

# The Company's Statement of Policies

## 1. The Agreement.

The term "Agreement" collectively refers to the ValQuest Ads; Compensation Plan, Rules and Regulations, Statement of Policies, Terms and Conditions, the Arbitration & Dispute Resolution Policy, and the Business Entity Addendum (the Business Entity Addendum is only applicable to Marketing Directors who enroll as a business entity, in their current form and as may be changed in the future). Independent Distributors shall be referred to herein as "Marketing Directors." The Company shall be referred to as "ValQuest Ads" or the "Company." Any promises, representations, offers, or other communications not expressly set forth in the Agreement are of no force or effect.

## 2. Adherence to the Agreement.

Marketing Directors must comply with the Agreement. If you have not yet reviewed the Statement of Policies at the time you execute this Agreement, they are posted in your Marketing Director's Back-Office. You must review the Statement of Policies within five days from the date on which you execute this Agreement. If you do not agree to the Statement of Policies, your sole recourse is to notify the Company and cancel your ValQuest Ads Distributor Application and Agreement and this Agreement. Failure to cancel constitutes your acceptance of the Statement of Policies. You must be in good standing, and not in violation of the Agreement, to be eligible for bonuses or commissions from ValQuest Ads.

## 3. Amendments and Changes to the ValQuest Ads Agreement, Distributor Application & Agreement, Definition of Terms, Marketing Plan, Compensation Plan, Rules and Regulations, Business Entity Addendum and Statement of Policies.

The Company reserves the right to change the Agreement, as necessary. Changes shall be effective 30 days after notice of the changes and publication of the notice in each Marketing Directors Back-Office, but changes shall not apply retroactively to conduct that occurred prior to the effective date of the changes. If you do not agree to any changes, your recourse is to notify the Company and cancel your ValQuest Ads Distributor Application and Agreement and this Agreement. Upon notification to Distributors, the Company may, at its sole discretion, amend the Marketing Plan, Compensation Plan, Statement of Policies, Definitions of Terms, Rules and Regulations, and/or the terms of the Distributor Application & Agreement, and any other Agreements entered into by and between the Company and the Distributors. By signing the Distributor Application & Agreement, Distributors agree to abide by any such amendments. The continuation of an Independent ValQuest Ads Business or a Distributors acceptance of commissions and/or, bonuses from the Company constitutes his/her acceptance of any such amendments. Distributors will be bound by the most current versions of the Marketing Plan, Compensation Plan, the Rules and Regulations, the Statement of Policies, the Definitions of Terms, the Distributor Application & Agreement, and any other Agreements entered into by and between the Company and the Distributors.

## 4. Anti-raiding and Conflicts of Interest:

This Policy is designed to protect the efforts of Distributors, and Marketing Directors in building and maintaining their Marketing Organizations and Distributor bases. Distributors may be active in other business ventures. However, Distributors, and all Distributors of their immediate household are prohibited from the following:

- a) Recruiting or enrolling the Company Distributors for other business ventures, either directly or through a third party. This includes, but is not limited to, presenting, or assisting in the presentation of other business ventures to any the Company Distributor, or implicitly, or explicitly encouraging any the Company Distributor director to join other business ventures. It is a violation of this policy to recruit or enroll at the Company Distributor for another business, even if the Distributor does not know that the prospect is also a Company Distributor. It is the Distributor's responsibility to first determine whether the prospect is a Company Distributor before recruiting or enrolling the prospect for another business venture.
- b) Producing any literature, tapes, or promotional material of any nature for another business venture, which is used by the Distributor or any third person, to Recruit the Company Distributors for that business venture; Selling, offering to sell, or promoting any competing products or services to the Company Distributors. For example, any health, nutritional, pharmaceutical, personal care, home cleaning or pet care products or services, are deemed competing products and services, offering any non-the Company products, services, or business opportunities in conjunction with the offering of the Company products, services, or business.
- c) Violation of any provision of this policy constitutes a Distributors voluntary resignation and cancellation of his/her Application & Agreement, effective as of the date of the violation, and the forfeiture by the Distributor of all commissions or bonuses payable for and after the calendar month in which the violation occurred. If the Company pays any bonuses or commissions to the Distributor after the date of the violation, all bonuses, and commissions for and after the calendar month in which the violation occurred shall be refunded to the Company

d) Violations of this policy are especially detrimental to the growth and sales of other Distributor's Independent the Company Businesses and to the Company business. Therefore, the Company may seek and obtain from the violating Distributor damages for violations of this policy. If litigation or arbitration is undertaken to recover commissions, bonuses or damages as specified herein, the prevailing party shall be entitled to an award of attorney's fees and expenses.

#### **5. Becoming a Distributor:**

To become a Distributor a person must first

- (a) Have an Enroller who has submitted a Distributor Application & Agreement; and
- (b) Sign and submit a Distributor Application & Agreement. Once those steps are completed the applicant is authorized to market and resell the Company products.

However, an applicant does not become a Distributor, until:

- (a) the Company receives the applicant's Distributor Application & Agreement,
- (b) The applicant receives his/her first commission's check.

Distributors may purchase products directly from the Company at the Distributor's price. Purchase of a Business Kit is optional. Marketing Directors, Bronze Diamond Marketing Directors, Silver Diamond Marketing Directors, Gold Diamond Marketing Directors, and Platinum Diamond Marketing Directors, are all Distributors of the Company The latter are all considered Titles indicating levels of achievement.

#### **6. Transfer from Original Organization:**

Marketing Directors and Distributors may transfer from one the Company organization to another only upon fulfillment of all of the following requirements:

- (a) The Distributor or Distributor seeking the organization change has submitted an Organization Change Form with the original signatures of the seven Marketing Directors or Distributors in the immediate seven generations above the Distributor or Distributor seeking the change. Faxes or photocopies of the executed Organization Change Form will not be accepted.
- (b) The Distributor or Distributor seeking the organization change has paid to the Company the applicable fee charged by the Company for organization changes.
- (c) the Company has approved the change in writing, which approval the Company may withhold in its sole discretion.

#### **7. Election to Cancel Agreements:**

A Distributor may cancel his/her Application & Agreement, and a Distributor may cancel his/her Application & Agreement, for any reason at any time by giving written notice to the Company bearing his/her original signature, printed name, address, and Distributor Number. If an individual or entity is a Distributor and a Distributor, the letter should specify which agreement(s) should be canceled. Written cancellations will be effective upon receipt by the Company Cancellation notices must be mailed (not faxed) to the Company, P.O. Box 608443, Orlando, Florida 33860

#### **8. Checks, Monthly Business and Sales Reports:**

Commission and bonus checks are mailed by the Company to Distributors, on or about the 20th day of each month, for commissions and bonuses earned during the previous month. When the 20th day of the month falls on a weekend or holiday, checks will be mailed on the next business day. Each Distributor qualifying for a commission or bonus may visit their back office and view the Monthly Business Report, showing the status of each Distributor in his/her Marketing Organization.

The Monthly Business Report will show the calculation of the Distributor's commission and bonus in detail. Marketing Directors should use their Monthly Business Report as a tool to manage, supervise and train the Distributors of their Marketing organizations. The information contained in Business Reports is the Company proprietary trade secret information, and Distributors are prohibited from disseminating the information contained therein. See that Policy for further detail regarding Distributors obligations with respect to such proprietary trade secret information. A data processing fee is charged each Distributor for generating and maintaining computerized Monthly Business Reports and Monthly Sales Reports. The information recorded by the distributor in the second document, the Monthly Distribution Report is compared to the required merchant's information and is utilized to track the effectiveness of an Advertising Campaign, to comply with Federal Court Orders and Rulings, and to calculate the commission and bonus payments.

