

POLICIES & PROCEDURES MANUAL

Love Shibue Inc.

As a Fashion Consultant of Love Shibue™ Inc. (hereafter the “Company”), you are obligated and required to fully understand and comply with all rules, regulations, policies, and procedures provided to you in the Fashion Consultant Policies & Procedures Manual that may be published and circulated by the Company. The Company reserves the right to amend this Policies & Procedures Manual at any time by publishing or sending any amendments, as it deems appropriate.

The Company honors all federal, state, and local regulations governing network marketing, and require every Fashion Consultant to do the same. It is, therefore, imperative that you read and fully understand the information contained in this Policies & Procedures Manual. If you have any questions regarding any rule, policy or procedure we encourage you to seek an answer from your Sponsor, up-line leader, or the Company. The Code of Professional Ethics is included in Section 12 of this Policies & Procedures Manual; you should review these materials and make them a part of your everyday planning.

Policies & Procedures Manual

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SECTION ONE: FASHION CONSULTANT

1.01

Become a Fashion Consultant.

An applicant becomes an independent Fashion Consultant ("Fashion Consultant") of the Company when the following requirements are fulfilled:

- a) The applicant's completed Fashion Consultant Application and Agreement (the "Agreement") and any related documents have been received and accepted by the Company at its corporate office.
- b) The applicant purchases at Company cost, a Fashion Consultant Kit, which contains Fashion Consultant Forms (including but not limited to Fashion Consultant Applications and Product Order Forms), Company Information and Brochures, collateral material, which are sales materials (not for resale). This total sum is not a service or franchise fee, but rather is strictly to offset costs incurred by the Company for educational, replicated websites, and business materials required for a Fashion Consultant of the Company.
- c) The Company reserves the right to decline or to accept any Agreement for any reason at its sole discretion.

1.02

No Purchase Required.

Except as set forth above, no purchase is required to become a Fashion Consultant.

1.03

Fashion Consultant Obligations and Rights.

A Fashion Consultant is authorized to sell the Company's products and to participate in the Company's Compensation Plan. A Fashion Consultant may sponsor new Fashion Consultants into the Company.

1.04

Legal Age.

A Fashion Consultant shall be of legal age to enter into a binding contract in the state of Fashion Consultant's residence.

1.05

Common Address.

No more than three (3) Fashion Consultants may ship product to the same shipping address.

1.06

Married Couples.

Married couples and their dependent children shall share a single Fashion Consultant entity. Fashion Consultants who subsequently marry shall maintain separate Fashion Consultant status unless one is the direct Sponsor of the other, in which case their Fashion Consultant entities may be consolidated. When a couple sharing a Fashion Consultant entity divorces or separates, the Company will continue to pay commission checks in the same manner as before the divorce or separation until it receives written notice, signed by both parties or issued by a court decree which specifies to whom future commission checks should be paid, provided the couple has complied with the requirements of Section 5.03, if applicable.

1.07

Simultaneous Interests.

A Fashion Consultant and spouse and dependents may not have the same simultaneous beneficial interests in more than one Fashion Consultant position entity. For example, a shareholder of a corporation that is a Fashion Consultant may not become an individual Fashion Consultant.

1.08

Corporations, Partnerships, Limited Liability Companies, and Trusts.

Corporations, Partnerships, Limited Liability Companies, or other forms of business organizations and/or trusts may become a Fashion Consultant of the Company when the Agreement is accompanied by notarized copies of the following documents within thirty (30) days after the Agreement is accepted; otherwise, the Fashion Consultant position may go into suspension:

- a) Articles of incorporation, Partnership agreement, trust documents and/or other governing documents, as applicable;

- b) A complete list of all directors, officers, and shareholders involved in a corporation, all general and limited Partners of a Partnership, members of a limited liability company or trustee(s) and beneficiaries of a trust, as applicable;
- c) A Federal ID number or other identification number as the Company may approve in its sole discretion; and
- d) Such other documents and information as may be reasonably requested from time to time. Shareholders, directors, officers, partners, members, beneficiaries, and trustees, as applicable, of a Fashion Consultant entity shall agree to be and the Company will hold each personally be liable to the Company and bound by the Agreement and the Policies & Procedures Manual.

1.09

Non-Profit Organizations.

Non-Profit Organizations may become a Fashion Consultant of the Company when notarized copies of the following documents accompany the Agreement within thirty (30) days after the Agreement is approved; otherwise, the Fashion Consultant position may go into suspension:

- a) Articles of incorporation, Partnership agreement, trust documents and/or other governing documents, as applicable;
- b) A complete list of all directors and officers involved in the Non-Profit Organization and who is authorized to enter into a contract on behalf of the organization as applicable;
- c) A Federal ID number or other identification number as the Company may approve in its sole discretion;
- d) Verification of 501c (3) status, and
- e) Additional documents and information may be requested by Company from as it deems necessary.

Directors, officers, partners, and members, as applicable, of a Fashion Consultant entity shall agree to be, and the Company will hold each personally liable to the Company and bound by the Agreement and the Policies & Procedures Manual.

1.10

Fictitious and/or Assumed Names.

A person or entity may not apply as a Fashion Consultant using a fictitious or assumed name without the Companies approval, which may be withheld in the Company's sole discretion.

1.11

Independent Contractor Status.

A Fashion Consultant is an independent contractor. A Fashion Consultant is not a employee, representative, franchisee, joint venture partner, business partner, or agent of the Company, and Fashion Consultant is prohibited from stating or implying, whether orally or in writing, otherwise. A Fashion Consultant has no authority to bind the Company to any obligation of any kind. The Company is not responsible for payment or co-payment of any employee benefits. The Fashion Consultant is responsible for their own liability, health, disability and workmen's compensation insurance. A Fashion Consultant sets their own hours and determines how to conduct their business, subject to the Agreement and the Policies & Procedures Manual.

1.12

Taxation.

As an Fashion Consultant independent contractor, a Fashion Consultant will not be treated as a franchisee, Partner, employee, or agent for federal or state tax purposes including, with respect to the Internal Revenue Code, Social Security Act, federal unemployment act, state unemployment acts, or any other federal, state, or local statute, ordinance, rule, or regulation. At the end of each calendar year, the Company will issue to each Fashion Consultant IRS Form 1099, or other applicable documentation required by law, for non-employee compensation of a Fashion Consultant.

1.13

Legal Compliance. A Fashion Consultant shall comply with all federal, state and local statutes, regulations, and ordinances regarding and concerning the operation of Fashion Consultant's business. A Fashion Consultant is responsible for Fashion Consultant's own managerial decisions and expenditures including all estimated income and self-employment taxes.

1.14

Fashion Consultant Love Shibue Identification Number.

