

# MONAVIE LLC

## STATEMENT OF POLICIES AND PROCEDURES

United States

Effective January 1, 2008

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## SECTION 1 – CORPORATE MISSION STATEMENT

Our mission is to improve lives around the world with advanced formulated health products, rewarding financial opportunities, and strategic charitable initiatives.

### 1.1 CODE OF ETHICS

MonaVie LLC (hereafter “MonaVie” or “the Company”) is a values-based company that prides itself on the quality and character of its Distributors. The following guidelines help ensure a uniform standard of excellence throughout our organization. Every MonaVie Distributor is expected to practice the following ethical behavior when acting in the name of the company:

- I will be respectful of every person I meet while doing MonaVie related business.
- At all times I will conduct myself and my business in an ethical, moral, legal, and financially sound manner.
- I will not engage in activities that would bring disrepute to MonaVie, any MonaVie corporate officer or employee, myself, or other Distributors.
- I will not make discouraging or disparaging claims toward other MonaVie Distributors. I will ensure that in all MonaVie business dealings I will refrain from engaging in negative language. I will refrain from making any type of slanderous statements.
- I will be truthful in my representation of MonaVie products by making no diagnostic, therapeutic, curative, or exaggerated claims and by clearly stating all terms of sale. I understand any claim of cure, prevention, mitigation, or treatment or any prescription is strictly forbidden.
- I will provide support and encouragement to my Customers to ensure that their experience with MonaVie is a successful one. I understand that it is important to provide follow-up service and support to my downline.
- I will correctly represent all the bonus/compensation plans available through MonaVie and the income potential represented therein. I understand I may not use my own income as an indication of others’ potential success, or use compensation checks as marketing materials. I further understand that I may only disclose my MonaVie income to recruit a potential distributor(s) after I have given a copy of the Income Disclosure Statement to the potential distributor(s). A copy of the Income Disclosure Statement can be obtained upon written request to MonaVie or at [www.MonaVie.com/IDS](http://www.MonaVie.com/IDS).
- I will abide by all of MonaVie’s Policies & Procedures now and as they may be amended in the future.

## SECTION 2 – INTRODUCTION

### 2.1 – POLICIES AND COMPENSATION PLAN INCORPORATED INTO DISTRIBUTOR AGREEMENT

These Policies and Procedures, in its present form and as amended at the sole discretion of MonaVie, are incorporated into and form an integral part of the MonaVie Distributor Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the MonaVie Distributor Application and Agreement, these Policies and Procedures, and the MonaVie Compensation Plan. These documents are incorporated by reference into the MonaVie Distributor Agreement (all in their current form and as amended by MonaVie). It is the responsibility of each Independent Distributor (hereafter “Distributor”) to read, understand, adhere to, and ensure that they are aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Distributor, it is the responsibility of the sponsoring Distributor to ensure that the applicant is provided with, or has online access to the most current version of these Policies and Procedures and the MonaVie Compensation Plan prior to their execution of the Distributor Agreement.

### 2.2 – ADHERENCE TO THE MONAVIE COMPENSATION PLAN

Distributors must adhere to the terms of the MonaVie Compensation Plan as set forth in Official MonaVie Literature. Distributors shall not offer the MonaVie opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in Official MonaVie Literature. Distributors shall not require or encourage other current or prospective Customers or Distributors to participate in MonaVie in any manner that varies from the program as set forth in Official MonaVie Literature. Distributors shall not require or encourage other current or prospective Customers or Distributors to execute any agreement, contract, or membership, other than those offered by the Company, in order to become a MonaVie Distributor. Similarly, Distributors shall not require or encourage other current or prospective Customers or Distributors to make any purchase from, or payment to, any individual or other entity to participate in the MonaVie Compensation Plan other than those purchases or payments identified as recommended or required in Official MonaVie Literature.

### 2.3 – PURPOSE OF POLICIES

MonaVie is a direct sales company that markets its products through Independent Distributors. It is important to

understand that your success and the success of your fellow Distributors depends on the integrity of the men and women who market our products and services. To clearly define the relationship that exists between Distributors and MonaVie, and to explicitly set a standard for acceptable business conduct, MonaVie has established the Agreement.

MonaVie Distributors are required to comply with (1) all of the Terms and Conditions set forth in the Agreement which MonaVie may amend at its sole discretion from time to time and (2) all federal, state, and local laws governing their MonaVie business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an independent contractor, and the Company. If you have any questions regarding any policy or rule, do not hesitate to contact [compliance@monavie.com](mailto:compliance@monavie.com) or seek an answer from your upline.

## 2.4 – CHANGES TO THE AGREEMENT

Because federal, state, and local laws, as well as the business environment, periodically change, MonaVie reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the Distributor Agreement, a Distributor agrees to abide by all amendments or modifications that MonaVie elects to make. Amendments shall be effective upon notice to all Distributors that the Agreement has been modified. Notification of amendments shall be published in official MonaVie materials. The Company shall provide or make available to all Distributors a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official website, (2) electronic mail (email), (3) fax-on-demand, (4) voice mail system broadcast, (5) inclusion in Company periodicals, (6) inclusion in product orders, or (7) special mailings. The continuation of a Distributor's MonaVie business or a Distributor's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

## 2.5 – DELAYS

MonaVie shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

## 2.6 – POLICIES AND PROVISIONS SEVERABLE

If any provision of the Agreement, in its current form or as may be amended is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

## 2.7 – WAIVER

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of MonaVie to exercise any right or power under the Agreement or to insist upon strict compliance by a Distributor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of MonaVie's right to demand exact compliance with the Agreement. Waiver by MonaVie can be effectuated only in writing by an authorized officer of the Company. MonaVie's waiver of any particular breach by a Distributor shall not affect or impair MonaVie's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Distributor. Nor shall any delay or omission by MonaVie to exercise any right arising from a breach affect or impair MonaVie's rights as to that or any subsequent breach.

The existence of any claim or cause of action of a Distributor against MonaVie shall not constitute a defense to MonaVie's enforcement of any term or provision of the Agreement.

## 2.8 – CORPORATE TOURS

You may visit MonaVie's corporate owned facilities only at designated times. You must make an appointment in advance to arrange any such visit. At the time of the visit, you are immediately required to sign in at the front desk, and must be accompanied at all times by a MonaVie employee.

## SECTION 3 – BECOMING A DISTRIBUTOR

### 3.1 – REQUIREMENTS TO BECOME A DISTRIBUTOR

To become a MonaVie Distributor, each applicant must:

- Be of the age of majority in his or her state of residence;
- Reside in the United States, U.S. Territories, or a country that MonaVie has officially opened for business;

- Have a valid Social Security or Federal Tax ID number on file with the Company (if in the U.S.);
- Submit a properly completed, MonaVie-authorized Distributor Agreement to the Company.

### 3.2 – NO PRODUCT PURCHASE REQUIRED

No person is required to purchase MonaVie products, services or sales aids, to become a Distributor. However, each applicant must purchase a \$39.00 Starter Kit. This Kit will include various marketing materials and includes the \$20.00 annual membership fee. MonaVie will repurchase resalable kits from any Distributor who terminates their Distributor Agreement pursuant to the terms of Section 14.

