

# **LIFE ACTIVATED BRANDS, INC**

## **Statement of Policies & Procedures**

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## 1.0 **INTRODUCTION**

### 1.1 **Mutual Commitment Statement**

Life Activated Brands, Inc (hereinafter referred to as “**Life Activated Brands**”) recognizes that to develop a long-term and mutually rewarding relationship with its Compensation Plan participants (hereinafter referred to as “**Independent Business Owner(s)**”) must acknowledge and respect the true nature of the relationship and support the “Customers”.

- a) In the spirit of mutual respect and understanding, Life Activated Brands is committed to:
  - (i) Provide prompt, professional, and courteous service and communications to its Independent Business Owners and Customers;
  - (ii) Provide the highest level of quality products, at fair and reasonable prices;
  - (iii) Exchange or refund the purchase price of any product, service, or membership as provided in our return policies contained herein;
  - (iv) Deliver orders promptly and accurately;
  - (v) Pay commissions accurately and on a timely basis;
  - (vi) Expedite orders if an error or unreasonable delay occurs;
  - (vii) Maintain a mutually beneficial Compensation Plan;
  - (viii) Support, protect, and defend the integrity of the Life Activated Brands Business Opportunity;
  
- b) In return, Life Activated Brands expects that its Independent Business Owners will:
  - (i) Conduct themselves in a professional, honest, and considerate manner;
  - (ii) Present Life Activated Brands Corporate and Life Activated Brands product information in an accurate and professional manner;
  - (iii) Present the Compensation Plan and return and exchange policies in a complete and accurate manner;
  - (iv) Not make exaggerated income or product claims;
  - (v) Make reasonable effort(s) to support and train other Independent Business Owners and Customers in their downline;
  - (vi) Not engage in cross-line recruiting, unhealthy competition, or unethical business practices;
  - (vii) Provide positive guidance and training to Life Activated Brands Independent Business Owners and Customers in their downline while exercising caution to avoid interference with other downlines. As such, an Independent Business Owner is discouraged from providing cross-line training to other Independent Business

Owners or Customers in a different organization without first obtaining consent of the Independent Business Owner or Customer's upline leader;

- (viii) Support, protect, and defend the integrity of the Life Activated Brands business opportunity.

## 1.2 Code of Ethics

- a) Life Activated Brands desires to provide its Independent Business Owners with the best products and Compensation Plan in the industry. Accordingly, Life Activated Brands values constructive criticism and encourages the submission of written comments addressed to the Life Activated Brands Compliance Department.
- b) Independent Business Owner negative and disparaging comments about Life Activated Brands, its products, these Policies, or Compensation Plan, made to Life Activated Brands, or to the field or at any Life Activated Brands meeting and/or event, or disruptive behavior at any meeting and/or event, serve no purpose other than to dampen the enthusiasm of other Independent Business Owners and Customers. Life Activated Brands Independent Business Owners must not belittle Life Activated Brands, fellow Life Activated Brands Independent Business Owners, Life Activated Brands products or services, the Compensation Plan, or any and all Life Activated Brands directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by Life Activated Brands.
- c) Life Activated Brands endorses the following code of ethics:
  - (i) A Life Activated Brands Independent Business Owner must show fairness, tolerance, and respect to all people associated with Life Activated Brands, regardless of race, gender, social class, or religion, thereby fostering a "positive atmosphere" of teamwork, good morale and community spirit.
  - (ii) An Independent Business Owner shall strive to resolve business issues, including situations with upline and downline Independent Business Owners, by emphasizing tact, sensitivity, and good will; and taking care not to create additional problems.
  - (iii) Life Activated Brands Independent Business Owners must be honest, responsible, professional and conduct themselves with integrity.
  - (iv) Life Activated Brands Independent Business Owners shall not (a) make disparaging statements about Life Activated Brands, other Independent Business Owners, Life Activated Brands employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan, or (b) make statements that unreasonably offend, mislead or coerce others.
- d) Life Activated Brands may take appropriate action against an Independent Business Owner if it determines, in its sole discretion, that an Independent Business Owner conduct is detrimental, disruptive, or injurious to Life Activated Brands or to other Independent Business Owners.

### **1.3 Life Activated Brands Statement of Policies & Procedures and Compensation Plan Make Up the Independent Business Owner Agreement**

- a) Throughout these Policies & Procedures, when the term “Agreement” is used, it collectively refers to the most current version of the Policies and Procedures in effect and any addendums thereto, the Compensation Plan, and any and all social media guidelines or any other guidelines which may be implemented from time to time and any amendments thereto. The Compensation Plan is attached as Addendum 1, and is incorporated herein by reference for all purposes.
- b) It is the responsibility of the Sponsoring Independent Business Owner to provide the most current version of these Policies and Procedures (available on the Life Activated Brands website [www.lifeactivated.com](http://www.lifeactivated.com)), the Income Disclosure Statement, the Life Activated Brands Compensation Plan, and any and all social media guidelines or any other guidelines which may be implemented from time to time and any amendments thereto to their downline Independent Business Owners. The Income Disclosure Statement is attached as Addendum 2 and is incorporated by reference for all purposes.

### **1.4 Purpose of Policies & Procedures**

- a) Life Activated Brands is direct sales-based networking company that markets products and services through a network of Independent Business Owners. To clearly define the relationship that exists between Independent Business Owners and Life Activated Brands, and to explicitly set a standard for acceptable business conduct, Life Activated Brands has established these Policies and Procedures.
- b) Life Activated Brands Independent Business Owners and Customers are required to comply with; (i) all of the Terms and Conditions set forth in the Agreement which Life Activated Brands may amend from time to time in its sole discretion; and (ii) all Federal, State, and/or local laws governing his, her and/or its Life Activated Brands business.
- c) Life Activated Brands Independent Business Owners must review the information in these Policies and Procedures carefully. Should an Independent Business Owner have any questions regarding a policy or procedure, the Independent Business Owner is encouraged to seek an answer from their Sponsor or any other upline Independent Business Owner. If further clarification is needed, the Independent Business Owner may contact the Life Activated Brands Customer Service Team by submitting an email to: [support@lifeactivated.com](mailto:support@lifeactivated.com).

### **1.5 Changes, Amendments, and Modifications**

- a) Because Federal, state, and local laws, as well as the business environment, periodically change, Life Activated Brands reserves the right to amend the Life Activated Brands Agreement as well as the prices in its *Product Price List* as set forth on its website in its sole and absolute discretion. Notification of amendments shall appear in official Life Activated Brands materials, Life Activated Brands website, social media outlets or Independent Business Owner back office.
- b) Any such amendment, change, or modification shall be effective thirty (30) days following notice by one of the following methods:

- (i) Posting on the official Life Activated Brands website;
- (ii) Electronic mail (e-mail); or
- (iii) Any Life Activated Brands communication channels or social media outlets (i.e. Facebook, Instagram, Twitter and/or Life Activated Brands App).

## **2.0 BASIC PRINCIPLES**

### **2.1 Becoming A Life Activated Brands Independent Business Owner**

- a) To become an Independent Business Owner, an applicant must comply with the following requirements:
  - (i) Be of the age of majority (not a minor) in his or her state of residence;
  - (ii) Reside or have a valid address in the United States or U.S. territory in which Life Activated Brands is licensed to operate.
  - (iii) Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number (TIN) or federal Business Number;
  - (iv) Enter a verified mobile phone number, which is not in use or associated with any other Life Activated Brands accounts, which will be verified through a verification code sent to the number.

### **2.2 New Independent Business Owner Registration**

- a) A potential new Independent Business Owner may self-enroll on any Independent Business Owner/Sponsor's website, subject to acceptance by Life Activated Brands of the Life Activated Brands Enrollment Application (the "Application") and "electronic signature" stating the new Independent Business Owner has agreed to all terms and conditions of the Agreement. Please note that such electronic signature constitutes a legally binding agreement between the Independent Business Owner and Life Activated Brands.
- b) Signed documents, including, but not limited to, Independent Business Owner agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been signed may lead to sanctions, up to and including involuntary termination of the Independent Business Owner position.
- c) If one applicant enrolls creating an Account listing a certain sponsor and enrolls a second time listing multiple sponsors, only the first completed form to be received by Life Activated Brands will be accepted. Life Activated Brands reserves the right, at its sole discretion, to make the final decision with respect to all such disputes.

## **3.0 LIFE ACTIVATED BRANDS INDEPENDENT BUSINESS OWNER RESPONSIBILITIES**

### **3.1 Correct Address**



- a) It is the responsibility of the Independent Business Owner or Customer to make sure Life Activated Brands has the correct shipping address before any orders are shipped.
- b) An Independent Business Owner and/or Customer will need to allow up to seventy-two (72) hours for processing after the notice of address change has been received by Life Activated Brands Support Team.