Commission and bonus checks, which remain un-cashed for more than 180 days will not be honored. Distributors who are in possession of un-cashed commission or bonus checks, which are more than 180 days old, will be issued a replacement check only upon receipt by the Company of a written request from the Distributor to whom the original check was issued, together with a processing fee of \$15.00 U.S. per check. No checks will be issued for less than \$1.00 U.S.

## **9. Marketing Directors' Rights.**

Marketing Directors for ValQuest Ads:

- a) Have the right to sell, and solicit orders for, ValQuest Ads products in accordance with these Statement of Policies. It is within the exclusive right of ValQuest Ads to accept or reject orders submitted by Marketing Directors.
- b) Have the right to enroll others as ValQuest Ads Marketing Directors.
- c) If qualified, have the right to earn commissions pursuant to the ValQuest Ads Compensation Plan.

### **A. Independent Contractor Status.**

Marketing Directors are independent contractors and not employees, partners, legal representatives, or franchisees of ValQuest Ads, Inc. Marketing Directors are solely responsible for paying all expenses they incur, including but not limited to travel, food, lodging, secretarial, office, long distance telephone and other business expenses. **MARKETING DIRECTORS SHALL NOT BE TREATED AS A VALQUEST ADS EMPLOYEES FOR FEDERAL OR STATE TAX PURPOSES.** ValQuest Ads is not responsible for withholding and shall not withhold or deduct FICA, or taxes of any kind from Marketing

### **B. Obligations of Independent Contractors:**

As an independent contractor, it is a Distributor's responsibility to:

- a) Abide by any and all federal, state, provincial, county, and local laws, rules, and regulations pertaining to the acquisition, receipt, holding, selling, distributing, or advertising of the Company products and services and the promotion of the Company business opportunity.
- b) At the Distributor's own expense, make, execute, or file all such reports and obtain such licenses as are required by law or public authority with respect to his/her Independent the Company Business and/or the receipt, holding, selling, distributing or promoting of the Company products.
- c) Be solely responsible for declaration and payment of all local, state, provincial, federal, and general sales taxes and fees as may accrue because of the Distributor's activities in conjunction with his/her Independent the Company Business.
- d) Supply all of his/her own equipment and tools for operating his/her business, such as telephone, transportation, professional services, office equipment, and office supplies; and
- e) Provide his/her own place of business and determine his/her own work hours.

## **10. Individuals, Corporations, Tax Exempt Entities and Trusts:**

The Company will only consider for acceptance as Distributors individuals or entities that fall into one of the following categories:

- (a) Individuals who are of the legal age.
- (b) Legally married husband and wife couples of which at least one is of legal age.
- (c) Corporations in good standing in the state or province of their incorporation, which have as their sole shareholder(s), director(s), and officer(s) either one individual or a legally married husband and wife.
- (d) Tax exempt entities that are registered and approved as tax-exempt institutions under Section 501(c)(3) of the United States Internal Revenue Code
- (e) Trusts established in accordance with the Company guidelines.
- (f) Charitable giving corporations established in accordance with the Company guidelines.

## **11. Number of Businesses:**

A Distributor may not own, operate, or have a financial interest in, more than the number of the Company Businesses, as outlined in the Marketing Plan, Compensation Plan, and/or the Rules and Regulations.

## **12. Distributor Numbers:**

Marketing Directors may not use, or submit to the Company, a Social Security Number, Taxpayer Identification Number, or Corporate Account Number, other than the actual number assigned to the Distributor by the proper governmental authority.

## **13. Distributors Are Not Corporate Representatives:**

Distributors are not corporate representatives of the Company and are not authorized to incur any debt, expense, or obligation on behalf of or for the Company nor bind the Company to any agreement or contract. Marketing Directors are not entitled to workers compensation or unemployment security benefits of any kind from ValQuest Ads.

#### **14. Assignment of Rights and Delegation of Duties.**

Marketing Directors may not assign any rights under the Agreement without the prior written consent of ValQuest Ads Inc. Any attempt to transfer or assign the Agreement without the express written consent of ValQuest Ads renders the Agreement voidable at the option of ValQuest Ads and may result in termination of your ValQuest Ads business. If the assets of ValQuest Ads or a controlling ownership interest in ValQuest Ads is transferred to a third party, ValQuest Ads may assign its rights and delegate its duties and obligations under the Agreement to such third party as part of the sale or transfer.

#### **15. Waiver.**

Any waiver by either Party of any breach of the Agreement must be in writing and signed by an authorized agent of the Party against which the waiver is asserted. Any waiver of a breach by a Party shall be a one-time waiver only and shall not operate or be construed as a waiver of any subsequent breach.

#### **16. Waiver of Right of Publicity.**

Marketing Directors grant ValQuest Ads an irrevocable license to reproduce and use their name, photograph, video, personal story, testimonial, and/or likeness in its advertising or promotional materials, including but not limited to use in online forums. Marketing Directors waive all claims for remuneration for such use and all rights to inspect or approve all draft, beta, preliminary, and finished material.

#### **17. Minimum Age.**

Persons under age 18 may not be Marketing Directors and no Marketing Director shall knowingly recruit or sponsor, or attempt to recruit or sponsor, any person under age 18.

#### **18. Severance.**

If any provision of the Agreement, in its current form or as changed in the future, is held void or unenforceable, only the void or unenforceable portion(s) of the provision shall be severed from the Agreement and the remaining provisions shall remain in effect. The severed provision shall be reformed so that it follows the law and reflects the purpose of the original provision as closely as possible. The existence of any claim or cause of action of a Marketing Director against ValQuest Ads shall not constitute a defense to ValQuest Ads enforcement of any term or provision of the Agreement.

#### **19. Term and Renewal of a ValQuest Ads Business.**

The term of this Agreement is one year (subject to prior cancellation pursuant to the Statement of Policies). ValQuest Ads reserves the right to terminate all Marketing Directors Agreements upon 30 days' notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels. A participant in this Multi Generation Marketing Program has a right to cancel at any time, regardless of reason. Cancellation may be submitted in writing to the company at its principal business address or via the Marketing Directors Back-Office.

#### **20. Business Kit Refund:**

Within 30 days after an applicant's initial purchase of a Business Kit, he/she may return the Business Kit to the Company and receive a full refund.

#### **21. Cancellation Refund Policy:**

The Company will repurchase from Distributors, who have canceled their Distributorship Agreements, all unencumbered products, which are in resalable condition, which were purchased by the Distributor from the Company within the previous 3 months, at a price of not less than ninety percent (90%) of the original net cost to the Distributor. All products or materials must be returned to the Company, with shipping prepaid by the Distributor, in order to receive the above refund. the Company will charge back all commissions, bonuses, and rebates paid by the Company relating to the purchases of those products.