### 3.3 – DISTRIBUTOR BENEFITS

Once a Distributor Agreement has been accepted by MonaVie, the benefits of the Compensation Plan and the Distributor Agreement are available to Distributors in good standing. These benefits include the right to:

- Sell MonaVie products in accordance with Policies & Procedures;
- Participate in the MonaVie Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Customers or Distributors into the MonaVie business and thereby, build a marketing organization and progress through the MonaVie Compensation Plan;
- Receive periodic MonaVie literature and other MonaVie communications;
- Participate in MonaVie-sponsored support, service, training, motivational and recognition functions (upon payment of appropriate charges, if applicable); and
- Participate in promotional and incentive contests and programs sponsored by MonaVie.

### 3.4 – TERM AND RENEWAL OF A MONAVIE BUSINESS

The term of the Distributor Agreement is one year from the date of its acceptance by MonaVie (subject to reclassification for inactivity after six months). Every Distributor Agreement must be renewed each year with an annual renewal fee of \$20, which must be paid on or before the anniversary date of the Distributor Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the Distributor Agreement, the Agreement will be canceled and the Distributor will be purged from the system.

MonaVie provides an Automatic Renewal Program (“ARP”) for qualifying Distributors who will be enrolled

automatically. To qualify for the ARP, a Distributor must have in excess of \$20 in commissions owed at the time of renewal. If a qualifying Distributor does not wish to auto-renew their Distributorship, they must employ the available Opt-Out feature. The ARP fee (\$20) will be deducted from the Distributor’s closest commission check coinciding with their renewal date. Distributors who are not automatically enrolled in ARP may become re-enrolled via the manual re-enrollment process available through the Virtual Office system.

## SECTION 4 – INCOME DISCLOSURE POLICY

MonaVie’s corporate ethics compel us to do not merely what is legally required, but rather, to conduct the absolute best business practices. To this end, we have developed the Income Disclosure Statement (“IDS”). The MonaVie IDS is designed to convey truthful, timely, and comprehensive information regarding the income that MonaVie distributors earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective distributors.

A copy of the IDS must be presented to a prospective distributor (someone who is not a party to a current MonaVie Distributor Agreement) anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one distributor earned XXX dollars last year” or “Our average Black Diamond makes XXX per month.” An example of a “statement of earnings ranges” is “The monthly income for Blue Diamonds is XXX on the low end to YYY on the high end.”

A lifestyle income claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one’s dreams, having everything one always wanted, and are phrased in terms of “opportunity” or “possibility” or “chance.” Claims such as “My MonaVie income exceeded my salary after six months in the business,” or “Our MonaVie business has allowed my wife to come home and be a full-time mom” also fall within the purview of “lifestyle” claims.

A hypothetical income claim exists when you attempt to explain the operation of the Compensation Plan through the use of a hypothetical example. Certain assumptions are made regarding the: (1) number of distributors spon-

sored, (2) number of downline distributors, (3) average product volume per distributor, and (4) total organizational volume. Cranking these assumptions through the Compensation Plan yields income figures which constitute income claims.

In any non-public meeting (e.g., a home meeting, one-on-one, regardless of venue) with a prospective distributor or distributors in which the Compensation Plan is discussed or any type of income claim is made, you must provide the prospect(s) with a copy of the IDS. In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claim is made, you must provide every prospective distributor with a copy of the IDS and you must display at least one (3 x 5 foot posterboard) in the front of the room in reasonably close proximity to the presenter(s). In any meeting in which any type of video display is utilized (e.g., monitor, television, projector, etc.) a slide of the IDS must be displayed continuously throughout the duration of any discussion of the Compensation Plan or the making of an income claim.

Copies of the IDS may be printed or downloaded without charge from the corporate website at [www.MonaVie.com/IDS](http://www.MonaVie.com/IDS).

Black Diamonds who develop sales aids and tools in which the Compensation Plan or income claims are present must incorporate the IDS into each such sales aid or tool prior to submission to the Company for review.

## SECTION 5 – ADVERTISING

### 5.1 – INTELLECTUAL PROPERTY

MonaVie will not allow the use of its trade names, trademarks, designs, or symbols outside of corporate-produced and -approved sales aids by any person, including MonaVie Distributors, without prior written authorization from MonaVie. Furthermore, no Distributor may use, publish, reproduce, advertise, sell, or display in any manner the name, picture or likeness, or voice of another Distributor without prior written consent from the named Distributor. This consent must be on file with MonaVie's Compliance department prior to any use.

### 5.2 – INDEPENDENT DISTRIBUTOR-PRODUCED MARKETING MATERIALS

Only Distributors who have achieved the rank of Black Diamond or higher may create and publish their own marketing materials, advertising materials, and/or other sales aids. All items must be submitted and reviewed by MonaVie and must bear the appropriate review seal

before being disseminated or displayed. Any modification subsequent to initial approval must also be reviewed by MonaVie and must also bear the appropriate review seal before being disseminated or displayed.

Distributors may not sell independently produced items in any type of package that also contains corporate-produced literature.

Distributors may not produce for sale or distribution any recorded Company events and speeches without written permission from MonaVie. Distributors may also not reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

MonaVie further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Distributors waive all claims for damages or remuneration arising from or relating to such rescission.

### 5.3 – DISTRIBUTOR WEBSITES

If a Distributor desires to utilize an Internet web page to promote their business, they may do so through MonaVie's official website or through MonaVie approved replicating websites after entering into the Website License Agreement. A copy of the Agreement can be obtained upon written request to [compliance@monavie.com](mailto:compliance@monavie.com). Alternatively, Distributors who have achieved the rank of Black Diamond may develop their own web pages. However, any Black Diamond who does so: (a) must use only text found on the Company's official website; (b) may not supplement the content of their website with text from any source other than the Company; (c) must register their site(s) with the Compliance department and receive written permission from Compliance prior to the site's public availability. After initial approval of the website is obtained, the Distributor may not change or modify its website without the express written consent of the Company. Websites that are owned, operated, or managed by a Distributor may not redirect a viewer to any other website, regardless of to- or from-page content. Failure to comply may result in disciplinary action up to and including termination of a Distributorship.

### 5.4 – BLOGS, CHAT ROOMS, SOCIAL NETWORKS, ONLINE AUCTIONS, AND OTHER ONLINE FORUMS

With the exception of the websites allowed by Section 5.3, Distributors shall not use any other website, including but not limited to, online blogs, chat rooms, social networks, online auction sites, video websites, or any other online forum to market, sell, advertise, promote, or discuss MonaVie's products or services, or the MonaVie opportunity.

## 5.5 – DOMAIN NAMES AND EMAIL ADDRESSES

Distributors may not use or attempt to register or sell any of MonaVie’s trade names, trademarks, service names, service marks, product names, or any derivative thereof, for any internet domain name or email address.

## 5.6 – SALES MEDIUMS

MonaVie products may not be sold or promoted through catalogues or other mass sales mediums, such as infomercials, television, radio, or other related sales mediums.

MonaVie products may not be sold or promoted through retail establishments. You may, however, sell MonaVie sales aids and products through service establishments. These service establishments must require a membership and/or appointment, and the services performed must be health and wellness related.

Only MonaVie-produced or -approved literature, banners, or signage may be displayed on a shelf, counter, or wall. These signage items must not be visible from the outside of the establishment.

