

MONAVIE DISTRIBUTOR POLICIES & PROCEDURES

United States

Updated April 27, 2007

The MonaVie Policy Guide is a helpful reference for Distributors who want to learn more about the way this opportunity works. It includes a glossary of key terms, ethical guidelines, contractual obligations, and the policies that relate to being a Distributor. This also includes placing orders, processing refunds and exchanges, rules of the Pay Plan and managing your account. Because federal, state, provincial, foreign and local laws, as well the business environment, periodically change, the Company reserves the right to amend these Policies and Procedures and its prices in its sole and absolute discretion. These new revised Policies and Procedures are effective as of April 1, 2007.

SECTION I: CODE OF ETHICS

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

- I will be respectful of every person I meet while doing MonaVie related business.
- At all times I will conduct myself and my business in an ethical, moral, legal and financially sound manner. I will not engage in activities that would bring disrepute to MonaVie, any MonaVie corporate officer or employee, myself, or other distributors.
- I will not make discouraging or disparaging claims directed toward other MonaVie Distributors. I will ensure that in all MonaVie business dealings that I refrain from engaging in negative language. I will refrain from using any type of slanderous statements, implications or assumptions.
- I will be truthful in my representation of MonaVie products by making no diagnostic, therapeutic, curative or exaggerated claims and by clearly stating all terms of sale. I understand any claim of cure or treatment or any prescription is strictly forbidden.
- I will provide support and encouragement to my customers to ensure that their experience with MonaVie is a successful one. I understand that it is important to

provide follow-up service and support to my down-line.

- I will correctly represent all the Bonus plans available through MonaVie and the income potential represented therein. I understand I may not use my own income as an indication of other's potential success, or use compensation checks as marketing materials.
- I will abide by all of MonaVie's Policies & Procedures now and as they may be amended in the future.

SECTION II: YOUR RELATIONSHIP WITH THE COMPANY

- A. You will be bound by any amendments upon notification of the amendments through any of MonaVie's official channels of communication. Those channels of communication include, but are not limited to, posting of information to the MonaVie website, email to the Distributor, announcements in any official MonaVie newsletter or other publication or mail to the Distributor at the address listed on the Distributor Agreement.
- B. An Applicant/Person becomes an approved Distributor on the date the Application is received and accepted at the Company's or authorized Affiliate's corporate office. A Person must become an approved Distributor by the last day of a Bonus period in order to be included in that week's Bonus and qualification computations. All accepted Agreements will be credited to the week during which the Agreement is accepted. The Bonus period week runs from Saturday, 12:01 a.m. (MST), through Friday at midnight (MST). If you have earned commissions and accept payment of commissions, that will also serve to affirm that you agree to be bound by our Policies & Procedures.
- C. An Application that is incomplete, incorrect, or fraudulent in any respect or filed in the wrong country will be invalid and of no force or effect. If a Distributor fails to provide the required documentation, the Company may declare an Agreement void from its inception and may recoup any Bonuses paid. An applicant or Distributor is prohibited from submitting any false or inaccurate information to the Com-

pany. A Distributor must inform the Company of any changes affecting the accuracy of the Distributor's information provided on the Agreement or Business Entity Form.

The Company expressly reserves the right to terminate immediately the Agreement and declare it void from its inception, if the Company determines that false or inaccurate information was provided by the Distributor.

