

QUIXTAR®

My Life.
My Business.
My Way.

Quixtar

Professional Development
Accreditation Program

IBO Communications
Platform



INTRODUCTION

The IBO Communications Platform was developed by Quixtar following review and recommendations by the Independent Business Owners Association International (IBOAI) Board. This Platform outlines the business-communication standards that an IBO must meet as part of the requirements to receive accreditation from the QUIXTAR® Professional Development Accreditation Program™.

“Business communications” are all communications used within the business arena: print, audio, visual, email, voice mail, websites, and live. The latter includes all types of business functions, from one-on-one meetings to large conventions.

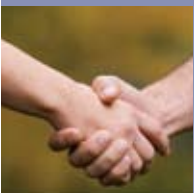
While these standards are spelled out in detail on the following pages, they can be summed up simply as follows:

Focus on business.

Treat others as you would like to be treated.

As this is a business, it is only logical that communications within the business arena focus on business and not on areas outside the business arena, such as religion and politics. And to “treat others as you would like to be treated” is a long-standing and widely accepted maxim on human relations.

Taken together, these two concepts reflect the philosophy and standards of the IBO Communications Platform.



I. ACCEPTANCE

- A. Adherence to the fundamental principles of acceptance, respect, and the right to differ
 - 1. An equal opportunity business
 - 2. The right to differ
 - 3. The business environment
- B. Spiritual/Religious communications
 - 1. Acceptable
 - 2. Unacceptable
- C. Political communications
 - 1. Acceptable
 - 2. Unacceptable
- D. Moral/Social communications
 - 1. Acceptable
 - 2. Unacceptable

II. ACCURACY

- A. Roles and positioning of Quixtar Inc., IBOs, and IBO entities
 - 1. Clear and accurate
- B. Roles and positioning of the QUIXTAR® business and IBO professional development programs (PDP)
 - 1. Clear and accurate
 - 2. Proper emphasis
- C. Roles in the development and launch of the QUIXTAR business opportunity
 - 1. Acceptable
- D. Earnings representations
 - 1. Income claims with prospects
 - 2. Income claims with IBOs
 - 3. Unacceptable statements to prospects and IBOs about income potential
 - 4. Acceptable statements to prospects and IBOs about PDP compensation

I. ACCEPTANCE

A. Adherence to the fundamental principles of acceptance, respect, and the right to differ

1. An equal opportunity business
 - a. The QUIXTAR® business is an equal opportunity business and a business for everyone.
 - b. A business for everyone means an acceptance of all people, regardless of their personal beliefs.
2. The right to differ
 - a. IBOs come together as business associates, agreeing on the principles of free enterprise and working together to achieve their individual financial goals.
 - b. On all other issues not specifically affecting the operation of their independent QUIXTAR business, IBOs have the right to hold differing viewpoints without their differences jeopardizing their status as IBOs or their business relationships with other IBOs and Quixtar Inc. as those relationships are defined and set forth in the Rules of Conduct.
3. The business environment
 - a. A business setting/communication is not an appropriate environment for preaching religious doctrine, political causes, or other issues of such a personal nature.
 - b. If such opinions are shared, people with differing beliefs could be offended and, thus, discouraged from having an independent QUIXTAR business.

B. Spiritual/Religious communications

1. Acceptable
 - a. IBOs can be invited to attend optional worship services. It should be explained very clearly that worship services are not a formal part of the business event.
 - b. When sharing his personal story during a business meeting, a speaker may make reference to the importance of his religious belief in building his business. However, the comments should be brief, and the speaker must explain that such comments are his personal belief.
 - c. If freewill offerings or charitable contributions are taken, any funds must be accounted for in accordance with standard accounting practices.
2. Unacceptable
 - a. Statements that indicate an IBO must follow a certain religious belief or doctrine if he is going to succeed in this business.
 - b. Disparaging remarks about any religious beliefs.
 - c. Personal expressions of religious beliefs in a business meeting that are not connected to the speaker's perspective on his own business experience.
 - d. Excessive reference to or reading from religious writings in a business meeting.
 - e. Statements at business functions that imply that an optional worship service is critical or mandatory for IBOs' success.