### 3.2 Training and Leadership

- a) Sponsoring Independent Business Owners should have ongoing contact and communication with the Independent Business Owners in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, direct contact, team conference calls, voicemail, e-mail, personal meetings, accompaniment of downline Independent Business Owners to Life Activated Brands meetings, training sessions, events, workshops, and any other related functions.
- b) A Sponsoring Life Activated Brands Independent Business Owner should monitor the Independent Business Owners in his or her downline organizations to ensure that downline Independent Business Owners do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such Independent Business Owner should be able to provide documented evidence to Life Activated Brands of his or her ongoing fulfillment of the responsibilities of a Sponsor.
- c) Up line Independent Business Owners are encouraged to educate and train new Independent Business Owners about Life Activated Brands' products and services, effective sales techniques, the Life Activated Brands Compensation Plan, along with compliance with Life Activated Brands Policies and Procedures and any and all social media guidelines or any other guidelines and amendments thereto implemented at that time. Marketing product is a required activity in Life Activated Brands and must be emphasized in all recruiting presentations.
- d) Use of Sales Aids. To promote both the products and the opportunity Life Activated Brands offers, Independent Business Owners are encouraged to use the sales aids and support materials produced or expressly authorized by Life Activated Brands. Independent Business Owners may use and publish marketing materials they design only after such materials have been approved by Life Activated Brands. Unauthorized sales aids or promotional materials, including but not limited to Internet advertising, social media marketing on Facebook, Instagram and the like, notwithstanding Independent Business Owners' good intentions, is a violation of these Policies and Procedures. Additionally, publishing marketing materials that violate any number of statutes or regulatory laws that govern how Life Activated Brands products or business opportunity may be marketed is a violation of these Policies and Procedures and could be grounds for immediate termination of the publisher's Life Activated Brands Agreement. These violations, although they may be relatively few in number, could jeopardize the Life Activated Brands opportunity for all Independent Business Owners. Accordingly, Independent Business Owners must submit via email all sales aids, promotional materials, advertisements, websites, training material, flyers, along with any other literature to Life Activated Brands Compliance Department for approval prior to use at: [compliance@lifeactivated.com](mailto:compliance@lifeactivated.com). Unless the Independent Business Owner receives specific written approval to use the material, the request shall be deemed denied. All Independent Business Owners shall safeguard and promote the good reputation of Life Activated Brands and its products. The marketing and promotion of Life

Activated Brands, the Life Activated Brands opportunity, the Compensation Plan, and Life Activated Brands products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

### **3.3 Sponsorship**

- a) The Sponsor is the person who introduces an Independent Business Owner or Customer to Life Activated Brands, helps them complete their enrollment, and supports and trains those in their downline.
- b) Life Activated Brands recognizes the Sponsor as the name(s) shown on the first:
  - (i) Physically signed Independent Business Owner Agreement on file; or
  - (ii) Electronically signed Independent Business Owner Agreement from a website or a Life Activated Brands Independent Business Owner website.
- c) An Independent Business Owner Agreement that contains notations such as “by phone” or the signatures of other individuals (i.e. Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by Life Activated Brands.
- d) Life Activated Brands recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but Life Activated Brands will not allow Independent Business Owners to engage in unethical sponsoring activities.
- e) All active Independent Business Owners in good standing have the right to Sponsor and enroll others into Life Activated Brands. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Independent Business Owner will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Independent Business Owner who presented a comprehensive introduction to Life Activated Brands products or business opportunity.
- f) In the event of controversy, Life Activated Brands reserves the right to designate a prospect’s Sponsor and all such determinations are final.

### **3.4 Unethical Sponsoring**

- a) Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition by attempting to acquire a prospect or new Independent Business Owner away from a fellow Independent Business Owner or influencing another Independent Business Owner to transfer to a different sponsor.
- b) Allegations of unethical sponsoring must be reported in writing to the Life Activated Brands Compliance Department within the first 30 days of the new Independent Business Owner enrollment in question. If the reports are substantiated, Life Activated Brands may transfer the Independent Business Owner or the Independent Business Owners downline to another sponsor or organization without approval from the current up-line Sponsor. Life Activated Brands remains the final authority in such cases.

- c) Life Activated Brands prohibits the act of “Stacking.” Stacking is the unauthorized manipulation of the Life Activated Brands compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Independent Business Owner in an unearned manner. One example of stacking occurs when a Sponsor places Independent Business Owner(s) under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning purposes. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the Independent Business Owner positions of all individuals and/or entities found to be directly involved.
- d) Should Independent Business Owners engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Life Activated Brands products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an Independent Business Owner alleging that they engaged in inappropriate recruiting activity of another company’s sales force or Customers, Life Activated Brands will not pay any of Independent Business Owner defense costs or legal fees, nor will Life Activated Brands indemnify the Independent Business Owner for any judgment, award, or settlement.

### **3.5 Cross Sponsoring Prohibition**

- a) “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an individual, or business entity, that already has a signed Independent Business Owner Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by Life Activated Brands, sanctions up to and including termination of an Independent Business Owner position may be imposed.
- b) The use of a Spouse’s or relative’s name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal Business Numbers, or fictitious ID numbers to evade or circumvent this Cross-Sponsoring Policy is not permitted.
- c) This Policy does not prohibit the transfer of a Life Activated Brands business in accordance with Life Activated Brands Transfer of Sale or Transfer Policy set forth in these Policies.

### **3.6 Solicitation for Other Companies or Products**

- a) A Life Activated Brands Independent Business Owner and/or Customer may participate in other direct sales, multilevel, network marketing or relationship marketing businesses or marketing opportunities, as long as it is not a Competing Product as defined herein. However, during the Term of this Agreement and for six (6) months thereafter, a Life Activated Brands Independent Business Owner may not recruit any fellow Life Activated Brands Independent Business Owner or Customer for any other direct sales or network marketing business, unless that fellow Independent Business Owner or Customer was personally sponsored by such Independent Business Owner.
- b) The term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Independent Business Owner or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Independent Business Owner actions are in response to an inquiry made by another Independent Business Owner or Customer.

- c) During the term of this Agreement any Life Activated Brands Independent Business Owner must not sell, or entice others to sell, any competing products or services, including training materials, to Life Activated Brands Customers or Independent Business Owners. Subject to the definition of Competing Products in the Glossary below, any product or service in the same category as a Life Activated Brands product or service is deemed to be competing regardless of differences in cost or quality.
- d) An Independent Business Owner may sell non-competing products or services to the Life Activated Brands Customers and Independent Business Owners that they personally sponsored.
- e) An Independent Business Owner may not display or bundle Life Activated Brands products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Independent Business Owner into believing there is a relationship between the Life Activated Brands and non-Life Activated Brands products and services.
- f) A Life Activated Brands Independent Business Owner may not offer any non-Life Activated Brands opportunity, products or services at any Life Activated Brands related meeting, live or virtual, event, seminar or convention that other Life Activated Brands Independent Business Owners or Customers are known to be attending, or immediately following a Life Activated Brands event.
- g) A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Life Activated Brands and its Independent Business Owners and would inflict irreparable harm on Life Activated Brands. In such event, Life Activated Brands may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Independent Business Owner or such Independent Business Owner positions including termination, or seek immediate injunctive relief without the necessity of posting a bond in addition to any other legal remedies to which Life Activated Brands may be entitled.

#### **4.0 AGREEMENTS & GENERAL UNDERSTANDINGS**

##### **4.1 Rights Granted**

- a) Life Activated Brands hereby grants to the Independent Business Owner a non-exclusive right, based upon the terms and conditions contained in the Agreement to:
  - (i) Purchase Life Activated Brands products and services;
  - (ii) Promote and sell Life Activated Brands products and services; and
  - (iii) Sponsor new Independent Business Owners and Customers in countries where Life Activated Brands is currently authorized to do business or becomes authorized to business in the future.
- b) No feature of the Compensation Plan constitutes a personal purchase requirement to become an Independent Business Owner, move up in rank in or otherwise fully participate

in the Compensation Plan. No product purchase is required of anyone at any time to fully participate as an Independent Business Owner.

#### **4.2 Renewals and Termination of the Independent Business Owner Agreement**

- a) If the Independent Business Owner allows his or her Independent Business Owner Agreement to expire due to nonpayment, the Independent Business Owner will lose any and all rights to his, her or its downline organization unless the Independent Business Owner re-activates within sixty (60) days following the expiration of the Application.
  - (i) If the former Independent Business Owner re-activates within the sixty (60) day time limit, and Life Activated Brands accepts the renewal, the Independent Business Owner will resume the rank and position held immediately prior to the expiration of the Independent Business Owner Agreement. However, such Independent Business Owner paid as level will not be restored unless he, she and/or an entity qualifies at that payout level in the new month. The Independent Business Owner is not eligible to receive commissions for the time period that the Independent Business Owner position was expired.
  - (ii) Any Independent Business Owner who was terminated or whose Agreement has expired and lapsed the sixty (60) day grace period is not eligible to re-apply for a Life Activated Brands business for six (6) months following the expiration of the Independent Business Owner Agreement.
  - (iii) Upon termination of the Independent Business Owner Agreement, the downline of the expired Independent Business Owner will roll up to the immediate, active upline Sponsor, and the expired Independent Business Owner account information will be purged from Life Activated Brands' database. The act of purging an account is not reversible.

#### **4.3 Effect of Termination**

- a) Following an Independent Business Owner cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Independent Business Owner:
  - (i) Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Independent Business Owner former organization or any other payments in association with the Independent Business Owner former independent position;
  - (ii) Effectively waives any and all claims to property rights or any interest in or to the Independent Business Owner former Downline organization; and
  - (iii) Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation and less any other amounts owed to Life Activated Brands.

#### **4.4 Modification of the Independent Business Owner Agreement**

A Life Activated Brands Independent Business Owner may modify his or her existing Independent Business Owner Agreement (i.e., add a Spouse or partner to the account, or change the form of

ownership from an individual to a Business Entity owned by the Independent Business Owner) by submitting a written request, accompanied by a new Independent Business Owner Agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a “crossed out” or “white-out” version of the first Agreement), and any appropriate supporting documentation.

#### **4.5 Unauthorized Transfer & Re-Enrollment**

In the event an Independent Business Owner discovers that an Independent Business Owner in their downline has re-enrolled under a different Independent Business Owner, the Independent Business Owner has thirty (30) days from the date the downline Independent Business Owner enrolled under a new Independent Business Owner to notify the Life Activated Brands Compliance department and request the downline Independent Business Owner be transferred back to his/her downline. Upon the expiration of the thirty (30) day notice period, the right to re-claim a new Independent Business Owner to his or her downline will be waived.

#### **4.6 Change of Sponsors for Independent Business Owners**

- a) Placement changes/corrections may be requested within a period of 72 hours from the time of enrollment. Such adjustments require written permission directed to the Support Department submitted from the personal back office of the sponsor as well as the Independent Business Owner to be moved and in some cases the upline distributor.
- b) Sponsor changes are generally not permitted. However, sponsor corrections can be made if they are reported to the Support Department within 72 hours from the time of enrollment. Sponsor corrections must be requested from the distributor back office of the current (original) sponsor, stating the reason that the correction needs to be made.
- c) At the discretion of Life Activated Brands, Independent Business Owners who have not ordered products or services for at least 12 months, and who have not tendered a letter of termination resignation, are eligible to re-enroll in Life Activated Brands under the Sponsor of their choice.
- d) Upon written notice to Life Activated Brands that a former Independent Business Owner wishes to re-enroll, Life Activated Brands will “compress” (close) the original account. A new Life Activated Brands ID number will then be issued to the former Independent Business Owner.
- e) Such Independent Business Owner does not retain former rank, downline, or rights to commission from his or her former organizations.
- f) Life Activated Brands reserves the right to correct Sponsor errors at any time and in whatever manner it deems necessary in its sole discretion.