- 1) Any proposed change to the Distributor's personal information must be submitted on a new Distributor Agreement or Business Entity Form with the word "Amended" written across the top, and must be signed by all parties to the Distributor Agreement and returned to the Company for determination whether the changes are warranted; the Agreement may not be amended without the express written approval of the Company. The Company may, at its discretion, charge a fee to change any Distributor Agreement information, except for a change of address, telephone number, or the correction of clerical errors.
- D. Each Distributor is an Independent Contractor and is authorized to receive Distributor Agreement forms and checks (made out to MonaVie) and forward them to MonaVie's corporate offices. MonaVie's Compliance Department advises that each new Distributor complete and submit his or her own Distributor Agreement form online to insure expediency in processing this form. The absolute easiest way of accomplishing this is through the Sponsor's MonaVie Virtual Office.
 - E. MonaVie cannot be responsible for delays in the processing of Distributor Agreements unless they are submitted electronically through a Sponsor's Virtual Office or directly to the MonaVie corporate offices. If you submit your Distributor Agreement by fax or complete and submit our online enrollment form on the website, please do not follow with a hard copy by mail. Multiple agreements received for the same Distributor Account will delay or potentially double the processing of your agreement.
 - F. All Distributor Agreements will be credited to the week in which they are received by MonaVie. Our week runs from Saturday at 12:01 a.m. (MST) through Friday at midnight (MST).
 - G. You must be of legal age in the state in which you reside in order to be a MonaVie Distributor. However, if you are 16 or 17 years of age, you may enroll as a secondary applicant on a distributor account, listing your parent(s) as the primary applicant. The account must be listed under the parent's Social Security Number, and the parent may not have more than one account.
 - H. A Corporation, Partnership or Trust may become a MonaVie Distributor. Legal entities must submit certified copies of their formation documents and attest to the management and ownership of the entity or, in the case of a trust, the name of the Trustee and the Beneficiaries. The entity must also submit a certificate of good standing from the jurisdiction in which it was formed if such a certificate is available. All of these documents must be submitted within 30 days of the acceptance of the Entity's Distributor Agreement. The authorized officer, agent or trustee must sign the Distributor Agreement. The actions of the corporate shareholders, officers, directors, agents or employees and the actions of partnership partners, agents or employees, which do not conform to MonaVie's policies shall be attributable to the entire corporate or partnership entity.
 - I. In the event that a Distributor dies or becomes incapacitated, that Distributor's downline will pass to the benefit of the Distributor's successors in interest. It is the responsibility of the successors to notify MonaVie, in a timely manner, of the death or incapacity of a Distributor by letter. The letter must be written and signed by the executor of the estate or next of kin. The successors must meet all Distributor qualifications.
 - J. The term of your Distributor Agreement is one year from the date of its acceptance by MonaVie. Distributors must renew their Distributor Agreement by paying an annual renewal fee on or before the anniversary date of their Distributor Agreement. If your renewal fee is not paid within 30 days after the expiration of the current term of your Distributor Agreement, your Distributor Agreement may be cancelled. Distributors may elect to utilize the Automatic Renewal Program (ARP). Under the ARP, the renewal fee may be: a) deducted from the Distributor's commissions for the anniversary month of his/her Distributor Agreement; or b) charged to the credit card or checking account on file.
 - K. A Distributor may not have a simultaneous beneficial interest in, or participate in, more than one Distributor Agreement. A beneficial interest includes but is not limited to any ownership interest; any rights to present or future benefits, financial or otherwise; rights to purchase at wholesale prices; recognition; or

other tangible or intangible benefits associated with a Distributor Agreement. Husband and Wife must be on the same Distributor Agreement. If you are an established Distributor and you marry another established Independent Distributor, you may each retain your separate Distributor Positions.

- L. You are an independent contractor. You are not an agent, employee, partner, or joint venture with the Company. You may not represent yourself as anything other than an Independent Distributor. You have no authority to bind MonaVie to any obligation. You are responsible for paying your own self-employment taxes, federal income taxes and other taxes required by law. You must obey any federal, state, and local laws, as well as company rules and regulations pertaining to your independent MonaVie Distributor Agreement or the acquisition, receipt, holding, selling, distributing or advertising of MonaVie's products or opportunity.
- M. You agree to indemnify and hold the Company, its officers, agents, and directors harmless from any claim, damage, liability or loss arising out of your activities.

SECTION III: PURCHASING PRODUCTS

- A. You are not required to purchase any product in order to be a MonaVie Distributor.
- B. Except where prohibited by law, you are required to pay a \$39 application fee at the time of submission of your Distributor Agreement to MonaVie. This payment is an application fee and must be renewed annually for \$20 for you to retain your Distributor rights.
- C. The MonaVie program is built on retail sales to the ultimate consumer. MonaVie encourages its Distributors to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or which will be resold to others for their ultimate consumption. MonaVie retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale. In addition, no person is permitted to make a personal order in a Distributor's business center without written permission from the Distributor. This written permission must be on file with MonaVie.
- D. The 70% Rule. Each MonaVie Distributor commits to personally use, sell, or use in business building at least 70% of every order placed with MonaVie prior to placing another order. Purchasing product solely for the purpose of collecting bonuses is prohibited.