## 5.7 – ADVERTISED PRICE

You may not advertise any MonaVie products at a price LESS than the highest company published, established retail price of ONE bottle or ONE case of the MonaVie product plus shipping and applicable taxes. No special enticement advertising is allowed. This includes but is not limited to offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.

## 5.8 – GENERIC BUSINESS ADVERTISEMENTS

If you advertise via newspaper or other advertising venues, the following rules apply:

- No advertisement may imply that a job, position, salary, or any type of employment is allowed.
- No advertisement may promote, represent, or imply salaried positions, management positions, hourly wages, full or part-time employment, or guaranteed incomes. The MonaVie opportunity is not a job, and may not be presented as such. Terms such as “manager trainee,” “management positions available,” “travel provided,” “call for interview,” “positions available,” “now hiring,” and other misleading statements are not allowed.
- No specific income can be promised or implied, and any references to compensation must use the word “commissions” to indicate the independent contractor status of distributors.

- Advertisements may not contain references to MonaVie or its products.
- You may not use any of MonaVie’s trademarks or trade-names.

Any requests for variances from the above rules must be submitted to MonaVie and approved in writing prior to publication. Please direct any inquiries to [compliance@monavie.com](mailto:compliance@monavie.com), or by fax to the attention of the Compliance department at (801) 748-3200.

## 5.9 – MEDIA AND MEDIA INQUIRIES

Distributors must not initiate any interaction with the media or attempt to respond to media inquiries regarding MonaVie, its products or services, or their independent MonaVie business. All inquiries by any type of media must be immediately referred to MonaVie’s Compliance department. This policy is designed to ensure that accurate and consistent information is provided to the public, as well as a proper public image.

## 5.10 – UNSOLICITED EMAIL AND FAX COMMUNICATION

MonaVie does not permit Distributors to send unsolicited emails unless such emails strictly comply with applicable laws and regulations, including, without limitation, the federal CAN SPAM Act. Any email sent by a Distributor that promotes MonaVie, the MonaVie opportunity, or MonaVie products and services, must comply with the following:

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that they may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
- The email must include the Distributor’s physical mailing address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honored. If a Distributor receives an opt-out request from a recipient of an email, the Distributor must forward the opt-out request to the Company.

MonaVie may periodically send commercial emails on behalf of Distributors. By entering into the Distributor



Agreement, Distributor agrees that the Company may send such emails and that the Distributor's physical and email addresses will be included in such emails as outlined above. Distributors shall honor opt-out requests generated as a result of such emails sent by the Company. Except as provided in this section, Distributors may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their MonaVie businesses.

## 5.11 – TELEMARKETING RESTRICTIONS

The Federal Trade Commission and the Federal 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. While you may not consider yourself a "telemarketer" in the traditional sense of the word, these regulations broadly define "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 (up to \$11,000.00 per violation).

Therefore, Distributors must not engage in telemarketing relative to the operation of their MonaVie businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a MonaVie product or service, or to recruit them for the MonaVie opportunity. "Cold calls" made to prospective Customers or Distributors that promote either MonaVie's products or services of the MonaVie opportunity constitute telemarketing and are prohibited.

Notwithstanding the foregoing, a Distributor may place telephone call(s) to a prospective Customer or Distributor (a "prospect") under the following limited situations:

- a) If the Distributor has an established business relationship with the prospect. An "established business relationship" is a relationship between a Distributor and a prospect based on:
  - The prospect's purchase, rental, or lease of goods or services from the Distributor within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or services; or
  - A financial transaction between the prospect and the Distributor within the eighteen (18) months immediately preceding the date of such a call.
- b) The prospect's personal inquiry or application regarding a product or service offered by the Distributor

within the three (3) months immediately preceding the date of such a call.

- c) If the Distributor receives written and signed permission from the prospect authorizing the Distributor to call. The authorization must specify the telephone number(s) which the Distributor is authorized to call.
- d) Distributors may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom a Distributor has at least a recent first-hand relationship (i.e., the Distributor recently personally met him or her). Bear in mind, however, that if a Distributor makes a habit of "card collecting" from everyone he or she meets and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if Distributors engage in calling "acquaintances," the Distributor must make such calls on an occasional basis only and not as a routine practice.

In addition, Distributors shall not use automatic telephone dialing systems relative to the operation of their MonaVie businesses. The term "automatic telephone dialing system" means equipment that 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.

## 5.12 – UNAUTHORIZED CLAIMS AND ACTIONS

### 5.12.1 Indemnification

A Distributor is fully responsible for all of their verbal and written statements made regarding MonaVie products, services, and the Marketing and Compensation Plan which are not expressly contained in official MonaVie materials. Distributors agree to indemnify MonaVie and MonaVie's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by MonaVie as a result of the Distributor's unauthorized representations or actions. This provision shall survive the termination of the Distributor Agreement.

### 5.12.2 Product Claims

No claims (which include personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by MonaVie may be made except those contained in Official MonaVie Literature. In particular, no Distributor may make any claim that MonaVie products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases.

Such statements can be perceived as medical or drug claims. Not only do such claims violate MonaVie policies, but they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

### 5.13 – TRADE SHOWS, EXPOSITIONS, AND OTHER SALES FORUMS

MonaVie provides a Trade Show Request Form in the Distributor’s Virtual Office, or upon request through Distributor Support. Distributors may display and/or sell ONLY MonaVie products at trade shows and professional expositions, with prior written approval from Compliance. Requests are approved on a first-submitted, first-served basis, and a maximum of one representation per event is allowed. Only one event per Distributor at a time is permitted. At the completion of each event, an additional request may be made.

MonaVie further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products or the MonaVie opportunity.

Approval will not be given for swap meets, garage sales, flea markets, or farmer’s markets as these events are not conducive to the professional image MonaVie wishes to portray.

## SECTION 6 – A DISTRIBUTOR’S RELATIONSHIP WITH THE COMPANY

### 6.1 – BUSINESS ENTITIES

A corporation, partnership, limited liability company, or trust (collectively referred to in this section as a “Business Entity”) may apply to be a MonaVie Distributor by submitting its Certificate of Good Standing (for corporations and limited liability companies), Partnership Agreement, or trust documents (these documents are collectively referred to as the “Entity Documents”) to MonaVie, along with a properly completed Distributor Agreement.

To prevent the circumvention of Section 6.18 (regarding Transfers and Assignments of a MonaVie Business), if an additional partner, shareholder, member, or other business entity affiliate is added to a business entity, the original applicant must remain as a party to the original Distributor Agreement. If the original Distributor wants to terminate their relationship with the Company, they must transfer or assign their business in accordance with Section 6.16. If this process is not followed, the business shall be canceled upon the withdrawal of the original Distributor. All bonus and commission checks will be sent to the address of record of the original Distribu-

tor. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship, which is addressed in section 6.1.2 below. MonaVie may, at its discretion, require notarized documents before implementing any changes to a MonaVie business. Please allow thirty (30) days after the receipt of the request by MonaVie for processing.

#### 6.1.1 Changes to a Business Entity

Each Distributor must immediately notify MonaVie of any changes to the type of business entity they utilize in operating their MonaVie business, and the addition or removal of business associates.

A MonaVie business may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. The Distributor Agreement form must be signed by all of the shareholders, partners, or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to MonaVie.