#### **4.7 Change Organizations**

- a) If a Life Activated Brands Independent Business Owner wishes to transfer organizations, he or she must submit a letter of termination resignation to the Life Activated Brands Customer Service Department and remain inactive (place no orders, or be on an auto ship) with or in Life Activated Brands for 6 months from the receipt of the letter before being eligible to re-enroll under a different Sponsor.

- b) Life Activated Brands retains the right to approve or deny any request to re-enroll after an Independent Business Owner termination.
- c) If re-enrollment is approved, the former Independent Business Owner will be issued a new Life Activated Brands ID number and will be required to submit a new Independent Business Owner Agreement. The Independent Business Owner will not be entitled to keep any former rank, downline, or rights to commission from any prior organization.
- d) Once an Independent Business Owner has resigned from Life Activated Brands, the former Independent Business Owner is prohibited from selling any remaining products online or otherwise, and will be subject to a fine for any violations.

#### **4.8 Voluntary Termination**

- a) An Independent Business Owner may immediately terminate his or her position by submitting a written notice or email to the Life Activated Brands Compliance Department at [compliance@lifeactivated.com](mailto:compliance@lifeactivated.com). The written notice must include the following:
  - (i) A statement of the Independent Business Owner intent to terminate the Agreement and date of termination
  - (ii) Life Activated Brands Identification Number
  - (iii) Reason for terminating
  - (iv) A Life Activated Brands Independent Business Owner may not use termination as a way to immediately change Sponsor. Instead, the Independent Business Owner who has voluntarily terminated is not eligible to reapply for a position or have any financial interest in a or any Life Activated Brands business for 6 months from the receipt of the written notice of termination
  - (v) Independent Business Owner Signature.

#### **4.9 Involuntary Termination**

- a) Life Activated Brands reserves the right to terminate an Independent Business Owner position for, but not limited to, the following reasons:
  - (i) Violation of any provision of the Independent Business Owner Agreement, which includes the most current version of these Policies & Procedures then in effect, and the most current version of the Compensation Plan then in effect; or
  - (ii) Violation of any applicable law, ordinance, or regulation related to the Independent Business Owner Life Activated Brands business; or
  - (iii) Engaging in unethical business practices or violating standards of fair dealing; or
  - (iv) Returning over \$500 worth of products, services and/or sales tools for a refund within a 12-month period.
- b) Life Activated Brands will notify the Independent Business Owner in writing by certified mail, return receipt requested or overnight documented mail, at his or her last known

address of its intent to terminate the Independent Business Owner position and the reasons for termination. The Independent Business Owner will have 15 calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice. Life Activated Brands will then have 30 calendar days from the date of receipt of the Independent Business Owner response to render a final decision as to termination.

- c) If a decision is made by Life Activated Brands to terminate the Independent Business Owner Agreement, Life Activated Brands will inform the Independent Business Owner in writing that the Independent Business Owner Agreement is terminated effective as of the date of the written notification.
- d) If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by Life Activated Brands. The former Independent Business Owner shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Life Activated Brands products or services. Life Activated Brands will notify the active Upline Sponsor within 10 days after termination. The organization of the terminated Independent Business Owner will “roll up” to the active Upline Sponsor on record.
- e) The Life Activated Brands Independent Business Owner who is involuntarily terminated by Life Activated Brands may not reapply for a position, either under his or her present name or any other name or entity, without the express written consent of an officer of Life Activated Brands, following a review by the Life Activated Brands Compliance Committee. In any event, such Independent Business Owner may not re-apply for a position for 12 months from the date of termination.

## **5.0 BUSINESS ENTITIES**

### **5.1 Definition**

- a) A corporation, partnership, or trust (collectively referred to as a (“Business Entity”)) may apply to be a Life Activated Brands Independent Business Owner.
- b) A Life Activated Brands Independent Business Owner may change their status under the same Sponsor from an individual to a partnership, corporation, trust or from one type of business entity to another.

### **5.2 Indemnification for Actions**

The Life Activated Brands Independent Business Owner is fully responsible for all of his or her verbal and written communications made regarding Life Activated Brands products, services, and the Compensation Plan that are not expressly contained within official Life Activated Brands materials. Independent Business Owners shall indemnify and hold harmless Life Activated Brands, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, lawyer fees and court costs incurred by Life Activated Brands as a result of the Independent Business Owner unauthorized representations or actions. This provision shall survive the termination of the Life Activated Brands Independent Business Owner Agreement.

### **5.3 Insurance**



Business Pursuits Coverage. Life Activated Brands encourages Independent Business Owners to arrange insurance coverage for their business. A homeowner's insurance policy does not cover business related injuries, or the theft of, or damage to, inventory or business equipment. Life Activated Brands Independent Business Owners need to contact their insurance agent to make certain their business property is protected. In most instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

## **6.0 POLICY VIOLATIONS**

### **6.1 Reporting Policy Violation**

- a) An Independent Business Owner who observes a policy violation by another Independent Business Owner, Independent Business Owner or Customer associated with Life Activated Brands should submit an e- mail to [compliance@lifeactivated.com](mailto:compliance@lifeactivated.com) stating all violations directly to the Life Activated Brands Corporate office. The message shall set forth the details of the incident as follows:
  - (i) The nature of the violation:
  - (ii) Specific facts to support the allegations;
  - (iii) Dates;
  - (iv) Number of occurrences;
  - (v) Persons involved; and
  - (vi) Supporting documentation.
- b) Once the matter has been presented to Life Activated Brands, it will be researched thoroughly by the Compliance Department and appropriate action will be taken if required.

### **6.2 Adherence to the Life Activated Brands Compensation Plan**

- a) An Independent Business Owner must adhere to the terms of the Life Activated Brands Compensation Plan as set forth in these Policies and Procedures as well as in official Life Activated Brands literature. Deviation from the Compensation Plan is prohibited.
- b) An Independent Business Owner shall not offer the Life Activated Brands opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Life Activated Brands literature.
- c) An Independent Business Owner shall not require or encourage a current or prospective Independent Business Owner to participate in Life Activated Brands in any manner that varies from the Compensation Plan as set forth in official Life Activated Brands literature.
- d) An Independent Business Owner shall not require or encourage a current or prospective Independent Business Owner to make a purchase from or payment to any individual or other entity as a condition to participating in the Life Activated Brands Compensation Plan.

### **6.3 Adherence to Laws and Ordinances**

- a) Many cities, counties and townships have laws regulating certain home-based businesses. Independent Business Owners must check their local laws and obey the laws that do apply to them.
- b) A Life Activated Brands Independent Business Owner or Customer shall comply with all Federal and local laws and regulations in their conduct of his or her Life Activated Brands business.
- c) An Independent Business Owner accepts sole responsibility for and agrees to pay all fines and incur all liabilities for his or her actions that violate any laws or ordinances.

#### **6.4 Compliance with Applicable Income Tax Laws**

- a) An Independent Business Owner accepts sole responsibility for and agrees to pay all Federal, Provincial and local taxes on any income generated as an Independent Business Owner, and further agrees to indemnify Life Activated Brands from any failure to pay such tax amounts when due.
- b) If an Independent Business Owner business is tax exempt, the Federal Business Number must be provided to Life Activated Brands in writing.
- c) Life Activated Brands encourages all Independent Business Owners to consult with a tax advisor for additional information for their business. Life Activated Brands is required to change and remit sales tax to the various states or provinces based on the retail price, including receipt of trips, prizes or awards in the amount of \$600.00 or more.

#### **6.5 One Life Activated Brands Business Per Independent Business Owner**

An Independent Business Owner may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Life Activated Brands business. No individual (together with their spouse) may have, operate or receive compensation from more than one Life Activated Brands business. Individuals of the same family unit, excluding spouses, may each enter into or have an interest in their own separate Life Activated Brands businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A "family unit" is defined as parents or dependent children living at or doing business at the same address. Each position must build their position separate and independent of the other or the position will be deemed to be stacking.

#### **6.6 Actions of Household Members or Affiliated Parties**

If any member of an Independent Business Owner immediate household engages in any activity which, if performed by the Independent Business Owner, would violate any provision of the Agreement, such activity will be deemed a violation by the Independent Business Owner and Life Activated Brands may take disciplinary action pursuant to these Policies and Procedures against the Independent Business Owner. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Life Activated Brands may take disciplinary action against the Business Entity. Likewise, if an Independent Business Owner enrolls in Life Activated Brands as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the Terms and Conditions of the Agreement.

## **6.7 Identification Numbers and Pay-Out**

- a) Each Independent Business Owner is required to provide his or her federal Social Security Number or Federal Tax Identification Number, if located in the United States or any of its territories to Life Activated Brands at the time Independent Business Owner initiates a transfer of monies or earnings accumulated in the Independent Business Owner Wallet. The transferring and disbursement of commission payments or bonuses acquired is known as a Pay- Out and Life Activated Brands reserves the right to withhold Pay-Out from any Independent Business Owner who fails to provide such information or who provides false information.
- b) Upon enrollment, Life Activated Brands will provide a Life Activated Brands Identification Number to the Independent Business Owner. This number will be used to place orders, structure organizations, and track commissions and bonuses.