C. Political communications

1. Acceptable
 - a. Statements about capitalism and the free enterprise system and the importance of preserving it.
 - b. Statements about the economy and its impact on small businesses, in particular an independent QUIXTAR business.
 - c. The importance of voting and being informed on issues and candidates.
 - d. Teachings of America's or Canada's Founding Fathers and the lessons of history as they relate to the business climate and economic health of these countries.
 - e. Character and integrity as important issues in our business and in our elected or appointed government officials.

2. Unacceptable
 - a. Endorsement or denouncement of specific candidates, political parties, and/or issues, unless specifically related to the operation of independent QUIXTAR® businesses.
 - b. Inflammatory labels or personal attacks on the character or integrity of government officials or candidates.

D. Moral/Social communications

1. Acceptable
 - a. Positive statements related to values such as trustworthiness, honesty, integrity, responsibility, commitment, the family, individual initiative, etc.
2. Unacceptable
 - a. Demeaning statements regarding personal lifestyle, ethnicity, or the societal roles of males and/or females.
 - b. References to the abortion issue outside of worship services.

II. ACCURACY

A. Roles and positioning of Quixtar Inc., IBOs, and IBO entities

How the QUIXTAR business is presented to prospects has a critical impact on the reputation and credibility of the presenting IBO, the LOS (Line of Sponsorship) organization they are affiliated with, Quixtar Inc., and the overall business. It is important that prospects and IBOs have a clear and accurate understanding of the roles of Quixtar Inc., IBOs, and the IBOAI.

Accurate positioning also supports the shared reputation objectives established by Quixtar and the IBOAI, notably the objective to clearly define and communicate the roles of Quixtar, LOAs (Lines of Affiliation), and the upline IBO in supporting each IBO.

1. Clear and accurate

No false, misleading, inaccurate, or deceptive statements may be used with prospects. In addition:

- a. The prospect must know that, at the point of a QUIXTAR Independent Business Owner Compensation Plan presentation or other representation of how income is earned in a QUIXTAR business, that the Plan and bonuses are administered by Quixtar. A prospect must also understand, when registering, that he or she is entering into a contract with Quixtar.
- b. An IBO may not lead a prospect to believe that the business opportunity is anything other than QUIXTAR. An IBO must not deny, if asked, if the business opportunity is offered by Quixtar. It is acceptable to respond to the question with “What do you know about Quixtar?” but the discussion should specifically reference that the business opportunity is Quixtar.
- c. In any discussions of earnings with a prospect (either directly or indirectly), an IBO must provide the prospect with the QUIXTAR Business Opportunity Brochure. Additionally, when discussing or illustrating earnings, it must be clear that such earnings are derived from the QUIXTAR Independent Business Owner Compensation Plan.
- d. Concept or qualifying materials do not require the use of QUIXTAR. A concept piece is one designed to determine the level of interest in a business opportunity without showing the QUIXTAR Independent Business Owner Compensation Plan or mentioning earnings or other specifics pertaining to Quixtar. It also does not reference the LOA or support organization by name or other identity. (Additional follow-up is required before a prospect registers.)
- e. Descriptions of QUIXTAR resources, details, or attributes may be used in a concept presentation or discussion without the QUIXTAR name as long as they are not attributed to any IBO, LOA, or support organization. Altacor or Access Business Group must not be used in place of Quixtar; however, they may be used to describe the services offered by those entities (e.g., Access Business Group provides distribution) as long as their relationship is identified appropriately.
- f. The roles of Quixtar and the Organization Brand/LOS/LOA must be accurate during prospecting. A prospect must be able to distinguish between joining a support team and contracting with Quixtar. In explaining roles and positioning, IBOs and LOSs/LOAs must communicate that:

- Quixtar and IBOs play different yet essential roles in the functioning and success of IBO businesses.
- Quixtar Inc. provides all of the following to IBOs:
 - ~ A contract with any interested individual who wishes to be an Independent Business Owner.
 - ~ The business and compensation framework through the QUIXTAR® Independent Business Owner Compensation Plan and Rules of Conduct.
 - ~ Many essential business components through its infrastructure, including products, distribution, compensation administration, business administration, customer service, sales and marketing, product education, technology, and legal.
- The following are acceptable positioning phrases:
 - ~ The QUIXTAR business opportunity.
 - ~ The QUIXTAR business.
 - ~ The QUIXTAR IBO Compensation Plan.
 - ~ Product available exclusively from Quixtar.
 - ~ Exclusive products available from Quixtar.
 - ~ QUIXTAR infrastructure.
 - ~ Quixtar Inc. is used only in reference to the corporate entity and where specifically needed.
- The individual IBO operates an independent business by doing any or all of the following:
 - ~ Markets the business to any interested individual who may choose to be an Independent Business Owner.
 - ~ Registers individuals as IBOs or customers and trains and mentors the IBOs he sponsors.
 - ~ Markets products and services to customers.
- The LOS/LOA typically provides some or all of the following to the IBO:
 - ~ Support and community.
 - ~ Business-building skills, including product and QUIXTAR Independent Business Owner Compensation Plan training.
 - ~ Personal development.