#### 6.1.2 Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Distributors, MonaVie rarely allows changes in sponsorship, with the rare exception of direct line changes (meaning placement is not affected). A direct line change request must be made by submitting a completed Sponsor Change Request Form within a seven (7) day period from the date of enrollment, and must come from the current listed sponsor.

#### 6.1.3 Change of Placement

A request for change of placement must be submitted within seven (7) days of the date of enrollment and must be requested by the current listed sponsor. A Distributor can only be moved inside of the same sponsor’s organization. If approved, a Distributor is placed in the first available open bottom position on the date that the change is made. Distributors who have earned commissions or achieved rank are not eligible for placement changes.

Please note that decisions made for any change request (sponsor or placement) are at the sole discretion of MonaVie.

#### 6.1.4 Cancellation and Re-application

A Distributor may legitimately change organizations by voluntarily cancelling their MonaVie business and remaining inactive (i.e., no purchases of MonaVie products for resale, no sales of MonaVie products,

no sponsoring, no attendance at any MonaVie functions, participation in any other form of Distributor activity, or operation of any other MonaVie business) for six (6) full consecutive calendar months. Following the six (6) month period of inactivity, the former Distributor may reapply under a new sponsor, but relinquishes all rights held by the original Distributorship (i.e., downline, commissions, previous orders, Starter Kit fee).

## 6.2 – CONFLICTS OF INTEREST

### 6.2.1 Nonsolicitation

MonaVie Distributors are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “Network Marketing”). However, during the term of this Agreement, Distributors may not directly or indirectly recruit other MonaVie Distributors or Customers other than those they have personally sponsored for any other Network Marketing business.

Following the cancellation of a Distributor Agreement, and for a period of six (6) calendar months thereafter, with the exception of a Distributor who is personally sponsored by the former Distributor, a former Distributor may not recruit any MonaVie Distributor or Customer for another Network Marketing business. Distributors and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Distributors and MonaVie agree that this non-solicitation provision shall apply to all markets in which MonaVie conducts business.

### 6.2.2 Sale of Competing Goods or Services

Distributors must not sell, or attempt to sell, any competing non-MonaVie programs, products, or services to MonaVie Customers or Distributors. Any program, product, service, or direct selling opportunity in the same generic categories as MonaVie products is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

### 6.2.3 Distributor Participation in Other Direct Selling Programs

If a Distributor is engaged in other non-MonaVie direct selling programs, it is the responsibility of the

Distributor to ensure that their MonaVie business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- Distributors shall not display MonaVie promotional material, sales aids, or products with, or in the same location as, any non-MonaVie promotional material or sales aids, or products.
- Distributors shall not offer the MonaVie opportunity or products to prospective or existing Customers or Distributors in conjunction with any non-MonaVie program, opportunity, product, or service.
- Distributors may not offer any non-MonaVie opportunity, products, services, or opportunity at any MonaVie-related meeting, seminar or convention, or within two hours and a five mile radius of the MonaVie event. If the MonaVie meeting is held telephonically or on the internet, any non-MonaVie meeting must be at least two hours before or after the MonaVie meeting, and on a different conference telephone number or internet web address from the MonaVie meeting.

## 6.3 – TARGETING OTHER DIRECT SELLERS

Should Distributors engage in solicitation and/or enticement of members of another direct sales company to sell or distribute MonaVie products, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Distributor alleging that they engaged in inappropriate recruiting activity of its sales force or Customers, MonaVie will not pay any of Distributor’s defense costs or legal fees, nor will MonaVie indemnify the Distributor for any judgment, award, or settlement.

## 6.4 – DOWNLINE (GENEALOGY) REPORTS

Downline Activity Reports are available for Distributor access and viewing through the Distributor’s Virtual Office. Distributor access to their Downline Reports is password protected. All Downline Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to MonaVie. Downline Reports are provided to Distributors in strictest confidence and are made available to Distributors for the sole purpose of assisting Distributors in working with their respective Downline Organizations in the development of their MonaVie business. Distributors should use their Downline Reports to assist, motivate, and train their downline Distributors. The Distributor and MonaVie agree that, but for this agreement of confidentiality and nondisclosure, Mona-

Vie would not provide Downline Reports to the Distributor. A Distributor shall not, on their own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to their Downline Activity Report;
- Use the information to compete with MonaVie or for any purpose other than promoting their MonaVie business;
- Recruit or solicit any Distributor or Customer of MonaVie listed on any report, or in any manner attempt to influence or induce any Distributor or Preferred Customer of MonaVie to alter their business relationship with MonaVie.

Upon demand by the Company, any current or former Distributor will return the original, and all copies of, Downline Activity Reports to the Company.

#### 6.5 – CROSS SPONSORING

Actual or attempted cross sponsoring is strictly prohibited. “Cross sponsoring” is defined as the enrollment of an individual who or entity that already has a current Customer or Distributor Agreement on file with MonaVie, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse’s or relative’s name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited. Distributors shall not demean, discredit or defame other MonaVie Distributors in an attempt to entice another Distributor to become part of the first Distributor’s marketing organization. This policy shall not prohibit the transfer of a MonaVie business in accordance with Section 6.18.

If Cross Sponsoring is discovered, it must be brought to the Company’s attention immediately. MonaVie may take disciplinary action against the Distributor that changed organizations and/or those Distributors who encouraged or participated in the Cross Sponsoring. MonaVie may also move all or part of the offending Distributor’s downline to their original downline organization if the Company deems it equitable and feasible to do so. However, MonaVie is under no obligation to move the Cross Sponsored Distributor’s downline organization, and the ultimate disposition of the organization remains within the sole discretion of MonaVie. Distributors waive all claims and causes of action against MonaVie arising from or relating to the disposition of the Cross Sponsored

Distributor’s downline organization.

#### 6.6 – GOVERNMENTAL APPROVAL OR ENDORSEMENT

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Distributors shall not represent or imply that MonaVie or its Marketing and Compensation Plan have been “approved,” “endorsed,” or otherwise sanctioned by any government agency.

#### 6.7 – HOLDING APPLICATIONS OR ORDERS

All Distributor Agreements and product orders must be sent to MonaVie within 72 hours from the time they are signed by a Distributor or placed by a Customer, respectively.

#### 6.8 – IDENTIFICATION

All Distributors are required to provide their Social Security Number, Federal Employer Identification Number, or their Government Issued ID Number to MonaVie either on the Distributor Agreement or at the company’s request. Upon enrollment, the Company will provide a unique Distributor Identification Number to the Distributor by which they will be identified. This number will be used to place orders and track commissions and bonuses.

#### 6.9 – INCOME TAXES

Each Distributor is responsible for paying local, state/provincial, and federal taxes on any income generated as an Independent Distributor. If a MonaVie business is tax exempt, the Federal tax identification number must be provided to MonaVie. Every year, MonaVie will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year or 2) Made purchases during the previous calendar year in excess of \$5,000.

#### 6.10 – INDEPENDENT CONTRACTOR STATUS

You are an independent contractor. You are not an agent, employee, partner, or joint venture with the Company. You may not represent yourself as anything other than an Independent Distributor. You have no authority to bind MonaVie to any obligation. You are responsible for paying your own self-employment taxes, federal income taxes and other taxes required by law. You must obey any federal, state, and local laws, as well as Company rules and regulations pertaining to your independent MonaVie Distributorship or the acquisition, receipt, holding, selling, distributing or advertising of MonaVie’s products or opportunity.

