



Hsin Ten Enterprise USA, INC.

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Dear Distributor,

It has recently come to our attention that not all of the personal distributor websites on the internet that sell HTE products are in compliance with the policies and procedures of HTE. It is important that all of HTE's distributors follow the same policies and procedures for any type of HTE business that they operate.

HTE strongly believes and enforces that all distributors should have a fair and equal opportunity to sell our products. It is very important to HTE that the distributors that own their personal website be fair to their fellow distributors by following HTE's policies and procedures and by not giving themselves an advantage over other distributors by offering special offers or discounts that HTE does not advertise or have available.

We would also like to take this opportunity to remind you that HTE distributors are authorized to sell products only at such prices and upon such terms and conditions as HTE USA may establish, from time to time, in its sole discretion. If your website is not in compliance with the following requirements, please make the necessary modifications immediately:

1. Distributor websites may only offer HTE's products and special offers for the same prices that HTE Americas currently has available.
2. Distributors should not offer "Free Shipping" on their website if it is not a current special offer by HTE
3. Distributors should include the shipping fee in the total for orders shipped to the lower 48 states, if not, distributors should clearly list the shipping fee for each machine.
  - Grande HH \$25.00, HotHouse \$15.00, Chi Machine \$10.00, Adv ERE \$10.00, E-Power \$10.00, FIR Pad \$7.00, FIR Lumbar \$7.00, Power Eyes \$7.00
  - Marketing materials and supplements will not be charged shipping if ordered in same invoice with any of the above machines. Otherwise, the minimum shipping is \$7.00 or

7% of the subtotal if the order is over \$100.00.

- Special shipping rates apply to orders shipped to Alaska, Hawaii, and Puerto Rico. Please contact HTE for these rates.

4. Sales Tax should also be included in the total. If it is not possible for your website to do so, distributors should clearly note that sales tax will be charged based on the shipping address.

- HTE USA, Inc. may charge sales tax because it is a registered company in all 48 lower states. There is no sales tax for Oregon, Montana, Delaware and New Hampshire.
- In addition, sales tax will not be charged for orders shipped to Puerto Rico, Alaska and Hawaii.

Failure to comply with any of the above policies and procedures may result in immediate suspension.

As a multi-level marketing company, HTE's goal is for any person to be able to have the opportunity to share our products with others. A distributor website is an excellent tool to accomplish this goal, and we are grateful for the worldwide exposure. However, the above policies and procedures must be followed by distributors operating a website to be fair and not give an advantage over other distributors, with or without a website of their own.

In addition, over the past few years, we have also had situations where a customer places an order through a distributor with a personal website by mistake with the assumption that they were visiting the HTE company website and communicating with an employee from the HTE. This sometimes results in the distributor that introduced them to the product(s) to not be credited for the sale. To prevent this, if a distributor contacts you via phone or e-mail with interest to place an order, please first ask the customer if they were introduced to the product(s) that they wish to purchase by a friend or family member and explain that they might be an independent distributor just as you are, if so, please kindly ask that they contact that person instead. We understand that this may be an inconvenience but it would be highly appreciated.

We would like to thank you for your understanding and appreciate your effort in sharing our products with others over the past year. We hope that you are enjoying the Holiday Season and have a very Happy New Year.

Sincerely,

HTE USA, Inc.