#### **22. Cancellation Refund Policy For Georgia Residents Only:**

The Company will repurchase from Distributors who have canceled their Distributorship Agreements, pursuant to policy above, all unencumbered products, sales aids, and literature which are in resalable or reusable condition, which were purchased by the Distributor from the Company, at a price of not less than ninety percent (90%) of the original net cost to the Distributor. Goods shall be deemed "resalable or reusable if the goods are in an unused, commercially resalable condition at the time the goods are returned to the Company. In addition, the Company will repay ninety percent (90%) of the fees paid by the Distributor for services that have not been provided to the Distributor at the time of cancellation. All products or materials must be returned to the Company shipping prepaid, by the Distributor, in order to receive the above refund. the Company will charge back all commissions, bonuses, and rebates paid by the Company relating to purchases of products or services for which refunds are given under this policy.

### **23. Cancellation Refund Policy For Maryland Residents:**

A participant may cancel the contract for any reason within 3 months after the date of receipt of goods or services first ordered; upon cancellation, if a request is made the Company shall repurchase the goods; and the repurchase price shall be at least 90% of the original price paid by the participant.

### **24. Cancellation Refund Policy For Puerto Rico Residents:**

Distributors may cancel this Agreement at any time within 90 days from the date of enrollment, or at any time upon showing the Company's noncompliance with any of the essential obligations of the distribution contract or any act or omission by the Company adversely affecting the interests of the dealer in the development of the market of the properties or services. Distributor's cancellation may be sent to the Company in writing and sent via registered mail. If you cancel under these conditions, the Company shall: (a) Reacquire the total of the products that you purchased from the Company which are in your possession and in good condition at a price of not less than ninety percent (90%) of their original net cost; (b) Return to you not less than ninety percent (90%) of the original net cost of any services that you acquired from the Company; (c) Return 90% of any sum paid by you for the purpose of participating in the business.

### **25. Cancellation Refund Policy For Montana Residents:**

A Montana resident may cancel his or her Marketing Director Agreement within 15 days from the date on which this application is submitted and may return his or her sales kit within such time and is entitled to a full refund for the sales kit and for any other consideration he/she paid within such time period to participate in the program.

### **26. Cancellation Refund Policy For Louisiana, Massachusetts, and Wyoming Residents:**

If you cancel your Marketing Director Agreement, upon receipt of your written request, ValQuest Ads will refund 100% of the costs you have incurred to participate in the program during the current year.

### **27. General Conduct.**

Marketing Directors shall safeguard and promote the good reputation of ValQuest Ads and its products, and must avoid all illegal, deceptive, misleading, unethical, or immoral conduct or practices, and must exhibit high moral character in their personal and professional conduct. Marketing Directors shall not engage in any conduct that may damage the Company's goodwill or reputation. While it is impossible to specify all misconduct that violates this provision, and the following list is not a limitation on the standards of conduct to which Marketing Directors must adhere, the following examples are practices that are specifically prohibited under this policy:

- Making statements are deceptive, untruthful, unfair, or misleading;
- Making any implied or express representation that any state or federal government official, agency, or body has approved or endorses ValQuest Ads, its program, or products;
- Engaging in criminal or fraudulent conduct in business or in one's personal life.

### **28. Media Inquiries:**

It is the Company policy to have a single spokesperson manage all inquiries from the media and all media relations. Therefore, Distributors may not, for any reason, discuss their Independent the Company Business with the media, or function as spokespersons for the Company or talk to the media regarding the Company, its compensation plan, its products, or services. It is a violation of this policy to provide any information to the media, regardless of whether the information is positive or negative, accurate or inaccurate. All inquiries from the media (whether radio, television, or print) must be referred to the Company

### **29. Social Media.**

In addition to meeting all other requirements specified in these Statement of Policies, should a Marketing Director utilize any form of social media in connection with their ValQuest Ads business, including but not limited to blogs, Facebook, Instagram, Twitter, LinkedIn, YouTube, or Pinterest, the Marketing Directors agrees to each of the following:

- a) Marketing Directors are responsible for the content of all material that they produce and all of their postings on any social media site, as well as all postings on any social media site that they own, operate, or control.
- b) Marketing Directors shall not make any social media postings, or link to or from any postings or other material that is sexually explicit, obscene, pornographic, offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise), is graphically violent, is solicitous of any unlawful behavior, that engages in personal attacks on any individual, group, or entity, or is in violation of any intellectual property rights of the Company or any third party.

- c) No product sales or enrollments may occur on or through any social media site. To process sales or enrollments, a social media site must link only to the Marketing Directors ValQuest Ads replicated website, or ValQuest Ads corporate website or an official ValQuest Ads corporate social media page.
- d) It is each Marketing Directors responsibility to follow the social media site's terms of use.
- e) Any social media site that is directly or indirectly operated or controlled by a Marketing Director that is used to discuss or promote ValQuest Ads products, or the ValQuest Ads opportunity may not link to any website, social media site, or site of any other nature that promotes the products, services, or business program of any direct selling company other than ValQuest Ads.
- f) During the term of this Agreement and for a period of 12 calendar months thereafter, a Marketing Director may not use any social media site on which they discuss or promote, or have discussed or promoted, the ValQuest Ads business or ValQuest Ads products to directly or indirectly solicit anyone for another direct selling or network marketing program (collectively, "direct selling"). During the term of the Agreement and for 12 calendar months after the cancellation of a Marketing Director's business for any reason, a Marketing Director shall not take any action on any social media site on which they discuss or present, or have discussed or presented, ValQuest Ads products or the ValQuest Ads business that may reasonably be foreseen to draw an inquiry from ValQuest Ads Marketing Directors relating to the Marketing Director's other direct selling business activities or products. Violation of this provision shall constitute a violation of the non-solicitation provision in Policy Number 40. If a Marketing Director creates a business page on any social media site to promote or relates to ValQuest Ads, its products, or opportunity, the page may not promote or advertise the products or opportunity of any other network marketing business other than ValQuest Ads and its products. If the Marketing Director's ValQuest Ads business is canceled for any reason or if the Marketing Director becomes inactive, the Marketing Director must deactivate the page. Marketing Directors shall respect the privacy of other social media users. Marketing Directors shall not engage in abusive social media practices including but not limited to harvesting or trolling for connections, shaming, or bullying others.

### **30. Marketing Directors Web Sites, Mobile Applications and Collateral Sales Tools.**

Marketing Directors may create their own websites or mobile applications, and other materials to promote their ValQuest Ads business or ValQuest Ads products (Marketing Directors-created promotional material shall be collectively referred to as "Tools"). Official ValQuest Ads supplied replicated websites and mobile apps are the only online forums through which ValQuest Ads products may be sold and new ValQuest Ads Marketing Director's enrollments may be transacted (prohibited online forums include, but are not limited to, Marketing Directors' external websites, online auctions, and classified listings). Tools must adhere to each of the following:

- Tools may not take and/or process product or service orders, sales or enrollments.
- Any external website (or mobile app) must be directed to the Marketing Director's replicated website to process sales and/or enrollments.
- The Tools must clearly and conspicuously identify the Marketing Director who is using the Tools and must clearly and conspicuously disclose that he/she is a ValQuest Ads Independent Marketing Director, and that the Tools are not ValQuest Ads corporate Tools.
- Upon cancellation of an independent Marketing Director's ValQuest Ads Agreement for any reason, the former Marketing Director must immediately discontinue using the Tools and/or making them available to other Marketing Directors.
- The Tools must exclusively promote ValQuest Ads products and ValQuest Ads opportunity;
- The Tools must comply with all provisions of these Statement of Policies; Marketing Directors who create Tools must make all changes to the Tools or discontinue use of the Tools, as required by the Company. The Company may demand changes be made to Tools, or demand that Tools be discontinued. Marketing Directors waive all claims against ValQuest Ads, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising or resulting from, or relating to, changes required by the Company or a requirement that the Tools be discontinued. ValQuest Ads may post Tools in Marketing Directors' Back Offices and make them available to all Marketing Directors free of charge. Marketing Directors waive all claims to remuneration for such use and grant ValQuest Ads an irrevocable license to use the Tools and authorizes ValQuest Ads to provide the Tools to other Marketing Directors free of charge, and further authorizes ValQuest Ads Marketing Directors to use the Tools at no charge.

