

MONAVIE

GLOBAL STATEMENT OF POLICIES AND PROCEDURES

EFFECTIVE FEBRUARY 24, 2009
UNITED STATES



M O N A • V I E

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INTRODUCTION

MonaVie is a direct selling company that markets its Products through independent Distributors. It is important to understand that your success and the success of your fellow Distributors depend on the integrity of the men and women who market MonaVie's Products and services. The Agreement (as defined below) is made to clearly define the relationship between you and us, between you and your Customers, and between you and other Distributors. MonaVie LLC or its subsidiaries is sometimes referred to as "the Company," "we," "us," and "our," and the Distributor signing the Agreement is sometimes referred to as "you" and "your."

These Policies and Procedures (sometimes hereinafter referred to as the "Policies" or the "P&Ps"), as currently stated and as amended from time to time upon mutual agreement of the parties as described herein (Section 1.18), are incorporated into and form an integral part of the Agreement. When the term "Agreement" is used herein, it collectively refers to the MonaVie Distributor Application, these Policies and Procedures and the attached addenda (which are incorporated herein by this reference), and the MonaVie Compensation Plan. The addenda may be country-specific and may modify the terms herein. You have the responsibility to read, understand, and adhere to the most current version of these Policies and Procedures. When Sponsoring a new Distributor, you must ensure that he or she is provided with the opportunity to (1) review and understand the terms and conditions of the Agreement and (2) read and understand the Policies and the Compensation Plan prior to signing the Distributor Application.

SECTION 1. BECOMING AN INDEPENDENT DISTRIBUTOR

1.1. Requirements to Become a Distributor. To become a MonaVie Distributor, you must:

- 1.1.1. If you are an individual, be of the age of legal majority in the jurisdiction in which you reside (usually age 18);
- 1.1.2. If you are a legal entity, be properly registered and in good standing with your governing jurisdiction;
- 1.1.3. Reside in an Opened Country;
- 1.1.4. Provide, where allowed by law, evidence of identity in the form and manner as the Company may require;

1.1.5. Submit a true, accurate and properly completed Distributor Application to the Company; and

1.1.6. Purchase a Distributor Kit, unless local law requires the purchase to be optional, in which case, it is not required.

1.2. Application and Acceptance. By signing the Distributor Application and submitting it to us, you are applying to become an independent Distributor of MonaVie. Your application is accepted when we enter your data into our database and if you are otherwise in compliance with the Distributor Application. Upon acceptance, we will establish in the Personal Enrollment Tree and the Placement Tree a Distributorship, and issue to you an identifying Distributorship number.

1.2.1. We reserve the right to reject any Distributor Application. We will not accept inaccurate or false information. Incomplete, inaccurate, or unlawful Distributor Applications are voidable by us.

1.2.2. You are responsible for informing us of any changes affecting the accuracy of your Distributor Application and any subsequent information regarding the account information of your Distributorship.

1.2.3. A Distributor Kit may be purchased from either the Sponsor or directly from us. When a Kit is purchased from a Sponsor, the Distributor Application must be completed and submitted immediately to us. The Agreement is subject to acceptance by us as stated above before becoming binding with us.

1.2.4. We will repurchase resalable kits from you if you terminate your Distributor Agreement pursuant to the terms of Addendum B.

1.3. Territory. Acceptance of your Distributor Application authorizes you to resell Products and operate your Distributorship in the country for which it is specified. If you desire to resell Products in another country that we have officially opened, you must provide proof of residence in that country and submit a change of country request to the Distributor Commissions Department. We may charge you a fee for this change. If you desire to Sponsor in a country we have officially opened, but you do not reside there, please see section 4.13. We do not grant exclusive territories to any Distributor.

1.4. Distributor Benefits. Once your Distributor Application has been accepted by us, the benefits of the Distributor Agreement will be available to you as long as your Distributorship is in good standing. These benefits include the right to:

1.4.1. Sell MonaVie Products in accordance with the Policies and Procedures;

1.4.2. Participate in the Compensation Plan (receive

Bonuses, if eligible);

1.4.3. Sponsor other persons;

1.4.4. Receive periodic MonaVie literature and other MonaVie communications;

1.4.5. Participate in MonaVie-sponsored support, service, training, motivational, and recognition functions (upon payment of appropriate charges, if applicable); and

1.4.6. Participate in promotional and incentive contests and programs sponsored by MonaVie.

1.5. No Product Purchase Required. No person is required to purchase our Products or Sales Tools to become a Distributor.

1.6. Term and Renewal of a MonaVie Business. The term of the Agreement is one year from the date of its acceptance by us. You may renew the Agreement for additional terms of one year by paying a renewal fee (if we require it) or by continuing to conduct business with us (e.g., ordering products or Sponsoring distributors).

1.7. Termination. The Agreement between you and us may be terminated as follows:

1.7.1. You may terminate the Agreement at any time, regardless of reason by submitting a notice in writing to the Company at its principal business address, or via email to cancel@monavie.com. The email notice must be from your email of record and include your name, Distributor identification number, and address. The written notice must also include your signature.

1.7.2. You may terminate the Agreement by failing to renew the Agreement on its anniversary date. We may elect not to renew the Agreement upon its anniversary date.

1.7.3. We may also terminate the Agreement if you are in breach of the Agreement. Prior to doing so we will give you a notice of the breach and an opportunity to cure within a reasonable time.

1.8. Effects of Termination. When your Agreement with us is terminated, for whatever reason, your Distributorship rights as set forth in the Agreement also terminate. This includes the right to sell Products and the right to receive Bonuses or other income resulting from the sales and other activities of your Downline. However, certain obligations herein survive termination, including those found in sections, and their subsections, 1.8, 1.17.4, 1.18, 2.3.2, 2.3.3, 2.3.7.3, 2.3.7.4, 2.4.3, 2.4.4, 2.4.5, 3.3, 4.3.6, 4.3.6.1, 4.13.7, 6.4, 8.4, 8.6, and 8.7.

1.9. Beneficial Interest. You may not have a Beneficial Interest in more than one Distributorship unless autho-

rized by the Compensation Plan or unless you were grandfathered prior to April 2007. "Beneficial Interest" means a legal or equitable right—whether granted by law, contract, or practice—to direct, control, own, participate in or be the beneficiary of the direction, control, ownership, or participation of another person. Your spouse or partner residing with you has a beneficial interest in your Distributorship. Also, if you are a legal entity, then all possessing a right to control you, including but not limited to your shareholders, officers, directors, or your members or managers, as the case may be, possess a Beneficial Interest in your Distributorship and may not hold a Beneficial Interest in another Distributorship.

1.9.1. Normally, we deem all persons residing in your household as holding a beneficial interest in your Distributorship. However, if you can provide adequate proof that another adult who is not a spouse is operating a Distributorship separately from yours, we will waive this rule until circumstances change.

1.9.2. If a member of your household engages in any act or omission that, if performed by you, would violate the Agreement, we may impute such act or omission to you as if you had violated the Agreement.

1.9.3. If you marry another Distributor, no effect will be given to the provisions of this section and the two of you may maintain your Distributorships separate and independent.

1.9.4. If you are a Distributor and receive the rights to another's Distributorship upon death, we will waive the Beneficial Interest policy, subject to the succession rules herein.

1.10. Succession and Incapacity. If you bequeath your rights in your Distributorship upon death, and such rights are given by a competent court upon your death, we will recognize the transfer to the successor if the successor provides proof that is acceptable to us and completes and delivers an amended Distributor Application with such information as is necessary for us and the successor to carry on business. Otherwise, we will terminate your Agreement. If you are incapable of operating your Distributorship due to incapacity, we will recognize your authorized agent to operate the Distributorship during your incapacity. To do so, your authorized agent must provide proof of your incapacity and proof of his authority that is authentic and which we can verify to be lawful.

1.11. Effects of Divorce and Legal Entity Dissolution. We will not allow a Distributorship to be partitioned or in any way divided in the event of divorce or company dissolution.

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

1.11.1.1. One of the parties may, with consent of the other(s), operate the MonaVie business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize us to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee.

1.11.1.2. The parties may continue to operate the Distributorship on a "business-as-usual" basis, whereupon all compensation paid by us will be paid according to the status quo as it existed prior to the divorce or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

1.11.1.3. We will not remove a party to a Distributorship from the Distributor account without that party's written permission and signature. Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Under no circumstances will we divide Bonuses between divorcing spouses or members of dissolving entities. We recognize only one downline organization. Bonuses shall always be issued to the same individual or entity.

1.11.1.4. If a former spouse has completely relinquished all rights in the Distributorship pursuant to a divorce, he or she is thereafter free to enroll under any Sponsor without waiting six (6) calendar months (see section 2.3.7). In the case of a business entity dissolution, those holding a Beneficial Interest in the legal entity must wait six (6) calendar months from the date of the final dissolution before re-enrolling as a Distributor. In either case, however, the former spouse or business affiliate shall have no rights to any Distributors in his or her former organization or to any former Customer and must develop the new business in the same manner as would any other new Distributor.

1.12. Changes Involving a Spouse and/or a Closely Held Company.

1.12.1. The First Right of Refusal rules in section 1.17 shall not apply if a Distributor desires to add or remove a spouse from the Distributorship. [Examples: (1) Mrs. X is a Distributor. She may add her husband, Mr. X, to the Distributorship. She may not add an adult child, parent, or other relative, or an unrelated business partner. (2) Mrs. Y and Mr. Y are joint applicants on a Distributorship. They divorce and by agreement, or court order, Mrs. Y retains all the rights to the Distributorship and Mr. Y releases, or is ordered to release, all such rights.]

1.12.2. A Distributor who is an individual may transfer his or her interest (and the spouse's interest, if applicable) to a legal entity that is 100% held by one or both

spouses. (Example: XYZ, Inc. is 100% owned by Mr. A. The Distributorship is in the name of XYZ, Inc. XYZ, Inc. may transfer its interest to Mr. A (and to Mrs. A if Mr. A agrees.)

1.12.3. A Distributor that is a legal entity and 100% owned by an individual and/or his spouse may transfer its interest to the individual and/or the spouse. (Example: Mr. A is the sole name on a Distributorship. He may transfer his rights to XYZ, Inc. if he is the sole shareholder (or he and his wife, Mrs. A, are the sole shareholders) of XYZ, Inc.)