## **6.8 Sell, Assign or Delegate Ownership**

- a) In order to preserve the integrity of the hierarchical structure, it is necessary for Life Activated Brands to place restrictions on the transfer, assignment, or sale of apposition.
- b) A Life Activated Brands Independent Business Owner may not sell or assign his or her rights or delegate his or her position as an Independent Business Owner without prior written approval by Life Activated Brands, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Life Activated Brands.
- c) Should the sale be approved by Life Activated Brands, the Buyer of the selling Independent Business Owner position ("Seller") assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.
- d) To request corporate authorization for a sale or transfer of a Life Activated Brands position, the following items must be submitted to the Life Activated Brands Compliance Department:
  - (i) Life Activated Brands' Sale/Transfer of Position Form properly completed, with the requisite signatures.
  - (ii) A copy of the Sales Agreement between Buyer and Seller, signed, dated and notarized by both the buyer of Seller's position ("Buyer") and Seller.
  - (iii) A Life Activated Brands Independent Business Owner Agreement completed and signed by the signed by the Buyer and proof of good standing;
  - (iv) Payment of the \$100 administration fee paid by Seller;
  - (v) Any additional supporting documentation requested by Life Activated Brands.
- e) Any debt obligations that either Seller or Buyer may have with Life Activated Brands must be satisfied prior to the approval of the sale or transfer by Life Activated Brands.

- f) A Life Activated Brands Independent Business Owner who sells his or her position is not eligible to re-enroll as a Life Activated Brands Independent Business Owner in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

## **6.9 Separating a Life Activated Brands Business**

- a) Pending a divorce or dissolution of a Business Entity, the parties must adopt one of the following methods of operation:
  - (i) One of the parties may, with the written consent of the other(s), operate the Life Activated Brands business whereby the relinquishing Spouse (which term herein means either an individual that is legally married or an individual that is party to a legally recognized common law relationship), shareholders, partners, members or trustees (“Relinquishing Party”) authorize Life Activated Brands to deal directly and solely with the other Spouse, non- relinquishing shareholder, partner, member or trustee;
  - (ii) The parties may continue to operate the Life Activated Brands business jointly on a “business as usual” basis, whereupon all compensation paid by Life Activated Brands will be paid in the name designated as the Independent Business Owners or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, Life Activated Brands will pay compensation to the name on record and in such event, the Independent Business Owner named on the account shall indemnify Life Activated Brands from any claims from the other business owner(s) or the other Spouse with respect to such payment.
- b) Life Activated Brands recognizes only one Downline organization and will issue only one commission payment transfer per Life Activated Brands business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will Life Activated Brands split commission and/or bonuses.
- c) If a relinquishing Spouse, partner or owner of the business has completely relinquished, in writing, all rights to the original Life Activated Brands business, he or she may immediately thereafter re-enroll under the Sponsor of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Independent Business Owner or active Customer in the former organization, and must develop a new business in the same manner as any other new Life Activated Brands Independent Business Owner. An Independent Business Owner in the Relinquishing Party’s former Downline who wishes to transfer to the Relinquishing Party’s new organization or to any other organization, must comply with the requirements in Section 4.0.

## **6.10 Succession**

- a) The Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
- b) Upon the death or incapacity of an Independent Business Owner, the Independent Business Owner business may be passed on to his or her legal successors in interest (“Successor”). Whenever a Life Activated Brands business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and

commissions of the deceased Independent Business Owner sales organization. The Successor must:

- (i) Complete and sign a new Life Activated Brands Independent Business Owner Agreement;
  - (ii) Comply with the terms and provisions of the Independent Business Owner Agreement; and
  - (iii) Meet all of the qualifications for the last rank achieved by the former Independent Business Owner.
- c) Bonus and commission of a Life Activated Brands business transferred based on this section will be paid in a single transfer to the successor. The successor must provide Life Activated Brands with an address of record to which all bonus and commission Payments will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.
- d) If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal Business Number. Life Activated Brands will issue all bonus and commission payments to the managing business entity only.
- e) Appropriate legal documentation must be submitted to Life Activated Brands Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Life Activated Brands business, the Successor must provide the following to Life Activated Brands Compliance Department:
  - (i) A certified copy of the death certificate; and
  - (ii) A notarized copy of the will or other appropriate legal documentation establishing the successors right to the Life Activated Brands business.
- f) To complete a transfer of the Life Activated Brands business because of incapacity, the Successor must provide the following to the Life Activated Brands Compliance Department:
  - (i) A notarized copy of an appointment as trustee;
  - (ii) A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the Life Activated Brands business; and
  - (iii) A completed Independent Business Owner Agreement executed by the trustee.
- g) If the Successor is already an existing Independent Business Owner, Life Activated Brands will allow such Independent Business Owner to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the six (6) month period, the Independent Business Owner must have compressed (if applicable), sold or otherwise transferred either the existing position or the inherited position.
- h) If the Successor wishes to terminate the Life Activated Brands position, he or she must submit a notarized statement stating the desire to terminate the position, along with a

certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.

- i) Upon written request, Life Activated Brands may grant a one-month bereavement waiver and pay out at the last "paid as" rank.

## **7.0 DISCIPLINARY ACTIONS**

### **7.1 Imposition of Disciplinary Action - Purpose**

It is the spirit of Life Activated Brands that integrity and fairness should pervade among its Independent Business Owners, thereby providing everyone with an equal opportunity to build a successful business. Therefore, Life Activated Brands reserves the right to impose disciplinary sanctions at any time, when it has determined that an Independent Business Owner has violated the Agreement or any of these Policies and Procedures or the Compensation Plan as they may be amended from time to time by Life Activated Brands in accordance herewith.

### **7.1 Consequences and Remedies of Breach**

- a) Disciplinary actions may include one or more of the following:
  - (i) Monitoring an Independent Business Owner conduct over a specified period of time to assure compliance;
  - (ii) Issuance of a written warning or requiring the Independent Business Owner to take immediate corrective action;
  - (iii) Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until Life Activated Brands receives adequate additional assurances from the Independent Business Owner to ensure future compliance;
  - (iv) Suspension from participation in Company or Independent Business Owner events, rewards, or recognition;
  - (v) Suspension of the Life Activated Brands Independent Business Owner Agreement and position for one or more pay periods;
  - (vi) Involuntary termination of the Independent Business Owner Agreement and position;
  - (vii) Any other measure which Life Activated Brands deems feasible and appropriate to justly resolve injuries caused by the Independent Business Owner Policy violation or contractual breach; or
  - (viii) Legal proceedings for monetary or equitable relief.

### **7.2 Suspension Procedures**

- a) First Violation: Counseling and initial warning letter.

A first violation usually occurs because the Independent Business Owner is not familiar with the Policies and Procedures or the law. Counseling and the initial warning provide an opportunity for Compliance to bring to the attention of the Life Activated Brands the Policies and Procedures and the specific violation, and to provide counseling on complying with the Policies and Procedures and applicable laws. Compliance will also describe expectations and steps the Independent Business Owner must take to resolve the violation including, but not limited to, either removing or revising the non-compliant claim or how to remedy other policy violations. Within three days of this notice, Compliance will determine if the non-compliant material or other policy violation has been remediated. If so, Compliance will close the file. If not, Compliance will proceed to 2nd Violation notice described below.

b) Second Violation: Second warning letter and temporary suspension

Although it is hoped that the Independent Business Owner will promptly correct the violation(s), Life Activated Brands recognizes that this may not always occur. The second written warning indicates the seriousness of repeated violations and will prompt a temporary suspension of the Independent Business Owner account. During the suspension period, the Independent Business Owner waives any and all rights to Pay-Out and must submit a signed reinstatement letter wherein the Independent Business Owner acknowledges the violation(s) and describes the steps taken to correct the violation(s). Once the reinstatement letter is accepted by Life Activated Brands, the suspension will be lifted and the Independent Business Owner will be able to request a Pay-Out. The Independent Business Owner may be subject to additional discipline up to and including termination if the violation is not remedied or further violations occur.

c) Third Violation: Suspension and final written warning

Repeated violations of the Policies and Procedures is very problematic and potentially harmful. Therefore, the most effective and prudent action is suspension of the Independent Business Owner and forfeiture of commissions for at least a month. The final written warning letter will include notification of such suspension, the extent of the commission forfeiture, and an indication that if the Independent Business Owner violates the Policies and Procedures again, the Independent Business Owner will be terminated immediately.

d) Fourth Violation: Termination

As described above, Life Activated Brands will try to exercise the progressive nature of the Discipline Policy by first providing warnings, a final written warning and suspension and commissions forfeiture before proceeding to termination; however, Life Activated Brands reserves the right to combine and omit steps depending on the circumstances of each situation and the nature of the violation. Furthermore, Independent Business Owner may be terminated without prior notice or disciplinary action, as authorized by the Policies and Procedures.

## **8.0 DISPUTE RESOLUTION**

### **8.1 Grievances Against Another Independent Business Owner**

- a) If a Life Activated Brands Independent Business Owner has a grievance or complaint against another Independent Business Owner regarding any practice or conduct relating to their respective Life Activated Brands businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be

reported directly to the Life Activated Brands Compliance Department as outlined below in this Section.

- b) The Life Activated Brands Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Independent Business Owners involved.
- c) Life Activated Brands will confine its involvement to disputes regarding Life Activated Brands business matters only. Life Activated Brands will not decide issues that involve personality conflicts or unprofessional conduct by or between Independent Business Owners outside the context of a Life Activated Brands business. These issues go beyond the scope of Life Activated Brands and may not be used to justify a Sponsor or change or a transfer to another Life Activated Brands organization.
- d) Life Activated Brands does not consider, enforce, or mediate third party agreements between Independent Business Owners, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- e) Process for Grievances:
  - (i) The Life Activated Brands Independent Business Owner should submit a letter of complaint (e-mail will be accepted) directly to the Life Activated Brands Compliance Department. The letter shall set forth the details of the incident as follows:
    - A. The nature of the violation;
    - B. Specific facts to support the allegations;
    - C. Dates;
    - D. Number of occurrences;
    - E. Persons involved; and
    - F. Supporting documentation.
  - (ii) Upon receipt of the written complaint, Life Activated Brands will conduct an investigation according to the following procedures:
    - A. The Compliance Department will send an acknowledgment of receipt to the complaining Independent Business Owner;
    - B. The Compliance Department will provide a verbal or written notice of the allegation to the Independent Business Owner under investigation. If a written notice is sent to the Independent Business Owner, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by Life Activated Brands.
    - C. The Life Activated Brands Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique



nature of each situation, determinations of the appropriate remedy will be on a case by case basis, and the length of time to reach a resolution will vary.