No bonuses, commissions or other compensation may be paid to any Distributor unless it is based on the sale of MonaVie products to end users. The company reserves the right to retract commissions paid if it is discovered by the company to be generated on fraudulent sales.

- E. For a period of four years, each Distributor receiving commissions agrees to retain documentation evidencing retail sale of products in the week for which the commissions were paid. At the Company's request, each Distributor agrees to make this documentation available. Failure to do so by the Distributor constitutes a breach of the Agreement and entitles the Company to recoup any commissions paid for orders in a week for which retail sales documentation is not provided.
- F. You can ensure that you receive a monthly shipment of our products by enrolling in AutoShip. If your AutoShip is for more than 100 PV every 28 days, it assures that you remain "Active" and that you are eligible for full, ongoing Team Bonuses; it also eliminates the inconvenience of placing monthly orders manually.
- G. AutoShip orders run on a 28-day cycle. Your order will not be processed on the same day every month, but rather a sliding calendar to ensure your "Active" status. A calendar is provided in every Distributor's Virtual Office so they can track when their next AutoShip is scheduled to run. The date of your AutoShip can be changed in the Virtual Office or by calling MonaVie's Distributor Support. If you change your AutoShip date, it may be necessary to place an additional order to remain "Active."
- H. You may deactivate or reactivate your AutoShip order at any time.
- I. Sponsors may not set up an AutoShip order on behalf of their new personally sponsored Distributors without written permission from the enrolling distributor. Permission must be on file with the compliance department.
- J. Only authorized Independent Distributors of MonaVie may purchase MonaVie for resale.
- K. MonaVie products may not be sold or promoted through catalogues or other mass sales mediums, such as infomercials, television, radio or on any website where an auction is the mode of selling. Internet retail sales may be made only on MonaVie approved websites.
- L. MonaVie products may not be sold or promoted

through retail establishments. You may, however, sell MonaVie sales aids and products through service establishments. These service establishments must require a membership and/or appointment, and the services performed must be health and wellness related.

- M. Only MonaVie-produced or -approved literature, banners, or signage may be displayed on a shelf, counter, or wall. These signage items must not be visible from the outside of the establishment.
- N. You may not sell MonaVie products or promote the business opportunity in countries or territories that have not been officially opened by MonaVie Corporate Headquarters. Nor may you export or sell directly or indirectly to others who export MonaVie's products, literature, sales aids or promotional material relating to MonaVie, its products or the MonaVie program from the United States, or its possessions or territories to any other country. Any violation of this rule constitutes a material breach of this Agreement and is grounds for immediate termination of the Distributor Position.
- O. We make the assumption that all of the product that you order will be resold at the suggested retail price, and we collect and report sales tax on that basis. The sales tax is based upon the tax rate in the jurisdiction to which the product is shipped. If you submit a current Sales Tax Exemption Certificate (STEC) from your resident state, we will not charge or collect sales tax on your orders shipped to that state. You will be responsible for tracking and reporting all sales and sales taxes due. Sales tax on orders placed before we receive a STEC will not be reimbursed.
- P. If you elect to provide an STEC, you must indemnify and hold MonaVie harmless regarding any liability that we are charged as a result of your failure to collect or remit sales taxes.
- Q. All orders must be accompanied by proper payment including all applicable shipping/handling fees and sales tax.

SECTION IV: ADVERTISING AND USE OF COMPANY NAME

- A. You may not use any of our trademarks, trade-names, and copyrights or any of our written, printed, recorded or other types of intellectual property in advertising, promoting or describing MonaVie's products or marketing program. However, if you have achieved the rank of Blue Diamond you may submit

to MonaVie such an item. Before being disseminated, published or displayed, this item must be reviewed and approved by MonaVie. All approved items must bear the MonaVie Review Seal.