1.12.4. To accomplish a transfer, the Distributor must submit an amended distributor application and,

1.12.4.1. if adding a spouse, a copy of their marriage certificate;

1.12.4.2. if removing a spouse, a notarized copy of the signatures of both spouses authorizing the removal;

1.12.4.3. if transferring to a legal entity, a certificate of good standing from the state of organization and a copy of the company's charter documents showing all the interest holders and management; and

1.12.4.4. if transferring from a legal entity to the individual and/or individual and spouse, an authorizing statement signed by an officer or director of the legal entity and signed by the individual (and spouse, if applicable).

1.13. Change in Form of Legal Entity. A Distributor that is a legal entity and desires to change to another type of legal entity may do so as long as the Beneficial Interests in the legal entity do not change. All Beneficial Interest holders of the former legal entity must confirm with a notarized or other form of authenticated signature that they agree to the change. Also, a new Distributor Agreement must be submitted by the new legal entity. Members of the former entity are jointly and severally liable for any indebtedness or other obligation to MonaVie.

1.14. Change in Existing Beneficial Interest Holders of a Legal Entity. Changes in the Beneficial Interest holders of a legal entity, whether by addition or replacement (but not removal or resignation) of a shareholder, director, officer, manager or member, are deemed to be a transfer of interest and are therefore subject to the right of first refusal procedures in section 1.17.

1.15. Limitations. Changes within the scope of these sections 1.15, 1.16, and 1.17 do not include a change of sponsorship, which is addressed in section 3.2 below. However, if such changes involve a change in the beneficial interest of a Distributorship, the change is subject to the right of first refusal rules in subsection 1.17.

1.16. Sale, Transfer, or Assignment of a MonaVie Business. The Company discourages the sale of Distributor-

ships, the transfer of partial interests in Distributorships, and the practice of partnering as a subterfuge for transferring interest. If a Distributor wishes to sell, transfer, or assign (hereinafter in this section "sell" if used as a verb and "sale" if used as a noun) his or her whole or partial interest in a MonaVie Distributorship, the following criteria must be met:

1.16.1. The Distributorship being sold must be paid at the rank of Diamond Executive at the time the request for sale is made.

1.16.2. Except as allowed for Sponsors in section 1.17.1, the buying Distributor may not currently have a beneficial interest in a Distributorship or have had a Beneficial interest in a Distributorship within the preceding six (6) months;

1.16.3. The selling Distributor may not reapply to become a Distributor under another Sponsor for a period of not less than six (6) months after the sale occurs.

1.16.4. The sale is subject to the Right of First Refusal rules in section 1.17.

1.16.5. The Company must first give express written approval of the sale, which the Company may grant or withhold in its sole discretion.

1.17. Right of First Refusal (RFR). All offers for the sale of a Distributorship are subject to the rights of first refusal as described herein.

1.17.1. Procedures. If a Distributor receives a Good Faith Offer (as hereinafter defined) to purchase his or her interest in a Distributorship, the Distributor shall first offer to sell such interest to the Company on the same terms and conditions contained in the Good Faith Offer. The Distributor shall deliver the Good Faith Offer in writing to the Company, and the Company shall have fifteen (15) business days in which to accept the offer. A "Good Faith Offer" is an arm's length written offer to purchase the Distributorship Rights by a Person that is not a Distributor, which the Company, in its sole discretion, determines to be a legitimate offer. Evidence of a legitimate offer may include, but is not limited to, cash or securities deposited into an escrow account, evidence of a loan commitment, and other substantial steps taken for the sole purpose of purchasing such Distributorship Rights.

1.17.1.1. If the Company fails to exercise its RFR within the fifteen (15) day time period, the Distributor shall extend the same offer to his or her Sponsor who is not in violation of the Contract and who within the previous month qualified for earnings under the Compensation Plan. The offer shall be on the same terms and conditions as those contained in the Good Faith Offer. The Company shall convey the Good Faith Offer by providing written notice of the same to the Sponsor. The

Sponsor shall have ten (10) business days in which to accept or reject such offer. If the Sponsor qualifies and accepts the offer, he or she must provide written notice to the Company upon acceptance, resign his or her existing Distributorship (contingent on completing the sale), and submit an amended application for the Distributorship.

1.17.1.2. If the Sponsor rejects or fails to accept the offer, the same procedures and requirements shall be applied to the next upline Sponsor.

1.17.1.3. If that Sponsor rejects or fails to accept the offer, the same procedures and requirements shall be applied to the next upline Sponsor.

1.17.1.4. If that Sponsor rejects or fails to exercise his or her RFR within the time allotted, the Distributor may complete the sale of his or her rights in the Distributorship to the third party according to the same terms and conditions contained in the Good Faith Offer, provided, however, that the Distributor complies with all other transferring procedures contained in this section and as may be established from time to time by the Company.

1.17.1.5. This section shall apply to each new Good Faith Offer received by the Distributor. This section shall not apply to changes as described in sections 1.10, 1.11, and 1.12.

1.17.2. Line of Sponsorship. No changes in line of sponsorship can result from the sale or transfer of a MonaVie business.

1.17.3. Compliance Department Approval. Upon complete execution of the purchase and sale agreement and the new Distributor Agreement, the parties must submit copies of the same to MonaVie's Compliance department for review and approval. MonaVie may request additional documentation that may be necessary to analyze the transaction between the buyer and seller. MonaVie's Compliance department will, in its sole and absolute discretion, approve or deny the sale, transfer or assignment within three (3) days after its receipt of all necessary documents from the parties.

1.17.4. Voidable Sales; Assumption of Obligations; Waiting Period. If the seller sells, transfers, or assigns, or attempts to sell, transfer, or assign his or her Distributorship upon terms different than those set forth in the offer to the Company, such transfer shall be voidable at MonaVie's option. Further, if the parties fail to obtain MonaVie's approval for the transaction, the transfer shall be voidable at MonaVie's option. The purchaser of the existing Distributorship will assume the obligations and position of the selling Distributor. A Distributor who sells his or her Distributorship shall not be eligible to re-apply as a MonaVie Distributor for a period of at least six (6) full calendar months after the sale.

1.18. Changes to the Agreement. Because laws and the business environment periodically change, MonaVie may find it necessary to amend the Agreement and its prices from time to time. Once the amendments are published, you may elect to accept the amendments or reject them. If you reject them, your Agreement will terminate at the end of its term and will not be renewed. Amendments shall be effective upon notice to all Distributors that the Agreement has been modified. Notification of amendments shall be published in one or more of the following: (1) posting on the Company's official website, (2) electronic mail (email), (3) fax-on-demand, (4) voice mail system broadcast, (5) inclusion in Company periodicals, (6) inclusion in Product orders, or (7) special mailings. If you continue to Sponsor and/or accept Bonuses from us, such actions shall be deemed acceptance of the amendments.

SECTION 2. OPERATING YOUR INDEPENDENT DISTRIBUTORSHIP

2.1. Code of Ethics. We are a values-based company and pride ourselves on the quality and character of our Distributors. The following code of ethics helps ensure a uniform standard of excellence throughout our organization. You agree to practice the following ethical behavior when operating your Distributorship. Each behavioral part of the Code of Ethics is material to the Agreement.

2.1.1. I will actively work to establish and maintain a retail customer base.

2.1.2. I will be respectful of every person I meet while operating my independent MonaVie related Distributorship.

2.1.3. At all times I will conduct myself and my business in an ethical, moral, legal, and financially sound manner.

2.1.4. I will not engage in activities that may bring disrepute to MonaVie, any MonaVie corporate officer or employee, myself, or other Distributors.

2.1.5. I will not make discouraging or disparaging claims toward other MonaVie Distributors. I will ensure that in all MonaVie business dealings I will refrain from engaging in negative language and defamatory statements.

2.1.6. I will be truthful in my representation of MonaVie Products and make no claims regarding the health benefits of MonaVie Products that violate the law.

2.1.7. I will provide support and encouragement to my Customers to ensure that their experience with MonaVie is a successful one and will clearly state all terms of sale.

2.1.8. I will provide follow-up service and support to my downline as is reasonably necessary to assist them in building a retail Customer base and a downline organization.

2.1.9. I will correctly represent the Compensation Plan and the income potential represented therein. I understand I may not use my own income as an indication of others' potential success, or use compensation earnings as marketing materials. I further understand that I may only disclose my MonaVie income to recruit a potential Distributor(s) after I have given a copy of the Income Disclosure Statement to the potential Distributor(s).

2.1.10. I shall make personal or telephone contact with potential applicants and Customers in a reasonable manner and during reasonable hours to avoid intrusiveness.

2.1.11. When making a sales presentation, I shall discontinue it immediately upon the request of the recipient.

2.1.12. I shall take appropriate steps to protect the private information of my Customers and downline.

2.1.13. I shall respect the lack of commercial experience of potential applicants and actual retail Customers and downline.

2.1.14. I shall not abuse the trust my retail Customers and downline place in me, nor shall I exploit their age, illness, lack of understanding or unfamiliarity with language.

2.1.15. I will abide by all of MonaVie's Policies and Procedures.

2.2. Independent Contractor Status. You are an independent contractor. You are not an agent, employee, partner, or joint venture with the Company. You may not represent yourself as anything other than an independent Distributor. You have no authority to bind MonaVie to any obligation. Should you be deemed an agent by a competent agency or court in any jurisdiction in which you do business, you shall release us from any claim arising from such determination.

2.2.1. As an independent contractor, you are responsible for paying your own self-employment taxes, income taxes, and other taxes imposed by law upon an independent contractor and you shall indemnify us from any claims arising from your failure to pay such taxes.

2.2.2. Your work hours, business expenditures, and business plans are not dictated by us and you shall make no printed or verbal representations that state or imply otherwise.

2.2.3. It is your responsibility and you agree to comply with all laws and the Agreement in the operation of your Distributorship or the acquisition, receipt, holding, selling, distributing, or advertising of our Products or opportunity.