### **31. Trademarks and Copyrights.**

The name “ValQuest Ads” and other names as may be adopted by the Company are proprietary trade names, trademarks, and service marks of ValQuest Ads. The Company grants Marketing Directors a limited license to use its trademarks and trade names in promotional material in accordance with these Policies for so long as the Distributor’s Application and Agreement is in effect. Upon cancellation of a Distributor’s Application and Agreement for any reason, the license shall expire, and the Marketing Director shall immediately discontinue all use of the Company’s trademarks and trade names. ValQuest Ads commonly puts on live and recorded events as well as webinars and telephone conference calls. During these events Company executives, Marketing Directors, and guests appear and speak. The contents of such events are copyrighted material that is owned exclusively by the Company. Marketing Directors may not record company functions for any reason, whether such an event is live, a webinar, via conference call, or delivered through any other medium. In addition, Company produced Sales Tools, videos, audios, podcasts, and printed material are also copyrighted. Marketing Directors shall not copy any such materials for their personal or business use without the Company’s prior written approval.

### **32. Sales Outlets.**

To support the Company’s direct selling distribution channel and to protect the independent contractor relationship, Marketing Directors may not sell ValQuest Ads products in any wholesale, warehouse, or discount establishment, or any online auction or buy-sell site (including but not limited to Amazon and e-bay) without prior written approval from ValQuest Ads. Notwithstanding the foregoing, Marketing Directors may display and sell ValQuest Ads products at professional trade shows.

### **33. Service-Related Establishments.**

Marketing Directors may promote and sell ValQuest Ads products in service-related establishments and membership-based facilities. A service-related establishment is one whose primary revenue is earned by providing personal service rather than by selling products. Such establishments include offices of doctors, dentists, and other health professionals; health clubs or fitness centers; beauty salons; and any other business where customer use of the establishment is controlled by membership or appointment.

### **34. Change of Sponsor.**

The only means by which a Marketing Director may legitimately change his/her sponsor are by:

- a. Voluntarily canceling his/her ValQuest Ads business and remaining inactive for six (6) full calendar months.

Following the six-calendar month period of inactivity, the former Marketing Directors may reapply under a new sponsor. The Marketing Director will lose all rights to his/her former downline organization upon his/her cancellation; or b. Submitting a written request to the Company at support@valquestads.com for a change of sponsor. The Marketing Director’s requesting the transfer must also submit written and signed transfer authorization forms from his/her immediate nine (9) upline Marketing Directors within 30 days from the date of his/her first request to change his/her sponsor.

### **35. Waiver of Claims.**

In cases wherein a Marketing Director improperly changes his/her sponsor,

ValQuest Ads reserves the sole and exclusive right to determine the final disposition of the downline organization that was developed by the Marketing Director’s in his/her second line of sponsorship.

MARKETING DIRECTORS WAIVE ANY AND ALL CLAIMS AGAINST VALQUEST ADS, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM VALQUEST ADS DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW A MARKETING DIRECTORS WHO HAS IMPROPERLY CHANGED THEIR SPONSOR.

### **36. Product Claims.**

Marketing Directors must not make claims, including but not limited to testimonials, about ValQuest Ads products or services that are not contained in official ValQuest Ads literature or posted on ValQuest Ads official website. Under no circumstances shall any Marketing Director state or imply that any ValQuest Ads product is useful in the diagnosis, treatment, cure, or prevention of any disease, illness, injury, or other medical condition.

### **37. Income Claims.**

When presenting or discussing the ValQuest Ads opportunity or Compensation Plan to a prospective Marketing Director, Marketing Directors may not make income projections, income claims, income testimonials, or disclose their ValQuest Ads income (including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records), or the income of any other ValQuest Ads Marketing Directors. Nor may Marketing Directors make “lifestyle” income claims. A “lifestyle” income claim is a statement or depiction that infers or states that the Marketing Directors can enjoy a luxurious or successful lifestyle due to the income they earn from their ValQuest Ads business. Examples of prohibited lifestyle claims include, but are not limited to, representations (either through audio or visual medium) that a Marketing Director’s was able to quit his/her job, acquire expensive or luxury material possessions, or travel to exotic or expensive destinations.

### **38. Compensation Plan and Program Claims.**

When presenting or discussing the ValQuest Ads compensation plan, you must make it clear to prospects that financial success in ValQuest Ads requires commitment, effort, and sales skill. Conversely, you must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include, but are not limited to:

- It is a turnkey system.
- The system will do the work for you.
- Just get in and your downline will build through spillover.
- Just join and I will build your downline for you.
- The Company does all the work for you.
- You do not have to sell anything.
- All you have to do is buy your products every month.

The above are just examples of improper representations about the compensation plan and the Company’s program. It is important that you do not make these, or any other representations, which could lead a prospect to believe that they can be successful as a Marketing Director without commitment, effort, and sales skill.

### **39. Media Inquiries.**

Marketing Directors must not interact with the media regarding the ValQuest Ads business or products. All inquiries from the media, including radio, television, print, online, or any other medium, shall be directed to ValQuest Ads marketing department.

### **40. Non-Solicitation.**

ValQuest Ads Marketing Directors are free to participate in other network marketing programs. However, during the term of this Agreement and for one year thereafter with the exception of a Marketing Director’s personally sponsored downline Marketing Directors, a Marketing Director may not directly or indirectly Recruit other ValQuest Ads Marketing Directors for any other network marketing business. The term “Recruit” means the direct or indirect, actual, or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, another ValQuest Ads Marketing Directors to enroll or participate in another network marketing opportunity. This conduct constitutes Recruiting even if the Marketing Director’s actions are in response to an inquiry made by another Marketing Director or customer. If a Marketing Director is engaged in another network marketing program, it is the responsibility of the Marketing Director to ensure that his or her ValQuest Ads business is operated entirely separate and apart from all other businesses and/or Network Marketing programs. To this end, the Marketing Director must not:

- Display ValQuest Ads promotional material, sales aids, or products with or in the same location as, any non-ValQuest Ads promotional material or sales aids, products or services (Pinterest and similar social media sites are exempt from this provision).
- Offer the ValQuest Ads opportunity, products or services to prospective or existing customers or Marketing Directors in conjunction with any non-ValQuest Ads program, opportunity or products.



- Offer, discuss, or display any non ValQuest Ads opportunity, products, services or opportunity at any ValQuest Ads-related trunk show, meeting, seminar, convention, webinar, teleconference, or other function.