A Fashion Consultant is required by federal law to obtain a Social Security number, Federal I.D. number or other approved government issued identification based on their resident country. Fashion Consultants will be assigned a Love Shibue™ Inc. ID number in order for the Fashion Consultant to operate their business with the Company. This identifying number shall be placed on all paperwork, orders and correspondence with the Company hereinafter referred to as the Fashion Consultant Identification Number ("LSIN"). The Company will use this number for all internal Fashion Consultant transactions. Any penalties or fines that may result from the use of an incorrect tax identification number furnished to the Company will be the responsibility of Fashion Consultant.

1.15

No Exclusive Territories.

Love Shibue Inc. does not allow exclusive territories for marketing or sponsoring purposes, nor shall any Fashion Consultant imply or state that the Fashion Consultant has an exclusive territory. No franchise is granted and there are no exclusive territories for sales or sponsoring purposes. There is no geographical limitation that exists on a Fashion Consultant sponsoring within the United States or any country in which the Company is approved to do business.

1.16

Outside Products.

Fashion Consultants agree that no products except the Company's products shall be sold or shown at any event where the Company's products are sold or shown. During the term of the Fashion Consultant Agreement, and for a period of six months thereafter, Fashion Consultant is prohibited from selling or promoting any competing or outside products or services or marketing programs to any of the Company's Employees, Agents or Fashion Consultants, except those Fashion Consultants personally-sponsored by Fashion Consultant. Any Fashion Consultant found in violation of this subsection risks the loss of buying privileges, possible suspension and/or termination of Fashion Consultant position and participation in the Company Compensation Plan.

1.17

Cross-Group Selling.

Selling to other Company Fashion Consultants in order to receive credit for bonuses and advancement is not allowed. Fashion Consultants shall obtain all of Fashion Consultant's Company products, collateral marketing pieces, literature and materials directly from the Company. Any violation of this rule subjects Fashion Consultant to possible suspension and/or termination.

1.18

Company Contacts.

Fashion Consultants may contact through customer service, any other corporate communication to the office and staff of the Company is limited. No direct contact is to be made with the Company's partners, suppliers, consultants, or hired professionals without the express written approval of the Company.

SECTION TWO: TERM AND RENEWAL

2.01

Term.

Subject to the provisions of Section Four, the Agreement shall have a term beginning on the date of acceptance by the Company and ending one year from the date thereof (the "Anniversary Date").

2.02

Annual Renewal.

A Fashion Consultant shall renew Fashion Consultant's status annually. There is no annual renewal fee as long as the Fashion Consultant is an "Active" Fashion Consultant meeting the minimum Company requirements and their dues have been paid up to date by the Anniversary Date. The Company may require that Fashion Consultant execute a new Agreement upon Anniversary Date. If the Fashion Consultant has not met the minimum Company requirements of \$300 a month for 3 months consistently the Annual Renewal Fee of \$149.00 will apply. A Fashion Consultant not in "good standing" may elect to have the Agreement automatically renewed by authorizing the Company to debit their checking account or charge their credit card on file for the renewal fee and the Company will confirm their renewal.

A Fashion Consultant who does place any orders or makes no product purchases in any 90 consecutive day period shall be deactivated and the Fashion Consultant's name will be deleted from the mailing list, unless otherwise agreed upon and confirmed with Company. A Fashion Consultant not renewing by the renewal date, as provided herein, shall be deemed to have voluntarily terminated their Fashion Consultant position relationship with the Company and will thereby lose their Fashion Consultant position, all sponsorship rights, their position in the Compensation Plan, all rights to commissions and bonuses, and the ability to purchase products from the Company. A Fashion Consultant who fails to renew his/her Fashion Consultant status may not reapply under a new Sponsor for 30 days (1) month after non-renewal.

SECTION THREE: SPONSORSHIP

3.01

Sponsoring.

A Fashion Consultant may sponsor and recruit other Fashion Consultants in the United States and any country in which the Company has authorized. Sponsors shall ensure that each new Fashion Consultant has received, had access to, and understands the Company's Agreement, the Policies & Procedures Manual and the Compensation Plan. A Fashion Consultant will be compensated only for the generation of sales volumes, not for sponsoring or recruiting a new Fashion Consultants into the program and selling a kit.

3.02

Multiple Agreements.

If an applying Fashion Consultant submits multiple Fashion Consultant Agreements that list different Sponsors, only the first completed Agreement to be received by the Company will be accepted. The decision of the Company in recognizing the official Sponsor is final and shall not be contested.

3.03

Training Requirement.

Fashion Consultants are required to assure the support and adequate training of the Fashion Consultants they sponsor. A Sponsor shall maintain an ongoing professional leadership association with Fashion Consultants in the organization and shall fulfill the obligation of performing a bona fide leadership, supervisory, distribution and selling function in the sale or delivery of products. Upon request, Fashion Consultants must be able to provide the Company with evidence of ongoing fulfillment of Sponsor responsibilities, including training.

3.04

Income Claims.

No income projections, including those based solely on mathematical projections or "ideal projections" of the Company Compensation Plan may be made to prospective Fashion Consultants. Fashion Consultant shall not represent Fashion Consultant's income as an indication of the success assured to others, since income success depends upon many variables. A Fashion Consultant commission check may not be used for advertising or as marketing materials or a promise of potential projected income. Fashion Consultant shall not guarantee or estimate compensation, draws, expenses, or deductions attributable to the business to prospects. Fashion Consultant shall truthfully and fairly describe and present the Compensation Plan. No past, potential or actual income claims may be made to prospective Fashion Consultants. Fashion Consultant may not guarantee commissions or estimate expenses to prospective Fashion Consultants.

3.05

Transferring of Sponsorship.

Although it is strongly discouraged and is seldom permitted, a Fashion Consultant may transfer to a different Sponsor or Sponsorship line, subject to the written approval of the Company, which may be withheld in its sole discretion, subject to the following conditions:

- a) If the transferring Fashion Consultant is within the same Sponsorship group, notarized signatures are required from all Fashion Consultants that are or may be impacted by the move;
- b) If the transferring Fashion Consultant is outside the same Sponsorship group, a notarized statement signed by all affected up-line Fashion Consultants shall be submitted reflecting that each affected party understands and consents to the transfer. Any request for transfer of Sponsorship shall be first submitted to the Company in writing explaining the reason for the request of transfer;
- c) A \$100.00 transfer fee shall be paid to the Company;
- d) A written request for transfer explaining the exact reason for the requested transfer shall be submitted to the Company; and
- e) The final approval of the Company, if granted, will apply only to the Fashion Consultant making the request and not Fashion Consultant's down-line organization. Fashion Consultant shall comply with the requirements of section 5.03.

SECTION FOUR: RESIGNATION/TERMINATION

4.01

Voluntary Resignation.

- a) A Fashion Consultant may voluntarily terminate Fashion Consultant's status by failing to renew or by sending a written notice of resignation or termination to the Company. Voluntary resignation is effective upon receipt of such notice by the Company.
- b) A Fashion Consultant who resigns or terminates Fashion Consultant's status may reapply as a Fashion Consultant at an entry-level position six (6) months after resignation.
- c) When a Fashion Consultant voluntarily terminates the Agreement, Fashion Consultant's sales network shall automatically roll up to the first up-line Fashion Consultant.