2.2.4. You also agree to be fully responsible for all of your verbal and/or written statements made regarding the Products, services, and the Compensation Plan which are not expressly contained in Official MonaVie Materials. You agree to indemnify us against any claims, damages, or other expenses, including attorneys' fees, arising from any representations or actions made by you that are outside the scope of the Agreement. The provisions of this section survive the termination of the Agreement.

2.3. Unfair Competition

2.3.1. Nonsolicitation during Agreement. You are free to participate in other direct selling, multilevel, or network marketing business ventures or marketing opportunities (collectively "Network Marketing"). However, unless authorized in writing by an officer of MonaVie, during the term of this Agreement, you shall not directly or indirectly solicit, recruit, or attempt to solicit or recruit other MonaVie Distributors or Customers to any other Network Marketing business, other than those you have personally Sponsored. If you participate in another Network Marketing business, you agree that you shall operate your MonaVie Distributorship entirely separate and apart from it. Accordingly, if participating in another Network Marketing business, you agree that:

2.3.1.1. You shall not display any non-MonaVie Products and Sales Aids with, or in the same location as MonaVie Products or Sales Aids;

2.3.1.2. You shall not offer any non-MonaVie program, opportunity, product, or service in conjunction with the MonaVie opportunity or Products to prospective or existing Customers or Distributors;

2.3.1.3. You shall not offer any non-MonaVie opportunity, products, or services at any MonaVie-related meeting, seminar or convention, or within two hours and a five mile radius of the MonaVie event. If the MonaVie meeting is held telephonically or on the internet, any non-MonaVie meeting must be at least two hours before or after the MonaVie meeting, and on a different conference telephone number or internet web address from the MonaVie meeting.

2.3.2. Nonsolicitation after Termination. For a period of twelve (12) calendar months following termination of the Agreement, with the exception of those

Distributors you personally Sponsored, you may not recruit any Distributor or Customer for another Network Marketing business. You and we recognize that because network marketing is conducted through networks of independent contractors in many countries, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of the non-solicitation provisions herein would render it wholly ineffective. Therefore, you and we agree that this non-solicitation provision shall apply to all markets in which MonaVie conducts business. This subsection shall survive termination of the Agreement.

2.3.3. Not Applicable to Trade Secrets. Notwithstanding any other provision of this Agreement, you shall never use our trade secrets and confidential information, as further described herein, to solicit, recruit, or attempt to solicit or recruit, whether directly or indirectly, other MonaVie Distributors or Customers to any other Network Marketing business.

2.3.4. Sale of Competing Goods or Services. While a Distributor, you shall not sell, or attempt to sell, any programs, products, or services to MonaVie Customers or Distributors that compete with our Products. Any program, product, service, or Network Marketing opportunity in the same generic categories as our Product is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors. These limitations do not include or prevent Black Diamond Executives and above from selling Sales Tools as authorized herein.

2.3.5. Targeting Other Direct Sellers. You agree to refrain from systematically targeting members of another Network Marketing business to be a Distributor. If any lawsuit, arbitration, or mediation is brought against you alleging that you engaged in such prohibited activity, you shall indemnify us against all claims, actions, suits, and demands arising from or related to the systematic targeting.

2.3.6. Disparagement

2.3.6.1. You shall not demean, discredit, defame, or make misleading comparisons with other companies, competitors of MonaVie, Distributor organizations or systems, or Distributors in an attempt to promote our Products, or to entice another Distributor to become part of your marketing organization, or to enroll in MonaVie.

2.3.6.2. We specifically prohibit the disparagement of any approved Black Diamond Sales Tools and/or business building systems. Additionally, if any Black Diamond Distributor is

found to be disparaging another Black Diamond Distributor by name or by approved business building system, an automatic assessment of liquidated damages of US\$10,000 will be imposed, per instance, as actual damages would be impossible to calculate.

2.3.6.3. You shall not use financial enticements or other incentives to persuade a Distributor to change his or her line of sponsorship or business building system.

2.3.7. Line Switching, Cross Sponsoring, and Enticement. You and we agree that maintaining the integrity of the line of sponsorship in a Distributorship organization is fundamental to network marketing. Accordingly, you agree to not engage in Line Switching, Cross-Sponsoring, and Enticement. "Line Switching" means applying for and becoming a Distributor (a) when already a Distributor, (b) when holding a Beneficial Interest in another Distributorship; and/or (c) when less than six (6) months have passed since having been a Distributor or having held a Beneficial Interest in another Distributorship. "Cross Sponsoring" means the enrollment of another Distributor (including a Distributor whose Agreement was terminated within the preceding six months or has Sponsored or purchased Product in the preceding six months) to a different line of sponsorship. "Enticement" means soliciting, encouraging, offering benefits, or in any way aiding another Distributor to Line Switch and/or Cross-Sponsor.

2.3.7.1. You shall not use a spouse's or relative's name, trade names, assumed or fictitious names, legal entities, false government issued identification numbers, or fictitious ID numbers to circumvent this policy.

2.3.7.2. Because Line Switching, Cross-Sponsoring, and Enticement can be so detrimental to us and to the Distributors involved, you have an affirmative obligation to notify us as soon as is reasonably possible if you know of or have reasonable grounds to suspect another Distributor has breached these covenants.

2.3.7.3. Should you or another Distributor breach these covenants, we may take any or all of the following actions:

2.3.7.3.1. terminate the Distributorships in breach;

2.3.7.3.2. terminate the Distributorships created as a result of Line Switching (the "Second in Time Distributorship"); and leave the Distributorships enrolled by the Second-

in-Time Distributorships in place and not change Sponsorship or Placement unless extenuating circumstances and fairness compel otherwise. However, we are under no obligation to do so and any move and the ultimate disposition of the organization remains within the sole discretion of MonaVie.

2.3.7.4. You waive all claims and against us that arise from or relate to the disposition of such Distributorships.

2.3.8. Unethical Activity. You agree to be ethical and professional at all times when conducting you MonaVie Distributorship. Accordingly, you agree that you will not, nor will you encourage or in any way condone Distributors in your Downline to participate in unethical activity. Examples of unethical activities include, but are not limited to the following, some of which are further described in these P&Ps:

2.3.8.1. Making unapproved claims about the Product;

2.3.8.2. Making unapproved income claims;

2.3.8.3. Making false statements or misrepresentation of any kind, including but not limited to: untruthful or misleading representations or sales offers relating to the quality, availability, grade, price, terms of payment, refund rights, guarantees, or performance of the Products;

2.3.8.4. Making disparaging comments;

2.3.8.5. Causing Product sales in Retail Establishments;

2.3.8.6. Use of another Distributor's credit card without express written permission;

2.3.8.7. Unauthorized use of our Confidential Information;

2.3.8.8. Line Switching, Cross-Sponsoring, or Enticement;

2.3.8.9. Failure to comply with the sales and promotional activity requirements;

2.3.8.10. Engaging in unauthorized premarket activity;

2.3.8.11. Violating the rules for conducting business in an NFR market;

2.3.8.12. Personal conduct that discredits the Company and/or its Distributors;

2.3.8.13. Violating the laws of your jurisdiction that pertain to your Distributorship;

2.3.8.14. Breaching the Code of Ethics;

2.3.8.15. Breaching the Agreement.

2.4. Activity Reports. We desire to protect you, other Distributors and the Company from unfair and inappropriate competition. We provide you access and viewing of your PEAR through your Virtual Office. The PEAR and any other distributor list, including but not limited to all distributors; organization lists; names; addresses; email addresses; and telephone numbers contained in the MonaVie database, in any form, including, but not limited to, hard copies, electronic or digital media (collectively the "Activity Reports") are our confidential and proprietary property. We have derived, compiled, configured, and currently maintain the Activity Reports through the expenditure of considerable time, effort, and monetary resources. Activity Reports, in present and future forms and as amended from time to time, constitute commercially advantageous proprietary assets and trade secrets of the Company, which you shall hold confidential. You and we agree that—but for this agreement of confidentiality and nondisclosure—we would not provide Activity Reports to you. Your right to disclose the Activity Reports and information contained therein and other Distributor information maintained by us is expressly reserved by us and may be denied at our discretion.

2.4.1. Purpose. Activity Reports are made available to you for the sole purpose of assisting you in working with your downline organization in the development of your MonaVie business. You may use your Activity Reports to assist, motivate, and train your downline organization.

2.4.2. Limited use. Your access to your Activity Reports is password protected. Activity Reports are provided to you in strictest confidence. Such Activity Reports shall not be disclosed by you to any third party or used for purposes other than in the performance of your obligations under the Agreement and for our benefit without our prior written consent. Any unauthorized use or disclosure of Activity Report constitutes misuse, misappropriation, and a violation of the Distributor Agreement and may cause irreparable harm to us.

2.4.3. No Improper Disclosure. You shall not, on your own behalf, or on behalf of any other person:

2.4.3.1. Directly or indirectly disclose any information contained in any Activity Report to any third party;

2.4.3.2. Directly or indirectly disclose the password or other access code to your Activity Report;

2.4.3.3. Use the information to compete with us or for any purpose other than promoting your MonaVie business;

2.4.3.4. Recruit or solicit any Distributor listed on any Activity Report or in any manner attempt to influence or induce any Distributor to alter his or her business relationship with the Company.

2.4.4. Return. Upon our demand and always upon termination of the Agreement, you shall return to us the original, and all copies of any Activity Reports and any confidential or trade secret information taken therefrom (whether paper or electronic) that is in your possession or subject to your control.

2.4.5. Breach. In the event you breach any of the covenants of this subsection on Activity Reports, we may terminate your Distributorship and we may seek injunctive relief to prevent irreparable harm to us or any of our Distributors. We may also pursue all appropriate remedies under applicable law to protect our rights to Activity Reports; any failure to pursue such remedies will not constitute a waiver of those rights.

2.4.6. No Warranty of Information. All information provided by us, including but not limited to personal and group sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors—including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card; and electronic check chargebacks—the information is not guaranteed by us or any persons creating or transmitting the information. To the extent allowed by law, 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, WE AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO YOU OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS OR BONUSES, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMA-

TION), EVEN IF WE 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, WE 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.