#### **41. Non-Disparagement.**

Negative comments in the field serve only to sour the enthusiasm of other Marketing Directors. Therefore, Marketing Directors shall not disparage, libel, slander, or make negative or critical comments to any other Marketing Directors or third party regarding ValQuest Ads, its management, products, or compensation plan. All criticism must be directed exclusively to the Company at support@valquestads.com.

#### **42. Confidential Information.**

“Confidential Information” includes, but is not limited to, the identities, contact information, and/or sales information relating to ValQuest Ads Marketing Directors and/or customers:

- (a) that is contained in or derived from any Marketing Directors’ respective Marketing Director’s Back-Office.
- (b) that is derived from any reports issued by ValQuest Ads to Marketing Directors to assist them in operating and managing their ValQuest Ads business; and/or
- (c) to which a Marketing Directors would not have access or would not have acquired but for his/her affiliation with ValQuest Ads. Confidential Information constitutes proprietary business trade secrets belonging exclusively to ValQuest Ads and is provided to Marketing Directors in strict confidence. Confidential information shall not be directly or indirectly disclosed to any third party nor used for any purpose other than Marketing Directors use in building and managing his/her Independent ValQuest Ads business.

#### **43. Handling Personal Information.**

If you receive Personal Information from or about prospective Marketing Directors or customers, it is your responsibility to maintain its security. You should shred or irreversibly delete the Personal Information of others once you no longer need it. Personal Information is information that identifies, or permits you to contact, an individual. It includes a customer’s, potential customers, Marketing Directors and prospective Marketing Directors’ name, address, email address, phone number, credit card information, social security or tax identification number and other information.

#### **44. Bonus Buying.**

Bonus buying is prohibited. Bonus buying is the purchase of ValQuest Ads merchandise for any reason other than bona fide resale or use, or any mechanism or artifice to qualify for rank advancement or maintenance, incentives, prizes, commissions, or bonuses that are not driven by bona fide product purchases by end user consumers for actual use.

#### **45. Limitations on Marketing Directors and Household Businesses.**

Marketing Directors may own, operate, control, or have an interest in, only one ValQuest Ads business. “Stacking” is prohibited. The term “stacking” includes:

- (a) the failure to transmit to ValQuest Ads or the holding of a Distributor Application and Agreement in excess of 48 hours after its execution.
- (b) violating the one business per household rule; and/or
- (c) enrolling fictitious individuals or entities as Distributors or Preferred Customers. As well as, enrolling multiple Distributors and Customers straight down one leg, pushing volume further away from the upline.

#### **46. Actions of Third Parties.**

If a third party acting on behalf of, or with the active or passive assistance or knowledge of a Marketing Director engages in conduct that would be a violation of the Agreement, the conduct of the third-party may be imputed to the Marketing Director. Knowledge” of misconduct is not limited to actual knowledge. If a Marketing Director engages in acts or omissions that the Marketing Director knows or SHOULD KNOW will enable a third party to violate this Agreement if such action was taken by the Marketing Director, the Marketing Director shall be deemed to have knowledge of the violation.

#### **47. Tampering With Product Packaging.**

ValQuest Ads products must be sold in their original packaging. Marketing Directors shall not alter the original packaging or labeling.

#### **48. Sales Receipts.**

Marketing Directors must provide their retail customers that purchase merchandise directly from the Marketing Director with a copy of a sales receipt at the time of the sale and advise them of the three days right to rescind the transaction, which must be set forth on the receipt. Marketing Directors must maintain all retail sales receipts for a period of two years and furnish them to ValQuest Ads at the Company’s request. Sales receipts can be downloaded in PDF format from the Marketing Director’s Back-Office. Retail customers who purchase from a Marketing Director’s replicated website need not be provided with a sales receipt as the receipt will automatically be sent by the Company via email at the time the order is placed.

#### **49. Adjustment to Bonuses and Commissions.**

Compensation stemming from product sales is fully earned when the applicable return, repurchase, and chargeback periods applicable to product sales have all expired. If a product is returned to ValQuest Ads for a refund or is repurchased by the Company, or a chargeback occurs, the compensation attributable to the returned or repurchased product(s) will be recovered by the Company. Unearned compensation will be deducted, in the month in which the refund is issued or the chargeback occurs and continuing every pay period thereafter until the commission is recovered, from the upline Marketing Directors who received bonuses and commissions on the sales of the refunded products. Likewise, if it is the responsibility of a Marketing Director to issue a refund to a customer, but ValQuest Ads issues the refund, the Company may deduct the amount refunded to the customer from the Marketing Director’s subsequent bonuses and commissions. ValQuest Ads reserves the right to withhold or reduce any Marketing Director’s compensation as it deems necessary to comply with any garnishment or court order directing ValQuest Ads to retain, hold, or redirect such compensation to a third party.

#### **50. Return of Merchandise and Sales Aids by Marketing Directors Upon Cancellation or Termination.**

Within 30 days from the cancellation or termination of a Marketing Directors Agreement, the Marketing Director may return products and Sales Tools that he or she personally purchased from ValQuest Ads within 12 months prior to the date of cancellation (the one-year limitation shall not apply to residents of Louisiana, Massachusetts and Wyoming and Puerto Rico) so long as the goods are in currently marketable condition and are returned to the Company within 30 days from the date of the Marketing Director’s cancellation or termination. Upon the Company’s timely receipt of returned goods and confirmation that they are in currently marketable condition, the Marketing Director will be reimbursed 100% of the net cost of the original purchase price(s). Shipping and handling charges will be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. Goods are in “currently marketable condition” if they are unopened, unused, and packaging and labeling has not been altered or damaged. Merchandise that is clearly identified at the time of sale as non-returnable, closeout, discontinued, or as a seasonal item, or which has passed its commercially reasonable usable or shelf life, is not in currently marketable condition. Back Office and Replicated website fees are not refundable except as may be required under applicable state law.

#### **51. Other Cancellation Rights.**

On first time purchases, Customers, Preferred Customers, and newly enrolled Marketing Directors have 30 days from the day their order arrives to cancel their purchase and obtain a full refund. Shipping and handling charges will be refunded.

**52. Disciplinary Sanctions.**

The Company may craft any disciplinary measure that it deems appropriate to address or rectify an act or omission by a Marketing Director. In situations deemed appropriate by ValQuest Ads, the Company may institute legal proceedings for monetary and/or equitable relief.

**53. Compliance Disclosure to Upline.**

If disciplinary action is taken against a Marketing Director, the Company may disclose the details of the matter and the resolution to the upline of the disciplined Marketing Director.

**54. Indemnification.**

Marketing Directors agree to indemnify ValQuest Ads for any and all costs, expenses, consumer reimbursements, fines, sanctions, damages, settlements, or payments of any other nature that ValQuest Ads incurs resulting from or relating to any act or omission by Marketing Directors that is illegal, fraudulent, deceptive, negligent, reckless or in violation of the Agreement. ValQuest Ads may elect to exercise its indemnification rights through withholding any compensation due the Marketing Directors. This right of setoff shall not constitute ValQuest Ads exclusive means of recovering or collecting funds due ValQuest Ads pursuant to its right to indemnification.