- Distributors may not answer the telephone by saying “MonaVie,” “MonaVie Incorporated,” or by any other manner that would lead the caller to believe that they have reached MonaVie’s corporate offices.
- A Distributor may only represent that he/she is a MonaVie Independent Distributor. Therefore, all correspondence and business cards relating to or in connection with a Distributor’s MonaVie business shall contain the Distributor’s name followed by the term “Independent Distributor.”
- Indemnity: You agree to indemnify and hold MonaVie, its officers, agents, directors, and employees harmless from any claim, damage, liability, or loss arising out of your activities.

### 6.11 – INSURANCE

MonaVie does not extend coverage under any of its policies to Distributors. If Distributors use their personal property (for example, a car or computer) or their home for business use, it may not be covered for loss or damage under typical automobile, property, or homeowner’s/renter’s insurance policies. All Distributors should contact their independent insurance agent to ascertain whether their business and associated property are suitably protected.

### 6.12 – INTERNATIONAL MARKETING

Because of critical legal and tax considerations, MonaVie must limit the resale of MonaVie products and the presentation of the MonaVie business to prospective Customers and Distributors located within the United States and U.S. Territories and those other countries that the Company has officially opened for business. Conducting meetings, promoting the MonaVie financial opportunity, or gifting/distributing product in an unopened country or market is strictly prohibited.

### 6.13 – NOT FOR RESALE

In markets where the company is operating a Not for Resale (“NFR”) program, the following parameters apply:

- U.S. Customer Service Representatives located in Salt Lake City, Utah, support Customers and Distributors in NFR markets. Hours of operation are Monday through Friday from 2:00 p.m. to midnight, Mountain Standard Time.
- Most products available in the United States are also available in NFR markets. Any product not available in NFR markets is due to NFR restrictions. Prices in NFR markets may seem higher than those in other countries where MonaVie operates. This difference is due to the addition of VAT, Duty, and shipping costs

which are included in the pricing of products sold in NFR markets.

- Customers in NFR markets must purchase MonaVie products directly from the corporate offices and not through an Independent Distributor.
- Customers and Distributors receive product on an NFR basis—for personal consumption only. Therefore, Customers and Distributors may not resell products to other Distributors or Customers.
- No Open Sales Meetings may be conducted.
- Customers and Distributors in NFR markets are prohibited from distributing and/or using sales tools promoting the MonaVie Compensation Plan. Distributors may not advertise products in an NFR market.
- Bulk order buying is prohibited.
- Commissions paid under the U.S. Compensation Plan may vary in NFR markets.

MonaVie encourages Distributors in NFR markets to expand their businesses. However, Distributors are subject to disciplinary action, including termination and/or legal action, if they attempt to sell MonaVie products or promote the MonaVie Compensation Plan in countries where MonaVie is not officially open for business.

### 6.14 – INVENTORY LOADING

The MonaVie program is built on retail sales to the ultimate consumer. MonaVie encourages its Distributors to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption.

#### 6.14.1 The 70% Rule

Each MonaVie Distributor commits to personally use, sell, or use in business building at least 70% of every order placed with the Company prior to placing another order, and must be able to certify to such if demanded by the Company or by any regulatory agency. No bonuses, commissions, or other compensation may be paid to any Distributor unless it is based on the sale of MonaVie products to end users. Purchasing product solely for the purpose of collecting bonuses or achieving rank is prohibited. MonaVie retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

In addition, no person is permitted to make a personal order in another Distributor’s business center without prior written permission from the Distributor; this written permission must be on file with MonaVie. The Company reserves the right to restrict or deduct

the points and commissions paid, based on sales, in violation of this section from all Distributors who earned such commissions. The deduction of points and commissions will occur in the month in which the sales in question occur, and continue every pay period thereafter until all points and commissions are recovered from the Distributors who received compensation from such sales.

#### 6.15 – SPONSORSHIP RIGHTS

No Distributor may sell, assign or otherwise transfer their sponsorship rights to another Distributor. After a period of seven (7) days following the acceptance of a Distributor Agreement by the Company, sponsorship and placement are irrevocable and permanent.

#### 6.16 – BENEFICIAL INTEREST

A Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one MonaVie business. No individual may have, operate, or receive compensation from more than one MonaVie business. Individuals of the same family unit may not enter into or have an interest in more than one MonaVie business. A “family unit” is defined as spouses and dependent children living or doing business at the same address.

In order to maintain the integrity of the MonaVie Compensation Plan, husbands and wives or common-law couples (collectively “spouses”) who wish to become MonaVie Distributors must be jointly sponsored as one MonaVie business. Spouses, regardless of whether one or both are signatories to the Distributor Agreement, may not own or operate any other MonaVie business, either individually or jointly, nor may they participate directly or indirectly (as a shareholder, partner, trustee, trust beneficiary, or any other legal or equitable ownership) in the ownership or management of another MonaVie business in any form.

An exception to the one business per Distributor rule will be considered on a case by case basis if two Distributors marry or in cases of a Distributor receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to the Compliance department by email at [compliance@monavie.com](mailto:compliance@monavie.com) or by fax at 801-748-3200.

#### 6.17 – SUCCESSION

Upon the death or incapacitation of a Distributor, their business may be passed to a designated heir(s). Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Whenever a MonaVie business is transferred by a will or other tes-

tamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Distributor’s marketing organization provided the following qualifications are met. The successor(s) must:

- Execute a Distributor Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Distributor’s rank/status;
- Provide MonaVie with an “address of record” to which all bonus and commission checks will be sent. Bonus and commission checks of a MonaVie business transferred pursuant to this section will be paid in a single check jointly to the successor(s).
- Form a business entity and acquire a federal Taxpayer Identification Number, if the business is bequeathed to joint successors. MonaVie will issue all bonus and commission checks and one 1099 to the business entity.

##### 6.17.1 Transfer Upon Death of a Distributor

To effect a testamentary transfer of a MonaVie business, the successor must provide the following to MonaVie: (1) an original death certificate, (2) a notarized copy of the will or other instrument establishing the successor’s right to the MonaVie business, and (3) a completed and executed Distributor Agreement. If the Successor is already a MonaVie Distributor, the Company may grant exception to the One Distributor per Household rule upon written request from the Successor.

##### 6.17.2 Transfer Upon Incapacitation of a Distributor

To effectuate a transfer of a MonaVie business because of incapacity, the successor must provide the following to MonaVie: (1) a notarized copy of an appointment as trustee, (2) a notarized copy of the trust document or other documentation establishing the trustee’s right to administer the MonaVie business, and (3) a completed Distributor Agreement executed by the trustee.

#### 6.18 – SALE, TRANSFER, OR ASSIGNMENT OF A MONAVIE BUSINESS

Although a MonaVie business is a privately owned, independently operated business, the sale, transfer or assignment of a MonaVie business is subject to certain limitations. If a Distributor wishes to sell their MonaVie business, the following criteria must be met:

- The Distributor must have achieved the rank of Ruby Executive;

- Protection of the existing line of sponsorship must always be maintained so that the MonaVie business continues to be operated in that line of sponsorship;
- The buyer or transferee must become a qualified MonaVie Distributor. If the buyer is an active MonaVie Distributor, they must first terminate their MonaVie business and wait six calendar months before acquiring any interest in the new MonaVie business;
- Before the sale, transfer, or assignment can be finalized and approved by MonaVie, any debt obligations the selling Distributor has with MonaVie must be satisfied; and
- The selling Distributor must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign a MonaVie business.

Prior to selling a MonaVie business, the selling Distributor must notify MonaVie's Compliance department of their intent to sell the MonaVie business. No changes in line of sponsorship can result from the sale or transfer of a MonaVie business. A Distributor may not sell, transfer, or assign portions of their Distributorship or business—a Distributorship must be sold in its entirety.

#### 6.19 – ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED INDIVIDUALS

If any member of a Distributor's immediate household engages in any activity which, if performed by the Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Distributor and MonaVie may take disciplinary action pursuant to these policies and procedures against the Distributor. Similarly, if any individual associated in any way with a corporation, partnership, trust, or other entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the entity and MonaVie may take disciplinary action against the entity.

All applicants listed on a Distributor Agreement are responsible for the activities associated with the Distributorship.

#### 6.20 – SEPARATION OF A MONAVIE BUSINESS

MonaVie Distributors sometimes operate their MonaVie businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership, or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business

is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Distributors and the Company in a timely fashion, MonaVie will involuntarily terminate the Distributor Agreement.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the MonaVie business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize MonaVie to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee.
- The parties may continue to operate the MonaVie business jointly on a "business-as-usual" basis, whereupon all compensation paid by MonaVie will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

The Company will never remove a party to a Distributorship from a Distributor account without that party's written permission and signature. Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Under no circumstances will MonaVie split commission and bonus checks between divorcing spouses or members of dissolving entities. MonaVie will recognize only one downline organization and will issue only one commission check per MonaVie business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Distributor Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original MonaVie business pursuant to a divorce, they are thereafter free to enroll under any sponsor of their choosing without waiting six (6) calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Distributor. In either case, however, the former spouse or business affiliate shall have no rights to any Distributors in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Distributor.

## SECTION 7 – RESPONSIBILITIES OF DISTRIBUTORS

### 7.1 – CHANGE OF ADDRESS, TELEPHONE, AND EMAIL ADDRESSES

To ensure timely delivery of products, support materials, and commission checks, it is critically important that the MonaVie's files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. Distributors planning to move or change their email address must submit an amended Distributor Agreement complete with the new information.

### 7.2 – SPONSORING DISTRIBUTOR RESPONSIBILITIES

#### 7.2.1 Initial Training

Any Distributor who sponsors another Distributor into MonaVie must perform a bona fide assistance and training function to ensure that their downline is properly operating their MonaVie business. Distributors must provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and Compensation Plan to individuals whom they are sponsoring to become Distributors before the applicant signs a Distributor Agreement. Additional copies of the Policies and Procedures and the Income Disclosure Statement can be downloaded from MonaVie's website.

A sponsoring Distributor must require each prospective Distributor to personally complete the enrollment forms—whether electronically or on paper.

Upline Distributors are also responsible to motivate and train new Distributors in MonaVie product knowledge, effective sales techniques, the MonaVie Marketing and Compensation Plan, and compliance with Company Policies and Procedures.

#### 7.2.2 Ongoing Training Responsibilities

Distributors must monitor the Distributors in their Downline Organizations to ensure that downline Distributors do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Distributor should be able to provide documented evidence to MonaVie of their ongoing fulfillment of the responsibilities of a Sponsor.

Regardless of their level of achievement, Distributors have an ongoing obligation to continue to personally promote sales through the generation of new Customers and through servicing their existing Customers.

### 7.3 – NONDISPARAGEMENT

Distributors must not disparage, demean, or make negative remarks about MonaVie, other MonaVie Distributors, MonaVie's products, the Compensation plan, or MonaVie's owners, board members, directors, officers, or employees.

### 7.4 – REPORTING POLICY VIOLATIONS

Distributors observing a Policy violation by another Distributor should submit a written report of the violation directly to the attention of the MonaVie Compliance department, complete with all supporting evidence and pertinent information. It is important to understand that information that is submitted will be kept confidential.

## SECTION 8 – SALES REQUIREMENTS

### 8.1 – PRODUCT SALES

The MonaVie Marketing and Compensation Plan is based on the sale of MonaVie products and services to end consumers. Distributors must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions, and advancement to higher levels of achievement. The following sales requirements must be satisfied for Distributors to be eligible for commissions:

- Distributors must satisfy the Personal Sales Volume and Group Sales Volume requirements to fulfill the requirements associated with their rank as specified in the MonaVie Marketing and Compensation Plan.
- At least 70% of a Distributor's total personal sales volume must be sold to retail customers or personally consumed before any new orders may be placed with the Company.
- Distributors must develop or service at least five Customers each month.

### 8.2 – NO TERRITORY RESTRICTIONS

There are no exclusive territories granted to anyone. No franchise fees are required.

### 8.3 – SALES RECEIPTS

All Distributors must provide their retail customers with two copies of an official MonaVie sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. Distributors must verbally inform the buyer of their cancellation rights. Distributors must maintain all retail sales receipts for a period of two years and furnish them to MonaVie at the Company's



request. MonaVie will maintain documentation for purchases made directly from the Company.

#### 8.4 – PRODUCT PACKAGING AND LIABILITY

Under no circumstances may you print your own labels or repackage MonaVie’s products. Products are to be sold in their original packaging only.

Subject to the limitations set forth in this provision, the Company shall defend Distributors from claims made by third-party customers alleging injury from use of a product or injury due to a defective product. The Distributor must promptly notify the Company in writing of any such claim, no later than ten (10) days from the date of the third-party claimant’s letter alleging injury; failure to so notify the Company shall alleviate any obligation of the Company respecting such claim. The Distributor must allow the Company to assume the sole and absolute discretion respecting the defense of the claim, and use and choice of counsel as a condition to the Company’s obligation to defend Distributor.

#### 8.5 – WILL-CALL ORDERS

MonaVie does not permit any individual/Distributor to pick up another Distributor’s will-call order without properly substantiated written permission and a picture ID. This written permission must be relinquished to the Will-Call center upon pickup, and must contain the following components:

- Original Signature of Distributor who placed the order
- Statement of permission releasing the order to the specifically designated individual (must provide picture ID for verification)
- ID number of Distributor who placed order
- Date order was placed
- Order number
- Exact content of order

### SECTION 9 – AUTOSHIP PROGRAM

#### 9.1 – AUTOSHIP CYCLE

By enrolling in AutoShip, you can ensure that you have 1) an adequate inventory with which you can service retail customers, 2) adequate product for demonstrations and sampling purposes, and 3) adequate inventory for personal use. The AutoShip program eliminates the inconvenience of placing monthly orders manually.

AutoShip orders run on a 28-day cycle. Your order will not be processed on the same day every month, but rather on a sliding calendar. A calendar is provided in every Distributor’s Virtual Office so you can track when

your next AutoShip is scheduled to run. The date of your AutoShip can be changed in the Virtual Office or by calling MonaVie Distributor Support.

#### 9.2 – AUTOSHIP STATUS

You may deactivate or reactivate your AutoShip profile at any time.

#### 9.3 – AUTOSHIP ENROLLMENT

MonaVie recommends that each applicant personally enroll in the AutoShip Program. Sponsors may not set up an AutoShip order on behalf of their new personally sponsored Distributors without written permission from the enrolling Distributor. Permission must be on file with the Compliance department prior to enrollment.

### SECTION 10 – BONUSES AND COMMISSIONS

#### 10.1 – BONUS AND COMMISSION QUALIFICATIONS

In order to qualify to receive commissions and bonuses, a Distributor must be in good standing and comply with the terms of the Agreement and these Policies and Procedures.

#### 10.2 – ERRORS OR QUESTIONS

If a Distributor has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Distributor must notify MonaVie in writing within 60 days of the date of the purported error or incident in question. MonaVie will not be responsible for any errors, omissions, or problems not reported to the Company within 60 days.

#### 10.3 – BONUS BUYING PROHIBITED

Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Independent Distributor Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Distributor or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Distributors or Customers (“phantoms”); (d) purchasing MonaVie products or services on behalf of another Distributor or Customer, or under another Distributor’s or Customer’s ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

## 10.4 – ADJUSTMENTS TO BONUSES AND COMMISSIONS

### 10.4.1 Returned Products

Distributors receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to MonaVie for a refund or is repurchased by the Company, either of the following may occur at the Company's discretion: (1) the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted from the pay period in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the Distributors who received bonuses and commissions on the sales of the refunded products or (2) the Distributors who earned commissions based on the sale of the returned products will have the corresponding points deducted from their Group Volume in the next pay period and all subsequent pay periods until it is completely recovered.

## 10.5 – REPORTS

All information provided by MonaVie, including but not limited to personal and group sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors, including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs, the information is not guaranteed by MonaVie or any persons creating or transmitting the information.

All personal and group sales volume information is provided "as is" without warranties, express or implied, or representations of any kind whatsoever. In particular but without limitation there shall be no warranties of merchantability, fitness for a particular use, or non infringement.

To the fullest extent permissible under applicable law, MonaVie and/or other persons creating or transmitting the information will in no event be liable to any Distributor or anyone else for any direct, indirect, consequential, incidental, special, or punitive damages that arise out of the use of or access to personal and group sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity, and damages that may result from inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the information), even if MonaVie or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent

permitted by law, MonaVie or other persons creating or transmitting the information shall have no responsibility or liability to you or anyone else under any tort, contract, negligence, strict liability, products liability, or other theory with respect to any subject matter of this agreement or terms and conditions related thereto.

## SECTION 11 – PRODUCT GUARANTEES, RETURNS, AND INVENTORY REPURCHASE

### 11.1 – CUSTOMER SATISFACTION GUARANTEE

MonaVie offers, through its Distributors, a 100% 30-day money-back guarantee to all retail customers. Every Distributor is bound to honor the retail customer guarantee. If, for any reason, a retail customer is dissatisfied with any MonaVie product, the retail customer may return the unused portion of the product to the Distributor from whom it was purchased, within thirty (30) days, for a replacement, exchange or a full refund of the purchase price (including shipping costs, if applicable).

A Customer who makes a purchase of \$25.00 or more has three (3) business days (72 hours) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the retail receipt. When a Distributor makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72 hour period, the Distributor must promptly refund the Customer's money as long as the products are returned to the Distributor in substantially as good condition as when received. Additionally, Distributors must verbally inform Customers of their right to rescind a purchase or an order within 72 hours, and ensure that the date of the order or purchase is entered on the retail receipt. All retail customers must be provided with two copies of an official MonaVie sales receipt at the time of the sale. The back of the receipt provides the Customer with written notice of their rights to cancel the sales agreement.

### 11.2 – RETURN OF INVENTORY AND SALES AIDS BY DISTRIBUTORS UPON CANCELLATION

Within thirty (30) days, and upon cancellation of a Distributor's Agreement, the Distributor may return their Starter Kit and any products and sales aids held in their inventory for a refund. Distributors may only return Starter Kits, products, and sales aids that they personally purchased from MonaVie (purchases from other Distributors or third parties are not subject to refund) and which are in Resalable condition. Upon receipt of a Resalable Starter Kit and/or Resalable products and sales aids, the Distributor will be reimbursed 90% of the net cost of the original purchase price(s). Shipping charges incurred by a Distributor when the Starter Kit, products, or sales aids

were purchased will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If a Distributor was paid a commission based on a product(s) purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on that product purchase will be deducted from the amount of the refund.

#### 11.2.1 Local and State Laws

Local and state laws with specific consumer return policies supersede those contained in this agreement.

### 11.3 – PROCEDURES FOR ALL RETURNS

All products deemed Resalable may be returned for a 90% refund. Sales aids and shipping fees are non-refundable. The following procedures apply to all product returns for refund, repurchase, or exchange:

- All merchandise must be returned by the Distributor or Customer who purchased it directly from MonaVie.
- All products to be returned must have a Return Merchandise Authorization number which is obtained by calling the Distributor Services department. This Return Merchandise Authorization number must be written on each carton returned. Return Merchandise Authorizations are valid for 30 days from the date of issue.
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement. All returns must be shipped to MonaVie pre-paid. MonaVie does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be born by the Distributor. If returned product is not received by the Company's Distribution Center, it is the responsibility of the Distributor to trace the shipment.
- If a Distributor is returning merchandise to MonaVie that was returned to them by a personal retail customer, the product must be received by MonaVie within ten (10) days from the date on which the retail customer returned the merchandise to the Distributor, and must be accompanied by the sales receipt the Distributor gave to the Customer at the time of the sale.

### 11.4 – PRODUCT ABANDONMENT

An order transaction is considered complete only when the order has been paid for and the shipping or delivery method has been satisfied. If these conditions are not met within 90 days from the date of order, the Company reserves the right to determine the final outcome of the

order at its sole discretion, and the ordering Distributor releases MonaVie from any further obligation or liability.

## SECTION 12 – DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

### 12.1 – Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive, or unethical business conduct, or any act or omission by a Distributor that, in the sole discretion of the Company, may damage its reputation or goodwill (such damaging act or omission need not be related to the Distributor's MonaVie business), may result, at MonaVie's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Distributor to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- Withholding from a Distributor all or part of the Distributor's bonuses and commissions during the period that MonaVie is investigating any conduct allegedly contrary to the Agreement. If a Distributor's business is canceled for disciplinary reasons, the Distributor will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Distributor Agreement for one or more pay periods;
- Involuntary termination of the offender's Distributor Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which MonaVie deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Distributor's policy violation or contractual breach;
- Instituting legal proceedings for monetary and/or equitable relief.

Each violation is reviewed on a case-by-case basis, and all disciplinary actions are at the sole discretion of MonaVie.

### 12.2 – GRIEVANCES AND COMPLAINTS

When a Distributor has a grievance or complaint with another Distributor regarding any practice or conduct in relationship to their respective MonaVie businesses, the complaining Distributor should first report the problem to their Sponsor who should review the matter and try to

resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to MonaVie's Compliance department, via email or regular mail. Compliance will review the facts and attempt to resolve the matter. If it is not resolved, it will be referred to the Distributor Conduct Review Committee for final review and possible disciplinary action.

### 12.3 – DISTRIBUTOR CONDUCT REVIEW COMMITTEE

The purpose of the Distributor Conduct Review Committee ("DCRC") is to review policy violations and determine disciplinary actions. The Compliance department solicits information from all involved parties and presents the same to the DCRC for final resolution and disciplinary action, up to and including termination of a Distributor Agreement.

Once the DCRC has made a decision, the decision will be communicated to the Distributor in writing.

### 12.4 – DISTRIBUTOR CONDUCT APPEALS COMMITTEE

If a Distributor wishes to appeal a decision made by the DCRC, they must do so in writing within ten (10) business days of the date of notification of decision. A decision will only be reviewed by the Appeals Committee if new information or further supporting evidence has been provided. All cases will be reviewed on a monthly basis and notification will be provided accordingly. Please note that during the appeals process, all involved Distributor accounts will be placed on a complete business hold, and all commissions generated will be placed in an Escrow account until the matter is resolved.

Decisions mandated by the Distributor Conduct Appeals Committee are final and binding, and will not be further reviewed by the Company.

### 12.5 – MEDIATION

Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Salt Lake City, Utah, and shall last no more than two (2) business days.

### 12.6 – ARBITRATION

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Distributors waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Salt Lake City, Utah. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent MonaVie from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect MonaVie's interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

### 12.7 – GOVERNING LAW, JURISDICTION, AND VENUE

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Salt Lake County, State of Utah. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Utah shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the arbitration provision in paragraph 12.6, residents of the State of Louisiana shall be entitled to bring an action against MonaVie in their home forum and pursuant to Louisiana law.

## SECTION 13 – PAYMENT AND SHIPPING

### 13.1 – RETURNED CHECKS

All checks returned by a Distributor's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the Distributor. After receiving a returned check from a

Customer or a Distributor, all future orders must be paid by Credit Card, money order, or cashier's check. Any outstanding balance owed to MonaVie by a Distributor for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

### 13.2 – RESTRICTIONS ON THIRD PARTY USE OF CREDIT CARDS AND CHECKING ACCOUNT ACCESS

Distributors shall not permit other Distributors or Customers to use their credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Company, unless an official MonaVie Authorization Letter is on file with the Company prior to the transaction. This Authorization Letter is found in a Distributor's Virtual Office.

### 13.3 – SALES TAXES

The Company makes the assumption that all product ordered will be resold at the suggested retail price, and sales tax is collected and reported on that basis. The sales tax is based upon the tax rate in the jurisdiction to which the product is shipped. If you submit a current Sales Tax Exemption Certificate (STEC) from your resident state, we will not charge or collect sales tax on your orders shipped to that state. You will be responsible for tracking and reporting all sales and sales taxes due. Sales tax on orders placed before we receive a STEC will not be reimbursed. If you elect to provide an STEC, you must indemnify and hold MonaVie harmless regarding any liability that MonaVie incurs as a result of your failure to collect or remit sales taxes.

## SECTION 14 – RECLASSIFICATION AND CANCELLATION

### 14.1 – RECLASSIFICATION

From inception, each new applicant is classified as a Customer. If a Customer begins retailing MonaVie products and receives commissions on retail sales they will be reclassified as a Wholesale Customer. A Wholesale Customer may then choose to qualify as a Distributor and build a MonaVie business by remaining active for eight consecutive weeks, receiving a commission check for both Retail and Business Building Bonuses, and sponsoring one or more individuals into the business.

A Distributor's rank/classification is contingent upon meeting all qualifications for that pay period, and may change accordingly.

### 14.2 – CANCELLATION

A Distributor whose business is canceled will lose all rights as a Distributor. This includes the right to sell MonaVie products and services, and the right to receive future commissions, bonuses, or other income resulting

from the sales and other activities of the Distributor's former downline sales organization. In the event of cancellation, Distributors agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions, or other remuneration derived from the sales and other activities of their former downline organization.

A MonaVie participant has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address, or via email to [cancel@monavie.com](mailto:cancel@monavie.com). The written notice must include the Distributor's signature, printed name, address, and Distributor ID Number.

### 14.3 – NON-RENEWAL

A Distributor may also voluntarily cancel their Distributor Agreement by failing to renew the Agreement on its anniversary date. The Company may also elect not to renew a Distributor's Agreement upon its anniversary date.

## SECTION 15 – DEFINITIONS

**ACTIVE DISTRIBUTOR:** A Distributor who satisfies the minimum Personal Volume requirements, as set forth in the MonaVie Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

**AGREEMENT:** The contract between the Company and each Distributor; includes the Distributor Agreement, the MonaVie Policies and Procedures, and the MonaVie Compensation Plan, all in their current form and as amended by MonaVie in its sole discretion. These documents are collectively referred to as the "Agreement."

**AUTOMATIC TELEPHONE DIALING SYSTEM:** Any 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.

**CANCEL:** The termination of a Distributor's business. Cancellation may be either voluntary, involuntary, or through non-renewal.

**COMPENSATION PLAN:** The guidelines and referenced literature for describing how Distributors can generate commissions and bonuses.

**CUSTOMER:** A Customer who purchases MonaVie products and does not engage in building a business or retailing product.

**DISTRIBUTOR:** An individual who purchases product, generates retail sales and business building commissions, is active for eight consecutive weeks, and has personally sponsored one or more individuals.

**DOWNLINE (GENEALOGY) REPORT:** A report generated by MonaVie that provides critical data relating to the identities of Distributors, sales information, and enroll-

ment activity of each Distributor's Organization. This report contains confidential and trade secret information which is proprietary to MonaVie.

**GROUP VOLUME (GV):** The commissionable value of MonaVie products purchased directly from MonaVie through a Distributor's binary organization.

**IMMEDIATE HOUSEHOLD:** Heads of household and dependent family members residing in the same house.

**LEVEL:** The layers of downline Customers and Distributors in a particular Distributor's Organization. This term refers to the relationship of a Distributor relative to a particular upline Distributor, determined by the number of Distributors between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A's fourth level.

**NETWORK MARKETING:** Any multilevel or network marketing business venture or marketing opportunities.

**ORGANIZATION:** The Customers and Distributors placed below a particular Distributor.

**OFFICIAL MONAVIE MATERIAL:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by MonaVie to Distributors.

**OPEN SALES MEETING:** Any MonaVie-related gathering of five (5) or more individuals.

**PERSONAL VOLUME (PV):** The value of products sold by the Company to a Distributor in a rolling calendar month.

**PLACEMENT:** Your position inside your Sponsor's organization.

**RECRUIT:** For purposes of MonaVie's Conflict of Interest Policy (Section 6.2), the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another MonaVie Distributor or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

**RESALABLE:** Products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labeling has not been altered or damaged, 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current MonaVie labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SPONSOR:** A Distributor who enrolls a Customer, Retailer, or another Distributor into the Company, and is listed as the Sponsor on the Distributor Agreement.

The act of enrolling others and training them to become Distributors is called "sponsoring."

**STARTER KIT:** A selection of MonaVie training materials and business support literature that each new Independent Distributor may purchase. The Starter Kit is sold to Distributors at the Company's cost.

**UPLINE:** This term refers to the Distributor or Distributors above a particular Distributor in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Distributor to the Company.

**WHOLESALE CUSTOMER:** An individual who purchases MonaVie products at wholesale, but who is not a participant in the MonaVie Compensation Plan.