2.5. Identification. Upon enrolling, or at our discretion, you shall, if permitted by law, provide us your government-issued ID number and/or a copy thereof. Upon enrollment, we will provide you a unique Distributor identification number. We will use this number to track all your business with us.

2.6. Product Packaging and Liability. Under no circumstances shall you re-label, or in any way alter or repackage the Products. Products are to be sold in their original packaging only.

2.7. Insurance. MonaVie does not extend coverage under any of its policies to Distributors. If you use your personal property (e.g., car or computer) or your home for business use, such property may not be covered for loss or damage and you release us from any claims arising from or related to the operation of your Distributorship.

2.8. Reporting Policy Violations. To assist us in maintaining a level playing field for all Distributors and to maintain the integrity and longevity of the Company, you agree to report violations of the Policies and Procedures immediately to our Compliance department, complete with all supporting evidence and pertinent information. Our Compliance department can at times more effectively enforce the Policies and Procedures when disclosing the source of the allegations; however, the Compliance department will honor all requests for confidentiality.

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

2.10. Correct Information. We may periodically request that you update your account information, which you agree to do in a reasonable amount of time.

2.11. Release for use of Photo, Audio, or Video Image, and/or testimonial Endorsement. We may take photos, audio or video recordings, or written or verbal statements of you at Company events or may request the same directly from you. You agree to and hereby grant

us the absolute and irrevocable right and permission, to use, re-use, broadcast, rebroadcast, publish, or republish any such photo, audio, video, or endorsement, in all or in part, individually or in conjunction with any other photograph or video, or any other endorsement, in any current or future medium and for any purpose whatsoever, including (but not by way of limitation) marketing, advertising, promotion, and/or publicity; and to copy-right such photograph and/or video, in the original or as republished, in the name of the Company, or in any other name. Regardless of any other agreements or contracts you may have with any other entity, you agree that any use by us as set forth in this section shall be royalty free, is a work made for hire, and is not subject to any other claim. You agree to defend and indemnify us against any claims by any other party arising out of our use of the rights granted herein. You confirm that the information you may give as a testimonial endorsement, or as represented in a photograph, video or audio is true and accurate to the best of your. You waive any right you may have to inspect or approve the finished or unfinished product(s), the advertising copy, printed, recorded, photographic or video matter which may be used in connection with it or any use that may be made of it.

SECTION 3. SPONSORSHIP

3.1 Sponsoring Distributor Responsibilities

3.1.1 Disclosure. You must provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and Compensation Plan to potential applicants you are Sponsoring before the applicant signs a Distributor Agreement. Copies of the Policies and Procedures, the Income Disclosure Statement, and the Compensation Plan can be downloaded from your Virtual Office website.

3.1.2 Assistance. You may assist an applicant in the online enrollment process; however, the applicant must agree to the terms and conditions of the Agreement by clicking to submit the application.

3.1.3 Purchase. If Sponsoring an applicant, you may purchase the Distributor Kit and pay the fee only if authorized by the applicant. For Product purchases, please see section 6.3.

3.2 Sponsor/Placement Change. We highly discourage Sponsor or Placement changes. However, we recognize such changes are occasionally beneficial. Accordingly, we permit the following exceptions:

3.2.1 Change of Sponsor. To change your Sponsor, you must submit a Sponsor Change Request to our Compliance department within seven (7) calendar days from the date of enrollment. The form requires

your signature and the signature of your current Sponsor. We may require authentication of the signatures.

3.2.2 Change of Placement. As a Sponsor, you may request to change the Placement of a Distributor you recently Sponsored by submitting to our Compliance department a Change of Placement form within seven (7) calendar days of enrollment. The recently enrolled Distributor's Placement may be moved only inside your organization and will be Placed in the first available open bottom position on the date that the change is made. We will not change the Placement if your Distributor has earned Bonuses or achieved rank.

3.2.3 We reserve the discretion to approve or deny a request for a change of Sponsor or Placement, which approval may not be unreasonably withheld.

3.3 Re-application. If you are not in breach of the Agreement, you may change your Sponsor by voluntarily terminating your Agreement or remaining inactive (i.e., no purchases of MonaVie Products, no sales of MonaVie Products, no Sponsoring, no attendance at any MonaVie functions, no participation in any other form of Distributor activity, nor operation of any other MonaVie business) for six (6) full consecutive calendar months. Following the six (6) month period of inactivity or termination, you may reapply under a new Sponsor. If your Agreement was terminated by us for breach, you must wait eighteen (18) months to reapply.

SECTION 4. PROMOTING THE PRODUCTS AND OPPORTUNITY

Because many aspects of the MonaVie opportunity and the Products are regulated, compliance with advertising law is important for the longevity of your business and ours. We make every effort to comply with advertising law and expect the same from you. This section describes Product and opportunity claims that you may make, and the limitations. It also explains the types and methods of advertising you may use in building your MonaVie business.

4.1 Claims, Sales and Promotional Activity.

4.1.1 Product Claims. You may make claims about the Products that are in the Official MonaVie Materials of the country for which it is approved. You shall not make claims about the Product that are not in the Official MonaVie Materials.

4.1.2 Opportunity Claims. See Addendum A.

4.2 Limitations on Offering. You shall not offer the MonaVie opportunity through, or in combination with any other compensation plan or placement program, other than

as specifically set forth in Official MonaVie Materials or approved Black Diamond Sales Tools. Further, you shall not require or encourage other current or prospective Distributors to participate in MonaVie in any manner that varies from the program as set forth in Official MonaVie Materials. Regardless of your rank, you shall not require or encourage other current or prospective Distributors to execute any agreement, contract, or membership, other than those offered by the Company, in order to become a MonaVie Distributor. Similarly, you shall not require or encourage other current or prospective Distributors to make any purchase from, or payment to, any individual or other entity to participate in the MonaVie Compensation Plan other than those purchases or payments identified as recommended or required in the Official MonaVie Materials.

4.3 Black Diamond-Produced Sales Tools. Only Distributors who have achieved the rank of Black Diamond or higher may create and sell their own Sales Tools. As a Distributor, you may use Sales Tools from a Black Diamond if it bears MonaVie's approval seal or is otherwise authorized by us. A Black Diamond who produces and/or markets Sales Tools must:

4.3.1 Utilize only materials that have been approved by us;

4.3.2 Refrain from making the purchase of such Sales Tools a requirement of his or her downline;

4.3.3 Provide Sales Tools at a reasonable and fair price, equivalent to similar material available generally in the marketplace; and

4.3.4 Offer a written return policy on his or her Sales Tools that is consistent with the Company's return policy for its Sales Tools, as set forth in Addendum B.

4.3.5 Approval Process. If you qualify to produce Sales Tools as a Black Diamond, you must submit each Sales Tool to the Compliance department in English and the language of the Opened Market in which you intend to distribute the Sales Tools. Once approved, you must apply the official MonaVie Sales Tool seal of approval, if required by us, to each approved Sales Tool and to any advertisement for the sale of the Sales Tool. You must submit every modification to an approved Sales Tool for approval of the modification prior to distributing it. We may charge a fee for reviewing the Sales Tools. We reserve the right to rescind approval for any Sales Tool that is non-compliant or potentially detrimental to the business of MonaVie and you agree to waive all claims for damages arising from or relating to such rescission.

4.3.6 Limitations on Subject Matter. You may not produce for sale or distribution any recorded Com-

pany events and speeches without our written permission. You also may not reproduce for sale or for personal use any recording of Company-produced audio or video presentations.

4.3.6.1 Copyrighted Materials. All of our literature, audiotapes, videotapes, Internet website material, and programs are copyrighted by us and may be duplicated only by obtaining our prior written consent.

4.3.6.2 Proprietary Names. You may not use our employee names or our trademarks, names, logos, trade dress or trade names, or any distinctive phrases used by us to promote your business prior to receiving our written permission. As we change or abandon any of our trademarks or trade names, you agree to also change or abandon such trade name or mark. To protect our proprietary rights, you may not obtain, through filing for a patent, trademark, Internet domain name, or copyright, any right, title, or interest in or to our names, trademarks, logos, or trade names and those of our Products.

4.4 Internet Advertising.

4.4.1 Distributor Websites. If you desire to utilize an Internet webpage to promote your MonaVie business, you may do so through MonaVie's official website, or if available, through MonaVie-approved replicating websites. Alternatively, and if available, you may purchase rights to use a replicating website from an approved list of Sales Tool websites from a Black Diamond. You may use your own website to promote MonaVie only if permitted in Addendum A, section A.10. However, the website must conform to all advertising guidelines herein. The content must be approved in writing by our Compliance department prior to going live. All changes must also be approved in advance.

4.4.2 Blogs, Chat Rooms, Social Networks, Online Auctions, and other Online Forums. Except as otherwise indicated herein, you agree to not use any other website, including but not limited to, online blogs, chat rooms, social networks, online auction sites, video websites, or any other online forum to market, sell, advertise, promote, or discuss MonaVie's Products or services, or the MonaVie opportunity. You agree that this provision is material to the Agreement and if you breach it by advertising our Products through an online auction, you agree that we may terminate the Agreement without notice. Notwithstanding the foregoing,

4.4.2.1 A Black Diamond may have a blog, approved by us, to promote the Product and opportunity

with content limited to the Black Diamond distributor's personal postings;

4.4.2.2 A Ruby Executive and above may post videos on video websites such as YouTube® so long as he or she has passed our Compliance certification course, the video includes a clear image of the distributor ID number on the video, and the video is approved in advance by our Compliance department.

4.4.2.3

4.4.3 Names and Email Addresses. You may not use or attempt to register or sell any of MonaVie's trade names, trademarks, service names, service marks, Product names, or any derivative thereof, for any internet domain name or email address.

4.5 Other Sales Media. MonaVie Products may not be sold or promoted through catalogs or other mass sales mediums, such as magazines, infomercials, television, radio, or other related sales media, unless approved by us.

4.6 Retail Establishments. You may not sell or promote Products through retail establishments. A retail establishment is any fixed location where the primary business is to sell products to the public. You may, however, sell Products and Sales Tools through service establishments. These service establishments must require a membership and/or appointment, and the services performed must be health and wellness related. Advertising in a service establishment is limited to Official MonaVie Materials, which may be displayed only in the private membership and/or appointment area of the establishment. They may not be displayed in waiting rooms and similar, public areas, etc. No Sales Tools may be visible from the outside of the establishment.