**55. Effect of Cancellation.**

A Marketing Director whose business is canceled for any reason will lose all Marketing Director's rights, benefits, and privileges. This includes the right to represent yourself as an Independent ValQuest Ads Marketing Directors, to sell ValQuest Ads products and services and the right to receive commissions, bonuses, or other income resulting from his/her own sales and the sales and other activities of the Marketing Director and the Marketing Director's former downline sales organization. There is no whole or partial refund for tangible sales kits that are not currently marketable, Marketing Director's Back Office, replicated website or renewal fees if a Marketing Director's business is canceled. If a Marketing Director is also on the auto-ship program, the Marketing Director's auto-ship order shall continue unless the Marketing Director also specifically requests that his or her customer auto-ship Agreement also be canceled.

**56. Voluntary Cancellation.**

A participant in this network-marketing plan has a right to cancel at any time, regardless of reason. Cancellation shall be effective by:

- (a) submitting written cancellation to the Company at its principal business address or by canceling his/her business through the Marketing Director's Back-Office.
- (b) the Company may (but is not required to) rely on any public announcement of resignation or cancellation by the Marketing Director (including but not limited to any announcement on social media) as an effective cancellation.
- (c) failure to pay Back-Office and Replicated Website fees
- (d) Revoking your authorization to contract electronically; or
- (e) any other means authorized by ValQuest Ads.

**57. Involuntary Cancellation.**

A Marketing Director's independent business may be involuntarily canceled for a material violation of the Agreement or for any act or omission in the Marketing Director's professional or personal capacity that a reasonable person would consider likely to damage or injure the Company's business or goodwill, or for any other reason specified in ValQuest Ads Terms and Conditions.

**58. Cancellation for Inactivity.**

If a Marketing Director fails to earn a commission for six consecutive months, his/her Distributor's Application and Agreement and ValQuest Ads business will be canceled for inactivity. The buyer shall then be classified as a retail customer.

**59. Business Transfers.**

Marketing Directors in good standing who wish to sell or transfer their business must receive ValQuest Ads prior written approval before the business may be transferred.

A business that is on disciplinary probation, suspension, or under disciplinary investigation is not in good standing and may not be transferred unless and until the disciplinary matter is resolved. Requests to transfer a business must be submitted in writing to the Company at support@valquestads.com. The request to transfer will be denied if the business is not in good standing or if there is another reasonable reason for denying the request. Prior to transferring a business to a third party, the Marketing Director must offer the Company the right of first refusal to purchase the business on the same terms as negotiated with a third party. The Company shall have ten days to exercise its right of first refusal.

**60. Transfer Upon a Marketing Director's Death.** To affect a testamentary transfer of a ValQuest Ads business, the successor must provide the following to ValQuest Ads:

- An original death certificate,
- A notarized copy of the will or other instrument establishing the successor's right to the ValQuest Ads business, including Letters Testamentary issued to the Personal Representative if the deceased member's estate is probated through the courts.
- A completed and executed Distributor Agreement. and
- The required transfer registration fee, if any.
- If the successor is already a ValQuest Ads Distributor, the Company, in its sole discretion, may grant exception to the One Distributor per Household rule upon written request from the successor.
- If the business is bequeathed to multiple legal successors in interest, they must form a business entity and acquire a federal taxpayer identification number. VALQUEST ADS will issue all bonus and commission checks and Form 1099 to the business entity. In the event of a death of a member where there is no written testamentary document, the successor must provide:
- An original death certificate,
- Letters Testamentary issued to the Personal Representative from the courts.
- A completed and executed Distributor Agreement. and
- The required transfer registration fee, if any.
- If the successor is already a VALQUEST ADS Distributor, the Company, in its sole discretion, may grant exception to the One Distributor per Household rule upon written request from the successor.
- If the business is bequeathed to multiple legal successors in interest, they must form a business entity and acquire a federal taxpayer identification number. ValQuest Ads will issue all bonus and commission checks and Form 1099 to the business entity.

**61. Business Distribution Upon Divorce.**

ValQuest Ads is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in divorce cases, any settlement or divorce decree must award the business in its entirety to one party. ValQuest Ads will recognize as the owner of the business the former spouse to who is awarded the business pursuant to a legally binding settlement Agreement or decree of the court. The former spouse who receives the ValQuest Ads business must also execute and submit a ValQuest Ads Distributor's Application and Agreement within 30 days from the date on which the divorce becomes final or the business will be canceled.

**62. Dissolution of a Business Entity.**

ValQuest Ads is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, if a business entity that operates a ValQuest Ads business dissolve, the owners of the business entity must instruct the Company on the identity of the proper party who is to receive the business. The ValQuest Ads business must be awarded to a single individual or entity; the Company cannot divide the business among multiple parties or issue separate commission payments. If the business entity wishes to sell or transfer its ValQuest Ads business, it must do so pursuant to Policy Number 49. In addition, the recipient of the ValQuest Ads business must also execute and submit a ValQuest Ads Distributor's Application and Agreement to the Company within 30 days from the date of the dissolution of the business entity or the ValQuest Ads business will be involuntarily canceled.

**63. Inducing Marketing Directors to Violate the Agreement.**

Marketing Directors shall not directly or indirectly induce, encourage, or assist another Marketing Directors to violate the Agreement.

#### **64. Reporting Errors.**

If a Marketing Directors believes that ValQuest Ads has made an error in his/her compensation, the structure or organization of his/her genealogy, or any other error that impacts the Marketing Directors income, he/she must report it to the Company.

#### **65. Conduct of Household Distributors:**

If any member of the member's immediate household engages in any activity, which, if performed by the Distributor, would violate any the Company policy, or any provision of the Application & Agreements, such activity will be deemed a violation by the member.

#### **66. Corrective Measures:**

All of the policies in this Statement of Policies, the provisions of the Application & Agreement, the Tax-Exempt Entity Application and Agreement, and any other agreements entered into by and between the Company and Distributors are material terms to the agreement between the Company and Distributors. A Distributor's violation of any of the Terms and Conditions of any of these agreements, or the Statement of Policies, or any illegal, fraudulent, deceptive, or unethical business conduct by a Distributor may result, at the Company discretion, in one or more of the following corrective measures:

- (a) Issuance of a written warning or admonition,
- (b) Imposition of a fine, which may be imposed immediately, or withheld from future commission and/or bonus checks,
- (c) Reassignment of all or part of his/her Marketing Organization,
- (d) Suspension of his/her Application & Agreement for one or more months,
- (e) Cancellation of his or her Application & Agreement,
- (f) Any other measure expressly stated within any of the policies set forth in the Statement of Policies, or any provision of the Application & Agreement, or the Tax-Exempt Entity Application and Agreement.

The Company has the right to withhold from a Distributor all bonuses and commissions during the period that the Company is investigating the alleged misconduct of the Distributor. If an Application & Agreement is canceled due to a violation preceding the investigation, the Distributor will not be entitled to any commissions or bonuses withheld by the Company during the investigation period.

#### **67 Customer Satisfaction Guarantee:**

If for any reason any Personal Customer is not completely satisfied with any the Company product, the Distributor who sold the product to the Personal Customer will replace it without charge, or refund the total purchase price, upon its return within 30 days of purchase by the Personal Customer. Distributors shall advise their Personal Customers of this satisfaction guarantee at the time of the sale. the Company will exchange or refund the total purchase price paid by the Distributor for any product returned to the Distributor by a Personal Customer under this policy. To receive an exchange or refund the Distributor must return the product to the Company together with the name, address and telephone number of the Personal Customer returning the product, a description of the reason for the return, and the Distributor's invoice from the Company

If for any reason any Distributor is not completely satisfied with any product purchased by such Distributor from the Company, the Company will replace it without charge, or place a credit on the Distributor's the Company account for the amount of the purchase price of the product or, upon receipt of a written request from the Distributor together with a copy of the invoice from the Company, refund the purchase price (less shipping and handling charges), upon its return within 30 days of purchase.