4.02

Suspension.

A Fashion Consultant may be suspended for violating the terms of the Agreement, which includes this Policies & Procedures Manual, the Compensation Plan and other documents produced by the Company. When a decision is made to suspend Fashion Consultant, the Company will inform Fashion Consultant in writing that the suspension has occurred effective as of the date of the written notification, the reason for the suspension and the steps necessary to remove such suspension, if any. The suspension notice will be sent to Fashion Consultant's address on file with the Company pursuant to the notice provisions contained in the Policies & Procedures Manual. Such suspension may or may not lead to termination of Fashion Consultant's position as so determined by the Company in its sole discretion. If Fashion Consultant wishes to appeal, the Company shall receive such appeal in writing within fifteen (15) days from the date of the suspension notice. The Company will review and consider the suspension and notify Fashion Consultant in writing of its decision within thirty (30) days from the date of the suspension notice. The decision of the Company will be final and subject to no further review. The Company may take certain action during the suspension period, including, but not limited to, the following:

- a) Prohibiting Fashion Consultant from holding Fashion Consultant meeting or outing as a Fashion Consultant of the Company or using any of the Company's proprietary marks and/or materials;
- b) Withholding commissions and bonuses due Fashion Consultant during the suspension period;
- c) Prohibiting Fashion Consultant from purchasing services and products from the Company; and/or
- d) Prohibiting Fashion Consultant from sponsoring new Fashion Consultants, contacting current Fashion Consultants or attending meetings of Fashion Consultants.
- e) If the Company, in its sole discretion, determines that the violation that caused the suspension is continuing, has not been satisfactorily resolved, or a new violation involving the suspended Fashion Consultant has occurred, the suspended Fashion Consultant may be terminated.

4.03

Termination.

Fashion Consultant may be terminated for violating the terms of the Agreement, which includes this Policies & Procedures Manual, the Compensation Plan and other documents produced by the Company. The Company may terminate a violating Fashion Consultant without placing Fashion Consultant on suspension, in the Company's sole discretion Fashion Consultant will be given notice of the opportunity to be heard by a panel to consider the issues relating to the grounds for termination. When the decision is made to terminate Fashion Consultant, the Company will inform Fashion Consultant in writing at the address in Fashion Consultant's file that the termination has occurred effective thirty (30) days from the date of the written notification.

4.04

Appeal.

If Fashion Consultant wishes to appeal the termination, the Company must receive the appeal in writing within fifteen (15) days from the date of notice of termination. If no appeal is received within the fifteen (15) day period, the termination will automatically be deemed final. If Fashion Consultant files a timely notice of appeal, the Company will review the appeal and notify Fashion Consultant of its decision within ten (10) days after receipt of the appeal. The decision of the Company will be final and subject to no

further review. In the event the termination is not rescinded, the termination will remain effective as of the date stated in the original termination notice.

4.05

Effect of Termination.

Immediately upon termination, the terminated Fashion Consultant:

- a) Shall remove and permanently discontinue the use of the trademarks, service marks, trade names and any signs, labels, stationery or advertising referring to or relating to any Company product, plan or program;
- b) Shall cease representing themselves as a Fashion Consultant of the Company;
- c) Shall lose all rights to Fashion Consultant's position and position in the Compensation Plan and to all future commissions and bonuses resulting there from; and
- d) Shall take all action reasonably required by the Company relating to protection of its confidential information. The Company has the right to offset any amounts owed by Fashion Consultant to the Company from commissions or other bonuses due to Fashion Consultant. The Company may also offset an estimate of the reasonable amount that Fashion Consultant owes under the terms of the indemnity obligation incurred pursuant to Section 11.01 herein.

4.06

Re-application.

The acceptance of any reapplication of a terminated Fashion Consultant or the application of any family member of a terminated Fashion Consultant shall be in the sole discretion of the Company and may be denied.

4.07

State Laws.

Where these provisions on termination violate the public policy of state laws, the applicable state law shall apply.

SECTION FIVE: TRANSFERABILITY

5.01

Acquisition of Fashion Consultant Business.

Any Fashion Consultant desiring to acquire an interest in another Fashion Consultant's business shall first terminate his/her Fashion Consultant position and wait three (3) months before becoming eligible for such a purchase. All such transactions shall be fully disclosed to the Company and are subject to approval by the Company in advance.

5.02

Transfers to Fashion Consultant.

Except as expressly set forth herein, Fashion Consultant may not sell, assign or otherwise transfer Fashion Consultant's entity (or rights thereto) to another Fashion Consultant or to an individual who has an interest in Fashion Consultant entity. Notwithstanding the foregoing, a Fashion Consultant may transfer the Fashion Consultant position to the Sponsor, subject to the conditions of Section 5.03. In such event, the Sponsor's Fashion Consultant position and the transferring Fashion Consultant's position shall be merged into one entity.

5.03

Transferability Conditions.

Fashion Consultant may not grant, sell, assign, merge, donate or transfer Fashion Consultant's position (or rights thereto) without the prior written approval of the Company and any such transfer, if approved, is subject to the following conditions:

- a) The Company possesses the right of first refusal with respect to any sale, assignment, transfer or merger of any Fashion Consultant position. A Fashion Consultant wishing to sell, assign, transfer or merge the Fashion Consultant position shall first provide the Company with the right and option to make such a purchase or receive such transfer in writing on the same terms and conditions as any outstanding offer. The Company will advise Fashion Consultant within ten (10) business days after receipt of such notice of its decision to accept or reject the offer.
- b) The selling Fashion Consultant shall provide the Company an executed "Sale of Love Shibue Fashion Consultant Position" form and with a copy of all documents which detail the transfer, including without limitation, the name of the purchaser, the purchase price and terms of purchase and payment;
- c) A transfer fee of \$100.00 shall accompany the transfer documents;
- d) The documents shall contain a covenant made by the selling Fashion Consultant for the benefit of the proposed purchaser not to compete with the purchaser or attempt to divert or sponsor any existing Fashion Consultant of the Company for a period of 6 months from the date of the sale or transfer; and
- e) Upon a sale, transfer or assignment being approved in writing by the Company, the buying party shall assume the position of the selling Fashion Consultant and shall execute a current Agreement and the Company may reasonably require all such other documents as may be reasonably required by the Company.
- f) The Company reserves the right, in its sole discretion, to stipulate additional terms and conditions prior to approval of any proposed sale or transfer. The Company reserves the right, at its own discretion, to disapprove any sale or transfer.

5.04

Circumvention of Company Policies.

If it is determined, at the Company's sole discretion, that a Fashion Consultants position was transferred in an effort to circumvent compliance with the Agreement, this Policies & Procedures Manual, or the Compensation Plan, the transfer will be declared null and void. If necessary, and in the Company's sole discretion, appropriate action, including without limitation, termination, may be taken against the transferring Fashion Consultant to ensure compliance with the Agreement and this Policies & Procedures Manual.