- B. You may not advertise any MonaVie products at a price LESS than the highest company published, established wholesale price of ONE bottle or ONE case of the MonaVie product plus shipping and applicable taxes. No two-case bulk wholesale price advertising is allowed. 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 any distributor's official, replicated website.
- C. You are responsible for any verbal and written statements you make regarding MonaVie's products and compensation plan that are not expressly contained in writing in the current Distributor Agreement, or advertising or promotional materials supplied directly by us. You must indemnify MonaVie and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business we incur as a result of any unauthorized representation that you make.
- D. MonaVie maintains an official corporate website and makes available a self-replicating website for all Distributors. You may advertise on the Internet through an approved program that allows you to use our page designs. Those designs can be personalized with your own message and contact information. Those websites link directly to our Company website. You may only use an approved website in connection with your MonaVie marketing activities.
- E. If you have a personal website, you may not use MonaVie's names, logos, trademarks, photographs or graphic likeness of products, etc. This prohibition extends to (by way of example, and not limitation) the use of MonaVie trademarks and trade-names (or any derivations or alternate spellings thereof) in key word or meta tag list, or the like, or in any URL or email address. You may not use a redirect option on any website that has not been approved by the Company. However, Distributors who have achieved the rank of Blue Diamond may design their own web page and advertise in the paid advertising section of search engines using MonaVie's name and logos, but must register with the Company and have the content approved by the corporate office prior to launching their site. No other products may be sold or displayed and all links must be approved. However, under no

circumstances is the MonaVie name or any derivative of the MonaVie name allowed to appear in a URL.

- F. Creation of MonaVie sales tools and training materials is limited to Black Diamond or above and only with prior written authorization from MonaVie Corporate. None may be used in any manner without the proper authorization and review by the Company. You remain fully and solely liable for the content of any sales tool you may produce.
- G. Creation of MonaVie replicated websites is limited to Black Diamond or above. The content must be reviewed prior to launch and the Black Diamond must receive written authorization from MonaVie Corporate. All replicated websites must be sold at a minimum of \$9.95 a month. The company reserves the right to bring any replicated website under the company, if deemed necessary.
- H. On any website that you use, whether a MonaVie provided site or one you develop yourself, you must implement a privacy policy that protects any information gathered from the website from being sold or used by anyone else.
- I. You may not Spam. Spamming includes, but is not necessarily limited to: 1) sending unsolicited email messages that contain any email or web addresses from your account to online users. 2) Posting messages that contain your service address in new s groups that are unrelated to your products or service. 3) Creating false "from sources" in an email message, or newsgroup posting with your service address, thereby giving the impression that the message originated from MonaVie or its network of Independent Distributors. 4) Sending unsolicited emails to lists of people that are not within your downline or with whom you have no prior business or personal relationship.

All MonaVie-related email broadcasts must only be sent to your downline Distributors and must be sent through the MonaVie Scheduler system for forwarding. Email must not contain any false representations, income claims, or testimonials. All business/product content must be pre-approved and found on MonaVie corporate literature.

- J. You may not answer the phone using the name MonaVie nor may you imply you are more than an Independent Distributor. You may list your name in the Yellow and/or White Pages as long as it clearly states that you are an Independent Distributor.
- K. All cards, letterheads, signs, advertising materials, and verbal conversations, etc. used to promote busi-

nesses must make it clear that you are an Independent Distributor. They may not imply or state that you are an agent, authorized representative, employee, joint venture or franchisee of MonaVie.

- L. If you advertise via newspaper or other advertising venues, the following rules apply:
 - No advertisement may imply that a job or position is available.
 - No specific income can be promised.
 - Advertisements may not contain references to MonaVie or its products.
 - You may not use any of MonaVie's trademarks or trade-names.

Any requests for variances from the above rules must be submitted to MonaVie and approved in writing prior to publication. Please direct any inquiries to compliance@monavie.com. Please fax proposed advertisements to the attention of the Compliance Department at (801) 748-3200.

