAYS from the above date (5 business 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 canceled. If you cancel, you must make available to the seller at your residence, in substantially as good 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 Ruby Ribbon, 856 Mitten Rd, Suite 101, Burlingame, California 94010 NOT LATER THAN MIDNIGHT of the third business day following the date set forth above.

I HEREBY CANCEL THIS TRANSACTION.

Buyer's Signature _____