5.05

Succession. Notwithstanding any other provision of this Section Five, upon the death of a Fashion Consultant, the Fashion Consultant position will pass to Fashion Consultant successors in interest as provided by law; however, the Company will not

recognize such a transfer until the successor in interest has executed a current Fashion Consultant Agreement, and agrees to the Terms and Conditions, and Policies and Procedures manual that will be submitted with certified copies of the death certificate and will, trust, or other instruments required by the Company for evidence to transfer of ownership. The successor will thereafter be entitled to all the rights and be subject to all the obligations of a Company Fashion Consultant.

5.06

Re-entry.

Any Fashion Consultant who transfers their Fashion Consultant rights shall wait for six (6) months after the effective date of such transfer before becoming eligible to re-apply to become a new Fashion Consultant.

SECTION SIX: PROPRIETARY INFORMATION

6.01

Confidentiality Agreement.

During the term of the Agreement, the Company may supply to Fashion Consultant confidential information including, but not limited to genealogical and down-line reports, customer lists, customer information developed by the Company or developed for and on behalf of the Company by Fashion Consultant (including, but not limited to credit data, customer and Fashion Consultant profiles and product purchase information), Fashion Consultant lists, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which the Company may designate as confidential. All such information (whether in written or electronic form) is proprietary and confidential to the Company and is transmitted to Fashion Consultant in strictest confidence on a "need to know" basis for use solely in Fashion Consultant's business with the Company. Fashion Consultant shall use Fashion Consultant's best efforts to keep such information confidential and shall not disclose any such information to any third party, directly, or indirectly. Fashion Consultant shall not use the information to compete with the Company or for any purpose other than promoting the Company's program and its products and services. Upon expiration, non-renewal or termination of the Agreement, Fashion Consultant shall discontinue the use of such confidential information and promptly return any confidential information in their possession to the Company.

6.02

Copyright Restrictions.

With respect to product purchases from the Company, Fashion Consultant shall abide by all manufacturers' use restrictions and copyright protections.

6.03

Vendor's and Other Business Associate's Confidentiality.

The Company's business relationships with its vendors, manufacturers, suppliers, and researchers are confidential. Fashion Consultant shall not contact, directly or indirectly, speak to, or communicate with any supplier, manufacturer, or researcher of the Company except at a Company-sponsored event at which the supplier, manufacturer, or researcher is present at the request of the Company.

SECTION SEVEN: TRADEMARKS, LITERATURE, AND ADVERTISING

7.01

Trademarks

The Company, including the names of the Company's products, owns the Company's name, trademarks, service marks, and copyrighted materials. The use of such marks and materials shall be in strict compliance with the Policies & Procedures Manual. Only the Company is authorized to produce and market products and literature under these trademarks. Use of the Company name on any item not produced or authorized by the Company is prohibited, except in the manner described below:

Love Lucy
Independent Fashion Consultant
Love Shibue™, Inc.

7.02

Telephone, Yellow and White Page Listing.

A Fashion Consultant is not permitted to use the Company's trade name in advertising in the white or yellow page sections of the telephone book. Fashion Consultant is not permitted to list their telephone numbers under the Company's trade name without first obtaining prior written approval from the Company. If approval is granted for a listing, it shall be stated in the following manner:

Love Lucy
Independent Fashion Consultant
Love Shibue™, Inc.

7.03

Imprinted Checks.

Fashion Consultant is not permitted to use the Company trade name or any of its trademarks or service marks on their business or personal checking accounts; however, Fashion Consultant may imprint Fashion Consultant's business checks as being a Love Shibue Inc, LLC Independent Fashion Consultant."

7.04

Imprinted Business Cards or Letterheads.

Fashion Consultant is not permitted to "create" Fashion Consultant's own stationary, business cards or letterhead graphics if the Company's trade name and/or trademarks are used. Only the approved Company graphics version and wording are permitted and letterhead shall be ordered either from the Company directly or from the Company-licensed independent contractor.

7.05

Print and Electronic Advertising.

Only Company-produced or approved in writing in advance promotional and advertising materials may be used to advertise or promote a Fashion Consultant's business, or sell products or services of Company in any print or electronic media, including on an Internet web site. No person shall use the Company name; logos, trademarks, or copyrighted material in any advertising not produced by the Company or without the prior expresses written permission from the Company. The Company's literature and materials may not be duplicated or reprinted without the prior written permission of Company. The Company's consent or approval may be withheld at its sole discretion. The Company must approve banners, trade show materials and the like in writing.

7.06

Internet.

The Company maintains a presence on the Internet in its own web site. Fashion Consultant is prohibited from using any trademarks of Company, including the name Love Shibue Inc., the Love Shibue Inc., LLC logo, and the name of any of the products, or any other trade names, trademarks, or distinctive phrases or remarks used by Company, including those related to any product, or any term confusingly similar thereto - in any form on the internet. If a Fashion Consultant desires to provide a link from Fashion Consultant's personal web site directly to the Company's Web Site, the Fashion Consultant's request must be in writing and is subject to Company approval in its sole discretion. No link may be established until the Fashion Consultant receives written approve from Love Shibue Inc..

7.07

Protection of Minors.

The Love Shibue Inc. website is not designed for or targeted at children. We do not knowingly collect, use, or disseminate any personally identifiable information from children under the age of 18. If, however, we become aware that personally identifiable information regarding a child under the age of 18 has been collected at Love Shibue Inc. site, we will use such information for the sole purpose of contacting a parent or guardian of the child to obtain verifiable parental consent. If we cannot obtain consent after a reasonable period of time, or if when contacted, a parent or guardian requests that we do not use or maintain such information, we will make reasonable efforts to delete it from our records. Upon request by a parent or guardian, Love Shibue Inc. will provide a description of the specific types of personal information collected from a child who is under the age of 18.

7.08

Social Media.