4.7 Trade Shows, Expositions, and Other Sales Forums. MonaVie provides a Trade Show Request Form in the Distributor's Virtual Office, or upon request through Distributor Support. Distributors may display and/or sell ONLY MonaVie Products at trade shows and professional expositions, with prior written approval from Compliance. Requests are approved on a first-submitted, first-served basis, and a maximum of one representation per event is allowed. Only one event per Distributor at a time is permitted. At the completion of each event, an additional request may be made. MonaVie further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of the Products or opportunity. Approval will not be given for swap meets, garage sales, flea markets, or farmer's markets as these events are not conducive to the professional image MonaVie wishes to portray.

4.8 Generic Business Advertisements. If you advertise in a newspaper or other advertising mediums, the following rules apply:

4.8.1 No advertisement may imply that a job, position, salary, or any type of employment is allowed.

4.8.2 No advertisement may promote, represent, or imply salaried positions, management positions, hourly wages, full or part-time employment, or guaranteed incomes. The MonaVie opportunity is not employment, and may not be presented as such. Terms such as “manager trainee,” “management positions available,” “travel provided,” “call for interview,” “positions available,” “now hiring,” and other misleading statements are not allowed.

4.8.3 No specific income can be promised or implied, and any references to compensation must use the word “Bonuses” to indicate the independent contractor status of Distributors.

4.8.4 Advertisements may not contain references to MonaVie or our Products (i.e., no product or açai mention, no use of MonaVie logo or bottle design, no health claims).

4.8.5 You may not use any of MonaVie’s trademarks or trade names in any advertising.

4.9 Email and Fax Communication. MonaVie does not permit Distributors to send unsolicited emails unless such emails strictly comply with applicable laws. Please see the Addendum for country-specific rules.

4.9.1 Requirements. Any email sent by you that promotes MonaVie, the MonaVie opportunity, or the Products, must comply with the following:

4.9.1.1 There must be a functioning return email address to the sender.

4.9.1.2 There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).

4.9.1.3 The email must include your physical mailing address.

4.9.1.4 The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.

4.9.1.5 The use of deceptive subject lines and/or false header information is prohibited.

4.9.1.6 All opt-out requests, whether received by email or regular mail, must be honored within two (2) business days.

4.9.2 Consent to Receive Emails. We may periodically send commercial emails on behalf of Distributors. By entering into the Agreement, you agree that

we may send such emails and that the Distributor’s physical and email addresses will be included in such emails as outlined above. You shall honor opt-out requests generated as a result of such emails sent by the Company.

4.9.3 No Unsolicited Fax and Phone Advertising.

Except as provided in this section, you may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of your MonaVie business.

4.10 Phone Use. You may not answer the telephone by saying “MonaVie,” “MonaVie Incorporated,” or by any other manner that would lead the caller to believe that he or she had reached MonaVie’s corporate offices. You may only represent that you are a MonaVie Distributor.

4.11 Correspondence. A Distributor may only represent that he or she is a MonaVie Distributor. All correspondence and approved business cards relating to or in connection with a Distributor’s MonaVie business shall contain the Distributor’s name followed by the term “Independent Distributor.”

4.12 Media and Media Inquiries. You must not initiate any interaction with the media or attempt to respond to media inquiries regarding MonaVie, its Products or services, or your independent MonaVie business. All inquiries by any type of media must be immediately referred to MonaVie’s Communications department at media@monavie.com, or by calling (801) 748-3153. Additionally, you may not draft, publish, post on the internet, or otherwise dispense verbal or written MonaVie-related press releases or statements to the media. This policy is designed to ensure that accurate and consistent information is provided to the public and to maintain the desired public image.

4.13 International Marketing. We own the worldwide distribution rights to the MonaVie Products and opportunity. We may choose to open certain countries from time to time and will grant you limited rights to Sponsor in those countries. You shall not Sponsor outside of our Opened Countries. Also, you shall not distribute Products in any country other than your home country of enrollment. Additionally, because of important business, legal, and tax considerations, you shall not resell Products to Customers and Distributors outside of your home country of enrollment. Also, to preserve our rights, you may never secure or attempt to secure approval for our Products or business practices; register or reserve the Company names, trademarks, trade names, or Internet domain names; or establish any kind of business or governmental contact on behalf of the Company. Your breach of any of these provisions shall require you to indemnify us against any claims, demands, actions, judgments, fines, and penal-

ties.

4.13.1 Business Models. We operate under one of two models in those countries in which we have chosen to do business:

4.13.1.1 On the Ground (OTG). This is a fully operational business model. Products are properly labeled and legalized for resale in the country. Product is purchased in local currency and Bonuses may be paid in local currency. Marketing material specific to the country is available for Distributors residing in that country.

4.13.1.2 Not for Resale (NFR). This is a model of limited activity. Residents of an NFR market may enroll to purchase Product for personal consumption only. They may not sell, distribute, or gift the Product in any way to persons outside their household. They purchase Product from our U.S. or designated office and may receive Bonuses in U.S. currency where allowable by law.

4.13.2 Qualifications. To Sponsor outside your home country of enrollment, your Distributorship must be in good standing; you must request, read, and comply with the Policies and Procedures and such other guides as we may have available for the Opened Country; and we may require you to pay an international Sponsoring fee for each OTG and NFR country in which you wish to Sponsor.

4.13.3 Sponsoring in an Opened Country. Your compliance with this section protects us, you, and our collective ability to conduct business in selected countries. Violation of these policies may result in governmental regulatory action, which may include severe fines, confiscation of property, closure of business operations, or even imprisonment. Accordingly:

4.13.3.1 You shall not engage in blind prospecting without our prior written approval. Many countries have strict privacy laws that forbid blind solicitations. Also, many local laws forbid advertising for leads.

4.13.3.2 You may not advertise for leads without the prior written consent of our designated officer or employee.

4.13.3.3 You shall not import any Product into a market for which that Product is not officially approved. Products are labeled and sometimes formulated for specific countries.

4.13.3.4 You shall not distribute our Sales Tools or any Black Diamond Sales Tools not approved for the country in which it is intended. Promotional statements from one country's litera-

ture may not be appropriate or legal in another country.

4.13.3.5 You do not have the right to sell Products in an Opened Country that is not your home country of enrollment. That right is reserved to Distributors residing and enrolled in the Opened Country (if OTG). To avoid adverse tax consequences and restitution requirements, you should refer Product sales to your downline residing in the Opened Country.

4.13.3.6 You may not send any unauthorized Products to another country. Products to be sold in an Opened Country must be obtained directly from that country's Company office or warehouse.

4.13.3.7 You may not seek or participate in media coverage of any kind without prior written approval from us.

4.13.3.8 You may not misrepresent Products or the MonaVie opportunity in the country.

4.13.3.9 You may not make claims or guarantees of specific earnings potential. You may not make unlawful health claims about our Products.

4.13.3.10 You must comply with the Policies and Procedures of both the country in which you enrolled and the Opened Country in which you desire to do business.

4.13.3.11 You must understand and comply with the laws of the Opened Country.

4.13.4 Pre Market Activity in a Country Announced for OTG Operations. You may not engage in any business activity in an unopened country unless we make a general announcement to all qualifying Distributors. Such general announcement will specify the limited business activities permissible in the unopened market, including the date when pre-market activity may commence and the scope of the pre-market activity. Non-compliance with covenants of this subsection or the limitations set forth in the general announcements may result in termination of the Agreement.

4.13.5 Sponsoring in a Not for Resale Country. In an NFR country, we permit persons to import Products for personal consumption only. Accordingly, while these Policies and Procedures are inapplicable to Sponsored persons residing in an NFR market, you agree to and shall not sell, offer to sell, distribute, import, or gift Products in an NFR market, nor shall you encourage, aid or abet a person to do the same. Meetings must be limited to explaining the MonaVie opportunity and Sponsoring pursuant to specific guidelines

for each NFR market.

4.13.6 Monthly Processing Fee. A monthly processing fee may be charged for each country in which you conduct your MonaVie business.

4.13.7 Earnings. There may be specific withholding requirements in your home country; when required, we will deduct such withholdings from your earnings and remit them to the appropriate government agency.

4.13.8 Indemnification. You are fully responsible for all verbal and written statements you make regarding our Products, services, and the Compensation Plan which are not expressly contained in our Official MonaVie Materials.

4.13.8.1 You agree to indemnify MonaVie and MonaVie's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by MonaVie as a result of your unauthorized representations or actions. This provision shall survive the termination of the Agreement.

4.13.8.2 Subject to the limitations set forth in this provision, we shall defend you from claims made by third-party Customers alleging injury from use of a Product or injury due to a defective Product. You must promptly notify us in writing of any such claim, no later than five (5) days from the date of first receipt of the third-party claimant's notice alleging injury; failure to so notify us shall alleviate any obligation of the Company respecting such claim. You must allow the Company to assume the sole and absolute discretion respecting the defense of the claim, and use and choice of counsel as a condition to our obligation to defend you.

SECTION 5. RETAIL SALES AND ORDERING

5.1 Selling to End Consumers. The MonaVie opportunity is built on selling Products to end consumers. Your primary opportunity as a Distributor is to develop and maintain Customers. We also allow you to purchase Product that you may use as a sales tool and that you and your family may consume. You agree to not purchase more Product than what you can resell to your Customers in a reasonable period of time.

5.2 Participation in the Compensation Plan. You must fulfill the following sales requirements to be eligible for participating in the Compensation Plan.

5.2.1 Each order you place must comply with the 70% rule as set forth in Section 6.1.

5.2.2 You must sell Products to at least five Customers each month.

5.2.3 Your Distributorship must be in good standing with us.

5.2.4 Sales Receipts. When making a sale to a Customer, you must provide him or her with an official MonaVie sales receipt at or prior to the time of the initial sale and every sale thereafter. These receipts may set forth any consumer rights afforded by law for retail sales. You must also verbally inform the Customer of his or her cancellation rights, if any, as set forth on the official sales receipt.