Quixtar understands the importance of the relationship with the LOS/LOA organizations. The following examples provide a clear and accurate reflection of this relationship when presenting aspects of this business.

- The (LOS/LOA organization name) approach to the QUIXTAR IBO Compensation Plan.
- QUIXTAR IBOs or IBOs powered by Quixtar and supported by (LOS/LOA organization name).
- Product available exclusively from QUIXTAR IBOs supported by (LOS/LOA organization name).
- Product available exclusively from QUIXTAR IBOs affiliated with (LOS/LOA organization name).

- The Independent Business Owners Association International (IBOAI) is an independent voluntary trade association that represents the interests of IBOs:
 - ~ Acts as an advisory group to Quixtar Inc.
 - ~ Is headed by a board of directors.
 - ~ Offers voluntary membership to all IBOs.

In addition, IBOs must understand that LOS/LOA participation is voluntary and participation does not guarantee success; and that some IBOs profit from the sale of professional development materials to other IBOs.

The Rules of Conduct require IBOs to personally provide training and motivation to other IBOs they have sponsored. This responsibility is relieved only if the downline IBO chooses to participate in a LOS/LOA, or if another IBO voluntarily agrees to handle sponsor responsibilities, including training. LOS/LOA participation is not required.

B. Roles and positioning of the QUIXTAR® business and IBO professional development programs (PDP)

LOSs/LOAs play an important role in providing training and support to IBOs powered by Quixtar.

IBOs who choose to sell professional development materials (PDM) may not say, suggest, or imply that the use of the materials or participation in the LOS/LOA will guarantee success. IBOs must understand that participation in the LOS/LOA professional development program is optional.

In addition, every IBO must operate his or her independent business in a financially responsible manner with the intent of creating income and profit. IBOs who choose to purchase or sell PDM must ensure that the quantity and costs of materials are reasonable in relation to the sales volume and profits of their independent business.

1. Clear and accurate

Prospective IBOs and IBOs must have a clear and accurate understanding of the roles and positioning of the QUIXTAR business and PDP.

2. Proper emphasis

LOSs/LOAs must place the proper emphasis on the role of PDP. The primary emphasis is on building an independent QUIXTAR business, which creates product volume, and the secondary emphasis is on PDP, which help to build an independent QUIXTAR business.

- a. Participation in PDP is voluntary.
- b. IBOs are encouraged to make sound business decisions on purchasing PDM. IBOs should make such decisions based on their expectations for their business, the effort they're investing, and the amount of their discretionary income.
- c. Training and support through professional development programs can be helpful, but there are no guarantees of success from participation in PDP.

C. Roles in the development and launch of the QUIXTAR business opportunity

1. Acceptable

It is important that if IBOs explain how the QUIXTAR business opportunity was developed and launched, they do so properly. Following is an acceptable explanation (plus an abbreviated version) for use by IBOs:

Launched 9/1/1999, QUIXTAR offered an unparalleled opportunity for entrepreneurs in North America. The combination of the QUIXTAR Independent Business Owner Compensation Plan, a broad portfolio of top-quality products, and a world-class infrastructure – including a dynamic website and state-of-the-art manufacturing and distribution – provided any individual with the opportunity to have a web-based business.

Quixtar worked closely with the Independent Business Owners Association International, which represented the interests of IBOs, to launch the business model.

Quixtar Inc. provides the QUIXTAR® IBO Compensation Plan, products, training and support, and infrastructure to power IBO businesses.

Today, QUIXTAR IBOs generate sales in excess of \$1 billion annually and have made Quixtar.com the #1 online health and beauty retailer based on sales.