- a) As a Fashion Consultant's for Love Shibue Inc., you are not required to maintain a presence in social media. Should you choose to do so, however, you must adhere to the guidelines and policies set forth by Love Shibue Inc. These guidelines and policies are designed to ensure the uniformity and professionalism of the Love Shibue Inc. brand, which, in turn, benefits your business.
- b) Love Shibue Inc. maintains an online presence for the benefit of the company as a whole, which includes Customers, Fashion Consultants, and the general public. We ask that in our public forums (Facebook, Twitter, etc.) you keep your comments relevant to all. Our blog (LoveShibueblog.com) is a resource for you to ask questions related to the business side of Love Shibue Inc., and our corporate staff is available to help.
- c) You may not use the official corporate Love Shibue Inc. pages to drive business, solicit business, drive people to your own site, or recruit Fashion Consultants. Our trademarked brand name cannot be used to drive traffic away from our corporate site.
- d) You cannot represent your independent business as the corporate office. All Fashion Consultant's communications, both in print and online, must clearly appear as coming from an independent representative of the company and not lead the consumer to think they may be interacting with the corporate office.
- e) You are welcome to use the term "Independent Fashion Consultant for Love Shibue Inc." in the name/description of various social media sites for your business. You cannot use the word "official" or anything similar. You cannot create an alias for any sites like Twitter or others that use any permutation of the Love Shibue Inc. name. For further clarification regarding naming, please refer to Section 7.06.
- f) When posting information online related to Love Shibue Inc., please consider if the information you are sharing is beneficial to your business and to the company as a whole. Do not represent yourself in any way online that detracts from the Love Shibue Inc. brand. All Independent Fashion Consultants agree, acknowledge, and affirmatively accept any content posted (photos, testimonials, statements, marketing materials, etc.) on a social networking Web site including, but not limited to, Facebook, Twitter, MySpace, LinkedIn, Flickr, etc., must adhere to the Print and Electronic Guidelines found in Section 7.05. Health/medical claims, income claims, or disparaging comments, remarks, etc. are expressly prohibited and will not be approved or allowed.
 - a. In the event of your voluntary or involuntary termination as a Love Shibue Fashion Consultant.
 - b. Independent Fashion Consultant, you are required to remove all references to Love Shibue™ Inc. from social networking profile(s) within ten days.
- g) Should Love Shibue™ Inc.
- h) Discover non-compliant profiles and/or websites, you will be required to remove the material immediately.
- i) Infractions of any social media guideline may result in disciplinary actions up to and including termination of your Fashion Consultant account.
- j) The Company must approve in writing any marketing material produced by Fashion Consultant to be distributed to their customers or advertised on Social Media. Failure to do so, could lead to the Fashion Consultants termination.

7.09

Endorsements.

No endorsements by a Company officer or any third party may be asserted, except as expressly communicated in the Company literature and communications. Federal and state regulatory agencies do not approve or endorse direct selling programs. Therefore, Fashion Consultant may not represent or imply, directly or indirectly, that the Company's program, products or services has been approved or endorsed by any governmental agency.

7.10

Independent Communications.

Subject to the restrictions imposed by this Section Seven, Fashion Consultant is encouraged to distribute information and direction to Fashion Consultant's respective down-line; however, Fashion Consultant shall identify and distinguish between personal communications and the official communications of the Company.

7.11

Medical Claims.

Fashion Consultant may not make any medical claims (expressed or implied) for any Company product by Fashion Consultant for any reason. The Company recommends that customers under a physician's care or suffering from any chronic disorder should consult their physician before undertaking any changes in diet or when beginning any nutritional program. The Company's nutritional products are designed for augmentation, not replacement. The Company encourages all Company customers to seek the advice and counsel of nutritional and healthcare professionals.

7.12

Fashion Consultant Services.

The Company provides every active Fashion Consultant with management and training communications, timely delivery of product and sales materials, and a computer report of sales made in their marketing group for the pay period in which commissions and overrides are earned and paid.

7.13

Re-packaging Prohibited.

Fashion Consultant may not re-package products or materials of the Company in any manner.

7.14

Recordings.

Fashion Consultant may not produce or reproduce for sale or personal use products sold by the Company or any Company-produced literature, audio or video material, presentations, events or speeches, including conference calls. Video and/or audiotaping of Company meetings and conferences is strictly prohibited. Still photography is allowable at the discretion of the meeting host.

7.15

Telephone Answering.

Fashion Consultant may not answer the telephone by saying "Love Shibue™ Inc." or in any other manner that would lead the caller to believe that the call has reached the corporate offices of the Company.

7.16

Liability.

Violation of any of the rules contained in this Policies & Procedures Manual is grounds for termination of the individual's Fashion Consultant status. The violator may also be liable for damages resulting from unauthorized use of the Company copyrights, trademarks, and material.

SECTION EIGHT: PAYMENT OF COMMISSIONS

8.01

Basis for Commissions.

Commissions, overrides and other bonuses cannot be paid until a completed Agreement has been received and accepted by the Company prior to the end of the month in which the sale is made. Commissions are paid ONLY on the sale of Company services and products. No commissions are paid on the purchase of a Fashion Consultant Launch Kit or for sponsoring Fashion Consultants.

8.02

Calendar.

Commissions, overrides, and bonuses are calculated and paid on the current pay period information. A Fashion Consultant is promoted to the highest rank in which he/she qualifies at the close of each bonus period. Commissions and bonuses are paid based on the "Paid As" rank.

8.03

Commissions and Bonus Payment Date.

Monthly commission and bonuses are paid two weeks following the end of each pay period. Should the payment day fall on a legal holiday or weekend, commissions and override payments will then be made on the next regularly scheduled business day. Weekly commission and bonuses are paid ten (10) days following the close of the commission period. Commissions are paid to "qualified" Fashion Consultants as defined in the Compensation Plan. The Compensation Plan sets forth a detailed explanation of the benefits and the commission structure.

8.04

Minimum Payment.

The minimum amount for payment of commissions, bonuses and overrides is \$50.00; all monies not paid will be included in the next pay period. Processing fees vary based on payment option and may be deducted from all commission and bonus payments.

8.05

Offset of Commissions.

Any commissions, overrides or bonuses earned and paid on products returned is the obligation of and shall be repaid to the Company by the Fashion Consultant originally paid such commissions or bonuses. The Company has the right to offset such amounts against future commissions and other bonuses paid or owed to such Fashion Consultant and Fashion Consultant's up-line who participated in an override.

SECTION NINE: PURCHASE AND SALE OF PRODUCTS

9.01

Purchase Requirement.

No product purchase is required in order for an applicant to become a Fashion Consultant, although purchases or sales of products may be required in order to advance in the Compensation Plan. Fashion Consultants who have had their Agreement accepted by the Company may buy products at wholesale prices directly from the Company.

9.02

Stockpiling Prohibited.

The success of the Company depends on sales to the ultimate consumer and all forms of stockpiling are strictly prohibited including, but not limited to, purchases of products primarily for purposes of qualifying for additional compensation. The Company recognizes that Fashion Consultant will purchase products for Fashion Consultant's own use or samples; however, the Company strictly prohibits the purchase of products in unreasonable amounts in an attempt to qualify for advancement in the Compensation Plan.

9.04

Preferred Customer Rules.

A Preferred Customer must personally opt-in to the monthly Auto-Delivery Order program. Invalid Preferred Customer orders are defined as orders submitted as Preferred Customer orders for qualification purposes without the written authorization from the customer. If a Fashion Consultant submits a Preferred Customer order without the Customer's consent, the Fashion Consultant will be subject to disciplinary action, including termination. Preferred Customer orders cannot be paid by or shipped to a Love Shibue Fashion Consultant for any reason. No exceptions.

9.05

Ordering Methods.

All orders submitted to the Company shall have the Fashion Consultant's or Customer's Company issued identification number placed thereon to assist the Company in processing and shipping the order properly. Failure to provide this information may result in a delay in processing the order.

9.06

Direct Purchase.