5.2.4.1 When making the sale, you must complete the information required on the sales receipt, including the items ordered, the transaction amount, and the Customer's name, address, and telephone number. You must keep a copy of the sales receipt for your records.

5.2.4.2 You must keep copies of all Retail Sales Receipts on file for at least four years. You are required to pay any applicable transactional taxes, if required by law. We will maintain documentation for orders placed directly to the Company by your Customers.

5.2.5 Customer Satisfaction Guarantee. As a Distributor of MonaVie Products, you shall offer to each Customer a 100%, 30-day money-back guarantee for all Product sales. You are required to honor the terms of the Customer satisfaction guarantee and the cancellation and refund policies stated on the Retail Customer Receipt, which is set forth in Addendum B.

SECTION 6. ORDERING

6.1 The 70% Rule. You shall personally sell, consume, or use in business building at least 70% of the Product from every order placed with the Company prior to placing another order. You agree to validate to such uses if required by the Company or by any regulatory agency. No Bonuses may be paid to any Distributor unless it is based on the sale of MonaVie Products to end users.

6.2 Buying Rank Prohibited. Purchasing Product for the purpose of earning Bonuses or achieving rank is prohibited. We retain the right to limit the amount of purchases you may make if we reasonably believe those purchases are being made solely for rank and other qualification purposes instead of for resale or business building. We may revoke a rank advancement if it was earned in violation of this policy.

6.3 Restricted Ordering Practices. You shall not order Product through any Distributorship other than one in

which you have a Beneficial Interest unless you have prior written permission to do so from the Distributor; this written permission must be on file with us. If you violate the provisions of this section, we may restrict or deduct the Volume and Bonuses paid to you and to all Distributors who earned such Bonuses. The deduction of Volume and Bonuses will occur in the month in which the related sales occur, and shall continue every commission period thereafter until all Volume and Bonuses are recovered from you and the Distributors who received compensation from such sales.

6.4 Return of Product and Sales Aids. See Addendum B.

6.5 Product Abandonment. An order transaction is considered complete only when the order has been paid for and delivery method has been satisfied. If these conditions are not met within 90 days from the date of order, we reserve the right to determine the final outcome of the order and you release us from any further obligation or liability.

6.6 Pickup Center Orders. We do not permit any individual or Distributor to pick up another Distributor's will-call order without properly substantiated picture ID.

6.7 Returned Checks. All checks returned by your bank for insufficient funds will be re-submitted for payment. Where lawful, a US\$25.00 returned check fee will be charged to your account. After receiving a returned check from you or your Customer, all future orders must be paid by credit card, money order, or cashier's check. Any outstanding balance owed us by you for Non-Sufficient Fund checks and returned check fees will be withheld your account, though our failure to withhold does not relieve you of your obligation to pay. The fee is due upon placement of the debt on your account with us.

6.8 Restrictions on Third Party Use of Credit Cards and Checking Account Access. You may not facilitate any MonaVie purchase using a credit card or payment method other than your own unless we have on file an official MonaVie Authorization Letter prior to the transaction. The form authorization letter is found in the Document Library of your Virtual Office.

6.9 Sales/Transaction Taxes. See Addendum A.

6.10 AutoShip. AutoShip is our automatic ordering program. While enrollment is optional, AutoShip ensures that you have (1) an adequate inventory with which you can service your Retail Customers, (2) adequate Product for demonstrations and sampling purposes; and (3) if desired, adequate inventory for personal use. The AutoShip program eliminates the inconvenience of placing monthly orders manually.

6.10.1 Cycle. AutoShip orders run on a 28-day cycle. Your order will not be processed on the same

day every month, but rather on a sliding calendar. A calendar is provided in every Distributor's Virtual Office so you can track when your next AutoShip is scheduled to run. The date of your AutoShip shipment can be changed in the Virtual Office or by calling MonaVie Distributor Support.

6.10.2 AutoShip Status. You may modify, deactivate, or reactivate your AutoShip profile at any time. However, any modification or cancellation must be submitted at least three business days prior to the next AutoShip shipment date. Requests made after that may not be effective until the following shipment date.

SECTION 7. BONUSES

7.1 Bonus Qualifications. As a Distributor, you are entitled to receive Bonuses from us pursuant to the currently published Compensation Plan if you are in good standing and in compliance with the terms of the Agreement.

7.2 No Earning Guarantee. You are neither guaranteed a specific income nor assured any level of profit or success. Your profit and success can come only through the successful retail sale, use, and consumption of our Products and the retail sales, use, and consumption of our Products by other Distributors in your downline.

7.3 Payment. We will pay your Bonuses within two weeks following the close of a commission period. For business accounts, we will pay to the business listed on the account; otherwise we will pay to the primary account holder. Without prejudice to our right of termination, we may suspend or revoke payment if you are in breach of any term or condition of the Agreement. We may also debit your account if you owe us money.

7.4 Bonus Buying Prohibited. Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (1) the enrollment of individuals or entities without the knowledge of and/or execution of a Distributor Application by such individuals or entities; (2) the fraudulent enrollment of an individual or entity as a Distributor or Customer; (3) the enrollment or attempted enrollment of non-existent individuals or entities as Distributors or Customers ("phantoms"); (4) purchasing Products on behalf of another Distributor or Customer, unless authorized herein, or through another Distributor's or Customer's ID number, to qualify for Bonuses; (5) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month; and/or (6) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, or Bonuses that is not driven by bona fide Product purchases by end user consumers.

7.5 Adjustments to Bonuses. When a Product is returned to us for a refund, the Bonuses attributable to the re-

turned Product(s) will be deducted from the commission period in which the refund is given, and continuing every pay period thereafter until the Bonus is recovered from the Distributors who received Bonuses on the sales of the refunded Products.

7.6 Errors or Questions. If you have questions about or believe any errors have been made regarding Bonuses, PEARs, or charges, you must notify us in writing within 60 days of the date of the purported error or incident in question. We will not be responsible for any errors, omissions, or problems not reported to the Company within 60 days.

7.7 Processing and Other Fees. We may deduct from your Compensation Plan earnings or charge you a reasonable processing fee for computer processing and other customer services. If you request special services, we may charge an hourly fee with a one hour minimum or a flat fee. We will quote you the fee prior to initiating the services.

SECTION 8. BREACH OF CONTRACT AND REMEDIES

8.1 Breach. In the event of a breach or failure to perform as required under the plain language of the Agreement, the other party shall give written notice of such breach to the party claimed to be in breach. In the event that a breach is not cured within a reasonable time from receipt of written notice of any such breach, the breach shall be considered material and a default of the Agreement. In the event a default is not cured, in addition to other remedies available at law, the non-defaulting party shall be entitled to terminate the Agreement by delivering notice of termination to the other party. Unless otherwise specified in the notice of termination, the Agreement shall terminate immediately upon receipt of such notice of termination.

8.2 Internet Auctions. The parties agree that certain breaches are so egregious, or that potential damages for breach are irreparable, that notice and a cure period is an inadequate remedy. Accordingly, the parties agree that notice and cure are waived for selling Products on an Internet auction site.

8.3 Material Breach. The following covenants of this Agreement are deemed to be material:

8.3.1 Section 2.1—The Code of Ethics.

8.3.2 Section 2.3.8—Unethical Activity.

8.4 Remedies for Breach. Our remedies for breach shall include, but not be limited to, recovery of any and all monies paid pursuant to this Agreement and termination of the Distributorship. Your remedies include specific performance and money damages. Nothing herein shall prevent you or us from seeking all other available rem-

edies.

8.5 Grievances and Complaints. When you have a grievance or complaint with another Distributor regarding any practice or conduct in relationship to his or her Distributorship, you should try to resolve it with the other Distributor. If the matter involves interpretation or violation of the Agreement by that Distributor, you must report it in writing to MonaVie's Compliance department, via email or certified mail, who will review the facts and attempt to resolve the matter.

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

8.7 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.

8.7.1 Governing Law and Arbitration. The State of Utah is the place of origin of this Contract, and is where the Company accepted the offer of an Applicant to become a Distributor and where the Distributor entered into the Contract with the Company. The Contract is therefore governed by and to be construed in accordance with the laws of the State of Utah without reference to the conflict of laws principles thereof, and the arbitration provisions herein are governed by the Utah Uniform Arbitration Act, Utah Code Ann. Sections 78-31a-101, et seq. (the "Act"), except as such requirements may be specifically varied and modified by the terms set forth herein.

8.7.2 Mandatory Arbitration. Any controversy or claim arising between Company and the Distributor, including any controversy or claim arising out of or relating to the Contract or the breach thereof, or any controversy or claim relating to the business arising between Distributors, shall be resolved by mandatory, binding arbitration in Salt Lake City, Utah, in the United States of America, to be conducted in the English language. Distributor hereby submits to the arbitral jurisdiction set forth herein, and, with respect to any matters not determined by or subject to arbi-

tration, to the personal jurisdiction of the state and federal courts within Salt Lake City, Utah. The arbitration shall be initiated by service of written demand for arbitration on the responding party. Distributor hereby consents to service of such demand by mail to the address for such Distributor on file with the Company and waives all rights and defenses as to insufficiency of service of process as may be applicable under the laws of the United States or any other country.

8.7.3 Arbitrator. There shall be one arbitrator, who shall be impartial, independent, and mutually agreed upon by the parties to the arbitration within 30 days following receipt of the written demand for arbitration. If the parties do not reach agreement on a single arbitrator within such period, the parties shall obtain a judicial appointment of an arbitrator pursuant to the Act, Section 78-31a-112.

8.7.4 Process and Powers. The arbitration and all pre-hearing matters, including discovery, shall be governed by and conducted in accordance with the Utah Rules of Civil Procedure and the Utah Rules of Evidence. The arbitration and all proceedings associated therewith are private proceedings and not subject to any public right of access. The arbitrator shall have the authority to enter appropriate protective orders to preserve the confidentiality of the proceedings and information exchanged in discovery. The arbitrator shall have the authority, power, and jurisdiction to grant both legal and equitable relief, including temporary, preliminary, and permanent injunctive relief, and the parties hereto hereby submit to the jurisdiction of the arbitrator for all such relief. The arbitrator shall also have the sole and exclusive authority to determine whether any particular issue is subject to arbitration under this Agreement.

