

**ACTIVZ GLOBAL, LLC  
Policies and Procedures**

Effective April 1, 2019

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## SECTION 1 INTRODUCTION

### 1.1 - General Guidelines for Doing Business with ACTIVZ

- ❖ **Honor Your Agreements with ACTIVZ** - ACTIVZ expects you to read, understand and follow your Distributor Agreement and the Policies and Procedures, which, together with certain other documents referenced below, form an integral part of the Distributor Agreement.
- ❖ **Honor Your Agreements with Others** - ACTIVZ expects you to understand and comply with contractual obligations you may have with other businesses, including other network marketing companies.
- ❖ **Know Your Audience** - If you have obligations not to solicit certain individuals through prior contractual obligations, take reasonable steps to make sure that you do not.
- ❖ **Put Your Best (Online) Foot Forward** - Use your best judgment when posting about ACTIVZ on social media. Share our amazing products and opportunity with the world. But, if you have non-solicitation obligations from prior business relationships, you should avoid posts or messages that appear to target those individuals or particular businesses.
- ❖ **Speak the Truth** - We believe in the superior quality of ACTIVZ products. So, please stick to the facts - the science behind ACTIVZ products and the benefits of being part of the ACTIVZ team - and let your commitment, effort, and sales skill do the rest.

### 1.2 - Purpose of the Distributor Agreement and the Policies and Procedures

The purposes of the Distributor Agreement and the Policies and Procedures include the following:

- ❖ To assist Distributors in building and protecting their businesses;
- ❖ To protect ACTIVZ and its Distributors from legal and regulatory risks;
- ❖ To establish standards of acceptable behavior;
- ❖ To set forth the rights, privileges, and obligations of ACTIVZ and its Distributors; and
- ❖ To define the relationship between ACTIVZ and its Distributors.

### 1.3 - Policies and Compensation Plan Incorporated into Distributor Agreement

These Policies and Procedures and the Compensation Plan, in their present form and as amended by ACTIVZ GLOBAL, LLC (hereafter "ACTIVZ" or the "Company"), are incorporated into, and form an integral part of, the ACTIVZ Independent Distributor Application and Agreement ("Distributor Agreement"). It is the responsibility of each Distributor to read, understand, adhere to, and insure that he or she is aware of and operating under the most current version of these Policies and Procedures. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the ACTIVZ Distributor Application and Agreement (including the Terms and Conditions), these Policies and Procedures, the Privacy Policy, the ACTIVZ Compensation Plan, and the ACTIVZ Business Entity Addendum (if applicable). These documents are incorporated by reference into the ACTIVZ Distributor Agreement (all in their current form and as amended by ACTIVZ).

### 1.4 - Changes to the Agreement

ACTIVZ reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By executing the Distributor Agreement, a Distributor agrees to abide by all amendments or modifications that ACTIVZ elects to make. Amendments shall be effective thirty (30) days after publication of notice that the Agreement has been modified. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Company's official web site; (2) electronic mail (e-mail); (3) posting in Distributors' back-offices; (4) inclusion in Company periodicals; (5) inclusion in product orders or bonus checks; or (6) special mailings. The continuation of a Distributor's ACTIVZ business, the acceptance of any benefits under the Agreement, or a Distributor's acceptance of bonuses or commissions constitutes acceptance of all amendments.

### 1.5 - 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.

### 1.6 - 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 ACTIVZ 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 ACTIVZ' right to demand exact compliance with the Agreement. The existence of any claim or cause of action of a Distributor against ACTIVZ shall not constitute a defense to ACTIVZ' enforcement of any term or provision of the Agreement.

### 1.7 - Company Use of Information

By submitting a Distributor Application and Agreement that is accepted by ACTIVZ, the Distributor consents to allow ACTIVZ, its affiliates, and any related company to: (a) process and utilize the information submitted in the Distributor Application and Agreement (as amended from time to time) for business purposes related to the ACTIVZ business; and (2) disclose, now or in the future, such Distributor information to companies which ACTIVZ may, from time to time, deal with to deliver information to a Distributor to improve its marketing, operational, and promotional efforts. A Distributor has the right to access his or her personal information via his or her respective back office, and to submit updates thereto.

## SECTION 2 BECOMING A DISTRIBUTOR

### 2.1 - Requirements to Become a Distributor

To become an ACTIVZ Distributor, each applicant must:

- ❖ Be at least 18 years of age;
- ❖ Reside in the United States or U.S. Territories or country that ACTIVZ has officially announced is open for business;
- ❖ Provide ACTIVZ with his/her valid Social Security or Federal Tax ID number;
- ❖ Purchase an ACTIVZ Activation Kit (optional in North Dakota, Massachusetts and Wyoming for residents of those states); and
- ❖ Submit a properly completed Distributor Application and Agreement to ACTIVZ either in hard copy or online format.

ACTIVZ reserves the right to accept or reject any Distributor Application and Agreement for any reason or for no reason.

### 2.2 - Activation Kit and Product Purchases

With the exception of an Activation Kit, no person is required to purchase ACTIVZ products, services or sales aids, or to pay any charge or fee to become a Distributor. In order to familiarize new Distributors with ACTIVZ products, services, sales techniques, sales aids, and other matters, the Company requires that they purchase an Activation Kit. ACTIVZ will repurchase resalable kits from any Distributor who terminates his or her Distributor Agreement pursuant to the terms of Section 7.3.

### 2.3 - Distributor Benefits

Once a Distributor Application and Agreement has been accepted by ACTIVZ, the benefits of the Agreement are available to the new Distributor. These benefits include the right to:

- ❖ Sell ACTIVZ products and services;
- ❖ Purchase ACTIVZ products at their published wholesale price;
- ❖ Participate in the ACTIVZ Compensation Plan (receive bonuses and commissions, if eligible);
- ❖ Sponsor other individuals as Preferred Customers, Retail Customer or Distributors into the ACTIVZ business and thereby, build a marketing organization and progress through the ACTIVZ Compensation Plan;
- ❖ Receive periodic ACTIVZ literature and other ACTIVZ communications;
- ❖ Participate in ACTIVZ-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 ACTIVZ for its Distributors.

### 2.4 - Term and Renewal of Your ACTIVZ Business

The term of the Distributor Agreement is one year from the date of its acceptance by ACTIVZ (subject to reclassification for inactivity after six months pursuant to Section 10). Distributors must renew their Distributor Agreement each year by paying an annual renewal fee of \$25 on or before the anniversary date of their Distributor Agreement. If the renewal fee is not paid within thirty (30) days after the expiration of the current term of the Distributor Agreement, the Distributor Agreement may be terminated. Distributors

may elect to utilize the Automatic Renewal Program (“ARP”). Under the ARP, the renewal fee will be charged to the Distributor’s credit card on file with the Company. Distributors without a credit card or bank account must renew by phone or mail. Distributors who have 12-months of consecutive automatic product reorders may have the annual renewal fee waived.

### SECTION 3 - OPERATING AN ACTIVZ BUSINESS

#### 3.1 - Adherence to the ACTIVZ Compensation Plan

Distributors must adhere to the terms of the ACTIVZ Compensation Plan as set forth in official ACTIVZ literature. Distributors shall not offer the ACTIVZ opportunity through, or in combination with, any other system, program, sales tools, or method of marketing other than that specifically set forth in official ACTIVZ literature. Distributors shall not require or encourage other current or prospective Customers or Distributors to execute any agreement or contract other than official ACTIVZ agreements and contracts in order to become an ACTIVZ 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 ACTIVZ Compensation Plan other than those purchases or payments identified as recommended or required in official ACTIVZ documents or literature.

#### 3.2 - Advertising

##### 3.2.1 - General

All Distributors shall safeguard and promote the good reputation of ACTIVZ and its products. The marketing and promotion of ACTIVZ, the ACTIVZ opportunity, the Compensation Plan, and ACTIVZ products must avoid all discourteous, deceptive, misleading, unethical or immoral, or illegal conduct or practices.

To promote both the products and services, and the tremendous opportunity ACTIVZ offers, Distributors should use the sales aids, business tools, and support materials produced by ACTIVZ. The Company has carefully designed its products, services, memberships, Compensation Plan, and promotional materials to ensure that they are promoted in a fair and truthful manner, that they are substantiated, and the materials comply with the legal requirements of federal and state laws.

Accordingly, Distributors may only advertise or promote their ACTIVZ business using approved tools, templates or images acquired through ACTIVZ. No approval is necessary to use these approved tools. If you wish to design your own online or offline marketing materials of any kind, your designs must be submitted to the ACTIVZ Marketing Department ([compliance@ACTIVZ.com](mailto:compliance@ACTIVZ.com)) for consideration and inclusion in the template/image library. Unless you receive specific written approval from ACTIVZ to use such tools, the request shall be deemed denied. Go to the *Template Library* tab in your back office for guidelines and to access the library.