A Fashion Consultant may purchase Fashion Consultant's product needs directly from the Company. Should a Fashion Consultant obtain product from Fashion Consultant's Sponsor or up-line Fashion Consultant's personal inventory and a replacement product order is not placed and processed through the Company, no commissions or the Company on such transactions will pay overrides.

9.07

Payment Options.

Purchases may be paid by money order, cashier's check, personal check or credit cards, unless specifically stated otherwise by the Company. Pre-printed name, physical address and phone number, must be on all checks, along with Fashion Consultants Identification Number (FCIN). Personal checks will be accepted only for payments in the amount not greater than \$1,000. In the event a check or credit card is declined, Fashion Consultant will be contacted for an alternate form of payment and may be subject to an additional processing fee. No orders will be shipped without prior payment. Returned checks are subject to a \$30.00 returned check fee.

9.08

Shipping and Handling.

It is the ordering Fashion Consultant's sole responsibility to indicate (a) the method and means of shipping, and (b) the destination address.

9.09

Product Delivery.

Upon clearance of payment, the Company processes for shipment the products and materials ordered. If an item is temporarily not available ("TNA"), the consignee will be notified on the packing list included with the shipment. If a TNA should occur, the item(s) will be shipped as soon as available and usually within Twenty-One (21) days of the date the original order and payment was received. Fashion Consultant may cancel back orders by written request received by the Company prior to shipment.

9.10

Damaged Goods.

The shipping company is responsible for any damage that occurs after it takes physical custody of the products. Therefore, it is important that the damage is reported promptly in order to allow Love Shibue™ Inc. to file a claim with the shipper. The purchaser of Company products who receives damaged goods shall comply with the following procedures:

- a) Accept delivery.
- b) Before the driver leaves, note on the delivery receipt the number of boxes that appear to be damaged and require the driver to acknowledge the damage in writing.
- c) Save the damaged products or boxes for inspection by the shipping agent.
- d) Contact Love Shibue™ Inc. Customer Service to arrange for a replacement order to be shipped and a damaged goods claim to be filed.

9.12

Price Changes.

Prices for the Company's products, services and literature are subject to change without prior notice, Fashion Consultant is to keep themselves informed about all aspect of their Love Shibue business.

9.13

Receipts, Retail Pricing.

Fashion Consultant will provide all retail purchasers of the Company products with written receipts.

9.14

Sales Tax.

To ensure compliance with the sales and use tax requirement of each state, unless required otherwise by state law, the Company may, at its option, collect and remit all applicable sales and use taxes on products, promotional materials and services sold to Fashion Consultants and retail customers based on the suggested retail price of the product. The applicable rate of tax due shall be based on the address to which the product and/or material are shipped.

9.15

Shipping Loss.

The Company will track all deliveries shipped and provide tracking numbers. Fashion Consultant should contact the Company immediately upon being made aware of any shipping problem.

9.16

Inaccurate Delivery.

If the Company ships a product in error, the unordered merchandise may be returned at the Company's expense provided the following steps are taken:

- a) Fashion Consultant or retail customer notifies the Company within five (5) days of receipt of the order;
- b) A copy of the shipping or packing slip shall be enclosed with the proper forms required by the Company completed and executed by Fashion Consultant or retail customer; and
- c) Products shall be returned in original containers and shall be packed properly to prevent damage in return shipment.

9.17

Refused Shipments.

Should Fashion Consultant refuse delivery on any order placed with the Company, the Company shall have the right to place Fashion Consultant in suspension pending resolution of the refusal of delivery. Neither Fashion Consultant nor a retail customer shall refuse any shipment from the Company unless prior approval of the Company has been obtained. Should the receiving party of any order shipped from the Company refuse to accept delivery and the shipment is returned to the Company, the ordering Fashion Consultant's status will be suspended pending resolution of the delivery refusal. Non-accepted delivery charges will be debited to Fashion Consultant's account. If the Company determines that a valid reason exists for refusing shipment, it will instruct the Fashion Consultant or retail customer on the proper procedure for a return.

9.18

Retail Outlets.

The integrity of the Company's marketing plan and business model is built upon a "party plan", person-to-person, one-on-one, and in-home presentation methods of sale. Selling Company products through any chain of retail stores, including but not limited to drugstores, pharmacies, supermarkets, health food stores, shopping mall booths and the like, or restaurants is strictly prohibited. Selling Company products by the Fashion Consultant into or through personally owned retail outlets or professional offices that are not part of chains and are owned or operated by the Fashion Consultant is acceptable upon written approval by the Company.

9.19

Service-Oriented Establishments.

It is permissible to take orders for the Company products in businesses such as health spas, health resorts or similar establishments. Medical Offices. Medical doctors and other health professionals may sell the Company products from their offices only if the doctor or health professional is a Fashion Consultant.

9.20

Trade Shows.

With written authorization from the Company, Fashion Consultants may display products or services and opportunity at trade shows. Request for participation in trade shows must be received in writing by the Company at least two weeks prior to the show. Written authorization from the Company must be received before participating in the trade show. Unless written authorization is secured from the Company, Company products or services and opportunity are the only products or services and/or opportunity that may be offered in the trade show booth. Only Company produced marketing materials may be displayed or distributed. No Fashion Consultant may sell or promote the Company's products or services or business opportunity at flea markets, swap meets, or garage sales.

9.21

International Sales.

No independent Fashion Consultant may export or sell directly or indirectly to others who export the Company's products, literature, sales aids or promotional material relating to the Company, its products or services or the Company's program from the United States or its possessions or territories to any other country. Independent Fashion Consultants that choose to sponsor internationally may do so only in countries in which the Company has registered to operate its business and must comply fully with the Rules of Operation of a Company Fashion Consultant in that country. Any violation of this rule constitutes a material breach of this contract and is grounds for immediate termination of the Fashion Consultant position.

9.22

Product/Services Claim

Fashion Consultant shall make no claim, representation or warranty concerning any product or service of the Company, except those expressly approved in writing by the Company or contained in the official Company materials.

9.23

Promotional Items.

All promotional items that bear the Company name or logo shall be purchased solely from the Company or its approved supplier unless prior written permission is obtained from the Company.

9.24

Telemarketing.

Telemarketing is strictly prohibited. Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although the Company does not consider Fashion Consultants to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

a) Therefore, Fashion Consultants must not engage in telemarketing in the operation of their Company businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Company product or service, or to recruit them for the Company opportunity. "Cold calls" made to prospective customers or Fashion Consultants that promote either Company products or services or the Company opportunity constitutes telemarketing and is prohibited. However, a telephone call placed to a prospective customer or Fashion Consultant (a "prospect") is permissible under the following situations:

b) You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three (3) months. Bear in mind, however, that if you make a habit of "card collecting" with everyone you meet and subsequently calling him or her, the FTC may consider this

a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling "acquaintances," you must make such calls on an occasional basis only and not make this a routine practice.

c) The prospect's personal inquiry or application regarding a product or service offered by the Fashion Consultant, within the three (3) months immediately preceding the date of such a meeting.

d) If the Fashion Consultant has an established business relationship with the prospect. An "established business relationship" is a relationship between a Fashion Consultant and a prospect based on the prospect's purchase, rental or lease of goods or services from the Fashion Consultant, or a financial transaction between the prospect and the Fashion Consultant within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.

e) If the Fashion Consultant receives written and signed permission from the prospect authorizing the Fashion Consultant to call. The authorization must specify the telephone number(s) that the Fashion Consultant is authorized to call.

f) In addition, Fashion Consultants shall not use automatic telephone dialing systems relative to the operation of their Company businesses. The term "automatic telephone dialing system" means equipment which has the capacity to (a) store or produce telephone numbers to be called, using a random or sequential number generator, and (b) to dial such numbers.