Abbreviated version:

Launched 9/1/1999, Quixtar offered an unparalleled opportunity for entrepreneurs in North America. The combination of the QUIXTAR Independent Business Owner Compensation Plan, a broad portfolio of top-quality products, and a world-class infrastructure – including a dynamic website and state-of-the-art manufacturing and distribution – provided any individual with the opportunity to have a web-based business.

QUIXTAR IBOs also may receive questions about why Amway no longer exists in North America. For an explanation of relationship between Amway and Quixtar, an appropriate response is:

Quixtar launched in 1999 as a companion to the AMWAY® business in North America. After the two operated side by side for a few years, QUIXTAR had become the opportunity of choice, and Alticor decided to discontinue the AMWAY opportunity in the U.S. and Canada. Today, AMWAY thrives in international markets, while QUIXTAR remains Alticor's business opportunity in North America.

D. Earnings representations

1. Income claims with prospects

While individuals become IBOs for a variety of reasons, within those various reasons is one element that usually is the same: the desire to earn income. Some people want to earn a lot of income; others choose to earn a little extra income; and still others do what they can based on their individual circumstances.

Yet, no matter the size of a prospect's dream, an IBO must be truthful and accurate and adhere to the Rules of Conduct, which provide clear requirements about income claims made with prospects. Among the Rules are the following requirements for every IBO.

- a. Use the exact and most current figures (as published by Quixtar from time to time) when stating average profits, earnings, sales figures, and percentages.
- b. Use only materials with prospective IBOs that are produced by or authorized by Quixtar, including largest bonuses paid.
- c. Direct the prospect's attention to the QUIXTAR Business Opportunity Brochure that will be provided, and advise that he should review the important disclosures in the document.
- d. As required by the U.S. Federal Trade Commission and Industry Canada, give each prospect a copy of the latest edition of the QUIXTAR Business Opportunity Brochure.
- e. Provide each prospect the Business Support Materials Arbitration Agreement (BSMAA) before registering as an IBO.
- f. Use only income and bonus claims that are:
 - i. memorialized in QUIXTAR-authorized professional development materials intended for use with prospects or
 - ii. based on your personal experiences, provided you also at the same time disclose the average experience stated in the QUIXTAR Business Opportunity Brochure or
 - iii. if using lifestyle examples – for example, homes, travel, automobiles – only if such examples were actually earned from building a business powered by Quixtar and accompanied by the proper disclosure.

2. Income claims with IBOs

It is important that IBOs follow the same truthful and accurate approach with other IBOs as they do with prospects. In particular, an IBO must:

- a. Not diminish the time and effort necessary to build an independent QUIXTAR® business.
- b. Provide realistic, not exaggerated, income goals and lifestyle expectations.
- c. When showing lifestyle examples – for example, homes, travel, automobiles – state (verbally or printed) whether these items were attained by supplementing his QUIXTAR income with other sources of income. A suggested statement:
“The success depicted may reflect income from sources other than the QUIXTAR Independent Business Owner Compensation Plan and incentive programs.”
- d. Not guarantee any level of success.

3. Unacceptable statements to prospects and IBOs about income potential

IBOs must not imply or communicate to prospects and IBOs the following kinds of statements, which are misleading and inaccurate:

- a. Unrealistic income potential, such as “Earn \$250,000 within the first 12 to 18 months.”
- b. A guarantee that one will be financially independent as a result of becoming an IBO.
- c. A guarantee that one will be able to retire as a result of becoming an IBO.
- d. “There are more millionaires in this business than any other.”

4. Acceptable statements to prospects and IBOs about PDP compensation

The following statements are examples. IBOs may put these statements in their own words as long as they reflect the content of the examples.

a. To prospects:

“Many IBOs find it helpful to use professional development materials. Purchasing these items is optional, and they come with a 180-day buy-back policy. IBOs who sell professional development materials may profit from their sales, and IBOs with large organizations may earn more income (and incur expenses).”

b. To IBOs not qualified to receive monies from PDP compensation plans:

“Your upline leaders (typically starting at Platinum or above) may earn income, before expenses, from their involvement in a professional development program. Depending on your leaders’ expenses and level of success, this could include monies from sales of professional development materials, function tickets, and speaking honorariums.”

c. To IBOs qualified to receive monies from PDP compensation plans:

“If you intend to participate in a compensation plan for a professional development program, you should sign a written contract with detailed terms and conditions of the entire compensation plan.”