##### 3.2.2 - Trademarks and Copyrights

The name of ACTIVZ and other names as may be adopted by ACTIVZ are proprietary trade names, trademarks and service marks of ACTIVZ (collectively “marks”). As such, these marks are of great value to ACTIVZ and are supplied to Distributors for their use only in an expressly authorized manner. ACTIVZ will only allow the limited non-exclusive use of its marks, designs, or symbols, or any derivatives thereof, solely by a Distributor in the furtherance or operation of his or her ACTIVZ business, consistent with these Policies and Procedures. ACTIVZ will not allow the use of its marks, designs, or symbols, or any derivatives thereof, by any person, including ACTIVZ Distributors, in any manner without its prior, written permission.

The content of all Company sponsored events is copyrighted material. Distributors may not produce for sale or distribution any recorded Company events and speeches without the prior written permission from ACTIVZ, nor may Distributors reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations without the prior written permission from ACTIVZ.

Distributors may not use the name ACTIVZ, EMORA, GENOM-X, GNM-X, LINQ, or any other ACTIVZ trademark, whether now existing or hereinafter created, in any form in your team name, tagline, external website name, your personal website address or extension, e-mail address, as a personal name, or as a nickname. Additionally, only use the phrase *Independent Distributor of ACTIVZ* in your phone greeting or on your answering machine to clearly separate your independent ACTIVZ business from ACTIVZ Global, LLC. For example, you may not secure the domain name [www.buyACTIVZ.com](http://www.buyACTIVZ.com), nor may you create an email address such as [ACTIVZsales@hotmail.com](mailto:ACTIVZsales@hotmail.com).

### 3.2.2.1 - Independent ACTIVZ Distributor Logo

If you use an ACTIVZ logo in any communication, you must use the Independent Distributor version of the ACTIVZ logo. Using any other ACTIVZ logo requires prior written approval from ACTIVZ. As ACTIVZ Independent Distributors, you are authorized to use the ACTIVZ Independent Distributor logo that was designed with you in mind. ACTIVZ has put together a collection of logos and marks that you are authorized to use in your marketing and branding efforts. These logos can be resized and altered for use on the web and various other marketing efforts, but you must adhere to the guidelines to ensure that you keep the brand pure and unadulterated.

There are three ACTIVZ logos below for Independent Distributor use. Orange, Black and White. These are .pdfs with a transparent background, so you may place them over images, but please observe the clear space guidelines below.

ACTIVZ  
Independent Distributor

ACTIVZ  
Independent Distributor

ACTIVZ  
Independent Distributor

For maximum visual effectiveness, please observe the clear space around the logo. Nothing should intrude into this specified clear space.

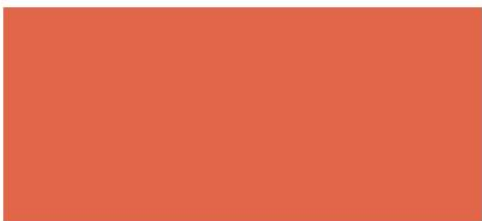


- **ACTIVZ Color Palette**



- RGB 253 171 78  
CMYK 0 38 78 0

- RGB 252 71 42  
CMYK 0 86 89 0



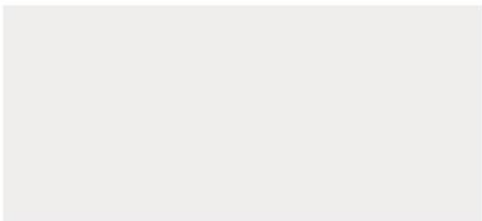
PMS 171C  
RGB 255 87 34  
CMYK 0 80 93 0  
HEX #ff5722



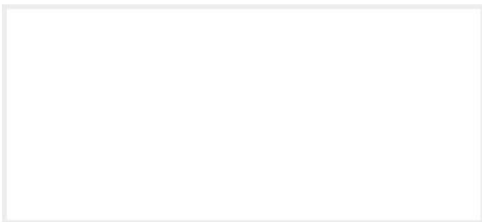
PMS 430C  
RGB 124 134 140  
CMYK 55 41 38 4  
HEX #7d888d



PMS Cool Gray 4C  
RGB 191 191 191  
CMYK 25 20 20 0  
HEX #bfbfbf



RGB 241 238 237  
CMYK 5 5 5 0  
HEX #f1e0e0



RGB 255 255 255  
CMYK 0 0 0 0  
HEX #ffffff

- **ACTIVZ Font**



Univia Pro is the official ACTIVZ font. However, we recognize that this font cannot be used in all scenarios. When you are unable to use Univia Pro, please substitute with Arial or Calibri.

### Inappropriate Logo Usage

- **Stretched or Distorted Logos**

While resizing logos is permitted, every precaution should be taken to ensure that the integrity of the logo and its associated mark is protected. Often times when resizing a logo, the dimensions can easily be altered and create a logo that looks inappropriate or distorted. DO NOT use a logo that appears like the following:

The image shows the ACTIVZ logo where the letters are significantly stretched horizontally, making them appear thin and distorted. Below the main text, the words "Independent Distributor" are also stretched to match the width of the main text.

ACTIVZ  
Independent Distributor

OR

The image shows the ACTIVZ logo in its correct, standard proportions. The letters are well-spaced and the font is clear. Below the main text, the words "Independent Distributor" are centered and in a smaller, standard font.

ACTIVZ  
Independent Distributor



DO NOT STACK LOGOS ON TOP OF OTHER BRANDING ELEMENTS SUCH AS PRODUCTS OR OTHER LOGOS. BE SURE TO GIVE ALL ITEMS AMPLE SPACE SO AS NOT TO CREATE UNREALISTIC OR UNDESIRABLE BRANDING SCENARIOS.

- **Third Party Logos**

We advise that you not to use third-party logos and trademarks. Laws vary greatly by geographic location and while there are “fair usage” exceptions to logos and trademarks, you should never use property that belongs to someone else without permission. Using property that belongs to someone else can bring unnecessary scrutiny and potential law suits to both you and ACTIVZ. You can make written references to third party companies and brands, but you cannot use their logos, artwork or other trademarked materials without prior written authorization.

- **Product Logo Usage**

Please only use approved product images and logos as found in your virtual office resource library. ACTIVZ will continually add to the collection of images as it launches new products and obtains new product images.

Follow all branding guidelines as established above when using products photography and branding. DO NOT alter product photography or logos or other trademarks by misshaping, distorting or using the logos in any way that misrepresents the brand.

Distributor’s Name  
 Independent ACTIVZ Distributor  
 Independent Distributor – ACTIVZ

*Example:*  
 Alice Smith  
 Independent ACTIVZ Distributor  
 or  
 Alice Smith  
 ACTIVZ  
 Independent Distributor

### 3.2.3 - Media and Media Inquiries

Distributors must not attempt to respond to media inquiries regarding ACTIVZ, its products or services, or their independent ACTIVZ business. All inquiries by any type of media must be immediately referred to ACTIVZ' Compliance Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

### 3.2.4 - Unsolicited Email

ACTIVZ does not permit Distributors to send unsolicited commercial emails unless such emails strictly comply with applicable state and federal laws and regulations including, without limitation, the federal CAN SPAM Act. The CAN-SPAM Act regulates the transmission of all commercial e-mail messages, not just unsolicited messages. A commercial e-mail message is defined as any e-mail that has a "primary purpose of . . . commercial advertisement or promotion of a commercial product or service." This includes commercial e-mails sent to business e-mail accounts, as well as those sent to individual consumers.

#### 3.2.4.1 - Requirements for All Commercial Email Messages

##### The Mailing List

- ❖ The mailing list may include only persons who have affirmatively agreed (opted in) to receive commercial e-mail from you.
- ❖ The mailing list must not include any recipient who has previously asked not to receive commercial e-mail from the business (opted out).
- ❖ You must "scrub" the mailing list against available "do not e-mail" list at the last possible, commercially reasonable moment before the e-mail is sent.

##### The E-mail Message

- ❖ The message must include complete and accurate transmission and header information.
- ❖ The "From" line must identify your business as the sender. This does not have to include your business's formal name, if any. For example, it may contain your business's name, trade name, or product or service name. The key requirement is that the "From" line provide the recipient with enough information to understand who is sending the message.
- ❖ The "Subject" line must accurately describe the message's content.
- ❖ The message must clearly include the business's valid, current physical postal address. This address can be a:
  - street address;
  - post office box that the business has accurately registered with the US Postal Service; or
  - private mailbox that the business has accurately registered with a commercial mail receiving agency established pursuant to US Postal Service regulations.
- ❖ The message must disclose that it is an advertisement or solicitation unless the e-mail message is sent only to recipients who have affirmatively agreed (opted in) to receive these messages from the business.
- ❖ There must be a functioning return email address to the sender.
- ❖ The use of deceptive subject lines and/or false header information is prohibited.

##### The Opt-out Mechanism

- ❖ The message must clearly explain that the recipient may opt out of receiving future commercial messages from the business.
- ❖ The message must include either an e-mail address or other online mechanism that the recipient may use for this opt out. The mechanism must not require the recipient to:
  - do anything more than reply to the e-mail or visit a single web page to opt out;
  - make any payment or submit any personal information, including account information (other than e-mail address), to opt out; and
  - the opt-out mechanism must work for at least 30 days after the e-mail is sent.
- ❖ You must ensure that the explanation of how a recipient can opt out is easy to read and understand.