- D. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Independent Business Owner calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- f) Life Activated Brands will make a final decision and timely notify the Life Activated Brands Independent Business Owners involved.

## **8.2 Mediation Disputes Between an Independent Business Owner and Life Activated Brands**

- a) Independent Business Owner and Life Activated Brands (collectively “the Parties”) recognize disputes and differences may arise between the Parties and therefore agree it is in their best interest to appoint an impartial mediator to resolve such disputes as they arise. Mediation of a dispute may allow the parties to avoid the cost and inconvenience of litigation in court.
- b) The Parties should exchange all documents pertinent to the relief requested. The Mediator may request the exchange of memoranda and other information; items that a party wishes to keep confidential may be sent to the Mediator in a separate communication.
- c) The Mediator shall not be a legal representative of any party.
- d) Unless otherwise agreed to by the Parties, the mediation shall take place in Collin County, Texas, on a date that is mutually agreeable among the Parties and mediator. Participation in the mediation by telephone will be permitted to prevent inconvenience to a party.
- e) The mediator shall allow the Parties to be represented by their respective advocates, who have the authority to consummate a settlement. Any party may participate without representation (pro se).
- f) Mediation sessions and related mediation communications are private proceedings. For this reason, only the Parties and their legal representatives may attend mediation sessions. Other persons may attend only with the permission of the Parties and with the consent of the mediator.
- g) Each Party will pay its own costs and expense of the mediation unless the Parties agree otherwise.
- h) The Parties agree that all mediation communications are privileged and not subject to discovery or admissible in evidence in a proceeding unless waived or precluded by both Parties or unless the evidence would otherwise be admissible or subject to discovery if it were not by reason of its disclosure or use in mediation.
- i) Jurisdiction and venue of any controversy or claim brought under this mediation provision shall be in Collin County, Texas. The Parties further agree that the laws of the State of Texas shall govern all matters, claims or controversy submitted to mediation pursuant to the Agreement.

### **8.3 Severability**

If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

### **8.4 Waiver**

- a) Only an officer of Life Activated Brands can, in writing, affect a waiver of the Life Activated Brands Policies and Procedures. Life Activated Brands' waiver of any particular breach by an Independent Business Owner shall not affect Life Activated Brands' rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Independent Business Owner.
- b) The existence of any claim or cause of action of an Independent Business Owner against Life Activated Brands shall not constitute a defense to Life Activated Brands' enforcement of any term or provision of these Policies and Procedures.

### **8.5 Governing Law**

The Parties agree that jurisdiction and venue of any controversy or claim arising from the Agreement or between Life Activated Brands and Independent Business Owner, shall be in Collin County, Texas. The law of the State of Texas shall govern all matters relating to or arising from the Agreement or between Life Activated Brands and Independent Business Owner.

### **8.6 Class Action Waiver**

- a) The parties expressly intend and agree that:
  - (i) Class action and representative action procedures are hereby waived and shall not be asserted, nor will they apply, in any court or arbitration; and
  - (ii) The parties will only submit their own, individual claims in any court or arbitration and will not seek to represent the interests of any other person.
- b) The court or arbitrator is not empowered to consolidate claims of different individuals into one proceeding, to hear any litigation or arbitration as a class action.
- c) I agree that I will not assert class or collective action claims against the Company in arbitration, court or otherwise, nor will I join or serve as a member of a class or collective action in arbitration, court or otherwise.
- d) I understand that this means that there will be no right or authority for any dispute to be brought, heard, or arbitrated as a class or collective action by me or the Company.

## **9.0 PAYMENT OF COMMISSIONS & BONUSES**

### **9.1 Bonus and Commission Qualifications**

- a) An Independent Business Owner must be active and in compliance with any and all Life Activated Brands Policies and Procedures set forth herein, along with all guidelines

implemented to qualify for bonuses and commissions. So long as an Independent Business Owner complies with the terms and conditions set forth in the Agreement, Life Activated Brands shall pay commissions to such Independent Business Owners in accordance with the Compensation Plan and any amendments thereto.

- b) Life Activated Brands will not issue a payment earned of any form to an Independent Business Owner without the receipt of a of the annual membership fee and completed electronic Application and Independent Business Owner Agreement.
- c) Life Activated Brands reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.00.

## **9.2 Computation of Commissions and Discrepancies**

- a) In order to qualify to receive commissions and/or bonuses, an Independent Business Owner must be in good standing and comply with the terms of the Application. Commission, bonuses, overrides, and achievement levels are calculated on a daily, monthly or yearly basis.
- b) A Life Activated Brands Independent Business Owner must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the thirty (30) day “grace period” no additional requests will be considered for commission recalculations.
- c) For additional information on payment of commissions, please review the Compensation Plan.
- d) Life Activated Brands reserves the right, in its sole discretion, to modify or amend the terms or conditions of any Bonus or Bonus Pool. Furthermore, Life Activated Brands may amortize the payment of proceeds from a Bonus or Bonus Pool.

## **9.3 Adjustments to Bonuses and Commissions for Returned Products or Independent Business Owner Memberships**

- a) An Independent Business Owner receives bonuses and commissions based on the actual sales of products and services to end consumers and to Independent Business Owners through product and service purchases. When a product or service is returned to Life Activated Brands for a refund from the end consumer or by an Independent Business Owner, the bonuses and commissions attributable to the returned product or service will be deducted from the Independent Business Owner who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.
- b) In the event that an Independent Business Owner terminates his or her position, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Life Activated Brands, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Life Activated Brands to the terminated Independent Business Owner.

## **10.0 ORDERING PRODUCT**

## **10.1 General Product Ordering Policies**

- a) “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Application by such individuals or Business Entities; (b) the fraudulent enrollment of an individual or entity as an Independent Business Owner or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Independent Business Owners or Customers (“phantoms”); (d) purchasing Life Activated Brands products or services on behalf of another Independent Business Owner or Customer, or under another Independent Business Owner or Customer’s ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products, services or SmartShips that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end consumers.
- b) Life Activated Brands requires that Independent Business Owners use their own credit cards and not allow others to use them. An Independent Business Owner shall not use another Independent Business Owner or Customer’s credit card or debit account to enroll in Life Activated Brands or purchase products, services or SmartShip without the account holder’s written permission. Such documentation must be kept by the Independent Business Owner indefinitely in case Life Activated Brands needs to reference this.
- c) Regarding an order with an invalid or incorrect payment, Life Activated Brands will attempt to contact the Independent Business Owner by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after the expiration of ten (10) business days, the order will be canceled.
- d) Prices are subject to change without notice.
- e) An Independent Business Owner or Customer who is a recipient of a damaged or incorrect order must notify Life Activated Brands within thirty (30) calendar days from receipt of the order and follow the Procedures as set forth in these Policies and Procedures, along with the Return/Exchange Policies and any and all guidelines instated and effective and any amendments thereto.

## **10.2 Sales to Customers**

- a) Sales to retail customers may be done directly through Independent Business Owners’ replicated websites or directly using product that Life Activated Brands has in inventory.
- b) Independent Business Owners will comply with applicable consumer protection laws and regulations (including any consumer rights to receive specific notices and any rights to return product) afforded consumers under applicable consumer protection legislation.
- c) When making a sale to an end customer, an Independent Business Owner must provide him/her with an official Life Activated Brands retail receipt at or prior to the time of the initial sale and every sale thereafter. Independent Business Owner will need to customize the template with his/her personal information. If the customer exercises the right to cancel the sale, Independent Business Owner shall follow the refund procedures described in this section.

- d) The customer should return all unused Product to Life Activated Brands. These sales receipts set forth the consumer protection rights afforded by applicable law for direct sales, including the right to cancel (without any reason) the sales receipt up to ten (10) days after the end customer receives a copy of the receipt or invoice.

### 10.3 Insufficient Funds

- a) All electronic payments that are declined for insufficient funds will be automatically re-submitted for payment.
- b) Any outstanding balance owed to Life Activated Brands by an Independent Business Owner or Customer of an Independent Business Owner from NSF (non- sufficient funds) or insufficient fund fees (ACH), will be withheld by Life Activated Brands from that Independent Business Owner future bonus and commission funds.
- c) All transactions involving insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Independent Business Owner, constitute grounds for disciplinary sanctions or termination of the account.
- d) If a credit card order or automatic debit is declined the first time, the Customer or Independent Business Owner will be contacted directly and a request for an alternate form of payment will be made before any product will be shipped. If payment is declined a third time, the Customer or Independent Business Owner may be deemed ineligible to purchase Life Activated Brands products or services or participate in the monthly auto ship. **Note: Participation by Independent Business Owners in Life Activated Brands' monthly auto ship, which is a recurring product order program, is entirely optional, and is not required in order to become an Independent Business Owner, move up in rank or otherwise, fully participate in the Rewards Program.**

### 10.4 Credit Card Purchases

- a) Credit card purchases may only be made by the individual whose name and address are on the credit card. Any Independent Business Owner or Customer who uses another individual's credit card to pay for purchases risks having his/her Account being placed on suspension pending an investigation and resolution of any complaints regarding unauthorized charges. Life Activated Brands considers such transactions fraudulent and will report them to the proper authorities for settlement.
- b) Under no circumstance will any Independent Business Owner and/or Customer charge back any credit card purchases. Any Independent Business Owner and/or Customer who does so will immediately lose all credit card ordering privileges until the charges are replaced with certified funds. If an erroneous charge is applied to an Independent Business Owner and/or Customer's credit card, the Independent Business Owner or Customer should immediately contact the Life Activated Brands Support Team via email at [support@lifeactivated.com](mailto:support@lifeactivated.com) to initiate an investigation and resolution.
- c) If an Independent Business Owner or Customer notifies his/or her banking institution and requests a chargeback for the amount of the purchase, the person's Account will be automatically closed indefinitely upon Life Activated Brands' notification of the disputed purchase.