8.7.5 Award. The arbitration award shall be a reasoned award, given in writing, and shall be final and binding on the parties hereto and not subject to any appeal, except as specifically provided in the appeal provision below. Judgment upon the award rendered may be entered in any court having jurisdiction, or, application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be. Execution upon any such judgment shall be governed by the laws of the State of Utah, and the parties hereto agree unconditionally to recognize an arbitration award rendered in connection with this Agreement as binding and compulsory and subject to execution pursuant to any applicable laws.

8.7.6 Appeal. Should the Arbitrator enter an award against any party for a sum in excess of twenty-five thousand dollars (\$25,000), or enter an award

constituting permanent injunctive relief against any party, the party against whom such an award has been entered may appeal the award to a private arbitration panel of three impartial and independent arbitrators mutually agreed upon by the parties (the "Appeal Panel"). Any such appeal must be taken by written notice served no later than thirty (30) days after the party has received the written award. If the parties do not agree on three arbitrators within 30 days of the date of the arbitration award, the Appeal Panel shall be judicially appointed in accordance with the Act, Section 78-4331a-112. The appeal shall be conducted in Salt Lake City, Utah, in the United States of America, in the English language. Upon briefing of relevant issues by the parties, and oral argument if requested by the parties, the Appeal Panel shall review and correct the award for (1) any error of law, (2) a failure of substantial evidence to support all or any element of the award, and (3) an error of a mixed question of fact and law. The arbitration panel shall issue a reasoned decision, given in writing, which shall be final and binding on the parties and not subject to any appeal.

8.7.7 Costs. The parties shall equally share the assessed costs associated with the arbitration, including all arbitrator fees, provided however, that the prevailing party in any appeal to the Appeal Panel shall be entitled to recover its share of the costs of such appeal from the non-prevailing party. The parties shall each bear their own attorneys fees in connection with the arbitration and any appeal, irrespective of which party prevails and any demand or request made for such fees.

8.8 Other Remedies. Nothing in these Policies and Procedures shall prevent us 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 our interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

SECTION 9. DEFINITIONS

9.1 AUTOSHIP. A program in which we automatically ship Products to you.

9.2 BONUSES. Monies earned by you, as determined by the Personal Volume of Products retailed or purchased by you and the Group Volume of your Downline, as set forth in the Compensation Plan.

9.3 COMPENSATION PLAN. The method by which you generate Bonuses and are compensated for retail sales and sales Volume within your downline. The Compensa-

tion Plan is described in the Company's literature.

9.4 CUSTOMER. End Consumers of the Product.

9.5 DISTRIBUTOR. An independent contractor whose Distributor Application has been accepted by us.

9.6 DISTRIBUTOR KIT. A selection of MonaVie at-cost training materials and business support literature that each new Distributor purchases unless prohibited by law.

9.7 DISTRIBUTORSHIP. The collective rights arising from the Agreement granted to you to purchase, sell, distribute, and promote the Products and MonaVie business opportunity.

9.8 GROUP VOLUME (GV). The point value of Products sold to the downline in your Placement Tree.

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

9.10 OPENED COUNTRY. A country that we have officially opened for business using an OTG or NFR model.

9.11 PERSONAL ENROLLMENT TREE. Your downline organization of Distributors you personally Sponsor and those Distributors that they personally Sponsor.

9.12 PERSONAL VOLUME (PV). The point value of Products you sell to your Customers who use your distributor ID number or of Products we sell to you.

9.13 PERSONALLY ENROLLED ACTIVITY REPORT (PEAR). A report generated by us that provides information relating to the identities of Distributors, sales information, and Sponsoring activity of Distributors in your Personal Enrollment Tree. This report contains confidential and trade secret information which is proprietary to the Company.

9.14 PLACEMENT. Your position inside your Sponsor's Placement Tree.

9.15 PLACEMENT TREE. The structure of your downline sales organization.

9.16 PRODUCTS. Any commodity sold by us that has Volume assigned to it.

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

9.18 SALES TOOLS. Any audio or visual device used to promote the MonaVie Products and/or opportunity. It may be printed; electronic; a logo used on clothing, decals, or

in any other form.

9.19 SPONSOR. A Distributor who introduces an applicant to the Company and is listed as the Sponsor on the Distributor Application.

9.20 VOLUME. The point value assigned to Products sold for purposes of calculating Bonuses under the Compensation Plan.

ADDENDUM A—UNITED STATES

A.1 ADVERTISED PRICE. You may not advertise any MonaVie Products at a price LESS than the highest company-published, established retail price of one (1) bottle or one (1) case of the MonaVie Product plus shipping and applicable taxes. No special enticement advertising is allowed. This includes but is not limited to offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.

A.2 SALES PROMOTION AND SPONSOR TRAINING. Regardless of your level of achievement, you have an ongoing obligation to continue to personally promote sales through the generation of new Customers and through servicing existing Customers. You are also responsible to motivate and train your new downline in Product knowledge, effective sales techniques, the Compensation Plan, and compliance with these Policies and Procedures. Additionally, you must provide bona fide assistance and training to Distributors you Sponsor to ensure that your downline Distributors are properly operating their MonaVie businesses.

A.3 OPPORTUNITY CLAIMS.

- a. Business Opportunity Specific Claims. Do not use the term "business opportunity." Use the terms "income opportunity," "financial opportunity," or "home-based opportunity." When discussing the MonaVie opportunity, you must mention that the purchase of tools is optional. The word "free" should never be used to describe MonaVie products—regardless of how they're obtained.
- b. AutoShip. Position AutoShip as a great way to ensure you never run out of product to service your customers, to share with prospects, and to personally consume. Do not position the AutoShip as a way to remain active or qualify for compensation. Example: "Neither a product order nor participation in the AutoShip program are required to become a distributor, activate, or remain active. Both are optional." You MUST indicate that AutoShip is optional for becoming a distributor AND for earning compensation.
- c. Purchasing Requirements. Do not impose personal purchase requirements. Do not require a distributor to purchase a minimum amount of product. You may

say that a distributor must generate a certain amount of personal volume to qualify for earnings under the compensation plan.

d. **Income Claims.** Any income presentations (in person or on paper) must include a line stating: "Please see the MonaVie Income Disclosure Statement at the end of this document or at www.MonaVie.com for complete information regarding the earnings of MonaVie distributors." Also, avoid words like "millions" and instead use non-financial phrases like "Beyond imagination" or "Your wildest dreams." Use terms like "income-creating" rather than "wealth-creating." Do not use the term "passive income."

e. **Compensation Plan.**

1) Any income presentations (in person or on paper) must include a line stating: "Please see the MonaVie Income Disclosure Statement at the end of this document or at www.MonaVie.com for complete information regarding the earnings of MonaVie distributors."

2) Do not use "purchased" when describing how PV is acquired. Use terms such as "generated." Use wording like "Build teams that duplicate by helping your personally sponsored distributors build their businesses, and you will earn the Star Maker Bonus."

3) Regarding Rank Advancements, either is acceptable:

1. To qualify for the following ranks one must be active with 100 or more of personally generated points during the qualifying week.

2. Be active with 100 or more personally generated points during the qualifying week.

4) Avoid the words "investment" or "invest." It's okay to talk about investing time or effort—but not money. Accordingly, use words like "cost" or "expenditure" to describe the Distributor Kit.

A.4 INCOME DISCLOSURE STATEMENT.

a. **Purpose of the Income Disclosure Statement.** MonaVie's corporate ethics compel us to do not merely what is legally required, but rather, to conduct the absolute best business practices. To this end, we have developed the Income Disclosure Statement ("IDS"). The MonaVie IDS is designed to convey truthful, timely, and comprehensive information regarding the income that MonaVie Distributors earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective Distributors. Copies of the IDS may be printed or downloaded without charge from the corporate website.

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

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

2) A hypothetical income claim exists when you attempt to explain the operation of the Compensation Plan through the use of a hypothetical example and make certain assumptions regarding the: (1) number of Distributors Sponsored, (2) number of downline Distributors, (3) average product volume per Distributor, and (4) total organizational volume. Additionally, processing these assumptions through the Compensation Plan yields income figures which constitute income claims.

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

A.5 TAXES.

- a. The Company will collect and remit sales tax based on the retail price of products purchased by you unless otherwise required by law. The sales tax is based upon the tax rate in the jurisdiction to which the Product is shipped. For your retail sales, if you submit to us a current Sales Tax Exemption Certificate (STEC) from your resident state, we will not charge or collect sales tax on your orders shipped to that state unless prohibited by law. You will be responsible for tracking and reporting all sales and sales taxes due for retail sales. Sales tax on orders placed before we receive a STEC will not be reimbursed. If you provide us a STEC, you agree to indemnify and hold MonaVie harmless from any liability that MonaVie incurs as a result of your failure to collect or remit sales taxes. If a MonaVie business is tax exempt, the Federal tax identification number must be provided to MonaVie.
- b. Every year, MonaVie will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each non-corporate 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.

A.6 Governmental Approval or Endorsement. Neither government agencies nor their officials approve or endorse any Network Marketing companies or products. Therefore, you shall not represent or imply that MonaVie, its Products, or its Compensation Plan have been approved, endorsed, or otherwise sanctioned by any government agency or official.

A.7 Breach of Contract—Additional Provisions.