SECTION TEN: RETAIL CUSTOMER RETURNS

10.01

Return Policy.

All sales are final. No refunds. We will exchange the size or style only if it is within 10 days of your delivery date and the product is unopened and resalable. All items must have not been worn and protective liners must be in place. Due to health regulations, undergarments that are soiled, worn, damaged, or laundered will not be accepted. If we receive such goods your account will be charged an additional "user fee" at \$15 and the items returned to you. In order to do an exchange you must first call us to be assigned a Return Authorization Number. This number must be clearly written on the front of the package you return to us within 10 days of the time you were issued the Return Authorization Number. Additionally, the return shall be accompanied by the following information:

- a) A signed statement from the retail customer identifying the reason for the return;
- b) A copy of the original retail sales receipt;

10.02

Warranties.

Love Shibue Inc.™ holds a No Warranty policy. Once removed from the package (unless a manufacture defect), we are not responsible for any damage that occurs. Love Shibue Inc. products are very delicate and experience normal wear and tear, and eventually the adhesive will lose its adhesiveness.

- a) All International sales are final. No returns or exchanges.
- b) Love Shibue Inc.™ is not responsible for any duties/taxes for international sales.
- c) Some items may appear a slightly different shade in person and Buyer should expect shade variations.
- d) In the event the merchandise is damaged or defective, the Company will replace it at no charge.

10.03

Buyer's Right to Cancel.

Federal law grants a buyer the right to cancel certain sales without penalty prior to midnight of the third business day after the transaction. This rule covers retail consumer sales of \$25.00 or more that occur away from the seller's main office. The Company sales order form contains all legally required notices. Fashion Consultant shall give two copies to the buyer on every sale. In addition, the Fashion Consultant shall orally inform the buyer of the three-day right to cancel at the time the buyer purchases the goods.

10.04

Quality Control.

The Company will replace, within thirty (30) days of purchase, any product found to be defective; however, no product shall be returned to the Company without prior written approval.

- a) A written replacement request shall be submitted stating the reason for the request and accompanied by a copy of the Purchase Order Form or packing slip. Product returned without prior authorization will not be accepted.
- b) The Company will provide the Fashion Consultant with a return authorization number, and will instruct Fashion Consultant where to ship the product for inventory verification. Upon receipt and verification of the product, the Company will ship out replacement product as appropriate.

- c) c) The Company will not replace any product previously certified by Fashion Consultant as sold under the 70% Rule, sold at a special discount, or sold as a promotional item.

SECTION ELEVEN: GENERAL PROVISIONS

11.01

Indemnity Agreement.

Fashion Consultant agrees to indemnify and hold harmless the Company, its shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, that Fashion Consultant's

- (a) activities as Fashion Consultant;
- (b) breach of the terms of the Agreement; and/or
- (c) violation of or failure to comply with any applicable federal, state or local law or regulation. Other

11.02

Services and Products.

No products or services except for the Company's products or services shall be sold or shown at any event where the Company's product or services are sold or shown. Except as provided above, a Fashion Consultant is not restricted from selling other companies' services and products that are not similar to or competitive with the products and services of the Company. However, promotions of direct sales and/or network marketing programs and/or competitive services or products with anyone are strictly prohibited.

11.03

Limit on Liability.

To the extent permitted by law, the Company shall not be liable for and Fashion Consultant releases the Company from, and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by Fashion Consultant as a result of;

- (a) the Fashion Consultant of the Agreement and/or the terms and conditions of the Policies & Procedures Manual;
- (b) the operation of Fashion Consultant's business;
- (c) any incorrect or wrong data or information provided by Fashion Consultant;
- (d) any copyright violation in connection with materials provide Fashion Consultant; or
- (e) the failure to provide any information or data necessary for the Company to operate its business, including, without limitation, the enrollment and acceptance of Fashion Consultant into the Compensation Plan or the payment of commissions and bonuses.

11.04

Limitation of Damages.

TO THE EXTENT PERMITTED BY LAW, THE COMPANY AND ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES AND OTHER REPRESENTATIVES SHALL NOT BE LIABLE FOR, AND FASHION CONSULTANT HEREBY RELEASES THE FOREGOING FROM, AND WAIVE ANY CLAIM FOR LOSS OF PROFIT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES WHICH MAY ARISE OUT OF ANY CLAIM WHATSOEVER RELATING TO THE COMPANY'S PERFORMANCE, NON-PERFORMANCE, ACT OR OMISSION WITH RESPECT TO THE BUSINESS RELATIONSHIP OR OTHER MATTERS BETWEEN ANY FASHION CONSULTANT AND THE COMPANY, WHETHER SOUNDING IN CONTRACT, TORT OR STRICT LIABILITY.

Furthermore, it is agreed that any damages to Fashion Consultant shall not exceed and is hereby expressly limited to, the amount of unsold Company programs, services and/or products of the Company owned by Fashion Consultant and any commissions owed to Fashion Consultant.

11.05

Recordkeeping.

The Company encourages Fashion Consultant to keep complete and accurate records of all Fashion Consultant business dealings. Non-Solicitation. As an inducement for the Company to enter into this Agreement and in consideration of the mutual covenants contained herein, Fashion Consultant shall not, directly or indirectly, on his or her own behalf or on the behalf of any other person or entity, solicit, induce or hire any Fashion Consultant, employee, member, customer, supplier, consultant, sub-contractor or vendor of the Company.

11.06

Amendments.

The Company reserves the right to amend the Agreement, Policies & Procedures Manual, its retail prices, product availability and the Compensation Plan at any time without prior notice as it deems appropriate. Amendments will be communicated to Fashion Consultant through official Company publications, by posting on the company web site, or voice and/or e-mail. Amendments are effective and binding on Fashion Consultant as of the date of issuance. In the event any conflict between the original documents or policies and any such amendment, the amendment will supersede previous documents.

11.07

Non-Waiver Provision.