## 10.5 Sales Tax Obligation

- a) The Independent Business Owner shall comply with all federal and local taxes and regulations governing the sale of Life Activated Brands products and services.
- b) Life Activated Brands will collect and remit sales tax, on Independent Business Owner orders. When orders are placed with Life Activated Brands, sales tax is prepaid based upon the suggested retail price. Life Activated Brands will remit the sales tax to the appropriate Provincial and local jurisdictions. The Independent Business Owner may recover the sales tax when he or she makes a sale. Life Activated Brands Independent Business Owners are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- c) Life Activated Brands encourages each Independent Business Owner to consult with a tax advisor for additional information for his or her business.
- d) Life Activated Brands required to charge and remit sales tax to the various states and U.S territories based on the retail price.

## 10.6 Refund Policy

- a) Life Activated Brands Customers:
  - (i) If within the first thirty (30) days you are not satisfied with the product you must contact [support@lifeactivated.com](mailto:support@lifeactivated.com) to return the unused portion of the product for a full refund of the product purchase amount, minus shipping and handling charges incurred. After thirty (30) days and up to ninety (90) days post purchase, you must [support@lifeactivated.com](mailto:support@lifeactivated.com) to return the remaining sellable portion of the product for a full refund, minus shipping and handling charges incurred. Because Life Activated Brands cannot guarantee the quality of Life Activated Brands products that are sold to Customers by non-Independent Business Owners, Life Activated Brands' Refund Policy is not available for products that Customers purchase from anyone other than an Independent Business Owner or Life Activated Brands itself or that are purchased in any unauthorized channel.
- b) Life Activated Brands Independent Business Owners:
  - (i) If within the first thirty (30) days of the original purchase, you are not satisfied with the product, you must contact [support@lifeactivated.com](mailto:support@lifeactivated.com) to return the unused portion of the product for a full refund, minus shipping and handling charges. Your Independent Business Owner account will then be subject to six (6) months suspension.
  - (ii) Between thirty (30) and ninety (90) days, if you are not 100% satisfied with our products or are unable to sell them, you may return the items for a refund if the products are in resalable condition. (\*Resaleable condition means in sealed enclosed boxes with wrapper intact.) The refund shall be 70% percent of the original price for all returned product. Any shipping and handling charges incurred will not be refunded.
  - (iii) If you receive a product that is damaged or otherwise defective, you may return the product within thirty (30) days of receipt for a full refund or replacement product.

c) Terminating Life Activated Brands Independent Business Owners.

If a terminating Independent Business Owner has purchased products, Life Activated Brands will issue a refund or credit for any products purchased by the terminating Independent Business Owner provided that: (i) the products are unopened and returned to Life Activated Brands within twenty (20) days from the date of termination; (ii) the terminating Independent Business Owner provides proof of purchase of the products; (iii) the products were purchased within 12 months preceding the date of termination, and (iv) the products are undamaged and are current and resalable (Note: the 12 month requirement not applicable to residents of Maryland, Wyoming, Massachusetts and Puerto Rico). Refunds are subject to a ten percent (10%) handling fee. Shipping costs are not refundable.

d) Problems with Shipments:

(i) If within thirty (30) days of the expected reported delivery date, you do not notify [support@lifeactivated.com](mailto:support@lifeactivated.com) of a problem with the receipt of your order, including but not limited to, failure to receive the product, improper sealing, damaged to the container, quality of the internal product, and/or receipt of wrong product, refunds or exchanges will not be given.

e) All purchases are charged and refunded in U.S. Dollars. All returns, refunds and exchanges will also be refunded or exchanged in U.S. Dollars. Life Activated Brands is not responsible for fluctuating exchange rates.

## 10.7 Return Process

a) All returns, whether by a Customer, or Independent Business Owner, must be made as follows:

(i) Obtain a Return Merchandise Authorization (“RMA”) from Life Activated Brands by contacting [support@lifeactivated.com](mailto:support@lifeactivated.com) and submit a request.

(ii) Ship items to the address provided by Life Activated Brands customer service when you receive your Return Merchandise Authorization.

(iii) Provide a copy of the sales receipt or invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.

(iv) Ship product back in the original manufacturer’s box exactly as it was delivered.

(v) All returns must be shipped to Life Activated Brands pre-paid, as Life Activated Brands does not accept shipping collect packages. Life Activated Brands recommends shipping returned product by UPS or FedEx which includes tracking information and insurance, as risk of loss or damage in the shipping process of the returned product shall be borne solely by the Customer or Independent Business Owner. If returned product is not received at the address provided on the RMA, it is the responsibility of the Customer or Independent Business Owner to trace the shipment of the product wherein no credit will be applied.

- (vi) The return of \$500 or more of products accompanied by a request for a refund within one (1) calendar year by an Independent Business Owner, may constitute grounds for involuntary termination.

## 11.0 **LIFE ACTIVATED BRANDS OPPORTUNITY**

### 11.1 **Presentation of Compensation Plan**

- a) In presenting the Life Activated Brands opportunity to potential Customers and Independent Business Owners, an Independent Business Owner is required to comply with the following provisions:
  - (i) An Independent Business Owner shall present a copy of the Life Activated Brands Income Disclosure Statement when presenting the opportunity to prospective Independent Business Owners and take special to not misquote or omit any significant material fact about the Compensation Plan.
  - (ii) An Independent Business Owner shall make it clear that the Compensation Plan is based upon sales of Life Activated Brands products and services.
  - (iii) A Life Activated Brands Independent Business Owner shall not make income projections, claims, or guarantees while presenting or discussing the Life Activated Brands opportunity or Compensation Plan to prospective Independent Business Owners or Customers. A Life Activated Brands Independent Business Owner **MUST** inform all prospective Independent Business Owners that success requires substantial work and make available the Life Activated Brands Income Disclosure Statement to prospective Independent Business Owners.
  - (iv) An Independent Business Owner may not make any claims regarding products or services of any products offered by Life Activated Brands, except those contained in official Life Activated Brands literature.
  - (v) An Independent Business Owner may not use official Life Activated Brands material to promote the Life Activated Brands business opportunity in any country where Life Activated Brands is not duly authorized to conduct business.

### 11.2 **Sales Requirements Are Governed by the Compensation Plan**

- a) Sales to retail customers may be don directly through Independent Business Owners replicated websites or directly using product that Life Activated Brands has in inventory
- b) The Life Activated Brands program is built on sales to the ultimate consumer or end user. Life Activated Brands encourages its Independent Business Owners to only purchase inventory, in reasonable quantities, that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Independent Business Owners must never attempt to influence any other Independent Business Owner to buy more products than they can reasonably use or sell to retail Customers in a month.
- c) Each Life Activated Brands Independent Business Owner commits to personally use, sell, or use in business building at least 70% of every order placed with Life Activated Brands prior to placing another order, and must be able to certify as much if demanded by Life Activated Brands or by any regulatory agency. **Purchasing product solely for the purpose of collecting bonuses or achieving rank is strictly prohibited.** Life Activated



Brands retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

## **12.0 PROPRIETARY INFORMATION & TRADE SECRETS**

### **12.1 Business Reports, Lists, and Proprietary Information**

By agreeing to the Life Activated Brands Independent Business Owner Agreement, the Independent Business Owner acknowledges that business reports, lists of Customer and Independent Business Owner names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by Life Activated Brands or pertaining to the business of Life Activated Brands (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to Life Activated Brands.

### **12.2 Obligation of Confidentiality**

- a) During the term of the Life Activated Brands Independent Business Owner Agreement and for a period of two (2) years after the termination or expiration of the Independent Business Owner Agreement between the Independent Business Owner and Life Activated Brands, the Independent Business Owner shall not:
  - i. Use the information in the Reports to compete with Life Activated Brands or for any purpose other than promoting his or her Life Activated Brands business;
  - ii. Use or disclose to any person or entity any confidential information contained in the reports, including the replication of the genealogy in another network marketing company.

### **12.3 Breach and Remedies**

The Independent Business Owner acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Life Activated Brands and to independent Life Activated Brands businesses. Life Activated Brands and its Independent Business Owners will be entitled to injunctive relief or to recover damages against any Independent Business Owner who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of lawyer's fees, court costs and expenses.

### **12.4 Return of Materials**

Upon demand by Life Activated Brands, any current or former Independent Business Owner will return the original and all copies of all "Reports" to Life Activated Brands together with any Life Activated Brands confidential information in such person's possession.

## **13.0 PRIVACY POLICY**

### **13.1 Introduction**

This Privacy Policy is to ensure that all Customers and Independent Business Owners understand and adhere to the basic principles of confidentiality. Without limiting the terms of this section, all

Independent Business Owners must comply with applicable privacy laws governing the collection, use and disclosure of Customer and fellow Independent Business Owner information.

### **13.2 Expectation of Privacy**

- a) Life Activated Brands recognizes and respects the importance its Customers and Independent Business Owners place on the privacy of their financial and personal information. Life Activated Brands will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers', and Independent Business Owners' financial and account information and nonpublic personal information.
- b) By entering into the Independent Business Owner Agreement, an Independent Business Owner or Customer authorizes Life Activated Brands to disclose his or her name and contact information to upline Independent Business Owners solely for activities related to the furtherance of the Life Activated Brands business. An Independent Business Owner hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline organization and conducting the Life Activated Brands business.

### **13.3 Employee Access to Information**

Life Activated Brands limits the number of employees who have access to Customer's and Independent Business Owners' nonpublic personal information.

### **13.4 Restrictions on the Disclosure of Account Information**

Life Activated Brands will not share non-public personal information or financial information about current or former Customers or Independent Business Owners with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers', or Independent Business Owners' interests or to enforce its rights or obligations under these Policies and Procedures, or Independent Business Owner Agreement or with written permission from the accountholder on file.

## **14.0 PRODUCT INSPECTION, QUALITY CONTROLS, ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS**

### **14.1 Inspection, Product Care, and Quality Controls**

- (a) Promptly upon receipt, Independent Business Owners shall inspect Life Activated Brands products and their packaging for damage, broken seals, evidence of tampering, or other product defects. If a product is defective or damaged, Independent Business Owners shall not sell the product and must report the defect or damage to Life Activated Brands. Independent Business Owners may return products that are damaged or otherwise defective within thirty (30) days of receipt for a full refund or replacement.
- (b) Independent Business Owners must comply with all instructions provided by Life Activated Brands regarding the proper care, storage, and handling of Life Activated Brands products. Additionally, Independent Business Owners shall store all Life Activated Brands products in a dry place at room temperature, away from direct sunlight. Members shall also regularly inspect inventory for products that are expired or that will expire within 60 days, and shall not sell any such products.