Unless the Distributor requests otherwise, the Company will credit the Distributor's the Company account for the purchase price of the returned product. This credit can be redeemed for the Company merchandise at any time. If a Distributor has unredeemed credit on account with the Company which is more than six months old, the Company will try to locate the Distributor and advise him/her in writing of the credit that is on account and will continue to make such attempts on a monthly basis. the Company will charge the Distributor's account a \$15 service fee for each month's notification process.

#### **68. Errors or Questions:**

Distributors should notify the Company immediately of any errors or questions about commissions, bonuses, Monthly Business Reports, Monthly Sales Reports, orders, or charges. the Company will correct any errors reported to it within 30 days, but the Company will not be responsible for any errors, omissions or problems not reported within 30 days.

#### **69. Ethical Sales Practices:**

Distributors shall:

Conduct their selves in a professional, courteous, and considerate manner. Represent the Company products in a sincere and honest manner and will honor the Company Customer Satisfaction Guarantee. Represent the Company Compensation Plan only as prescribed by Official the Company Material. Become familiar with, and utilize sales techniques authorized by the Company, the

Compensation Plan, Statement of Policies, and other materials as prescribed by the Company Present the Company business opportunity in a manner, which is consistent with Official the Company Material. Provide training, motivation, and support to Distributors in their organization.

Distributors shall not:

Engage in any deceptive, unlawful, or unethical business or recruiting practice. Engage in any high pressure selling or recruiting practices. Enroll minors or persons who are not capable of making an informed decision with respect to entering into an Application & Agreement. Order the Company products for Marketing Directors or Distributors without the express permission of such persons. Seek in any way to violate or circumvent the Company policies.

#### **70. Excess Inventory Purchases Prohibited**

The Company marketing program is built upon sales to the End Consumer. Products representing at least 70% of a Distributor's monthly Organization Reward Value Points must be sold to End Consumers each month. Any device or scheme whereby a Distributor directly or through a third-party purchases excess product solely for purposes of qualifying for bonuses or commissions constitutes fraud on the part of the Distributor.

#### **71. Forfeiture of Rights to Bonuses and Commissions:**

So long as a Distributor is complying with all policies and the terms of the Application & Agreement, the Company is obligated to pay commissions and bonuses to such Distributor in accordance with the Marketing Compensation Plan. A Distributor's commissions and bonuses constitute the entire consideration for all of the Distributor's efforts in generating sales, and the Distributor's right to receive commissions and bonuses from the Company constitutes the entire value attributable to the Distributor's Marketing Organization. Following a Distributor's resignation, cancellation for inactivity, or voluntary or involuntary cancellation of his/her Application & Agreement, such former Distributor shall have no right, title, claim or interest to the Marketing Organization. The former Distributor shall have no claim for compensation for the Marketing Organization or for bonuses or commissions stemming from sales generated within or by the Marketing Organization, amounts held in escrow by the Company following voluntary or involuntary cancellation of his/her Application & Agreement, the former member shall not hold himself/herself out as a the Company Distributor and shall not have the right to sell the Company products or services.

#### **72. Income Claims:**

Distributors are prohibited from making false, misleading, or inaccurate claims about their or other persons' compensation received under the Company Marketing Compensation Plan. If, when presenting the Company business opportunity, a Distributor makes any claim regarding his/her compensation from the Company or the potential compensation payable under the Company Marketing Plan, Compensation Plan, and the Distributor must also show the person(s) receiving the presentation the Company current Marketing Directors Annual Income Statistics sheet.

#### **73. Individuals, Corporations, Tax Exempt Entities and Trusts:**

The Company will only consider for acceptance as Distributors individuals or entities that fall into one of the following categories:

- (a) Individuals who are of the legal age.
- (b) Legally married husband and wife couples of which at least one is of legal age.
- (c) Corporations in good standing in the state or province of their incorporation, which have as their sole shareholder(s), director(s), and officer(s) either one individual or a legally married husband and wife.
- (d) Tax exempt entities that are registered and approved as tax-exempt institutions under Section 501(c)(3) of the United States Internal Revenue Code
- (e) Trusts established in accordance with the Company guidelines.
- (f) Charitable giving corporations established in accordance with the Company guidelines.

#### **74. Inheritance of Business:**

An Independent the Company Business may be inherited by a single person, a married husband and wife, or a trust, which complies with the Company guidelines, pursuant to a valid will or other appropriate document, or in accordance with the intestacy laws of the state or province in which the Distributor resides. A person who inherits an Independent the Company Business must furnish the Company with proper documentation that he/she is the beneficiary and is authorized to represent the estate. He/she must also execute an Application & Agreement, fulfill all of the functions of a Distributor and/or a Distributor, and abide by the terms of the Company Statement of Policies

**75. Joint Ownership of a Business:**

Independent the Company Businesses may only be owned by an individual, lawfully married husbands and wives, corporations, tax exempt entities or trusts that comply with the Company guidelines. If spouses who jointly own an Independent Company Business divorce, only one individual may retain ownership of the business. It is the obligation of the divorced couple to advise the Company of the individual who shall retain the ownership of the business. These instructions must be in writing, signed by both parties and include a certified copy of the court approved divorce decree or property settlement. If an Independent the Company Business is owned in violation of this policy, the Company will have the right, at its discretion, to suspend commissions and bonuses until the ownership of the business is brought into compliance with this Policy.

**76. Ordering:**

The Company encourages Distributors to order early in the month using the Company approved Order Form. All orders are credited to the calendar month in which they are received by the Company Orders may be placed by mail. (U.S.D. only). Orders by mail may be paid by U.S. Postal money order, (U.S. only). Orders for products will usually be processed by the Company within 48 hours of receipt. Shipment will be by common carrier and delivery should be expected within 3 to 10 days. Orders placed during the last week of the month may be delayed due to the large volume of orders received at the end of the month.

**77. Policy Disclosure Requirement:**

Prior to enrolling a prospective Distributor, the Qualified Marketing Directors shall provide to and review with the prospective Distributor a current copy of the Company Definitions of Terms, Marketing Compensation Plan Package, Rules and Regulations, and the Statement of Policies.

**78. Product Claims and Warranties:**

Distributors may not make any product claims, weight loss, or health benefit claims, or product warranties other than those published in Official the Company Material. Distributors shall not publish or distribute information relating to uses of the Company products other than those which are set forth in Official the Company Material.

**79. Product Packaging:**

No member shall re-package for re-sale any product that has been purchased, produced, or published by the Company

**80. Product Reward Value Adjustments:**

Distributors receive commissions based on actual sales of product to End Consumers. When product is returned to the Company for a refund, the Product Business Volume, attributable to that product, may be deducted from the purchasing Distributor's Organization Product Reward Value in the month that the refund is given.

**81. Proper Completion of Documents:**

All agreements must be completely and properly filled out and signed. No copies or alterations will be accepted. If any agreement is altered in any way the agreement will not be deemed accepted by the Company except in its original unaltered form, regardless of passage of time or payment of commissions by the Company. the Company will not be responsible for loss of commissions or bonuses or for delays in the Distributors registrations or orders due to: (a) errors by Distributors in preparing or sending agreements, orders or other documents; (b) delays or errors caused by the mail, electronic, or fax transmission; (c) non-receipt of documents by the Company; (d) illegible or incomplete information on agreements, orders or other documents; or (e) the inability of Marketing Directors or Distributors to reach the Company by telephone, electronic means, or fax during busy calling periods.

**82. Proprietary Information and Trade Secrets:**

By executing the Application & Agreement, the Distributor acknowledges that all information that is contained in the Distributor's Monthly Business Report, and Monthly Sales Reports, including names, addresses and telephone numbers of Marketing Directors and Distributors, is the Company proprietary trade secret information. The Distributor agrees not to disclose such information to any third party (except to existing or prospective the Company Marketing Directors or Distributors for the purpose of promoting the Company products and business opportunity) or to utilize such information for the purpose of promoting any other business opportunity at any time, whether during the term of his/her association with the Company or thereafter. The Distributor acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to the Company and to the Company Businesses. the Company and its Distributors will be entitled to injunctive relief to prevent violation of this policy. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of attorney's fees and expenses.

**83. Purchases for other Persons:**

A Distributor or Distributor may not order, or pay for product, for other Marketing Directors or Distributors without such Marketing Directors or Distributors express authorization and agreement to reimburse the Distributor or Distributor for such product.

**84. Restrictions on Advertising:**

Distributors may not create, publish or distribute any literature, audio, video tapes, electronic media (including E-mail, computer bulletin boards, Internet communications and telephone ads and messages), infomercials, materials or merchandise representing the Company, its products, services, Compensation Plan or business opportunity other than that which is provided by the Company, and listed on the current the Company products price list. Distributors may not use the Company name or logo, or the name or logo of any of the Company products or services, in any notice, display, advertisement or promotion, including, but not limited to, newspaper, magazine, radio, or television advertisements, or Internet sites. The display, advertisement or promotion of the Company products, services, or business opportunity at county fairs, craft fairs, business fairs, trade shows, flea markets or any similar event, including the use of booths are prohibited unless prior written approval is obtained from the Company

**85. Restrictions on Marketing:**

Marketing Directors and Distributors are authorized to sell the Company products and to enroll Marketing Directors and Distributors in the United States. Distributors may not ship or sell the Company products across any international border for the purpose of resale. Distributors may not sell, give, transfer, import, export, or distribute the Company products, or sales aids, in any country, other than the United States, nor provide products to any individual who the Distributor knows or has reason to believe is exporting products to another country.

**86. Sale or Transfer of Business:**

Before a Distributor can sell or transfer his/her Independent the Company Business (except for transfers by inheritance pursuant to that Policy) all of the following requirements must be met:

- (a) The transfer must be approved in writing by the Company as being in the best interest of all parties involved, including the transferor, the transferee, the Company, and the Distributors of the Marketing Organization of the transferor. Marketing Directors may not contract, or agree with, or allow another person to work their Independent the Company Business to bring it up to its potential status or offer to sell their business to another person on the condition that such person bring the business up to its potential status.
- (b) Completed original signed and notarized Organization Sale Request and Organization Purchase Request forms must be submitted to and accepted by the Company
- (c) The transferee of the business must have completed and submitted to the Company an Application & Agreement.
- (d) The transferee of the business has undergone, or will agree to undergo, such training and orientation as the Company may require commensurate with the size of the business being purchased.
- (e) The transferor Distributor and the Independent the Company Business must have been in compliance with all of the Company policies and the terms of the Application & Agreement for the entire twelve-month period preceding the transfer including the month in which the transfer occurs.

**87. Roll Up Policy:**

When a vacancy occurs in a Marketing Organization due to the inactivity, voluntary resignation, or involuntary termination, of a Distributor or Distributor, there is no automatic roll up. The position will be filled in the usual and customary manner, by the upline sponsoring or enrolling a new Distributor or Distributor in that position.

**88. Selling in Stores:**

The Company is in strong support of home-based businesses and personal product presentations. To maintain a standard of fairness, Distributors may not display or sell the Company products in stores, including drug stores, health food stores, or grocery stores. Any display of the Company products to the public must be tasteful and professional. See Policy Number 32 for exceptions.

**89. Supervisory and Leadership Functions:**

Distributor's compensation is based on sales of product to the End Consumer. To qualify for this compensation, Marketing Directors have the ongoing responsibility to promote the Company business opportunity, to support the Company policies, programs, and personnel, and to service, supervise, motivate, and train the Marketing Directors and Distributors in their Marketing Organization to sell and market the Company products and promote the Company business opportunity. Any effort by an Distributor or Distributor to convince or entice any Distributor or Distributor to discontinue or diminish purchasing the Company products, to move from one the Company Marketing Organization to another, to discontinue or diminish efforts to promote the Company business opportunity, or to promote or pursue another direct selling opportunity, or to disparage the Company products or marketing plan is a violation of the Distributor's leadership responsibility and a violation of this policy.



**90. Reactivation and Re-enrollment Requirements:**

When a Distributor or Distributor who has been deemed to have voluntarily resigned due to inactivity, under that Policy, becomes reactivated, he/she will re-enter his/her previous Marketing Organization in the first available position below his/her original Distributor or Distributor position, other than the position left vacant by such Distributor or Distributor. Former Distributors who have not been enrolled with the Company for at least the previous six consecutive months may re-enroll with the Distributor or Distributor of his/her choice upon completion of a new Application & Agreement, and payment of the applicable enrollment fee.

**91. The Enroller:**

A Distributor or Distributor who is the Enroller of a new Distributor or Distributor may not list another Distributor, who is not the actual Enroller, as the Enroller of such new Distributor or Distributor. Regardless of where a Distributor or Distributor is placed in a Marketing Organization, the actual Enroller of such Distributor or Distributor must be listed as the Enroller on the Application & Agreement.

**92. The Upline Enroller:**

The upline enroller has the discretion and authority to place a new member downline, in a position of his/her choice, if it otherwise complies with the Marketing Compensation Plan and The Rules and Regulations.

**93. Trademark, Service Mark, and Trade Name Restrictions:**

Distributors and Marketing Directors may not use, reproduce, or disseminate the Company trade name or logo, or any the Company trademark, or service mark except in the use and dissemination of literature published and made available by the Company except on stationery and business cards produced and authorized by the Company, and all marks or slogans designating products or services offered by the Company.

**94. Voluntary Resignation Due to Inactivity:**

It is the Distributor's or Distributor's responsibility to lead his/her Marketing Organization with the proper example in production of Personal Commission Value. Without this proper example and leadership, the Distributor or Distributor will lose his/her right to receive commissions and bonuses from his/her Marketing Organization. Therefore, Marketing Directors and Distributors who produce less than the minimum required Personal Commission Value to maintain their current Active Status during a month, as set forth in the Marketing Plan, Compensation Plan, will not receive the commission or bonus attributable to such status for the sales generated through their Marketing Organization for that month. Failure to meet Personal Commission Value requirements for two consecutive months constitutes the Distributor's or Distributor's voluntary resignation. A Distributor or Distributor who has voluntarily resigned will lose all his/her Personal Enrollees and his/her Marketing Organization. The resignation shall become effective on the day following the last day of the second month of inactivity, and they will return to the position of a Marketing Director.