- ❖ You may include a menu of opt-out options that permit the recipient to select the types of commercial messages the recipient would like to continue receiving. However, one option must permit opting out of all commercial messages from you.
- ❖ You must honor all opt-out requests within ten business days.
- ❖ Opt-out requests do not expire. An opt-out is overridden only by the recipient's subsequent express (opt in) request to receive commercial e-mail.
- ❖ All opt-out requests, whether received by email or regular mail, must be honored. If you receive an opt-out request from a recipient of an email, you must forward the opt-out request to the Company.
- ❖ You may not sell, share or use an opt-out list for any reason other than to comply with the law.

Monitoring Opt-out Capabilities – If you use a third-party service provider you must implement procedures to ensure that your opt-out capabilities actually work. An example of a basic procedure to test the opt-out procedure is as follows:

- ❖ Establish e-mail accounts with several major private e-mail account providers (for example, Gmail, Yahoo, Hotmail, AOL, and so on) and add these e-mail addresses to the business's mailing list. For each e-mail address created for monitoring purposes, use the opt-out mechanism to remove the e-mail address from the mailing list.
- ❖ Repeat this procedure on a regular basis (for example, at least every two weeks).
- ❖ Examine the e-mail received by the monitoring e-mail account to confirm that the: opt-out mechanism works; opt-out request is honored within 10 business days; and monitoring e-mail account no longer receives commercial messages from the business.
- ❖ If the monitoring and testing process reveals problems, the business should immediately fix the issues.

Third-party Marketing Affiliates or Service Providers - When using third-party service providers, including affiliate marketers you should ensure that the written contract with the service provider clearly sets out each party's responsibilities for compliance with the CAN-SPAM Act and includes appropriate and adequate remedies for noncompliance.

#### **3.2.4 Television and Radio Advertising**

Distributors may not advertise on television and/or radio.

### **3.3 Online Sales and Conduct**

#### **3.3.1 Online Sales**

Other than through his or her own authorized ACTIVZ Replicated Website or Registered External Website, a Distributor shall not sell any ACTIVZ product over the Internet or any other online network, whether now existing or hereinafter created.

#### **3.3.2 Distributor Web Sites**

If a Distributor desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's official web site, using official ACTIVZ Replicated Website templates. Through their replicated websites, Distributors can take orders, enroll new Customers and Distributors, place Customers on the Autoship Program, as well as manage their ACTIVZ business. Alternatively, Distributors may develop their own External Registered Websites. However, any Distributor who wishes to develop his or her own External Registered Website must request and receive the Compliance Department's prior written approval before the website goes live and is visible to any third party. Once a website is approved in writing, it is a "Registered External Website." Any changes to the Registered External Website must be submitted to the Compliance Department, and the Distributor must receive written authorization to make the change before going live with the change.

In general, Distributors may create their own External Registered Websites, so long as the website and its content comply with the terms of the Policies and Procedures and applicable laws. It is the Distributor's obligation to ensure his or her online marketing activities are truthful, are not deceptive and do not mislead prospective or current Customers or Distributors in any way. Websites and web promotion activities and tactics that mislead or are deceptive, regardless of intent, will result in disciplinary action. Deceptive and misleading tactics include, but are not limited to, spam linking (or blog spam), deceptive or misleading search engine optimization ("SEO") tactics (e.g., deceptive or misleading metatags), deceptive or misleading click-through ads (i.e. having the display URL of a Pay-Per-Click ("PPC") campaign appear to be directed to an official ACTIVZ Corporate Site when it in fact goes elsewhere), unapproved banner ads, and unauthorized press releases. ACTIVZ will be the sole determinant of truthfulness and whether specific activities are misleading or deceptive. Distributors websites must be preapproved by ACTIVZ Compliance Department before going live.

### 3.3.3 ACTIVZ Replicated Websites

Distributors receive an ACTIVZ Replicated Website subscription to facilitate online buying experience for their Customers and enrollments for prospective Customers and Distributors.

Distributors may not alter the branding, artwork, look, or feel of their Replicated Website, and may not use their Replicated Website to promote, market or sell non-ACTIVZ products, services or income opportunities. Specifically, you may not alter the look (placement, sizing etc.) or functionality of the following:

- ❖ The ACTIVZ Independent Distributor Logo
- ❖ Your Name
- ❖ ACTIVZ Corporate Website Redirect Button
- ❖ Artwork, logos, or graphics
- ❖ Original text.

Because Replicated Websites reside on the ACTIVZ.com domain, ACTIVZ reserves the right to receive analytics and information regarding the usage of your website.

By default, your ACTIVZ Replicated Website URL is [www.MyACTIVZ.com/<DistributorID#>](http://www.MyACTIVZ.com/<DistributorID#>). You are able to change this default ID and choose a uniquely identifiable website name though they cannot:

- ❖ Be confused with other portions of the ACTIVZ corporate website;
- ❖ Confuse a reasonable person into thinking they have landed on an ACTIVZ corporate page;
- ❖ Be confused with any ACTIVZ name;
- ❖ Contain any discourteous, misleading, or off-color words or phrases that may damage the ACTIVZ image.

### 3.3.4 Registered External Website Content

Distributors are solely responsible and liable for their own Registered External Website content, messaging, claims, and information and must ensure that it appropriately represents and enhances the ACTIVZ brand and adheres to ACTIVZ' Policies and Procedures. Additionally, Registered External Websites must not contain disingenuous popup ads or promotions or malicious code. Decisions and corrective actions in this area are at ACTIVZ' sole discretion.

### 3.3.5 ACTIVZ Independent Distributor Disclosure

To avoid confusion, the following three elements must be prominently displayed at the top of every page of your Registered External Website:

- ❖ The ACTIVZ Independent Distributor Logo
- ❖ Your Name and Title
- ❖ ACTIVZ Corporate Website Redirect Button

Although ACTIVZ brand themes and images are desirable for consistency, anyone landing on any page of a Distributor's External Website must clearly understand that they are at an Independent Distributor site, and not an ACTIVZ Corporate page.

### 3.3.6 Registered External Website Termination

In the event of the voluntary or involuntary termination of your Distributor Agreement, you must remove your Registered External Website from public view within three days and redirect (forward) all traffic from that domain to [www.ACTIVZ.com](http://www.ACTIVZ.com). Your external website may be transferred to another ACTIVZ Distributor, subject to ACTIVZ approval, on a case-by-case basis.

### 3.3.7 Team Websites

You may use team websites for the purposes of connecting, communicating, training, education and sharing best practices among team members. Because these sites may contain sensitive and Company-specific information, these team websites must be password protected and may only be shared with members of your downline.

Distributors who want to develop his or her own Team Website must submit a properly completed Team Website Registration Application and Agreement along with the proper website registration fee and receive the Company's prior written approval before the website goes live and is visible to any third party. Once a Team Website is approved by ACTIVZ in writing, it is a "Registered Team Website." Any changes to the Registered Team Website must be submitted to ACTIVZ, and the Distributor must receive ACTIVZ' written authorization to make the change before going live with the change. Distributors who own or operate a Registered Team Website must provide ACTIVZ with a user ID and password to be able to access the website from time to time. Registered Team Websites must comply with the terms of ACTIVZ' Policies and Procedures and applicable laws.

### **3.3.8 Domain Names, email Addresses and Online Aliases**

You are not allowed to use or register ACTIVZ or any of ACTIVZ' trademarks, product names, or any derivatives, for any Internet domain name, email address, or online aliases. Additionally, you cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from or is the property of ACTIVZ. Examples of the improper use of ACTIVZ include, but are not limited to any form of ACTIVZ showing up as the sender of an email or examples such as:

[www.MyACTIVZBiz.com](http://www.MyACTIVZBiz.com)  
[www.ISellACTIVZ.com](http://www.ISellACTIVZ.com)  
[www.ACTIVZMoney.net](http://www.ACTIVZMoney.net)

[www.ACTIVZDreamTeam.com](http://www.ACTIVZDreamTeam.com)  
[www.ACTIVZbyJaneDoe.com](http://www.ACTIVZbyJaneDoe.com)  
[www.JanesACTIVZOpportunity.net](http://www.JanesACTIVZOpportunity.net)

### **3.3.9 ACTIVZ Hotlinks**

When directing readers to your Registered External Website or replicated site it must be evident from a combination of the link, and the surrounding context, to a reasonable reader, that the link will be resolving to the site of an independent ACTIVZ Distributor. Attempts to mislead web traffic into believing they are going to an ACTIVZ corporate site, when in fact they *land* at a Distributor site (replicated or registered external) will not be allowed. The determination as to what is *misleading* or what constitutes a *reasonable reader* will be at ACTIVZ' sole discretion.

### **3.3.10 Online Classifieds**

You may use online classifieds for prospecting, recruiting, sponsoring and informing the public about the ACTIVZ income opportunity, provided ACTIVZ approved templates/images are used. These templates will identify you as an Independent ACTIVZ Distributor. If a link or URL is provided, it must link to your Replicated Website or your Registered External Website.