- (c) If Life Activated Brands discovers that an Independent Business Owner is not properly inspecting products upon receipt, not properly storing and caring for Life Activated Brands products, and/or selling products that are damaged or otherwise defective, Life Activated Brands will investigate the Independent Business Owner and take remedial and disciplinary action up to and including involuntary termination of the Independent Business Owner Agreement.

## **14.2 Labeling, Packaging, and Displaying Products**

- a) A Life Activated Brands Independent Business Owner and/or Customer may not re-label, re-package, refill, or alter labels of any Life Activated Brands product, or service, information, materials or program(s) in any way. Life Activated Brands products and services must only be sold in their original containers from Life Activated Brands. Such re-labeling or re-packaging violates federal and regulatory laws, which may result in criminal or civil penalties or liability.
- b) A Life Activated Brands Independent Business Owner shall not cause any Life Activated Brands product or service or any Life Activated Brands trade name to be sold or displayed in retail establishments except:
  - i. Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas and beauty salons);
  - ii. Where the retail establishment is owned or managed by the Life Activated Brands Independent Business Owner and the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.
- c) An Independent Business Owner may sell Life Activated Brands products and services and display the Life Activated Brands trade name at any appropriate display booth (such as trade shows, expositions, conferences etc.) with the express written consent of Life Activated Brands.
- d) An Independent Business Owner or Customer is prohibited to sell Life Activated Brands products and services and display the Life Activated Brands trade name, trademark or service mark at any kiosk or booth located in any retail establishment, such as a mall or retail facility.
- e) Life Activated Brands reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the Life Activated Brands opportunity.

## **14.3 Use of Company Names and Protected Materials**

- a) A Life Activated Brands Independent Business Owner must safeguard and promote the good reputation of Life Activated Brands and the products and services it markets. The marketing and promotion of Life Activated Brands, the Life Activated Brands opportunity, the Compensation Plan, and Life Activated Brands products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.

- b) All promotional materials supplied or created by Life Activated Brands must be used in their original form and cannot be changed, amended or altered, except with prior written approval from the Life Activated Brands Compliance Department.
- c) The name of Life Activated Brands, each of its product and service names and other names that have been adopted by Life Activated Brands, in connection with its business are proprietary trade names, trademarks and service marks of Life Activated Brands. As such, these marks are of great value to Life Activated Brands and are supplied to Independent Business Owners for their use only in an expressly authorized manner.
- d) A Life Activated Brands Independent Business Owner use of the name “Life Activated Brands” is restricted to protect Life Activated Brands proprietary rights, ensuring that the Life Activated Brands protected names will not be lost or compromised by unauthorized use. Use of the Life Activated Brands name on any item not produced by Life Activated Brands is prohibited except as follows:
  - i. [Independent Business Owner name] Independent Life Activated Brands Independent Business Owner or Distributor:
  - ii. [Independent Business Owner name] Independent Business Owner of Life Activated Brands products and services.
- e) Further procedures relating to the use of the Life Activated Brands name are as follows:
  - i. All stationary (i.e. letterhead, envelopes, and business cards) bearing the Life Activated Brands name or logo intended for use by the Life Activated Brands Independent Business Owner must be submitted via email to the Life Activated Brands Compliance Department for approval. Submit to; [compliance@lifeactivated.com](mailto:compliance@lifeactivated.com).
  - ii. Life Activated Brands Independent Business Owners may list “Independent Life Activated Brands Independent Business Owner” in the white pages of the telephone directory under his or her own name.
  - iii. Life Activated Brands Independent Business Owners may not use the name Life Activated Brands or Life Activated Brands in answering his or her telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, “Independent Life Activated Brands Independent Business Owner.”
- f) Certain photos and graphic images used by Life Activated Brands in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Independent Business Owners. If an Independent Business Owner wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- g) A Life Activated Brands Independent Business Owner shall not appear on or make use of television or radio, or make use of any other media to promote or discuss Life Activated Brands or its programs, products or services without prior written permission from the Life Activated Brands Compliance Department.

- h) An Independent Business Owner may not produce for sale or distribution any Company event or speech, nor may an Independent Business Owner reproduce Life Activated Brands audio or video clips for sale or for personal use without prior written permission from the Life Activated Brands Compliance Department.
- i) Life Activated Brands reserves the right to rescind its prior approval of any sales aid or promotional materials to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Independent Business Owner.
- j) An Independent Business Owner shall not promote non-Life Activated Brands products or services in conjunction with Life Activated Brands products or services on the same social media site or same advertisement without prior approval from Life Activated Brands Compliance Department.
- k) Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Life Activated Brands may not be made except those contained in official Life Activated Brands literature. In particular, no Independent Business Owner may make any claim that Life Activated Brands products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate Life Activated Brands policies, but they also potentially violate federal and provincial laws and regulations.
- l) An Independent Business Owner and/or Customer may not make any claims regarding products or services of any products offered by Life Activated Brands, except those contained in official Life Activated Brands literature.

#### **14.4 Faxes and E-mail - Limitations**

- a) Except as provided in this section, an Independent Business Owner may not use or transmit unsolicited email, mass email distribution, other commercial electronic messages or “spamming” that advertises or promotes the operation of his or her Life Activated Brands business. The exceptions are:
  - i. E-mailing any person who has given prior permission or invitation;
  - ii. E-mailing any person with whom the Independent Business Owner has established a current business or personal relationship.
- b) In all states or U.S. or International territories where prohibited by law, an Independent Business Owner may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.
- c) All e-mail or computer broadcasted documents subject to this provision shall include each of the following:
  - i. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;

- ii. A clear return path or routing information;
  - iii. The use of legal and proper domain name;
  - iv. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
  - v. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - vi. The true and correct name of the sender, valid sender's fax or e-mail address, and a valid sender physical address;
  - vii. The date and time of the transmission; and
  - viii. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, a Life Activated Brands Independent Business Owner shall not transmit any further documents to that recipient.
- d) All e-mail or computer broadcasted documents subject to this provision shall not include any of the following:
- i. Use of any third-party domain name without permission; and
  - ii. Sexually explicit materials.

#### **14.5 Internet and Third-Party Website Restrictions**

- a) An Independent Business Owner and/or Customer is prohibited from creating or registering any third-party website in order to promote, sell or advertise their Life Activated Brands business without submitting it for review and express written approval from Life Activated Brands. A Independent Business Owner and/or Customer is prohibited to use or attempt to register any of Life Activated Brands' trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Life Activated Brands name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- b) An Independent Business Owner may not (directly or indirectly through any intermediary or instrumentality) advertise, offer for sale, or facilitate the offering for sale of any Life Activated Brands products or services or offer the Business Opportunity on any online auction websites, internet retailer sites, or online marketplace websites. Examples of such sites include, but are not limited to, eBay®, Amazon, Facebook Marketplace, Sears.com, Jet.com, Walmart.com, and Etsy. This obligation survives the termination of an Independent Business Owner Independent Business Owner Agreement with Life Activated Brands.
- c) PROFILES AN INDEPENDENT BUSINESS OWNER OR CUSTOMER GENERATES IN ANY SOCIAL COMMUNITY WHERE LIFE ACTIVATED BRANS IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE Independent Business Owner AS AN INDEPENDENT LIFE ACTIVATED BUSINESS OWNER Ind, and when an Independent Business Owner and/or Customer participates in those communities, Independent

Business Owners and/or Customers must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Life Activated Brands' sole discretion, and offending Independent Business Owner and/or Customer will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Life Activated Brands approved library, official Life Activated Brands website or social media outlet. If a link is provided, it must link to the posting Independent Business Owner Replicated website.

- d) Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Independent Business Owners will be subject to disciplinary action.
- e) Independent Business Owners and/or Customers may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Independent Business Owners or Customers create or leave must be useful, unique, relevant and specific to the blog's article.
- f) Independent Business Owners and/or Customers must disclose their full name on all Social Media postings, and conspicuously identify themselves as an Independent Life Activated Brands Independent Business Owner for Life Activated Brands. Anonymous postings or use of an alias is prohibited.
- g) Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Life Activated Brands income opportunity, Life Activated Brands' products and services, and/or your biographic information and credentials.
- h) Independent Business Owner and/or Customer are personally responsible for their postings and all other online activity that relates to Life Activated Brands. Therefore, even if an Independent Business Owner does not own or operate a blog or Social Media site, if an Independent Business Owner and/or Customer posts to any such site that relates to Life Activated Brands or which can be traced to Life Activated Brands, the Independent Business Owner is responsible for the posting. Independent Business Owner and/or Customer are also responsible for postings which occur on any blog or Social Media site that the Independent Business Owner and/or Customer owns, operates, or controls.
- i) As a Life Activated Brands Independent Business Owner, it is important to not converse with any person who places a negative post against you, other Independent Business Owners, or Life Activated Brands. Report negative posts to Life Activated Brands at [support@lifeactivated.com](mailto:support@lifeactivated.com). Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Life Activated Brands, and therefore damages the reputation and goodwill of Life Activated Brands.
- j) The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, Life Activated Brands therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites which are herein prohibited.
- k) If your Life Activated Brands business is cancelled for any reason, you must discontinue using the Life Activated Brands name, and all of Life Activated Brands' trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks

and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an Independent Life Activated Brands Independent Business Owner, you must conspicuously disclose that you are no longer an Independent Life Activated Brands Independent Business Owner.

- l) Failure to comply with these Policies for conducting business online may result in the Independent Business Owner losing their right to advertise and market Life Activated Brands products, services and Life Activated Brands' business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.
- m) Independent Business Owners are prohibited from selling Life Activated Brands products to individuals or entities that they know, or should know, intend to resell the products. Independent Business Owners must sell Life Activated Brands products only to end user customers, and Independent Business Owners shall not sell to any person any quantity of Life Activated Brands products greater than that generally purchased by an individual for personal use. Independent Business Owners must take reasonable steps to ensure that they do not violate these prohibitions.