No failure of the Company to exercise any power under the Policies & Procedures Manual or to insist upon strict compliance by Fashion Consultant with any obligation or provision herein, and no custom or practice of the parties at variance with this Policies & Procedures Manual, shall constitute a waiver of the Company's right to demand exact compliance with this Policies & Procedures Manual. The Company's waiver of any particular default by Fashion Consultant shall not affect or impair the Company's rights with respect to any subsequent default, nor shall it affect in any way the rights or obligations of any other Fashion Consultant. Nor shall any delay or omissions by the Company to exercise any right arising from a default affect or impair the Company's rights as to that or any subsequent default. An authorized officer of the Company can affect waiver by the Company only in writing by an authorized corporate officer of the Company.

11.08

Arbitration.

a) Except as expressly set forth herein, all disputes, claims and controversies between Fashion Consultant and the Company relating to or arising out of the Agreement, the Compensation Plan, this Policies & Procedures Manual, other documents produced by the Company, or the Company's products, the rights and obligations of Fashion Consultant and the Company or any other claims or causes of action relating to the performance of any Fashion Consultant under the Agreement and this Policies & Procedures Manual shall be settled totally, finally and exclusively by arbitration. No legal action can be filed in any court concerning a Dispute. The Disputes subject to arbitration include claims that Fashion Consultant's termination was illegal or unlawful.

b) Arbitration is a commonly used and accepted technique for resolving Disputes in a timely, cost-efficient manner. Any Fashion Consultant who feels that his or her termination was unlawful may file a claim and initiate the arbitration process directly, or through an attorney, within six months of the termination decision.

c) Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity or registration of any mark or other intellectual property or proprietary or confidential information of the Company without the Company's prior written consent. The Company may seek any applicable remedy in any applicable forum with respect to these disputes and with respect to money owing to the Company. In addition to monetary damages, the Company may obtain injunctive relief against Fashion Consultant for any violation of the Agreement or misuse of the Company's trademark, copyright or confidential information policies.

d) Nothing in this rule shall prevent the Company from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other injunctive or emergency relief available to safeguard and protect the Company's interests prior to the filing of or during or following any arbitration or other proceeding or pending the handing down of a decision or award in connection with any arbitration or other proceeding.

e) Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of this Agreement.

11.09

Entire Agreement.

This Policies & Procedures Manual is incorporated into the Agreement along with the Compensation Plan, and constitutes the entire agreement of the parties regarding their business relationship.

11.10

Governing Law.

The laws of the State of Nevada and the jurisdiction of all claims shall govern the Agreement and this Policies & Procedures Manual arising hereunder shall be in the County of Clark, the State of Nevada.

11.11

Force Majeure.

The Company shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as strikes, labor difficulties, fire, war, government decrees or orders, or curtailment of a party's usual source of supply.

11.12

Notice.

Any communication, notice or demand of any kind whatsoever, which either Fashion Consultant or the Company may be required or may desire to give or to serve upon the other shall be in writing and delivered by electronic communication whether by telex, telegram, e-mail or fax (if confirmed in writing sent by registered or certified mail, postage pre-paid, return receipt requested or by personal service). Any party may change its address for notice by giving written notice to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been given or served on the date personally served by personal service, on the date of confirmed dispatch if by electronic communication, or on the date shown on the return receipt or other evidence if delivery is by mail.

11.13

Severability.

If under any applicable and binding law or rule of any applicable jurisdiction, any provision of the Agreement, including this Policies & Procedures Manual, or any specification, standard or operating procedure which the Company has prescribed is held to be invalid or unenforceable, the Company shall have the right to modify the invalid or unenforceable provision, specification, standard or operating procedure or any portion thereof, to the extent required to be valid and enforceable, and Fashion Consultant shall be bound by any such modification. The modification will be effective only in the jurisdiction in which it is required.

11.14

Violations.

It is the obligation of every Fashion Consultant to abide by and maintain the highest integrity of this Policies & Procedures Manual. If Fashion Consultant observes another Fashion Consultant committing a violation, such Fashion Consultant should discuss the violation directly with the violating Fashion Consultant. Any violations reported to the Company shall follow the Company's reporting procedures and may be reported by phone to Love Shibue Headquarters at 877-270-3313.

SECTION TWELVE: CODE OF PROFESSIONAL ETHICS

LOVE SHIBUE™ INC., BELIEVES THAT ITS FASHION CONSULTANT SHOULD SUBSCRIBE TO THE PRINCIPLES OF FAIRNESS, HONESTY, INTEGRITY, AND SERVICE. THE RELATIONSHIP OF THE COMPANY TO FASHION CONSULTANT, FASHION CONSULTANT TO CUSTOMER, FASHION CONSULTANT TO OTHERS SHOULD BE PRESERVED, PROTECTED, AND PROMOTED IN ACCORDANCE WITH THE HIGHEST STANDARDS OF CONDUCT THROUGHOUT THE FASHION CONSULTANTS TERM WITH THE COMPANY. THEREFORE, FASHION CONSULTANT AGREES TO ABIDE BY AND SUBSCRIBE TO THE CODE OF PROFESSIONAL ETHICS (THE "CODE OF ETHICS") CONTAINED IN THIS SECTION TWELVE.

AS A Fashion Consultant, I AGREE THAT:

12.01

I will be honest and fair in all my dealings while acting as a Fashion Consultant of the Company.

12.02

I will respect the time and privacy of the people I contact to become retail customers or Fashion Consultants of the Company.

12.03

I will be courteous and respectful to every person contacted in the course of my Company business.

12.04

I will perform all my professional activities in a manner that will enhance my reputation and the reputation of the Company.

12.05

I will fulfill my leadership responsibilities as a Sponsor, including training and otherwise supporting Fashion Consultants in my sales organization.

12.06

I will not engage in any deceptive or illegal practice, or any practice prohibited by the Agreement or the Policies & Procedures Manual.

12.07

I will not make diagnostic, therapeutic or curative claims for the Company's products. I will not make any claims not contained in official Company literature.

12.08

I will represent only that "each body is unique and responds uniquely to different products," remembering that even my personal experience with the product may be interpreted as an "extension of labeling claims" if I use those experiences as a sales device.

12.09

I will make no income claims or representations regarding the Company Compensation Plan, remembering that ideal projections of the Company Compensation Plan are unrealistic. No network is grown in a perfect geometric progression and therefore it is impossible to predict incomes. Further, a Fashion Consultant's success depends on many variables such as the amount of time committed to his/her business and the degree of organizational ability.

12.10

I understand and agree that I am solely responsible for all financial and/or legal obligations incurred by me in the course of my business as a Fashion Consultant of Love Shibue Inc., including self-employment taxes, income taxes, sales taxes, license fees, and related personal fees.

12.11

I will always honor the Company's 100% satisfaction, thirty (30) day money back guarantee when dealing with my retail customers.

12.12

I understand and agree that capitalism is one of the most competitive economic systems in the world; I will compete aggressively but fairly, and I will respect the professionals of other network marketing companies.

12.13

I will not solicit from the proprietary rolls or "genealogical" printouts of other network marketing companies. I will not use sales materials or professional associations that may be regarded as proprietary by other companies. The Company seeks to promote the reputation of all reputable network-marketing companies that are furthering the cause of personal independence for their Fashion Consultants.