### **3.3.11 Banner Advertising**

You may place banner advertisements on a website provided you use ACTIVZ approved templates and images. All banner advertisements must link to your Replicated Website or a Registered External Website. Distributors may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or income claims that are ultimately associated with ACTIVZ products or the ACTIVZ opportunity.

### **3.3.12 Digital Media Submission (YouTube, iTunes, Photo Bucket etc.)**

Distributors may upload, submit or publish ACTIVZ-related video, audio or photo content that they develop and create so long as it aligns with ACTIVZ' values, contributes to the ACTIVZ community greater good, and is in compliance with the ACTIVZ Policies and Procedures. All submissions must clearly identify you as an Independent ACTIVZ Distributor in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that you are solely responsible for this content. Distributors may not upload, submit or publish any content (video, audio, presentations or any computer files) received from ACTIVZ or captured at official ACTIVZ events or in buildings owned, leased, or operated by ACTIVZ without prior written permission from ACTIVZ.

### **3.3.13 Sponsored Links / Pay-Per-Click (PPC) Ads**

Except as prohibited elsewhere within the Policies and Procedures, sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to the sponsoring Distributor's Replicated Website or to the sponsoring Distributor's Registered External Website. The display URL must also be to the sponsoring Distributor's Replicated Website or to the sponsoring Distributor's Registered External Website and must not portray any URL that could lead the user to believe they are being directed to an ACTIVZ Corporate site or be inappropriate or misleading in any way.

### 3.3.14 Domain Names and Email Addresses

Except as set forth in the Distributor Website Application and Agreement, Distributors may not use or attempt to register any of ACTIVZ' trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative of the foregoing, for any Internet domain name, email address, or social media name or address.

### 3.3.15 Social Media

In addition to meeting all other requirements specified in these Policies and Procedures, should you utilize any form of social media, including but not limited to Facebook, Instagram, Twitter, LinkedIn, YouTube, or Pinterest, you agree to each of the following:

- ❖ No product sales or enrollments may occur on any social media site. To generate sales, a social media site must link only to an official ACTIVZ website, your ACTIVZ Replicated Website, or your Registered External Website.
- ❖ It is your responsibility to follow the social media site's terms of use. If the social media site does not allow its site to be used for commercial activity, you must abide by the site's terms of use.
- ❖ Any social media site that is directly or indirectly operated or controlled by a Distributor that is used to discuss or promote ACTIVZ' products or the ACTIVZ opportunity may not link to any website, social media site, or site of any other nature, other than the Distributor's ACTIVZ replicated website.
- ❖ During the term of this Agreement and for a period of 12 calendar months thereafter, a Distributor may not use any social media site on which they discuss or promote, or have discussed or promoted, the ACTIVZ business or ACTIVZ' products to directly or indirectly solicit ACTIVZ Distributors for another direct selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, a Distributor shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Distributors relating to the Distributor's other direct selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision below.
- ❖ A Distributor may post or "pin" photographs of ACTIVZ products on a social media site, but only photos that are provided by ACTIVZ and downloaded from the Distributor's Back-Office may be used.

If a Distributor creates a business profile page on any social media site that promotes or relates to ACTIVZ, its products, or opportunity, the business profile page must relate exclusively to the Distributor's ACTIVZ business and ACTIVZ products. If the Distributor's ACTIVZ business is cancelled for any reason or if the Distributor becomes inactive, the Distributor must deactivate the business profile page.

## 3.4 Business Entities

Any type of sole proprietorship, corporation, limited liability company, partnership, or trust (collectively referred to as a "Business Entity") may apply to be an ACTIVZ Distributor by submitting a Distributor Application and Agreement along with a properly completed Business Entity Registration Form and a properly completed IRS Form W-9. The Business Entity, as well as all shareholders, members, managers, partners, trustees, or other parties with any ownership (legal or equitable) interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties") are individually, jointly and severally liable for any indebtedness to ACTIVZ, compliance with the ACTIVZ Policies and Procedures, the ACTIVZ Distributor Agreement, and other obligations to ACTIVZ.

### 3.4.2 Removal of an Affiliated Party

To prevent the circumvention of Sections 3.22 (Sale, Transfer, or Assignments of ACTIVZ Business) and 3.5, (Change of Sponsor), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or ACTIVZ, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify ACTIVZ in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions of Section 3.22 (Sale, Transfer, or Assignments of ACTIVZ Business). In addition, the Affiliated Party foregoing their interest in the Business Entity may not participate in any other ACTIVZ business for six consecutive calendar months in accordance with Section 3.5.3 (Termination and Re-application). If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 3.22 (Sale, Transfer, or Assignments of ACTIVZ Business).

The modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 3.5 (Change of Sponsor), below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Distributor Application and Agreement. ACTIVZ may, at its discretion, require

notarized documents before implementing any changes to an ACTIVZ business. Please allow thirty (30) days after the receipt of the request by ACTIVZ for processing.

### 3.4.3 Changes to a Business Entity

Each Distributor must immediately notify ACTIVZ of all changes to type of Business Entity they utilize in operating their businesses and the addition or removal of business Affiliated Parties.

## 3.5 Change of Sponsor

ACTIVZ generally prohibits changes in sponsorship. In order to protect all Sponsors, no Distributor may interfere with the relationship between another Distributor and his or her Sponsor in any way. A Distributor may not offer, entice, encourage, solicit, recruit, or otherwise influence or attempt to persuade another Distributor to change his or her Sponsor or line of sponsorship, either directly or indirectly. Accordingly, the transfer of an ACTIVZ business from one sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Compliance Department and must include the reason for the transfer. Transfers will only be considered in the following three circumstances:

### 3.5.1 Misplacement

In cases in which the new Distributor is enrolled by someone other than the individual he or she was led to believe would be his or her enroller, a Distributor may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within 30 days from the date of enrollment. It is up to ACTIVZ' discretion whether the requested change will be implemented.

### 3.5.2 Upline Approval

The Distributor seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her immediate 8 upline Distributors in his or her marketing organization and approval from ACTIVZ Compliance Department. Photocopied or facsimile signatures are not acceptable. All Distributor signatures must be notarized. The Distributor who requests the transfer must submit a fee of \$50.00 for administrative charges and data processing. If the transferring Distributor also wants to move any of the Distributors in his or her marketing organization, each downline Distributor must also obtain a properly completed Sponsorship Transfer Form and return it to ACTIVZ with the \$50.00 change fee (i.e., the transferring Distributor and each Distributor in his or her marketing organization multiplied by \$50.00 is the cost to move an ACTIVZ business.) Downline Distributors will not be moved with the transferring Distributor unless all of the requirements of this paragraph are met. Transferring Distributors must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by ACTIVZ for processing and **verifying** change requests.

### 3.5.3 Termination and Re-application

A Distributor may legitimately change organizations by voluntarily canceling his or her ACTIVZ business and remaining inactive (i.e., no purchases of ACTIVZ products for resale, no sales of ACTIVZ products, no sponsoring, no attendance at any ACTIVZ functions, participation in any other form of Distributor activity, or operation of any other ACTIVZ business, no income from the ACTIVZ business) for six (6) full calendar months. Following the six-month period of inactivity, the former Distributor may reapply under a new sponsor, however, the former Distributor's downline will remain in their original line of sponsorship. ACTIVZ will consider waiving the six-month waiting period under exceptional circumstances. Such requests for waiver must be submitted to ACTIVZ in writing.

### 3.5.4 Waiver of Claims

In cases in which the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by a Distributor, ACTIVZ reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **DISTRIBUTORS WAIVE ANY AND ALL CLAIMS AGAINST ACTIVZ, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM ACTIVZ' DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

## 3.6 Unauthorized Claims and Actions

### 3.6.1 Indemnification

A Distributor is fully responsible for all of his or her verbal and written statements made regarding ACTIVZ products, services,



and the Compensation Plan that are not expressly contained in official ACTIVZ materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through Social Media, in print, or any other means of communication. In addition, each Distributor agrees to comply with the terms and conditions of any non-compete and/or non-solicitation obligation that he or she may have with another party. Distributors agree to indemnify ACTIVZ and ACTIVZ' directors, officers, employees, and agents, and hold them harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by ACTIVZ as a result of the Distributor's unauthorized representations or actions. This provision shall survive the termination of the Distributor Agreement.

### **3.6.2 Compensation Plan Claims**

When presenting or discussing the ACTIVZ Compensation Plan, you must make it clear to prospects that financial success with ACTIVZ 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:

- ❖ It's 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'll build your downline for you;
- ❖ The company does all the work for you;
- ❖ You don't have to sell anything; or
- ❖ All you have to do is buy your products every month.

The above are merely examples of improper representations about the Compensation Plan. It is important that you do not make these or any other representations that could lead a prospect to believe that they can be successful as an ACTIVZ Distributor without commitment, effort, and sales skill.

### **3.6.3 Income Claims**

Because ACTIVZ Distributors do not have the data necessary to comply with the legal requirements for making income claims, a Distributor, when presenting or discussing the ACTIVZ opportunity or Compensation Plan to a prospective Distributor, may not make income projections, income claims, or disclose his or her ACTIVZ income (including, but not limited to, the showing of his or her own virtual office earnings report(s), checks, copies of checks, bank statements, or tax records).