#### **14.6 Advertising and Promotional Materials**

- a) You may not advertise any Life Activated Brands products or services at a price LESS than the highest company published, established retail price of ONE offering of the Life Activated Brands product or service plus shipping, handling 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.
- b) Advertising and all forms of communications must adhere to principles of honesty and propriety.
- c) All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Life Activated Brands Compliance Department.
- d) All requests for approvals with respect to advertising must be directed in writing to the Life Activated Brands Compliance Department.
- e) Life Activated Brands reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations, and may require the removal of such advertisements from the marketplace without obligation to the affected Independent Business Owner.

#### **14.7 Testimonial Permission**

By agreeing to the Life Activated Brands Independent Business Owner Agreement, an Independent Business Owner gives Life Activated Brands permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in the Life Activated Brands Business Opportunity, an Independent Business Owner waives any right to be compensated for the use of his or her testimonial or image and likeness even though Life Activated Brands may be paid for items or sales materials containing such image and likeness, and represents that any



testimonial represents Independent Business Owner current, original, honest opinion, thoughts, beliefs, findings or experiences, based on Independent Business Owner actual experience with Life Activated Brands and any stated use of Life Activated Brands products and/or services, and agrees to notify Independent Business Owner immediately of any changes in the views expressed in the testimonial. In some cases, an Independent Business Owner testimonial may appear in another Independent Business Owner advertising materials. If an Independent Business Owner does not wish to participate in Life Activated Brands sales and marketing materials, he or she should provide a written notice to the Life Activated Brands Compliance Department to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

#### **14.8 Telemarketing - Limitations**

- a) A Life Activated Brands Independent Business Owner must not engage in telemarketing in relation to the operation of the Independent Business Owner Life Activated Brands business. The term “telemarketing” means the placing of one or more telephone calls or facsimile transmissions to an individual or entity to induce the purchase of Life Activated Brands products or services, or to recruit them for the Life Activated Brands opportunity.
- b) The federal government administers the Unsolicited Telecommunication Rules and operates a national Do-Not-Call registry that requires businesses to refrain from calling phone numbers listed on the national “Do-Not-Call” list (DNCL) and or people who tell the caller directly not to call/fax in the future.
- c) While an Independent Business Owner may not consider himself or herself a “telemarketer” in the traditional sense, these regulations broadly define the term “telemarketer” and “telemarketing” so that the unintentional action of calling someone whose telephone number is listed on the Federal “Do Not Call” registry could cause the Independent Business Owner to violate the law. These regulations must not be taken lightly, as they carry significant penalties.
- d) “Cold calls” or unsolicited calls/faxes made to prospective Customers or Independent Business Owners in order to promote Life Activated Brands products, services or the Life Activated Brands opportunity is considered telemarketing and is prohibited.
- e) Exceptions to Telemarketing Regulations

A Life Activated Brands Independent Business Owner may place telephone calls or faxes to prospective Customers, or Independent Business Owners under the following limited situations:

- i. If the Independent Business Owner has an established current business relationship with the prospect;
- ii. In response to the prospect’s personal inquiry or application regarding a product or service offered by the Life Activated Brands Independent Business Owner, within 3 months immediately before the date of such a call/fax;
- iii. If the Independent Business Owner receives written and signed permission from the prospect authorizing the Independent Business Owner to call/fax;

- iv. If the call/fax is to family members, personal friends, and acquaintances. However, if an Independent Business Owner makes a habit of collecting business cards from everyone he/she meets and subsequently calls/faxes them, the federal government may consider this a form of telemarketing that is not subject to this exemption; and
  - v. Life Activated Brands Independent Business Owners engaged in calling “acquaintances,” must make such calls/faxes on an occasional basis only and not as a routine practice.
- f) An Independent Business Owner shall not use automatic telephone dialing systems in the operation of his or her Life Activated Brands businesses.
  - g) Failure to abide by Life Activated Brands policies or regulations as set forth by the federal government regarding telemarketing may lead to sanctions against the Independent Business Owner position, up to and including termination of the position.
  - h) By signing the Independent Business Owner Agreement, or by accepting commissions, other payments or awards from Life Activated Brands, an Independent Business Owner gives permission to Life Activated Brands and other Independent Business Owners to contact them as permitted under the Federal Do Not Call regulations.
  - i) In the event an Independent Business Owner violates this section, Life Activated Brands reserves the right to institute legal proceedings to obtain monetary or equitable relief.

## **15.0 INTERNATIONAL MARKETING**

### **15.1 International Marketing Policy**

- a) A Life Activated Brands Independent Business Owner is authorized to sell Life Activated Brands products and services, to Customers and Independent Business Owners only in the countries in which Life Activated Brands is authorized to conduct business, according to the Policies and Procedures of each country. Life Activated Brands Independent Business Owners may not sell products or services in any country where Life Activated Brands products and services have not received applicable government authorization or approval.
- b) An Independent Business Owner may not, in any unauthorized country, conduct sales, enrollment or training meetings, enroll or attempt to enroll potential Customers, or Independent Business Owners, nor conduct any other activity for the purpose of selling Life Activated Brands products and services, establishing a sales organization, or promoting the Life Activated Brands business opportunity.

## **16.0 GLOSSARY OF TERMS**

**ACTIVE Independent Business Owner:** An Independent Business Owner who is in good standing with respect to the Agreement and who satisfies the minimum sales volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

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

**CUSTOMER:** Any person who purchases Life Activated Brands products and does not engage in the Life Activated Brands business opportunity.

**Independent Business Owner/Independent Business Owner WALLET:** Is a secure website that manages an Independent Business Owner commissions.

**SPONSOR:** An Independent Business Owner who enrolls a Customer, or another Independent Business Owner into the Company, and is listed as the Sponsor on the Independent Business Owner Agreement. The act of enrolling others and training them to become Independent Business Owners is called “sponsoring.” **\*Note: Any reference to “personally enrolling/sponsoring” herein is simply descriptive of the method of building a community of Independent Business Owners, i.e. personally enrolling other participants into Life Activated Brands. The phrase is not intended to imply any connection between the simple act of recruitment, sponsorship, or enrollment, and payment of compensation.**

**COMPETING PRODUCT(S):** (Definition needed)

**INDEPENDENT BUSINESS OWNER:** An individual or entity who actively promotes, markets and sells Life Activated Brands products for profit and who actively seeks and recruits’ others to do the same in accordance with the Agreement.

**INDEPENDENT BUSINESS OWNER AGREEMENT:** Life Activated Brands Independent Business Owner Enrollment Agreement in its current version that is available for download in the Independent Business Owner back office.

**LINE OF SPONSORSHIP (LOS):** A report generated by Life Activated Brands that provides critical data relating to the identities of Independent Business Owners, sales information, and enrollment activity of each Independent Business Owner organization. This report contains confidential and trade secret information which is proprietary to Life Activated Brands.

**ORGANIZATION:** The Customers and Independent Business Owner placed below a particular Independent Business Owner.

**OFFICIAL LIFE ACTIVATED BRANDS MATERIAL:** Literature, audio or video recordings, photographs, intellectual property, and/or any other materials developed, printed, published, or distributed by Life Activated Brands to Independent Business Owners and Customers.

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

**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 Life Activated Brands labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SALE/TRANSFER POSITION FORM:** Life Activated Brands’ Sale/Transfer Position Form in its current version that is available for download in the Independent Business Owner back office.

**SALES AGREEMENT:** Life Activated Brands’ Sales Agreement in its current version that is available for download in the Independent Business Owner back office.

**UPLINE:** This term refers to the Independent Business Owner or Independent Business Owners above a particular Life Activated Brands Independent Business Owner or Sponsor in a sponsorship line up to the Company. It is the line of sponsors that links any particular Independent Business Owner to the Company.



# **ADDENDUM 1**

## **Life Activated Brands Compensation Plan**

# **ADDENDUM 2**

## **Income Disclosure Statement**

## INCOME DISCLOSURE STATEMENT

The Life Activated Brands Compensation Plan is an exciting opportunity that rewards you for selling products and services and sponsoring other participants who do the same. Although the opportunity is unlimited, individual results will vary depending on commitment levels and sales skills of each participant. Since Life Activated Brands has recently launched, it lacks enough statistical data to prepare reliable income disclosures. There will be certain participants who will earn less while others will earn much more. We're excited about the Life Activated Brands Compensation Plan and we're confident it will provide you a solid foundation to help you achieve your financial goals. As with all endeavors, hard work and the time you dedicate impacts outcomes.

If income projections were presented to you prior to your enrollment, such projections are not necessarily representative of the income, if any, that you can earn through your participation in the Compensation Plan. These income projections should not be considered as guarantees or projections of your actual earnings or profits. Success with Life Activated Brands results only from hard work, dedication, and leadership.

Dear Life Activated Brands Partner,

Welcome to Life Activated Brands Performance Rewards.

Our cloud-based company is designed to be more efficient and effective with less overhead, which enables us to pay out more commissions to our community. Life Activated Brands believes that the strength of the company is our community and the people that drive our message, products and programs. This is where we want the rewards to go.

Our philosophy is very simple. We don't you want to sell our product, we want to inspire people to pursue better with stories that you create. Selling a product is one thing, however, building a brand is another. To build a competitive, relevant brand, we knew we had to look further than just a product; we had to envision a larger purpose, a deeper reason for what we were doing.

The Life Activated Brands Performance Rewards is designed to incentivize you to help socialize our stories and product with others and reward you for your reach and the ripple effect that you create. We all have value in today's marketplace and should be rewarded for our influence.

We designed the program for the average person that wants to make a full-time income. Our goal is to help more people go full time faster than any other company in the marketplace and in that same spirit, we've designed multiple Go Challenge resources to support your ambition as you launch your new business.

The power of the Performance Rewards includes incentives to get everyone to "GO" and get started. Let's dive in, learn more, and pursue better together every day.

Simple, aggressive and powerful!

All the best,

**Your Life Activated Brands Team**