- M. Under no circumstances may you print your own labels or repackage MonaVie's products. Products are to be sold in their original packaging only.
- N. MonaVie can't be displayed or sold at trade shows without written authorization from the Compliance Department. In order to obtain a booth and secure exclusive rights, we must receive the Trade Show Request form for participation at least two weeks prior to the show. We will only allow one booth representing our company and products per show. Only MonaVie products and/or opportunity may be offered in the trade show booth. Only MonaVie produced marketing materials may be displayed or distributed. You may not sell or promote our products or business opportunity at flea markets, swap meets or garage sales.
- O. The following activities are prohibited, except to your downline:
 - Automatic calling devices or "boiler room" operations
 - Email broadcasts (must be sent through the MonaVie Scheduler)
 - Fax broadcasts
 - Spamming
- P. You must refer any media inquiries immediately to MonaVie Corporate. Any Independent Distributor that violates this rule is subject to immediate termination.
- Q. You confirm that the information you give as a tes-

testimonial endorsement, or as represented in a photograph, video or audio is true and accurate to the best of your knowledge. You waive any right you may have to inspect or approve the finished or unfinished product(s), the advertising copy, printed, recorded, photographic or video matter which may be used in connection with it or any use that may be made of it.

- R. You agree to release and discharge MonaVie and its successors, assigns, employees, and agents, from any and all liability, monetary compensation, claim and/or demand arising out of or in connection with the creation and the use of any photograph, video, audio, or endorsement, including any claim for defamation.

SECTION V: GENERAL INFORMATION

- A. MonaVie reserves the right to approve and disapprove any change you propose to make to your business name or structure, the formation of partnerships, corporations, and trusts for tax, estate planning, and limited liability purposes. Before we can approve such a change, you must complete a new Distributor Agreement form and file it with us outlining the proposed change and the reasons for the proposed change.
- B. If you are considering selling your Distributor position, there is a legal procedure you must follow to gain approval of the request. A Distributor position may be sold only after MonaVie corporate has approved the request in writing. At a minimum, we will not allow a Distributor position to be sold if it has not been actively engaged in retail selling of MonaVie products or the sponsoring of new Distributors and has been operating at an active Executive level/rank for at least six months, and has reached the rank of Ruby Executive.
- C. If you die or are incapacitated, your rights to bonuses and your marketing position, together with your responsibilities, will pass to your successors in interest. Those successors must make a written application for the transfer and agree in writing to abide by our then current Policies & Procedures.
- D. A change in sponsor is permitted if the Distributor making the request can provide adequate reason for the move. MonaVie Corporate has the final word in approving or disapproving any such request made.
- E. You may not directly or indirectly sponsor or attempt to sponsor anyone from another MonaVie sales group (downline or upline) into your network or into any other MLM or network marketing organization.

Nor may you directly or indirectly introduce other business opportunities to any MonaVie Distributor, except those whom you have personally sponsored. Violation of these policies is grounds for termination from MonaVie. It may also give rise to other claims for unauthorized use of our confidential information.

- F. You may visit our offices and production facilities only at designated times. You must make an appointment in advance to arrange any such visit. At the time of the visit, you will be required to sign in at the front desk immediately after entering the office. A Company employee must accompany you at all times you are in the Company offices.
- G. Distributors are not to ask MonaVie employees for opinions and/or suggestions in regards to their personal business. MonaVie and its employees cannot be held responsible for any advice given, as it is up to the Distributor to build and manage his/her own successful business.
- H. A Distributor who chooses to resign his or her account may not re-enter in MonaVie for 6 months. If the spouse of the resigning affiliate is not currently a Distributor, the spouse will be subject to the same 6 month restriction that applies to a resigning Distributor. If the spouse is a MonaVie Distributor, his or her Distributor account will be treated as a separate independent entity.
- I. A Distributor who has not purchased any product for a period of 6 consecutive months may choose to cancel their original MonaVie downline position and immediately re-enter with another Distributor in a sponsor line of their choosing. Any Distributor who encourages another Distributor to change lines of sponsorship by going inactive for 6 months will be subject to disciplinary action up to and including termination of their Distributor Agreement.

SECTION VI: COMPANY REFUND POLICY

- A. MonaVie offers a 30-day retail guarantee of satisfaction. A retail customer who purchases our product is given a 30-day window from receiving of goods to apply for a refund, less shipping and handling. If after using our product, a retail customer decides to return the unused product for a refund, MonaVie offers this money back guarantee on all products (minus any sales tools), providing the following requirements are met:

Notify Distributor Support during the 30-day window by sending an email to distributorsupport@monavie.com or by calling 1-866-217-8455. A Return Mer-

chandise Authorization (RMA) Number will be issued. Only one refund per product will be given for opened bottles. For example, if you return two opened bottles of MonaVie, a refund will be given for one bottle. This limitation does not apply to unopened bottles, providing that you follow the above procedure.

- B. When you sell products at retail, you are the primary party responsible for customer satisfaction. The retail customer must come to you for either a replacement product or for a refund. You make the product exchange or refund, and then you obtain a replacement product from MonaVie for the returned product.
- C. In the event of a dispute between you and your retail customer, MonaVie will determine the facts and resolve the issue. That resolution will be final and not open to appeal. If we elect to make a cash payment to the retail customer to resolve the dispute, we will charge the payment to your account.
- D. We reserve the right to reject repetitive returns or replacements.
- E. Retail sales must comply with the FTC Three-Day Cooling-Off Rule, which requires statutory language and notice of cancellation rights on the retail sales receipt. The customer must receive a receipt from a receipt book. The receipt must have a notice of cancellation form on it. The retail receipt must have the following language on it: "You the buyer may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction."
- F. The Company shall have no repurchase/refund obligation, except as required by law, respecting Sales Tools, as they are not required purchases at any time during the term of the Agreement. All Sales Tools are subject to the 70% Rule found in Section III, D. In the event the item received is damaged or not the correct item ordered, you may contact MonaVie Distributor Support within 30 days of purchase by sending an email to distributorsupport@monavie.com or by calling 1-866-217-8455, and the item will be replaced at no additional cost. If inventory permits, at the Distributor's request, MonaVie may make an exchange of the same item, for a different size. However, all shipping costs will be the Distributor's responsibility.
- G. When you make an authorized product replacement or refund under the Retail Customer Guarantee, we will provide you with the replacement product as outlined above. You may then either provide the replacement product to your retail customer, or if a refund was made, you can sell the replacement product.
- H. Products and Sales Tools that are determined to be defective will be promptly replaced without charge. Except in the case of returns of defective products, you are responsible for all shipping expenses incurred for the return.
- I. MonaVie reserves the right to recoup any commissions or other compensation paid when the product that generated that compensation is returned. In order to do so, we may deduct the outstanding amount prior to paying you any further commissions. If your bonus check is insufficient to allow us to recover the compensation through a deduction, you agree to repay MonaVie the amount due.
- J. A Distributor may return their initial purchase under the above Retail Customer Product Satisfaction Guarantee. Member fees and literature sales are final and are not refundable. Administration fees are not refundable except as required by law. Additional products purchased by a Distributor are covered by our Buy-Back Policy for unused, unopened, resalable product.
- K. MonaVie's Buy-Back policy is meant to protect individuals who believe they mistakenly purchased more inventory than they could sell. These policies specifically DO NOT apply to a Distributor who, for the purpose of qualifying for a bonus or some other benefit, has falsely certified that the inventory for which they are attempting to receive a refund has been previously sold.
- L. We will not repurchase products or issue refunds on products certified as having been consumed or sold under the 70% Resale rule. Falsely representing the amount of product sold or consumed in order to advance in the marketing plan will be grounds for termination.
- M. Items are deemed resalable or reusable if they are returned within 90 days of the date of purchase and are unused and in their original packaging. Items that have been discontinued, or are within six months of expiring, are not considered to be resalable. If an item is deemed resalable, a 90 percent refund may be issued to the purchasing Distributor. All returns are subject to Section IV, I of these Policies and Procedures.
- N. Any damages to the product, as the result of negligent packaging or improper shipping for the return shipment shall be your sole responsibility.
- O. In some states there is a statute or regulation that provides for a different Buy-Back policy. MonaVie conforms to all such laws:

In Georgia: We will repurchase all unencumbered products, sales aids, literature, and promotional items which are in a reasonably resalable or reusable condition and which were acquired by the participant from MonaVie. The repurchase shall be at a price not less than 90% of the original net cost to the participant of the goods being returned. For the purpose of this paragraph, "original net cost" means the amount actually paid by the participant for the goods, less any consideration received by the participant for purchase of the goods that is attributable to the specific goods now being returned. Goods shall be deemed "resalable or reusable" if the goods are in an unused, commercially resalable condition at the time the goods are returned to MonaVie. Goods that are no longer marketed by MonaVie shall be deemed "resalable or reusable" if the goods are in an unused, commercially resalable condition and are returned to MonaVie within one year from the date the company discontinued marketing the goods; provided, however, that goods which are no longer marketed shall be deemed not "resalable or reusable" if the goods are sold to participants as non-returnable, discontinued, or seasonal items and the non-returnable, discontinued, or season nature of the goods was clearly disclosed to the participant seeking to return the goods prior to the purchase of the goods by the participant.

In Maryland, Montana, Puerto Rico, Oklahoma and Texas: On written request from the purchaser, and not later than the first anniversary of the purchaser's date of purchase, all unencumbered products that are in an unused, commercially resalable condition at a price not less than 90% of the amount actually paid by the purchaser for the products being returned, less any consideration received by the purchaser for purchase of the products being returned. A product that is no longer marketed by MonaVie is considered resalable if the product is otherwise in an unused, commercially resalable condition and is returned to the seller not later than the first anniversary of the purchaser's date of purchase, except that the product is not considered resalable if before the purchaser purchased the product it was clearly disclosed to the purchaser that the product was sold as a non-returnable, discontinued, seasonal, or special promotion item.

In Massachusetts and Wyoming: We will repurchase all unencumbered products in a resalable condition then in the possession of the participant. The repurchase shall be at a price of not less than 90% of the original net cost to the participant returning such goods, taking into account any sales made by

or through such participant prior to notification to the company of the election to cancel.

In Louisiana: We will repurchase all or part of any product that are in a resalable condition at 85% of the original net cost to you, and repay 85% of the original net cost of any services provided to you, and refund 90% of any other consideration you paid to us in order to participate in the marketing program.

SECTION VII: ARBITRATION

Any controversy or claim arising out of or relating to your Distributor Agreement or these Policies and Procedures, or their breach, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. If a Distributor files a claim or counterclaim against MonaVie, he or she may only do so on an individual basis and not with any other Distributor or as part of a class or consolidated action. For additional information please contact MonaVie's compliance department.

SECTION VIII: DISCIPLINARY ACTIONS

If you violate any of the Policies & Procedures, the terms and conditions of the Distributor Agreement, or engage in any illegal, fraudulent, deceptive, or unethical business conduct, we may, at our sole discretion, invoke any disciplinary action that we deem appropriate. Among the potential disciplinary actions are:

- Issuance of a written warning or admonition;
- Imposition of a fine, which may be imposed immediately or withheld from future bonus or commission checks;
- Reassignment of all or part of your downline organization;
- Adjustment of your Distributor status;
- Suspension, which may result in termination or reinstatement with conditions or restrictions; and
- Termination of your Independent Distributor Agreement.

SECTION IX: PRODUCT LIABILITY CLAIMS

- A. Third-Party Claims. Subject to the limitations set forth in this provision, the Company shall defend Distributors from claims made by third-party customers alleging injury from use of a product, or injury due to a defective product. The Distributor must promptly notify the Company in writing of any such claim, no

later than ten (10) days from the date of the third-party claimant's letter alleging injury; failure to so notify the Company shall alleviate any obligation of the Company respecting such claim. The Distributor must allow the Company to assume the sole and absolute discretion respecting the defense of the claim, and use and choice of counsel as a condition to the Company's obligation to defend Distributor.

- B. The Company shall have no obligation to indemnify a Distributor if:
- Distributor has not complied with the Agreement respecting obligations and limitations covering the distribution and/or sale of the products; or
 - Distributor has repackaged, altered or misused the product, made claims or given instruction or recommendations respecting the use, safety, efficacy, benefits or results, which do not comply with the approved literature of the Company; or,
 - Distributor settles or attempts to settle a claim without the Company's written approval.