## **3.7 Commercial Outlets**

Distributors may sell ACTIVZ products from commercial outlets, including e-commerce outlets, but must comply with all policies regarding advertised retail pricing and must only use company approved material in the marketing and promotion of those products.

## **3.8 Trade Shows, Expositions and Other Sales Forums**

Distributors may display and/or sell ACTIVZ products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Distributors must contact the Distributor Services Department in writing for conditional approval. Final approval will be granted to the first Distributor who submits an official advertisement of the event, a copy of the contract signed by both the Distributor and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Distributor Services Department. ACTIVZ 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, services, or the ACTIVZ 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 ACTIVZ wishes to portray.

## **3.9 Conflicts of Interest**

### **3.9.1 Crossline Recruiting**

Distributors are prohibited from crossline recruiting and from enrolling in one or more crossline distributor positions. The use of a spouse or relative's name, trade names, DBAs, assumed names, entities, federal identification numbers, or fictitious identification numbers, or any other device or contrivance to circumvent this policy is prohibited. A Distributor shall not demean, discredit, or defame other ACTIVZ Distributors in an attempt to entice another customer, Distributor or prospective Distributor to

become part of his or her organization.

For the purposes of this Section 3.9.1, the term “crossline recruiting” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any way, either directly, indirectly, or through a third party, another ACTIVZ Distributor or Customer to enroll, join, or otherwise participate in another ACTIVZ marketing organization, downline, or line of sponsorship other than the one in which he, she, or it originally enrolled.

### **3.9.2 Non-solicitation**

ACTIVZ Distributors are prohibited from promoting other products or services and business opportunities during ACTIVZ discussions or presentations. Distributors are ambassadors of the ACTIVZ brand, and as such, shall not engage in cross-selling products or services offered by third parties to other ACTIVZ distributors or customer. Distributors shall not engage in disparaging behavior of the ACTIVZ brand or its competitors.

### **3.9.3 Distributor Participation in Other Network Marketing Programs**

Distributors may participate in other network marketing programs. However, ACTIVZ distributors may not use an ACTIVZ meeting, whether sponsored by ACTIVZ Corporate or by an ACTIVZ distributor, to promote the products or opportunity of another network marketing company.

### **3.9.4 Confidential Information**

“Confidential Information” includes, but is not limited to, Downline Genealogy Reports, the identities of ACTIVZ customers and Distributors, contact information of ACTIVZ customers and Distributors, Distributors’ personal and group sales volumes, and Distributor rank and/or achievement levels. ACTIVZ Confidential Information is, or may be available, to Distributors in their respective back-offices. Distributor access to such Confidential Information is password protected and is confidential and constitutes proprietary information and business trade secrets belonging to ACTIVZ. Such Confidential Information is provided to Distributors in strictest confidence and is made available to Distributors for the sole purpose of assisting Distributors in working with their respective downline organizations in the development of their ACTIVZ business. Distributors may not use the reports for any purpose other than for developing their ACTIVZ business. Where a Distributor participates in other multi-level marketing ventures, he/she is not eligible to have access to Downline Genealogy Reports. Distributors should use the Confidential Information to assist, motivate, and train their downline Distributors. The Distributor and ACTIVZ agree that, but for this agreement of confidentiality and nondisclosure, ACTIVZ would not provide Confidential Information to the Distributor.

To protect the Confidential Information, Distributors shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- ❖ Directly or indirectly disclose any Confidential Information to any third party;
- ❖ Directly or indirectly disclose the password or other access code to his or her back-office;
- ❖ Use any Confidential Information to compete with ACTIVZ or for any purpose other than promoting his or her ACTIVZ business;
- ❖ Recruit or solicit any Distributor or Customer of ACTIVZ listed on any report or in the Distributor’s back-office, or in any manner attempt to influence or induce any Distributor or Customer of ACTIVZ, to alter their business relationship with ACTIVZ; or
- ❖ Use or disclose to any person, partnership, association, corporation, or other entity any Confidential Information.

The obligation not to disclose Confidential Information shall survive cancellation or termination of the Agreement and shall remain effective and binding irrespective of whether a Distributor’s Agreement has been terminated, or whether the Distributor is or is not otherwise affiliated with the Company.

## **3.10 Targeting Other Direct Sellers**

Should Distributors engage in activities to recruit other distributors who have contracts with another direct sales company, 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 he or she engaged in inappropriate recruiting activity of its sales force or customers, ACTIVZ will not pay any of the Distributor’s defense costs or legal fees, nor will ACTIVZ indemnify the Distributor for any judgment, award, or settlement.

### **3.11 Errors or Questions**

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

### **3.12 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 ACTIVZ or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

### **3.13 Holding Applications or Orders**

Distributors must not manipulate enrollments of new applicants and purchases of products. All Distributor Applications and Agreements, and product orders must be sent to ACTIVZ within 72 hours from the time they are signed by a Distributor or placed by a Customer, respectively.

### **3.14 Income Taxes**

Each Distributor is responsible for paying local, state, and federal taxes on any income generated as an Independent Distributor. Unfortunately, we cannot provide you with any personal tax advice. Please consult your own tax accountant, tax attorney, or other tax professional. If a Distributor's ACTIVZ business is tax exempt, the Federal tax identification number must be provided to ACTIVZ. Every year, ACTIVZ will provide an IRS Form 1099 MISC (Non-employee Global Wealth) 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.

### **3.15 Independent Contractor Status**

Distributors are independent contractors. The agreement between ACTIVZ and its Distributors does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Distributor. Distributors shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Distributors are responsible for paying local, state, and federal taxes due from all Global Wealth earned as a Distributor of the Company. The Distributor has no authority (expressed or implied), to bind the Company to any obligation. Each Distributor shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Distributor Agreement, these Policies and Procedures, and applicable laws.

### **3.16 Insurance**

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present home owner's policy.

### **3.17 International Marketing**

Distributors are authorized to sell ACTIVZ products and enroll Customers or Distributors only in the countries in which ACTIVZ is authorized to conduct business, as announced in official Company literature. ACTIVZ products or sales aids may not be shipped into or sold in any foreign country. Distributors may sell, give, transfer, or distribute ACTIVZ products or sales aids only in their home country. In addition, no Distributor may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential Customers or Distributors; or (c) conduct any other activity for the purpose of selling ACTIVZ products, establishing a marketing organization, or promoting the ACTIVZ opportunity.

### **3.18 Bonus Buying**

Bonus buying includes any 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. Bonus buying includes, but is not limited to, purchasing products through a straw man, falsified customer, or other artifice.

### **3.19 Adherence to Laws and Regulations**

Distributors must comply with all federal, state, and local laws, regulations, ordinances, and codes in the conduct of their

businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Distributors because of the nature of their business. However, Distributors must obey those laws that do apply to them. If a city or county official tells a Distributor that an ordinance applies to him or her, the Distributor shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of ACTIVZ.

### **3.20 Two ACTIVZ Businesses per Household**

Except as otherwise permitted under the Compensation Plan, an individual Distributor may operate, have an ownership interest in and/or receive compensation from only one ACTIVZ distribution business, whether as an individual, sole proprietorship, member or manager in a limited liability company, partner, shareholder, employee, trustee, or beneficiary. In addition, another individual of the same Household as the first Distributor may each enter into or have an interest in the same or a different ACTIVZ distribution business, but there shall be no more than two total ACTIVZ distribution businesses per Household. A "Household" is defined as all adults living in and/or doing business at the same residence. An exception to the two businesses per household rule will be considered on a case by case basis. Requests for exceptions to policy must be submitted in writing to the Compliance Department.

If any adult member of a Distributor's 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 ACTIVZ may take disciplinary action pursuant to these Policies and Procedures against each individual Distributor within the Household. Similarly, if a Distributor enrolls as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

### **3.21 Requests for Records**

Any request from a Distributor for copies of invoices, applications, downline activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

### **3.22 Sale, Transfer, or Assignment of ACTIVZ Business**

Although an ACTIVZ business is a privately owned and independently operated business, the sale, transfer or assignment of an ACTIVZ business, and the sale, transfer, or assignment of an interest in a Business Entity that owns or operates an ACTIVZ business, is subject to certain limitations. If a Distributor wishes to sell his or her ACTIVZ business, or interest in a Business Entity that owns or operates an ACTIVZ business, the following criteria must be met:

- ❖ The selling Distributor must offer ACTIVZ the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. ACTIVZ shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- ❖ The buyer or transferee must become a qualified ACTIVZ Distributor. If the buyer is an active ACTIVZ Distributor, he or she must first terminate his or her ACTIVZ business and wait six calendar months before acquiring any interest in a different ACTIVZ business;
- ❖ Before the sale, transfer or assignment can be finalized and approved by ACTIVZ, any debt obligations the selling party has with ACTIVZ must be satisfied.
- ❖ The selling party 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 an ACTIVZ business.

Prior to selling an independent ACTIVZ business or Business Entity interest, the selling Distributor must notify ACTIVZ' Compliance Department in writing and advise of his or her intent to sell his/her ACTIVZ business or Business Entity interest. The selling Distributor must also receive written approval from the Compliance Department before proceeding with the sale. No changes in line of sponsorship can result from the sale or transfer of an ACTIVZ business. In the event that a Distributor transfers, assigns, or sells his or her ACTIVZ business without the express written approval of the Compliance Department, such transfer, assignment, or sale shall be voidable in the sole and absolute discretion of ACTIVZ.

### **3.23 Separation of An ACTIVZ Business**

ACTIVZ Distributors sometimes operate their ACTIVZ businesses as husband-wife partnerships, regular partnerships, limited liability companies, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, LLC, partnership, trust or other Business Entity 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.

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 ACTIVZ business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize ACTIVZ to deal directly and solely with the other spouse or non-relinquishing shareholder, member, partner, or trustee.
- ❖ The parties may continue to operate the ACTIVZ business jointly on a “business-as-usual” basis, whereupon all Global Wealth paid by ACTIVZ 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.

Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will ACTIVZ split commission and bonus checks between divorcing spouses or members of dissolving entities. ACTIVZ will recognize only one downline organization and will issue only one commission check per ACTIVZ business per commission cycle. Commission checks shall always be issued to the same individual or entity.

If a former spouse has completely relinquished all rights in the original ACTIVZ business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six 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, the former spouse or business affiliate shall have no rights to any Distributors in their former organization or to any former Customer. They must develop the new business in the same manner as would any other new Distributor.

### 3.24 Sponsoring Online

When sponsoring a new Distributor through the online enrollment process, the sponsor may assist the new applicant in filling out the enrollment materials. **However, the applicant must personally review and agree to the online application and agreement, ACTIVZ’ Policies and Procedures, and the ACTIVZ Compensation Plan. The sponsor may not fill out the online Distributor Application and Agreement on behalf of the applicant and agree to these materials on behalf of the applicant.**

### 3.25 Succession

Upon the death or incapacitation of a Distributor, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Distributor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an ACTIVZ business is transferred by a will or other testamentary 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 status;
- ❖ The devisee must provide ACTIVZ with an “address of record” to which all bonus and commission checks will be sent;
- ❖ If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. ACTIVZ will issue all bonus and commission checks and one 1099 to the business entity.

#### 3.25.1 Transfer Upon Death of a Distributor

To affect a testamentary transfer of an ACTIVZ business, the executor of the estate must provide the following to ACTIVZ: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; and (3) written instructions from the authorized executor to ACTIVZ specifying to whom the business and income should be transferred.

### 3.25.2 Transfer Upon Incapacitation of a Distributor

To effectuate a transfer of an ACTIVZ business because of incapacity, the successor must provide the following to ACTIVZ: (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 ACTIVZ business; and (3) a completed Distributor Agreement executed by the trustee.

### 3.26 Telemarketing Techniques

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. Although ACTIVZ does not consider Distributors to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

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

- ❖ 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, or a financial transaction between the prospect and 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 service.
- ❖ 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.
- ❖ You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in "card collecting" with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling "acquaintances," you must make such calls on an occasional basis only and not make this a routine practice.
- ❖ Distributors shall not use automatic telephone dialing systems or software relative to the operation of their ACTIVZ businesses.
- ❖ Distributors shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a "robocall") regarding or relating to the ACTIVZ products, services or opportunity.

### 3.27 Virtual Office Access

ACTIVZ makes online virtual offices available to its Distributors. Virtual offices provide Distributors access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Distributor's ACTIVZ business and to increase sales of ACTIVZ products. However, access to a virtual office is a privilege, and not a right. ACTIVZ reserves the right to deny Distributors' access to the virtual office at its sole discretion.

### 3.28 Unauthorized Communication

In the excitement and enthusiasm of working his or her ACTIVZ business, a Distributor may attempt to contact the Company's vendors, suppliers, product formulators, advisory board members, or advisors with questions or ideas. Any such communication without the Company's prior written consent is strictly prohibited. Vendors, suppliers, and advisors are often not set up to handle a large volume of contacts. Equally important, we must respect their rights to privacy. Questions regarding any of these Entities may be directed to Field Support.

## SECTION 4 RESPONSIBILITIES OF DISTRIBUTORS

### 4.1 Change of Address, Telephone, and E-Mail Addresses

To ensure timely delivery of products, support materials, commission, and tax documents, it is important that the ACTIVZ'

files are current. Street addresses are required for shipping since UPS and FedEx cannot deliver to a post office box. Distributors planning to change their e-mail address or move must send their new address and telephone numbers to ACTIVZ' Corporate Offices to the attention of the Distributor Services Department. To guarantee proper delivery, two weeks advance notice must be provided to ACTIVZ on all changes. In the alternative, a Distributor's whose contact information changes may amend their contact information through their Distributor Back Office.

## **4.2 Continuing Development Obligations**

### **4.2.1 Ongoing Training**

Any Distributor who sponsors another Distributor into ACTIVZ must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her ACTIVZ business. Distributors must have ongoing contact and communication with the Distributors in their Downline Organizations. Examples of such contact and communication may include, but are not limited to newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Distributors to ACTIVZ meetings, training sessions, and other functions. Upline Distributors are also responsible to train new Distributors in ACTIVZ product knowledge, effective sales techniques, the ACTIVZ Compensation Plan, and compliance with Company Policies and Procedures and applicable laws. Communication with and the training of downline Distributors must not, however, violate Sections 3.2 and/or 3.3 (regarding the development of Distributor-produced sales aids and promotional materials).

Distributors should monitor the Distributors in their Downline Organizations to guard against downline Distributors making improper product or business claims, violation of the Policies and Procedures, or engaging in any illegal or inappropriate conduct.

### **4.2.2 Increased Training Responsibilities**

As Distributors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the ACTIVZ program. They will be called upon to share this knowledge with lesser experienced Distributors within their organization.

### **4.2.3 Ongoing Sales Responsibilities**

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.

## **4.3 Non-disparagement**

ACTIVZ wants to provide its independent Distributors with the best products, Compensation Plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Compliance Department. Remember, to best serve you, we must hear from you! While ACTIVZ welcomes constructive input, negative comments and remarks made in the field by Distributors about the Company, its products, or Compensation Plan serve no purpose other than to sour the enthusiasm of other ACTIVZ Distributors. For this reason, and to set the proper example for their downline, Distributors shall not disparage, demean, or make negative remarks about ACTIVZ, other ACTIVZ Distributors, ACTIVZ' products, the Marketing and Compensation Plan, or ACTIVZ' directors, officers, or employees. ACTIVZ prohibits our Distributors from disparaging any individual or company.

## **4.4 Providing Documentation to Applicants**

Distributors must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Distributors before the applicant signs a Distributor Agreement or ensure that they have online access to these materials.

## **SECTION 5 SALES REQUIREMENTS**

### **5.1 Product Sales**

The ACTIVZ Compensation Plan is based on the sale of ACTIVZ 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 Volume and Group Sales Volume requirements to fulfill the requirements

associated with their rank as specified in the ACTIVZ Compensation Plan. “Personal Sales Volume” includes purchases made by the Distributor and/or purchases made by the Distributor’s personal Customers. “Group Volume” shall include the total Sales Volume of all Distributors in his or her marketing organization but shall not include the Distributor’s Personal Sales Volume.

- ❖ At least 70% of a Distributor’s total monthly personal sales volume must be sold to personal retail customers. ACTIVZ is committed to helping you achieve this by offering a 20% commission on all customer product purchases.
- ❖ Distributors must develop or maintain at least five Customers.

## 5.2 No Territory Restrictions

There are no exclusive territories granted to anyone.

## 5.3 Sales Receipts

All Distributors must provide their retail customers with two copies of an official ACTIVZ 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 maintain all retail sales receipts for sales to their retail customers for a period of two years and furnish them to ACTIVZ at the Company’s request. Records documenting the purchases of Distributors’ Direct and Preferred Customers will be maintained by ACTIVZ. If orders are placed online, a retail receipt can be email to the buyer upon receipt of the order.

***Remember that customers must receive two copies of the sales receipt. In addition, Distributors must orally inform the buyer of his or her cancellation rights.***

## SECTION 6 BONUSES AND COMMISSIONS

### 6.1 Bonus and Commission Qualifications and Accrual

A Distributor must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Distributor complies with the terms of the Agreement, ACTIVZ shall pay commissions to such Distributor in accordance with the Marketing and Compensation Plan. The minimum amount for which ACTIVZ will issue a commission is \$10.00 USD. If a Distributor’s bonuses and commissions do not equal or exceed \$10.00 USD, the Company will accrue the commissions and bonuses until they total \$10.00 USD. Payment will be issued once \$10.00 USD has been accrued. Notwithstanding the foregoing, all commissions owed a Distributor, regardless of the amount accrued, will be paid at the end of each fiscal year or upon the termination of a Distributor’s business.

Once we receive your item, we will inspect it and notify you that we have received your returned item. We will immediately notify you on the status of your refund after inspecting the item. If your return is approved, we will initiate a refund to your original method of payment. If the return is outside **30** days from the original purchase by credit card, you will need to provide your banking information. For credit cards purchases, please allow up to 45 days from the time the product is received, depending on your card issuer’s policy.

### 6.2 Adjustment to Bonuses and Commissions

#### 6.2.1 Adjustments for Returned Products and Cancelled Services

Distributors receive bonuses, commissions, or overrides based on the actual sales of products and services to end consumers. When a service is cancelled or a product is returned to ACTIVZ for a refund or is repurchased by the Company, any of the following may occur at the Company’s discretion: (1) the bonuses, commissions, or overrides attributable to the returned or repurchased product(s) or cancelled service will be deducted from payments to the Distributor and upline Distributors who received bonuses, commissions, or overrides on the sales of the refunded product(s) or cancelled service, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered; (2) the Distributor or upline Distributors who earned bonuses, commissions, or overrides based on the sale of the returned product(s) or cancelled service will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until it is completely recovered; or (3) the bonuses, commissions, or overrides attributable to the returned or repurchased product(s) or cancelled service may be deducted from any refunds or credits to the Distributor who received the bonuses, commissions, or overrides on the sales of the refunded product(s) or cancelled service.



### 6.2.2 Payment Options

All Distributors are required to obtain and maintain a ProPay Prepaid MasterCard Debit card (the "Card") to receive commissions from the Company. The annual cost of the Card is \$9.99 USD. In its sole and absolute discretion, the Company shall have the option to pay commissions via (1) direct deposits onto the Card account, or (2) direct deposit into Distributors' bank account(s). A Distributor may also request a hard-copy check. The Company will deduct a \$5.00 processing fee from each hard-copy commission check issued.

### 6.2.3 Tax Withholdings

If a Distributor fails to submit a W-9 form, ACTIVZ will deduct the necessary withholdings from the Distributor's commission checks as required by law.

## 6.3 Reports

All information provided by ACTIVZ in downline activity reports, 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, digital, 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 ACTIVZ 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, ACTIVZ 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/OR 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 ACTIVZ 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, ACTIVZ 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.

Access to and use of ACTIVZ' online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to ACTIVZ' online and telephone reporting services and your reliance upon the information.

## SECTION 7 GUARANTEES, RETURNS AND INVENTORY REPURCHASE

### 7.1 Guarantee, Warranty, and Rescission

ACTIVZ offers a money back guarantee on products returned within 90 days from the date of sale, less a 10% restocking fee. Products shipped directly to a Preferred Customer by the Company must be returned to the Company and the refund will be issued to the Customer by the Company. Products delivered to a retail customer by a Distributor must be returned to the selling Distributor, and it shall be the responsibility of the Distributor to issue the refund to his or her retail customer. Every Distributor is bound to honor the retail customer guarantee. If, for any reason, a retail customer is dissatisfied with any ACTIVZ product or service, the retail customer may return the unused portion of the product to the Distributor from whom it was purchased, within 90 days, for a replacement, exchange or a full refund of the purchase price (less shipping costs). This product satisfaction guarantee does not apply to products damaged by abuse or misuse, and shipping costs are not refundable. Distributors shall disclose the terms of the warranty to his/her customers at the time of sale and shall also point out this warranty information on the sales receipt and product literature.

#### 7.1.1 Retail Customers

Federal and state law requires that provides that a retail customer who makes a purchase of \$25.00 or more has three

business days (five business days for Alaska residents and 15 business days in North Dakota for Individuals age 65 and older) (excluding Sundays and legal holidays) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form or sales receipt. When a Distributor makes a sale or takes an order from a retail customer who cancels or requests a refund within the three-business day 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 (five business days for Alaska residents).

### 7.1.2 Preferred Customers

Distributors notify their Preferred Customers that they have three business days (5 business days for Alaska residents and 15 business days in North Dakota for Individuals age 65 and older) within which to cancel their purchase and receive a full refund upon return of the products in substantially as good condition as when they were delivered. Distributors should also notify their Direct Customers and Preferred Customers about these time limits at the time they enroll as a Direct Customer or Preferred Customer and place their first order. Products shipped directly to a Preferred or Direct Customer by the Company must be returned to the Company and the refund will be issued to the Customer by the Company. Direct and Preferred Customers may contact the Company for a "call tag" that will provide return shipping back to the Company at no cost to the Customer.

### 7.1.3 Informing Customers

Distributors **MUST** verbally inform their customers (retail, Direct, and Preferred) of this right of rescission, they **MUST** provide their retail customers with TWO copies of a retail receipt at the time of the sale and **MUST** point out this cancellation right stated on the receipt. If a Customer places an order online, the Company will provide the Customer with the receipt. Distributors must ensure that the date of the order or purchase is entered on the Retail Sales Receipt. All retail customers must be provided with two copies of an official ACTIVZ Retail Sales Receipt at the time of the sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

## 7.2 Return of Sales Aids by Distributors Upon Termination

Upon termination of a Distributor's Agreement, the Distributor may return Activation Kits and sales aids that he or she personally purchased from ACTIVZ (purchases from other Distributors or third parties are not subject to refund) that are in Resalable (see Definition of "Resalable" below) condition and which have been purchased within one year prior to the date of termination. Upon receipt of a Resalable Activation Kit and/or Resalable sales aids, the Distributor will be reimbursed 90% of the net cost of the original purchase price(s). Neither shipping and handling charges incurred by a Distributor when the Activation Kit or sales aids were purchased, nor return shipping fees, will 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, rebate, or any other form of Global Wealth based on a product(s) that he or she purchased, and such product(s) is/are subsequently returned for a refund, the commission, rebate, or any other form of Global Wealth that was paid based on that product purchase will be deducted from the amount of the refund.

Activation Kits and sales aids shall be deemed "resalable" if each of the following elements is satisfied: (1) they are unopened and unused; (2) 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) they are returned to ACTIVZ within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable. Replicated Website fees are not refundable except as required by applicable state law.

## 7.3 Procedures for All Returns

The following procedures apply to all returns for refund, repurchase, or exchange:

- ❖ All merchandise must be returned by the Distributor or customer who purchased it directly from ACTIVZ.
- ❖ All items to be returned must have a Return Authorization Number which is obtained by calling the Distributor Services Department. This Return Authorization Number must be written on each carton returned.
- ❖ The return is accompanied by:
  - The original packing slip with the completed and signed Consumer Return information;
  - The unused portion of the item in its original container.
- ❖ Proper shipping carton(s) and packing materials are to be used in packaging the items being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to ACTIVZ shipping pre-paid. ACTIVZ does not accept shipping-collect packages. The risk of loss in shipping for returned

items shall be on the Distributor. If returned items are not received by the Company's Distribution Center, it is the responsibility of the Distributor to trace the shipment.

**No refund or replacement of product will be made if the conditions of these rules are not met.**

## SECTION 8 DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

### 8.1 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 ACTIVZ business), may result, at ACTIVZ' discretion, in one or more of the following corrective measures:

- ❖ Issuance of a verbal or written warning or admonition;
- ❖ Requiring the Distributor to take immediate corrective measures;
- ❖ Loss of rights to one or more bonus and commission checks;
- ❖ ACTIVZ may withhold from a Distributor all or part of the Distributor's bonuses and commissions during the period that ACTIVZ is investigating any conduct allegedly violative of 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;
- ❖ Transfer or removal of some or all of a Distributor's downline Distributors from the offending Distributor's downline organization.
- ❖ Involuntary termination of the offender's Distributor Agreement;
- ❖ Suspension and/or termination of the offending Distributor's ACTIVZ website or website access;
- ❖ Any other measure expressly allowed within any provision of the Agreement or which ACTIVZ deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Distributor's policy violation or contractual breach;

### 8.2 Grievances and Complaints

When a Distributor has a grievance or complaint with another Distributor regarding any practice or conduct in relationship to their respective ACTIVZ businesses, the complaining Distributor should first report the problem to his or her 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 the Compliance Department at the Company. The Compliance Department will review the facts and attempt to resolve it.

### 8.3 Mediation

Prior to instituting an 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 mediation shall occur within 60 days from the date on which the mediator is appointed. 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 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 the City of Salt Lake City, Utah, and shall last no more than two business days.

### 8.4 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. The Parties waive all rights to trial by jury or to any court.** The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") or JAMS Undisputed ("JAMS") under their respective rules and procedures. The *Commercial Arbitration Rules and Mediation Procedures* of the AAA are available on the AAA's website at [www.adr.org](http://www.adr.org). The *Streamlined Arbitration Rules & Procedures* are available on the JAMS website at [www.jamsadr.com](http://www.jamsadr.com). Copies of

AAA's *Commercial Arbitration Rules and Mediation Procedures* or JAM's *Streamlined Arbitration Rules & Procedures* will also be emailed to Distributors upon request to ACTIVZ' Compliance Department.

Notwithstanding the rules of the AAA or JAMS, the following shall apply to all Arbitration actions:

- ❖ The Federal Rules of Evidence shall apply in all cases;
- ❖ The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- ❖ The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- ❖ The arbitration shall occur within 180 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- ❖ The Parties shall be allotted equal time to present their respective cases, including cross-examinations.

All arbitration proceedings shall be held in Salt Lake City, Utah. There shall be one arbitrator selected from the panel that the Alternate Dispute Resolution service provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The arbitration shall occur within 180 days from the date on which the arbitration is filed and shall last no more than five business days. The parties shall be allotted equal time to present their respective cases. 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 arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- ❖ The substance of, or basis for, the controversy, dispute, or claim;
- ❖ The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- ❖ The terms or amount of any arbitration award;
- ❖ The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent either party 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 its intellectual property rights, and/or to enforce its rights under the non-solicitation provision of the Agreement.

## **8.5 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.

### **8.5.1 Louisiana Residents**

Notwithstanding the foregoing, and the arbitration provision in Section 8.4, residents of the State of Louisiana shall be entitled to bring an action against ACTIVZ in their home forum and pursuant to Louisiana law.

## **SECTION 9 PAYMENTS**

### **9.1 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 ACTIVZ by a Distributor for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

### **9.2 Restrictions on Third Party Use of Credit Cards and Check Account Access**

Distributors shall not permit other Distributors or Customers to use his or her credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Company.

### 9.3 Sales Taxes

ACTIVZ is required to charge sales taxes on all purchases made by Distributors and Customers, and remit the taxes charged to the respective states. Accordingly, ACTIVZ will collect and remit sales taxes on behalf of Distributors, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If a Distributor has submitted, and ACTIVZ has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Distributor (unless the state in question does not accept a Sales Tax Exemption Certificate and Sales Tax Registration License from a direct selling independent contractor). Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by ACTIVZ is not retroactive.

## SECTION 10 INACTIVITY, RECLASSIFICATION, AND TERMINATION

### 10.1 Effect of Termination

So long as a Distributor remains active and complies with the terms of the Distributor Agreement and these Policies and Procedures, ACTIVZ shall pay commissions to such Distributor in accordance with the Compensation Plan. A Distributor's bonuses and commissions constitute the entire consideration for the Distributor's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a Distributor's non-renewal of his or her Distributor Agreement, termination for inactivity, or voluntary or involuntary termination of his or her Distributor Agreement (all of these methods are collectively referred to as "termination"), the former Distributor shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **A Distributor whose business is cancelled will lose all rights as a Distributor. This includes the right to sell ACTIVZ 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 termination, 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 his or her former downline organization.**

Following a Distributor's termination of his or her Distributor Agreement, the former Distributor shall not hold himself or herself out as an ACTIVZ Distributor and shall not have the right to sell ACTIVZ products or services. A Distributor whose business is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to termination (less any amounts withheld during an investigation preceding an involuntary termination).

### 10.2 Termination Due to Inactivity

#### 10.2.1 Failure to Meet PV Quota

If a Distributor fails to personally generate at least 40 PV for 12 consecutive months, ACTIVZ shall have the right, but not the obligation to terminate his or her Distributor Agreement for inactivity.

#### 10.2.2 Failure to Earn Commissions

If a Distributor has not earned a commission for six consecutive months (and thus becomes "inactive"), ACTIVZ shall have the right, but not the obligation, to reclassify his or her Distributor Agreement as a Preferred Customer.

#### 10.2.3 Reclassification Following Termination Due to Inactivity

If a Distributor is cancelled for inactivity, his or her Distributor Agreement will be terminated. If he or she is on the Company's autoship program, the autoship agreement shall remain in force. If the former Distributor was not on autoship, he or she will be entitled to continue purchasing products directly from the company at the Preferred Customer price.

### 10.3 Involuntary Termination

A Distributor's violation of any of the terms of the Agreement, including any amendments that may be made by ACTIVZ in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the involuntary termination of his or her Distributor Agreement. Termination shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Distributor's last known address, email address, or fax number, or to his/her attorney, or when the Distributor receives actual notice of termination, whichever occurs first.

#### 10.4 Voluntary Termination

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Termination must be submitted in writing to the Company at its principal business address. The written notice must include the Distributor's signature, printed name, address, and Distributor I.D. Number. In addition to written termination, Distributors who have consented to Electronic Contracting will cancel their Distributor Agreement should they withdraw their consent to contract electronically. If a Distributor is also on the Autoship program, the Distributor's Autoship order shall continue unless the Distributor also specifically requests that his or her Autoship Agreement also be canceled.

ACTIVZ reserves the right to terminate any Distributor Agreement upon thirty (30) days written notice.

#### 10.5 Non-renewal

A Distributor may also voluntarily cancel his or her Distributor Agreement by failing to renew the Agreement on its anniversary date or by failing to pay his/her annual renewal fee. The Company may also elect not to renew a Distributor's Agreement upon its anniversary date.

### SECTION 11 DEFINITIONS

**Active Customer** — A Preferred or Direct Customer who purchases ACTIVZ during a particular month.

**Active Distributor** — A Distributor who has received a commission during the preceding six months.

**Active Rank** — The term "active rank" refers to the current rank of a Distributor, as determined by the ACTIVZ Compensation Plan, for a particular pay period. To be considered "active" relative to a particular rank, a Distributor must meet the criteria set forth in the ACTIVZ Compensation Plan for his or her respective rank. *(See the definition of "Rank" below.)*

**Affiliated Party** — A shareholder, member, partner, manager, trustee, or other parties with any ownership interest in, or management responsibilities for, a Business Entity.

**Agreement** — The contract between the Company and each Distributor includes the Distributor Application and Agreement Terms and Conditions, the ACTIVZ Policies and Procedures, the ACTIVZ Compensation Plan, and the Business Entity Addendum (where appropriate), all in their current form and as amended by ACTIVZ in its sole discretion. These documents are collectively referred to as the "Agreement."

**Activation Kit** — A selection of ACTIVZ training materials and business support literature, and Distributor replicated website that each new Independent Marketing Distributor is required to purchase.

**Business Entity** - Any type of sole proprietorship, corporation, limited liability company, partnership, or trust.

**Cancel** — The termination of a Distributor's business. Termination may be either voluntary, involuntary, through non-renewal or inactivity.

**Downline** — Your downline (or downline organization) consists of the Distributors you personally enroll or sponsor (your first level Distributors), the Distributors that first level Distributors enroll or sponsor, as well as the Distributors that are subsequently enrolled or sponsored beneath them.

**Downline Leg** — Each one of the individuals personally enrolled immediately underneath you and their respective marketing organizations represents one "leg" in your marketing organization.

**Enroll** — The act of introducing a prospective Distributor to ACTIVZ and assisting them to execute a Distributor Application and Agreement and thereby become an ACTIVZ Distributor. (Also see the definition of "Sponsor.") These activities are called "enrolling."

**Enroller** — The person who enrolls a prospective Distributor into ACTIVZ.

**Group Volume** — The commissionable value of services and products purchased by the Customers and Distributors in the downline of a particular Distributor.

**Level** — The layers of downline Customers and Distributors in a particular Distributor's downline. 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 enrolls B, who enrolls C, who enrolls D, who enrolls E, then E is on A's fourth level.

**Official ACTIVZ Material** — Literature, audio or video tapes, websites, and other materials developed, printed, published and/or distributed by ACTIVZ to Distributors.

**Personal Production** — Moving ACTIVZ products or services to an end consumer for actual use.

**Personal Volume** — The commissionable value of products purchased by: (1) a Distributor; (2) the Distributor's personally-enrolled Preferred or Direct Customers; and (3) the Distributor's personal Retail Customers who purchase from the Distributor's ACTIVZ replicated website.

**Rank** — The "title" that a Distributor holds pursuant to the ACTIVZ Compensation Plan. "Title Rank" refers to the highest rank a Distributor has achieved in the ACTIVZ Compensation Plan at any time. "Paid As" rank refers to the rank at which a Distributor is qualified to earn commissions and bonuses during the current pay period.

**Recruit** — For purposes of ACTIVZ' Conflict of Interest Policy (Section 3.9), the term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another ACTIVZ Distributor or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

**Registered External Website** — A Distributor's ACTIVZ-approved personal website that is hosted on non-ACTIVZ servers and has no official affiliation with ACTIVZ.

**Replicated Website** — A website provided by ACTIVZ to Distributors which utilizes website templates developed by ACTIVZ.

**Resalable** — Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) 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; 4) it is returned to ACTIVZ within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resaleable.

**Retail Customer** — An individual who purchases ACTIVZ products from or through a Distributor but who is neither a participant in the ACTIVZ Compensation Plan nor a Preferred/Direct/Auto-Ship Customer.

**Retail Sales** — Sales to a Retail Customer.

**Social Media** - Any type of online media that invites, expedites or permits conversation, comment, rating, and/or user generated content, as opposed to traditional media, which delivers content but does not allow readers/viewers/listeners to participate in the creation or development of content, or the comment or response to content. Examples of Social Media include, but are not limited to, blogs, chat rooms, Facebook, Instagram, Twitter, LinkedIn, Snapchat, and YouTube.

**Sponsor** — A Distributor who enrolls a Customer or another Distributor into the Company and is listed as the Sponsor on the Distributor Application and Agreement. The act of enrolling others and training them to become Distributors is called "sponsoring."

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.