- a. Additional Actions for Breach. We may take the following actions against you and/or your Distributorship if you breach the agreement.
 - 1) We may issue you a written warning or admonition;
 - 2) We may require you to take immediate corrective measures;
 - 3) We may impose a fine and may withhold it from your earnings;
 - 4) We may suspend payment of all or part of your Compensation Plan earnings during the period that we investigate your conduct. If your Agreement is terminated by us, you will not be entitled to recover any Bonuses withheld during the investigation period;
 - 5) We may suspend your right to operate your Distributorship for one or more pay periods;
 - 6) We may involuntarily terminate your Agreement;

- 7) We may institute legal proceedings for monetary and/or equitable relief;
 - 8) We may transfer or reassign some or all of your downline organization to another Distributor's downline organization;
 - 9) We may take any other measure expressly allowed within any provision of the Agreement or which we deem practicable to implement and appropriate to resolve damages caused partially or exclusively by your policy violation or contractual breach.
- b. Distributor Conduct Review Committee (DCRC). The purpose of the DCRC is to review policy violations and determine disciplinary actions. The Compliance department solicits information from all involved parties and presents the same to the DCRC for final resolution and disciplinary action, up to and including termination of a Distributor Agreement. Once the DCRC has made a decision, the decision will be communicated to the Distributor in writing.
 - c. Distributor Conduct Appeals Committee (DCAC). If you wish to appeal a decision made by the DCRC, you must do so in writing within ten (10) business days of the date of notification of decision. A decision will only be reviewed by the Appeals Committee if new information or further supporting evidence has been provided. All cases will be reviewed on a monthly basis and notification will be provided accordingly. Please note that during the appeals process, all involved Distributor accounts may be placed on a complete business hold, and all Bonuses generated will be held by us until the matter is resolved. Decisions mandated by the Distributor Conduct Appeals Committee are final and binding, and will not be further reviewed by the Company.

A.8 Telemarketing. You must not engage in telemarketing relative to the operation of your Distributorship and agree to inform yourself of the laws pertaining to telemarketing. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a MonaVie Product or service, or to recruit them for the MonaVie opportunity. "Cold calls" made to prospective Customers or Distributors that promote either MonaVie's Products or services of the MonaVie opportunity constitute telemarketing and are prohibited.

- a. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a MonaVie product or service, or to recruit them for the MonaVie opportunity. "Cold calls" made to prospective Customers or Distributors that promote either MonaVie's products or services of

the MonaVie opportunity constitute telemarketing and are prohibited.

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

1) If the Distributor has an established business relationship with the prospect. An "established business relationship" is a relationship between a Distributor and a prospect based on:

* The prospect's purchase, rental, or lease of goods or services from the Distributor within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or services; or

* A financial transaction between the prospect and the Distributor within the eighteen (18) months immediately preceding the date of such a call.

2) 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.

3) If the Distributor receives written and signed permission from the prospect authorizing the Distributor to call. The authorization must specify the telephone number(s) which the Distributor is authorized to call.

Distributors may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom a Distributor has at least a recent first-hand relationship (i.e., the Distributor recently personally met him or her). Bear in mind, however, that if a Distributor makes a habit of "card collecting" from everyone he or she meets and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if Distributors engage in calling "acquaintances," the Distributor must make such calls on an occasional basis only and not as a routine practice. In addition, Distributors shall not use automatic telephone dialing systems relative to the operation of their MonaVie businesses. The term "automatic telephone dialing system" means equipment that has the capacity to: (1) store or produce telephone numbers to be called, using a random or sequential number generator, and (2) to dial such numbers.

A.9 Diamond Covenants Regarding Competition. This section applies to distributors who have reached the rank of Diamond Executive or higher and supersedes any

inconsistent provisions of sections 2.3.1 and 2.3.2.

a. Definitions. For purposes of this section only, the terms listed below shall have the following meanings:

1) "Competitor" means any person or entity who now or in the future directly or indirectly competes with MonaVie, including any multi-level marketing company.

2) "Distributor Lists" means all distributors, organization lists, names, addresses, emails addresses, and telephone numbers contained in the MonaVie database, in any form, including, but not limited to hard copies, electronic or digital media.

3) "Personally Sponsored" means those distributors personally introduced, registered and personally enrolled by Distributor into Distributor's personal enrollment tree and included in Distributor Lists in the MonaVie database.

b. Covenant Not To Compete. You are not restricted from engaging in the business of any Competitor except as set forth in subsections c and d herein. If during the term of this Agreement you engage in the business of a competitor as an independent distributor, principal, or investor, you will continue to be entitled to Team Commissions as defined in the then current Compensation Plan if you are otherwise entitled to them; however, you will forego and forfeit any Executive Check Match, participation in the MonaVie Leadership Pool, incentive trips, vehicles, cash awards, bonus payments, or other incentive or Black Diamond awards.

c. Non-Solicitation. You covenant and agree that during the term of this Agreement and for a period of two years from its termination, you will not contact, solicit, or assist in the solicitation, directly or indirectly, of any distributors in the Territory, except those distributors that are your Personally Sponsored, for any Competitor of MonaVie.

d. Non-Disclosure. You covenant and agree that you will not use or disclose, divulge, or communicate to any person or entity, for any purpose or reason whatsoever, the Distributor Lists or other proprietary property of MonaVie by any means, directly or indirectly, through any manner whatsoever. The Distributor Lists are confidential and are the proprietary property and trade secrets of MonaVie. The Distributor Lists are for your exclusive and limited use to facilitate the training, support, and servicing of your organization for furtherance of MonaVie related business only. You agree to hold confidential and not disclose any Distributor List or portion thereof in any manner to any third person or entity and to limit use of the Distributor List to its intended scope of furthering the MonaVie business. You agree to return to MonaVie any Distributor List or

portion thereof or copies thereof in any medium. This provision shall survive the termination of this Agreement.

e. **Enforceability and Severability.** It is the desire and intent of the parties that the provisions of this section be enforced to the fullest extent permissible under the laws and public policies applied in the applicable jurisdiction. Accordingly, if any particular provision of this section shall be adjudicated to be invalid or unenforceable, it is the specific intent and agreement of the parties hereto that such provision shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable. In addition, if the scope of any restriction or covenant contained in this section is too broad to permit enforcement thereof to its fullest extent, then it is the specific intent and agreement of the parties that such restriction or covenant shall be enforced to the maximum extent permitted by law, and I and MonaVie hereby consent and agree that such scope shall be judicially modified accordingly in any proceeding brought to enforce such restriction. The terms, conditions, and obligations of this Section shall survive any termination of this Agreement.

A.10 **Websites.** Subject to the limitations of section 4.4.1, if you have achieved the rank of Black Diamond Executive, you may have a website to promote your MonaVie business.

ADDENDUM B

RETURN POLICY AND CANCELLATION NOTICE

B.1 **Return of Product upon Termination.** If you voluntarily terminate the Agreement, you may return Currently Marketable Products in your inventory for a refund. You may only return Products that you personally purchased from us for resale (purchases from third parties are not subject to refund). "Currently Marketable" means that the Products are returned within twelve (12) months of purchase and are in resalable condition; however, Products shall not be considered Currently Marketable if returned for repurchase after the Products' commercially reasonable usable or shelf life period has passed; nor shall Products be considered Currently Marketable if we clearly disclose to you prior to purchase that the Products are seasonal, discontinued, or special promotion Products and are not subject to the repurchase obligation. Upon receipt of Currently Marketable Products, we will reimburse you 90% of the net cost of the original purchase price(s) as otherwise required by law. Shipping and handling charges incurred by you when the Products were purchased will not be refunded.

B.2 **Return of Distributor Kit upon Termination.** If you voluntarily terminate the Agreement, you may return the Distributor Kit for a refund if (a) you personally purchased it from us or from another Distributor and (b) you return it within thirty (30) days of purchase. Upon receipt of the Distributor Kit, we will reimburse you 90% of the net cost of the original purchase price(s), or as otherwise required by law. Shipping and handling charges incurred by you when the Distributor Kit was purchased will not be refunded.

B.3 **No Refund for Sales Tools.** We will not refund Sales Tools other than the Distributor Kit as described herein.

B.4 **Return of Product—No Termination.** If you are not 100% satisfied with our Products, you may return them for a refund if neither you nor we have terminated the Agreement and the Products were purchased within ninety (90) days and are in resalable condition. The refund shall be 90% of the purchase price. Shipping and handling charges incurred by you when the Products were purchased will not be refunded.

B.5 **Refused Products.** If you order Products and then refuse delivery, your order is subject to the restocking fee and other procedures for returns herein, and we may charge you for the return shipping costs.

B.6 **Refund Procedures.** To receive a refund, you must comply with the following:

a. Obtain a Return Merchandise Authorization (RMA) number by calling the Distributor Services department. This RMA number must be written on each carton returned. RMA's are valid for 30 days from the date of issue.

b. Proper shipping carton(s) and packing materials are to be used in packaging the Product(s) being returned for replacement. All returns must be shipped to MonaVie pre-paid. MonaVie does not accept shipping-collect packages. The risk of loss in shipping for returned Product shall be borne by you. If returned Product is not received by the Company's Distribution Center, it is your responsibility to trace the shipment.

c. If you are sending Product that was returned to you by your Retail Customer, the Product must be received by us within ten (10) days from the date on which your Retail Customer returned the Product to you and it must be accompanied by a copy of the sales receipt you gave to the Customer at the time of the sale.

B.7 **Refunds to Customers.** If you resell Product directly to your Customer, you must provide the Customer a full refund of all monies paid if the Customer returns the Product to you within thirty (30) days of the sales transaction. We will replace to you up to one-half of the used portion of the returned Product.

B.8 Cancellation Notice. You must give your Customer two copies of an official MonaVie sales receipt (one to keep and one to send). The sales receipt should be dated and show your name and address. The sales receipt must be in the same language that is used in the sales presentation. The following cancellation notice appears on the sales receipt and must be given verbally by you when making a retail sale to a Customer. You must comply with its terms.

CANCELLATION NOTICE TERMS AND CONDITIONS

You, the Customer, may cancel this transaction at any time up to 30 calendar days after the transaction without any penalty or obligation.

If you cancel, any payments made by you under the sale will be returned within 10 BUSINESS DAYS following receipt by the Distributor of your Notice of Cancellation.

If you cancel, you must make available to the Distributor, at your residence, any goods delivered to you under this contract or sale in substantially the same condition as when received, or you may, if you wish, comply with the instructions of the Distributor regarding how to return shipment of the goods at the Distributor's expense and risk.

If you do make the goods available to the Distributor and the Distributor does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the Distributor, or if you agree to return the goods to the Distributor and fail to do so, then you remain liable for the performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this Cancellation Notice, or any other written notice, or send a letter to:

[insert Distributor's name]

[insert address of Distributor's place of business]

NO LATER THAN 30 DAYS AFTER _____.
(transaction date)

I hereby cancel this transaction.

Customer Signature

Date: