

A photograph of three business professionals in an office setting. A woman with dark hair, wearing a white shirt, is smiling and looking towards a man on the right. The man is wearing a light blue striped shirt and a blue and white striped tie, also smiling. A third person, partially visible on the left, is wearing a white shirt. They are all looking at some papers or a screen. The background is a bright, out-of-focus office space with large windows.

# Policies & Procedures

## Canada

AMENDED MAY 2018

## Table of Contents

<b>A.</b>	<b>INTRODUCTION</b> .....	3
1	Interpretation .....	3
2	Incorporation of Terms and Agreement .....	4
<b>B.</b>	<b>GENERAL PROVISIONS</b> .....	4
3	One Account Per Individual .....	4
4	Completion of Documents .....	4
5	Youngevity Identification Number .....	5
6	Accountability and Accuracy of Information .....	5
7	Updates of Personal Information .....	5
8	Original Endorsement .....	5
9	No Purchase Required .....	5
10	Term and Renewal of Term .....	5
	ORDER, PURCHASE AND SHIPPING PROCEDURES .....	6
11	Eligibility To Place Order .....	6
12	Placing an Order .....	6
13	Order Forms .....	6
14	Method of Payment .....	6
15	Submitting an Order .....	6
16	Delivery Order Requirements .....	7
17	Policies and Procedures for Autoship .....	7
18	Products Return Policy .....	8
<b>C.</b>	<b>PROVISIONS APPLY TO ASSOCIATES</b> .....	8
	ASSOCIATE'S OBLIGATIONS .....	8
19	Associate's Rights .....	8
20	Restriction on International Shipping, Sponsoring, and Marketing .....	8
21	No Exclusive Geographical Territory Rights and/or Special Privileges .....	9
22	Independent Contractor Status and Representation .....	9
23	Ethical Business Practices and Obligations .....	9
24	Legal Compliance .....	11
25	Tax Responsibility .....	11
26	Sales/Resales Location of Product .....	12
27	Re-Packaging/Re-labelling Prohibition .....	12
28	Excess Inventory Purchases Prohibition .....	12
29	Sales Policy of Youngevity Products .....	12
30	Business Building Materials .....	13
31	Non-Solicitation and Conflicts of Interest .....	13
32	Third Party Materials .....	13
	SPONSORING, PLACEMENT, SALES AND TRANSFER OF ORGANIZATION .....	13
33	Sponsoring .....	13
34	Disclosure of Policy .....	13
35	Responsibility of a Sponsor .....	13
36	Cross-Recruiting Strictly Prohibited .....	14
37	Enroller Change or Transfer of Placement Distributorship .....	14

38	Sales, Assignment and Transfer of Business.....	15
39	Assignment/Inheritance of Business .....	15
40	Confidential Information .....	15
	COMMISSION AND BONUS .....	16
41	Leadership and Supervisory Responsibility .....	16
42	Commission, Bonus and Monthly Business Report.....	16
43	Recovery of Commission .....	16
44	Forfeiture of Rights to Bonuses and Commissions .....	16
	ADVERTISING, PROTECTED MATERIALS, INTERNET, MEDIA AND SOCIAL MEDIA GUIDELINES ..	17
45	Company Approved Marketing Materials.....	17
46	Regulatory Guidance.....	17
47	Product Claims, Personal Testimonials and Warranties .....	17
48	Representation of Government Endorsements.....	17
49	Compensation, Income Claims and Testimonials.....	18
50	Default Rule of Advertising Use.....	18
51	Esoteric, Non-Intuitive Content .....	18
52	Production and Re-Production of marketing materials or Product Literature Prohibited	18
53	Recording, Reproduction and Uploading .....	18
54	Supplier Confidentiality .....	19
55	Internet Sites .....	19
56	Associate Website Policy .....	19
57	New Media Channels and Technology.....	20
58	Mass Marketing and Spam.....	20
59	Media Inquiries.....	23
60	Compliance to Advertising Policy .....	24
	BREACH AND TERMINATION .....	24
61	Policy Violation.....	24
62	Corrective Measure or Remedies .....	25
63	Termination .....	25
64	Return of Goods on Termination .....	26
	<b>D. MISCELLANEOUS .....</b>	<b>27</b>
65	Consent to Publication .....	27
66	Confidentiality .....	28
67	Intellectual Properties and Proprietary Marks.....	28
68	Severability.....	29
69	Force Majeure .....	29
70	Indemnity.....	30
71	Surviving Provisions .....	30
72	Governing Law, Jurisdiction and Venue.....	30
73	Mandatory Arbitration and Dispute Resolution.....	31
74	Notices.....	33
	<b>E. YOUNGEVITY® DEFINITIONS OF TERMS .....</b>	<b>33</b>

## Youngevity Policies and Procedures (Canada)

### A. INTRODUCTION

The success of your independent network marketing business is directly related to relationships—relationships with customers, other Associates, and Youngevity.

The objectives of this Youngevity's Policies and Procedures are to:

- a. define the relationship between you and Youngevity;
- b. define your rights, duties and responsibilities;
- c. define the relationship among and between Associates;
- d. establish acceptable business conduct and ethics;
- e. facilitate equal opportunity for all involved in a Marketing Organization; and
- f. protect and build a long-term fulfilling opportunity for Associates.

It is with great anticipation of your success that we present to you these policies which you must follow closely and completely.

#### 1 Interpretation

- 1.1 Capitalized terms used in these Policies and Procedures have the meanings set forth in Part E: Definitions of Terms.
- 1.2 Words importing the singular shall include the plural, *vice versa*, words importing the masculine gender shall include the feminine and neuter genders.
- 1.3 The headings in these Policies and Procedures are inserted for ease of reference and shall not affect the construction or interpretation of any provisions herein.
- 1.4 In these Policies and Procedures, the term "Company" or "Youngevity" as it is used herein, along with other literature, is to be considered synonymous, and can be used interchangeably with, Mialisie Canada Inc. dba Youngevity. Mialisie Canada Inc. is a subsidiary of and a licensee of Youngevity International Inc.
- 1.5 References to "you" are references to an Associate or a Preferred Customer, as the context may require. The expression "person" means any individual, corporation, partnership, association, limited liability company, trust, governmental or quasi-governmental authority or body or other entity or organization.
- 1.6 References to a statute or statutory provision include that statute or provision as from time to time modified, re-enacted or consolidated, whether before or after the date of the Agreement, so far as such modification, re-enactment or consolidation applies or is capable of applying to any transaction entered into in accordance with the Agreement and (so far as liability thereunder may exist or can arise) shall include also any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which such statute or provision has directly or indirectly replaced.



- 1.7 References to "termination" of the Agreement include the expiry of the Agreement.
- 1.8 References to "writing" or "written" include any other non-transitory form of visible reproduction of words (including electronic mail).

## 2 Incorporation of Terms and Agreement

- 2.1 The Policies and Procedures contained herein are incorporated into the Application and Youngevity Incentives Program.
- 2.2 The Application, these Policies and Procedures and Youngevity's Incentives Program, and any other agreements, policies, guidelines, rules, programs and offers with or from Youngevity which will be made available through any official literature or media of Youngevity, and as may thereafter be amended or supplemented, are thereafter collectively referred to as the "Agreement", and constitute the entire agreement between Youngevity and you with respect to the subject matter thereof, and supersedes any and all prior communications, agreements, arrangements and understandings relating to the subject matter thereof.
- 2.3 Youngevity may, at its sole discretion, amend any terms of the Agreement. The continuation of a Marketing Organization or acceptance of commissions and/or bonuses from Youngevity or placing further orders with Youngevity constitutes your acceptance of any such amendments. You agree to abide by any and all such amendments and that your only remedy for not accepting any such amendments is to immediately terminate the Agreement.
- 2.4 In the event of any inconsistency between the Application and these Policies and Procedures, the latter shall prevail.
- 2.5 You shall comply with all the terms and conditions set forth in the Agreement, as well as comply with all Applicable Laws.

## B. GENERAL PROVISIONS

### 3 One Account Per Individual

All individuals who satisfy the pre-requisite for enrollment may only maintain one Preferred Customer and/or Associate account. You may not own, operate or have a financial interest in more than one line of enrollment or placement. You shall not nor attempt to persuade any other Associate to change Placement Associate.

### 4 Completion of Documents

- 4.1 All Applications must be duly completed. Youngevity reserves the right to require an Associate to provide supporting documentation allowing Youngevity to verify and confirm your residential status, failure of which can result in the termination of this Agreement by Youngevity at its sole discretion.

- 4.2 Youngevity will not be responsible for loss of commissions or bonuses or for delays in Associate enrollments or orders due to:
- a. errors by you in preparing or submitting the Application, orders or other documents;
  - b. non-receipt or missing documents;
  - c. illegible or incomplete information on the Application, orders or other documents; or
  - d. inability to verify the supporting documents submitted during enrollment.

## 5 Youngevity Identification Number

When Youngevity receives and accepts your Application and Agreement to become an Associate, Youngevity will provide you with an Identification Number, which you must quote when placing orders or tracking your commissions and bonuses.

## 6 Accountability and Accuracy of Information

You shall not submit inaccurate, false or misleading information to Youngevity. You shall inform Youngevity of any changes affecting the accuracy of any information submitted to Youngevity. Youngevity may immediately terminate the Agreement with you if false or inaccurate information has been provided to Youngevity, regardless of passage of time or payment of commission.

Youngevity shall not in any event be liable for any loss, damage, cost or expense howsoever arising out of false or inaccurate information submitted to Youngevity.

## 7 Updates of Personal Information

You shall promptly notify and update Youngevity of any changes to your personal information. Youngevity shall not in any event be liable for any loss, damage, cost or expense howsoever arising out of your failure to update Youngevity of any changes to personal information.

## 8 Original Endorsement

All Application, Autoship Order Forms, and or any other official forms submitted to Youngevity must be endorsed by you. You must not submit an Application, Autoship Order, or any other documentation that does not contain your endorsement. You shall not sign any Application, Autoship Order Form, or any other documentation for or on behalf of any other person regardless of permissions implied or received, as Youngevity does not and will not accept any of these forms executed or placed under "Power of Attorney" or any other form of authority.

## 9 No Purchase Required

No purchase of Youngevity Products is required to become an Associate.

## 10 Term and Renewal of Term

The term of the Agreement between Youngevity and you is one year from the date Youngevity approves your Application. The automatic renewal of this Agreement is

conditional upon and subject to your satisfactory performance in accordance with the terms of the Agreement.

## ORDER, PURCHASE AND SHIPPING PROCEDURES

### 11 Eligibility To Place Order

The Company will accept orders for Products from you only after a valid Application certified by your Placement Associate is accepted and approved by the Company and a Youngevity Identification Number has been assigned to you.

### 12 Placing an Order

Orders may be placed in the Youngevity office in person or by telephone or online via any Youngevity official website. For purposes of Product orders, the calendar month ends on the last day of the month and begins on the first day of the month. All orders are credited to the calendar month in which they are received by Youngevity.

### 13 Order Forms

You must use an unaltered official Product Order Form of Youngevity for all orders of Products. It must be duly completed and submitted to Youngevity in the manner set out in such Product Order Form.

### 14 Method of Payment

Youngevity accepts Visa, MasterCard or American Express as methods of payment. When paying with a credit card, the card number and expiration date must be included. As an added security, the CVV number (Card Verification Value) on the credit card, or any other verification or authorization code may be required to complete the transaction.

### 15 Submitting an Order

15.1 Products are ordered at Wholesale prices. The overall success of the Company and its Associates depend on Retail Sales of the Products to End Customers.

15.2 Associates may not themselves order, or ask their Downline Preferred Customers or Associates to order inventory for the sole purpose of participating in the Incentives Program or qualifying themselves or others to earn commissions or bonuses (This practice is frequently referred to as "inventory loading").

15.3 Associates may only purchase Company's Products for resale to End Customers or to provide prompt Product delivery to Downline Preferred Customers or Associates in their own personal group. Associates may not stockpile or acquire excessive inventories. Prior to reordering any Product, Associates must certify that they have sold a minimum of 70% of all previous orders (the "70% Rule").

15.4 Associates are required to carefully document and record all Retail Sales. The Company may, at any time, require an Associate to produce all completed Retail Sales' receipts for

the previous year and a list of five (5) or more persons to whom the Associate has made Retail Sales of the Products during the previous thirty (30) days.

## 16 Delivery Order Requirements

- 16.1 All orders for Products and other items will be processed for delivery upon the clearance of payment. Delivery is made by local courier services and delivery should be expected within 3-5 working days. As a standard, Youngevity does not deliver partial orders.
- 16.2 If you sign a delivery release with a courier service, authorizing the dispatch to leave an order at an unsecured location, without a signature, releases the Company from responsibility for such delivery. If you are absent at the time of delivery, you may be required to retrieve the packages from the designated collection office or have them delivered to a more suitable alternate location at your own cost and expense.
- 16.3 If for any reason any Products sent for delivery to the specified destination is refused or cannot be delivered, the Company may charge to your account all delivery and handling charges, and administrative charges incurred by the Company.

## 17 Policies and Procedures for Autoship

Youngevity will use its best efforts to ship all Autoship orders by the 21st of the month following the successful collection of the order on the Preferred Method of Payment on file. The following outlines the Policies and Procedure for Autoship:

- a. you may only setup one (1) Autoship per Youngevity ID. Autoship requests must be made by submitting a duly completed Autoship Order Form. Any omission of information will render the Autoship Standing Instruction invalid and must be re-submitted.
- b. Autoship requests will be paid by standing instruction set out in the Associate's chosen Preferred Method of Payment. The Company accepts Visa, MasterCard or American Express as the "Preferred Method of Payment" for the purpose of Autoship.
- c. Youngevity accepts only original Autoship Order Forms. Autoship requests will be accepted with the appropriate endorsement. Youngevity will not receive a request for Autoship via the telephone.
- d. Autoship requests will be sent to the address specified on the Autoship Order Form.
- e. any and all changes to an existing Autoship are treated as a new Autoship request and are subject to the same requirements. Any and all changes to an existing Autoship Order Form must be clearly identified as a change to avoid a duplicate Autoship order being created.
- f. the Company is not responsible for loss, damage, cost and expense arising out of any incorrect information on the Preferred Method of Payment. The Company is not responsible for unsuccessful charges to the Preferred Method of Payment for an Autoship order. Any order that is not successfully charged to the Preferred Method of Payment will be cancelled for that month. Any order that is not successfully charged for payment for two (2) months in any twelve (12) month period will be rendered void



and will be required to be resubmitted with a valid Preferred Method of Payment. Associates may not be allowed to participate in the Autoship program if the unsuccessful charges situation persists after repeated attempts to resolve the situation.

- g. the Company may, in its absolute discretion, cancel any Autoship that is subject to a Preferred Method of Payment chargeback.
- h. any Autoship that is refused delivery will be immediately canceled. Additional charges will be levied if a second shipment is requested. An Autoship canceled for refused delivery will not be eligible for renewal.
- i. the Company will deduct a 10% processing fee for all refunds issued on Autoship orders.
- j. Autoship Order Form must be properly and legally endorsed in accordance with the terms of the Agreement.
- k. an existing Autoship Order may be cancelled by giving seven (7) working days prior written notice before the next Autoship. The Autoship cancellation from you shall bear your original signature, printed name, address, and Youngevity identification number.

## 18 Products Return Policy

If for any reason you want to return product in Resaleable Condition to Youngevity, you may request that Youngevity:

- a. replace it without charge or issue a return receipt for the amount of the purchase price of the Product or;
- b. upon receiving your request together with a copy of the original invoice from Youngevity, refund the purchase price (excluding shipping and handling charges) of the Product return within thirty (30) days of purchase for a return or ninety (90) days of purchase for a Product exchange. Youngevity reserves the right to charge up to a ten percent (10%) restocking fee on all Product returns.

## C. PROVISIONS APPLY TO ASSOCIATES

### ASSOCIATE'S OBLIGATIONS

## 19 Associate's Rights

Upon acceptance by Youngevity, Associates are authorized to market and sell Youngevity's wide range of Products and to participate in the Youngevity Incentives Program in Canada and such authority may be extended by Youngevity to include the other countries in which Youngevity or related business has an official presence and subject to any limitations outlined in such authority (each an "Other Country").

## 20 Restriction on International Shipping, Sponsoring, and Marketing

- 20.1 In all other countries in which Youngevity or its affiliates are authorized to conduct business, Associates may promote and sell Youngevity Products in these Other Country provided always that such Associates comply with and abide by the local requirements, policies, codes, rules and regulations of business applicable to Associates of such Other

Country ("Other Rules"). The Other Rules shall apply to such Associate as if he is an Associate of that Other Country.

- 20.2 The Other Rules can be found in the Youngevity official websites and it is that Associate's responsibility to check and familiar himself with the Other Rules. However he shall not ship or sell Youngevity Products across any international border for the purpose of sales, resale or distribution in any Other Country. All orders for Other Country shall be placed with Youngevity offices in that Other Country and shall be subject to the Other Rules. Associates shall not transfer, import, export or distribute Youngevity Products or sales aids outside of the Country, nor provide Products to any individual whom the Associate may have knowledge or has reason to believe is exporting goods (including the Products) to any country outside of the Country or the Other Country (as the case may be).

## 21 No Exclusive Geographical Territory Rights and/or Special Privileges

There shall be no exclusive geographic territory rights or special privileges granted to any Associate or Marketing Organization to market and sell Youngevity Products and conduct the Youngevity business opportunity in any Country.

## 22 Independent Contractor Status and Representation

- 22.1 Your relationship with Youngevity established under the Agreement is that of an independent contractor and that you are not an agent, employee, legal representative, partner or franchisee of Youngevity or your Placement Associate or Enroller.
- 22.2 Subject to the terms and conditions of the Agreement, you may develop your Distributorship through recruitment of applicants approved by Youngevity to join your Distributorship. For the avoidance of doubt, Youngevity is entitled, in its absolute discretion, to reject any applicant recruited by such Associate.
- 22.3 Associates are independent contractors, the Company does not dictate selling methods, specific hours, or effort levels, other than those required in Associate/Company interactions and except as stated herein. Associates must at all times adhere to Youngevity compliance guidelines and acceptable marketing and business practices, as amended from time to time.
- 22.4 Associates are not authorized to act on behalf of or for Youngevity nor bind Youngevity to any agreement, contract, expense, commitment, sponsorship and/or obligation. Under no circumstances shall an Associate represent directly or indirectly in any manner that might indicate or suggest he has influence over Youngevity's corporate decision, or authority or representation from Youngevity.

## 23 Ethical Business Practices and Obligations

- 23.1 Associate shall conduct his business with a high standard of integrity and professionalism throughout Youngevity's network of independent Associates and protect each Associate's individual business, as well as Youngevity's as a whole. Associates are committed to conduct the Youngevity business according to the following principles and will:

- a. apply the Golden Rule of "treating others as I wish to be treated..." as the primary measuring stick in conducting all businesses;
- b. be honest in all business dealings;
- c. offer the highest quality of service by treating customers fairly and showing patience, courtesy and helpfulness in explaining the Youngevity Products at all times;
- d. fulfill all obligations stated herein with regards to enrollment and placement of other Associates including training, motivation, and support;
- e. present the Youngevity business opportunity in a manner which is consistent with the Official Youngevity Material;
- f. become familiar with the Youngevity's Policies and Procedures, Incentives Program, and other marketing materials/literature made available by Youngevity;
- g. work in harmony with all other Youngevity's Associates to help further the success of the overall Youngevity programs and the success of all Associates thereby recognizing that, "this supports my own business too";
- h. conduct the Youngevity's business professionally, keep all commitments and uphold a positive mindset at all times;
- i. always remember that success is the result of honest effort. While working towards personal success, encourage and motivate all involved to sow the seed of diligent effort; and
- j. endeavour to observe the spirit as well as the letter in all of Youngevity's rules and policies, knowing they are "for my benefit" and the benefit of all Associates.

23.2 Associate shall not:

- a. engage in any high pressure selling or recruiting practices;
- b. enroll minors or persons who are not capable of making an informed decision;
- c. order Youngevity Products for other Preferred Customers or Associates without the express permission of such persons.

23.3 Associate further undertakes he shall:

- a. not be engaged in competitive business/products, particularly, but not limited to, those businesses that employ the multi-level system network of sales and distribution, or direct selling of marketing and selling;
- b. not use any additional trade name or symbol or do or permit to be done anything which is additional to or not in accordance with the Agreement without the prior written consent of Youngevity;
- c. comply with all advice and instructions given by Youngevity with regard to the operation of Distributorship;

- d. diligently carry on the Distributorship and use his best endeavours to promote and develop Youngevity business and to co-operate with Youngevity and the other Associates in this regard;
- e. sell only Youngevity Products which he has purchased from the Youngevity and such other products or services expressly approved by Youngevity in writing for the operation of the Distributorship;
- f. offer the Youngevity Products at such prices with charges, discounts or as part of any special offer or promotional activity as directed or approved by Youngevity;
- g. not alter, vary or in any way tamper with the Youngevity Products or other goods and services supplied by Youngevity;
- h. not market or resell the Youngevity Products through methods which are expressly prohibited by the provisions contained herein;
- i. promote and preserve the goodwill and reputation associated with Youngevity's business;
- j. not engage in any unlawful, deceptive, unethical, dishonest or fraudulent business or practice in relation to or in connection with his Distributorship;
- k. not defame or disparage Youngevity, Youngevity business or any other Associate; and
- l. not seek or attempt to circumvent the terms and conditions of the Agreement or act in any manner which would bring Youngevity in disrepute.

23.4 Any effort by an Associate to convince or entice any Preferred Customer or Associate to discontinue or diminish purchasing Youngevity Products, to move from one Youngevity Marketing Organization to another, to discontinue or diminish efforts to promote the Youngevity business opportunity, or to promote or pursue another direct selling opportunity, or to disparage Youngevity's Products or marketing plan is a material breach of the Associate's leadership responsibility and a material breach of the Agreement.

## 24 Legal Compliance

Associate must comply with all Applicable Laws, codes of practice applying to the operation of Distributorship and shall not engage in any activity which may bring disrepute to himself or to Youngevity. Associate shall operate their Distributorship strictly in accordance with the terms and conditions of the Agreement, such compliance being of the utmost importance to the successful operation of a Distributorship and the protection of the goodwill attaching to Youngevity's business and the Proprietary Marks. Associate shall not participate or engage in any unlawful practices.

## 25 Tax Responsibility

As an independent contractor, each Associate is solely responsible for reporting all income generated to Canada Revenue Agency ("CRA"). Further, each Associate is solely responsible for paying all applicable taxes (including, but not limited to, provincial, territorial and federal taxes) on all compensation received or that may accrue in connection with the Distributorship or arising out of the Agreement.



When reselling Product, each Associate shall be responsible for collecting and remitting such sales tax as may be required under federal, provincial, or territorial laws. The collection and remittance of such sales tax shall be the sole responsibility of each Associate. Youngevity will collect and remit sales taxes from consumers who purchase product directly through a Youngevity website.

For clarity, each Associate bears full responsibility for any resulting penalties or interest resulting from an Associate's failure to properly report income, products sold, or any other requisite information and/or an Associate's failure to properly pay any amount required to any taxing authority (be it provincial, territorial and federal).

Every year, Youngevity will provide such information as legally required to the federal government (and to any provincial governments, as required) reflecting the total amount of payments made from Youngevity to each independent contractor, along with any other information required by law.

Youngevity cannot provide independent contractors with any personal tax advice. Instead, independent contractors should consult with their own tax professionals for such advice.

## **26 Sales/Resales Location of Product**

To maintain a standard of fairness and professionalism, Associates, whether active or otherwise, may not display or sell Youngevity Products in any kind of retail settings or establishments, including, but not limited to, shops, stores, supermarket, retail outlets, drug stores, clinics, offices, agencies, establishments, fairs, exhibitions, events or the internet. Youngevity strictly prohibits the display of Youngevity Products to the public without Youngevity prior written approval.

## **27 Re-Packaging/Re-labelling Prohibition**

Associates, whether active or otherwise, shall not repackage or re-label any Youngevity Product. Nor shall the Product be removed from its original packaging and resold in any way or form other than its original condition.

## **28 Excess Inventory Purchases Prohibition**

The Youngevity program and compensation is built upon sales of Youngevity's Products and services to the End Consumer. Associates shall adhere to the 70% Rule set out under policy 15. Any device or scheme whereby an Associate directly or through a third party purchases excess Product solely for purposes of qualifying for bonuses or commissions is strictly prohibited and constitutes fraud or misconduct on the part of the Associate.

## **29 Sales Policy of Youngevity Products**

Associates shall not re-sell any Product(s) unless it is complete, factory sealed, and in its original packaging with all required labels intact. The Products shall be sold at the Suggested Retail Price except when there are Youngevity approved sales activities or promotions. Under no circumstances shall it be less than the prevailing wholesale price for same item from time to time published by the Company. See current Products' price list for details on wholesale price and Suggested Retail Price.

Associates shall not sell any Products in combination with any other non-Youngevity product.

### 30 Business Building Materials

Sales aids (business kits, business tools, marketing materials, etc.) are not items that carry a discount or a Bonus Volume credit. Placement Associates developing their networks should have a supply of these materials on hand to serve their Downline's growth needs.

### 31 Non-Solicitation and Conflicts of Interest

Youngevity imposes no restrictions on any Associate's participation or sales activities in other businesses or programs other than Youngevity unless such activities or programs would cause or result in a breach of the Agreement.

### 32 Third Party Materials

Unless Youngevity consents in writing, Associate may not sell or promote any third party training, sales or leadership products, materials or programs (collectively "Third Party Products") to other Associates, whether or not such Third Party Products are produced by the Associate.

## SPONSORING, PLACEMENT, SALES AND TRANSFER OF ORGANIZATION

### 33 Sponsoring

All Associates in good standing may enroll and place prospective Associates in their Downline organization within the Company's Associate program. The said placement must be finalized on or prior to the 90th day of enrollment. Placement cannot be changed after 90 days of enrollment.

### 34 Disclosure of Policy

Prior to enrolling a prospective Associate:

- a. Associates shall provide to and review with the prospective Associate an up-to-date copy of the Agreement; and
- b. no Associate will be compensated solely for enrolling prospective Associates, as ultimately all compensation is based on the selling of Products to End Consumers, which is the core of the Company's business. This fact must be emphasized in all recruiting presentations.

### 35 Responsibility of a Sponsor

Enrollers and Placement Associates:

- a. must offer general support, information, and assistance as well as bona fide supervisory, marketing, selling, and training support to Associates they enroll and or override, or otherwise benefit from through the compensation system;

- b. shall exercise their best efforts to ensure that all Downline Associates understand and comply with the most current terms and conditions of the Agreement, as well as all Applicable Laws;
- c. should always use their best efforts to settle disputes between an End Customer, a Preferred Customer, and/or any Downline Associate promptly and amicably.

### 36 Cross-Recruiting Strictly Prohibited

Associates are strictly forbidden from cross-recruiting, and shall not sell, recruit, propose, or in any other way induce or attempt to induce any other Associate to purchase any product or service, or to participate in any other income opportunity, scheme, investment, venture, or commit any other activity deemed, at the sole discretion of the Company, as cross-recruiting. This includes any such activities across any divisions of the Company, should any separate divisions with different compensation plans and/or hierarchy structures exist, unless, and as specifically stated otherwise. The integrity of the hierarchy and the relationships therein is of paramount importance to every Associate as well as to the Company. Any Associate in breach of this provision may be subject to immediate termination pursuant to the provisions above-mentioned.

### 37 Enroller Change or Transfer of Placement Distributorship

An Associate may change his Enrollers and Placement Associates by one of following methods:

- a. through voluntary termination of his current Distributorship, followed by the re-enrollment of a new Distributorship in the desired position of enrollment and/or placement. Such actions will result in the termination of the Associate's current Distributorship, along with all rights and benefits of said Distributorship, including commissions, as well as the subsequent loss of any downline Associates and/or Preferred Customers. This must be followed by a mandatory six (6) month period of inactivity as an Associate prior to the submission of a new Associate application.
- b. through the approved movement of the Associate's current Distributorship from one line of enrollment or placement to another. This method not only requires the approval of the Company, but it additionally requires the approval of six (6) levels of Upline Enrollers, using the Enroller/Placement change application. All Upline Enrollers must actively approve any move in writing, and verbal approvals or 3<sup>rd</sup> party approvals are not acceptable by the Company. Further, any lack of response by an Enroller within 10 days of notification will be construed as non-approval, and the Distributorship move will be summarily denied. This method of Distributorship movement within the hierarchy is valid for a single Distributorship only, and does not provide for the movement of any downline Enrollees or placed Associates. It does, however, provide for the movement of Preferred Customers that are personally enrolled by the Associate requesting the move.

### 38 Sales, Assignment and Transfer of Business

An Associate may not sell, assign or otherwise transfer his or her Distributorship, marketing position, or other Associate rights without written approval by the Company. Associate shall submit a Distributorship Transfer Application to apply for such a sale or transfer. Sale or transfer of a Distributorship will be automatically denied if the said transfer would cause a breach of any provision of these Policies and Procedures. Any Associate who sells, assigns or transfers his or her Distributorship shall not be eligible to re-enroll as an Associate for a period of at least six (6) months after the sale. The Company, after a review of the terms of the sale may, in its sole discretion, approve or disapprove a proposed purchaser's qualifications and intention to manage and develop the said Distributorship.

### 39 Assignment/Inheritance of Business

39.1 In the event of death of an Associate, such Associate's Marketing Organization may be assigned/inherited by an individual who can comply with the Agreement, pursuant to a written approval of the Company or a valid will, or in accordance with the intestacy laws of province or territory in which the Associate resides.

39.2 In the event of the death of the Associate, his rights to bonuses and marketing position, together with Associate responsibilities, shall pass to his successors in title subject to prior written approval by the Company. Such written application for succession must be received by the Company within ninety (90) days of the date of death of that Associate. If Youngevity does not receive appropriate instructions within ninety (90) days of the death of an Associate, the Associate Position will be deemed terminated at the end of the said ninety-days' period. The person who succeeds a Marketing Organization must furnish Youngevity with the necessary documentation that he is the executor or person seeking appointment by the court as administrator and is authorized to represent the estate. He must also execute an Application, fulfil all of the functions of an Associate and abide by the terms of Youngevity's Agreement. For the avoidance of doubt, such successor shall take over and be liable to the Company for any obligations, either payment or otherwise, outstanding and owed by the deceased Associate to the Company.

### 40 Confidential Information

40.1 Associate lists, including information of Marketing Organization, are proprietary and confidential information of the Company, with the exception of first level, personally enrolled Associates. The Company may forward genealogical information at a nominal cost to Associates, in strict and complete confidence, to help them manage their Marketing Organization and for no other purpose.

40.2 Every Associate who is provided with such information shall treat it as confidential and undertake to maintain its secrecy as well as refrain from making any use thereof for any purpose other than the management of his/her downline sales organization. Without limiting the generality of the foregoing, no such information may be used in cross-recruiting or with the intent to entice Company Associates into other network marketing organizations or schemes.



- 40.3 Any breach of this policy 40 by an Associate will result in the immediate suspension and/or termination of the Agreement. The Associate in breach may be subject to legal action for injunctive relief and/or damages.

## COMMISSION AND BONUS

### 41 Leadership and Supervisory Responsibility

Youngevity's compensation is based on the sales of Products to the End Consumer. To qualify for this compensation, Associates have an ongoing responsibility to promote the Youngevity business opportunity, to support Youngevity's policies, programs and personnel, and to service, supervise, motivate and train the Associates in their Marketing Organization to sell and market Youngevity Products and promote the Youngevity business opportunity.

### 42 Commission, Bonus and Monthly Business Report

- 42.1 As long as an Associate complies with all policies and the terms of the Agreement, Youngevity will pay all commissions and bonuses due to the Associate in accordance with the Youngevity Incentives Program. An Associate's commissions and bonuses constitute the entire consideration for all of the Associate's efforts in generating sales, and the Associate's right to receive commissions and bonuses from Youngevity constitutes the entire value attributable to the Associate's Marketing Organization.

- 42.2 Monthly business report showing the Associate's commission and bonus details ('Monthly Business Report') will be made available on the Youngevity Associate online BackOffice. Associates should use their Monthly Business Report as a tool to manage, supervise and train the members of their Marketing Organizations. The information contained in the Monthly Business Reports is proprietary trade secret information, and Associates are prohibited from disseminating the information contained therein except to manage, supervise and train members of their Marketing Organizations. Please kindly approach customer service for such request.

### 43 Recovery of Commission

Associates shall be responsible for reimbursing Youngevity for all commissions paid with respect to returned product (at any level). Youngevity reserves the right, in its sole discretion, to deduct such amounts from future commission payments.

### 44 Forfeiture of Rights to Bonuses and Commissions

- 44.1 Upon termination of the Agreement, either voluntary or involuntary, you shall have no right, title, claim or interest to the Marketing Organization. You shall have no claim for compensation for the Marketing Organization or for bonuses or commissions stemming from sales generated within or by the Marketing Organization including any bonuses that may have been accrued but not yet paid to you.
- 44.2 Following voluntary or involuntary termination of the Agreement, you shall not hold yourself out as a Youngevity Associate and shall not have the right to sell Youngevity Products or services or to recruit new Associates.

## ADVERTISING, PROTECTED MATERIALS, INTERNET, MEDIA AND SOCIAL MEDIA GUIDELINES

### 45 Company Approved Marketing Materials

It is mandatory that all Associates use only Company generated and approved advertising materials in the promotion of the Youngevity income opportunity or any Youngevity Products. Youngevity shall not be liable nor be required to, nor will it defend or hold harmless any Associate using non-approved advertising materials, in any form, that is found to be in breach of any Applicable Laws. Please read these provisions carefully. Full compliance with them is not only expected, it is necessary to avoid breach of the laws in the countries that Youngevity operates in.

### 46 Regulatory Guidance

In addition to Youngevity's Policies on advertising, Associates shall ensure they do not use any false or misleading statements or material omissions of information that may be construed as deceiving the public in any advertising, whether in print, written, electronic, verbal, or any other form or media considered advertising, in contravention of any Applicable Laws. For clarity, any statements with respect to products regulated as natural health products or drugs in Canada must be completely in line with the recommended use or purpose as outlined on the product label.

### 47 Product Claims, Personal Testimonials and Warranties

Associates may not make, suggest or imply that the consumption, use or application of Youngevity Products are intended, offered or considered as medical treatment of any disorder, disease or medical condition, either physical or mental, unless specifically outlined in the recommended use or purpose of the product label of a product regulated as a natural health product or drug. Associates may not make claims regarding Youngevity Products, or product warranties except those that are made available in the Official Youngevity Material. Associates shall not publish or distribute information relating to the use of Youngevity Products other than those, which are set forth in Official Youngevity Material. Associates may not utilize Official Youngevity Material, which is approved for use in one country to make product claims or promote Youngevity Products in another country.

Personal testimonials regarding Youngevity Products posted on any company-sponsored, as well as personal social media platforms, are considered product claims and must comply with this policy and all Applicable Laws.

### 48 Representation of Government Endorsements

Regulatory agencies do not endorse direct selling programs or product or service. Unless expressly communicated in Official Youngevity Material, product literature and/or communication, Associates may not accept endorsements by any third parties. Associates may not state, directly or indirectly, that Youngevity Products or services or Incentives Program has been approved, evaluated or endorsed by any other government agency; or make any claim regarding its Products not expressly authorized in writing by Youngevity.

#### 49 Compensation, Income Claims and Testimonials

Associates are strictly prohibited from making false, misleading, deceptive, exaggerated statements or inaccurate claims, income projections about their or other persons' compensation received under the Youngevity Incentives Program. If actual income examples, extrapolations, or geometric progressions are used, the Youngevity approved income disclosure statement available at [https://youngevityrc.com/wp-content/uploads/Canada\\_Income\\_discloser\\_statement\\_EN\\_FR.pdf](https://youngevityrc.com/wp-content/uploads/Canada_Income_discloser_statement_EN_FR.pdf) must also be disclosed. Examples used to illustrate how the Plan works are allowed; however, they must be clearly marked or specified as "examples only" and any relevance to anticipated success is disclaimed.

Associates are legally responsible and are liable for the claims made regarding the Company, products, and the business opportunity.

#### 50 Default Rule of Advertising Use

Unless otherwise approved by Youngevity, any advertising, including, but not limited to, brochures, pamphlets, recordings, videos, e-Mail content, websites, blogs, newsletters, scripts, articles, banners, presentations, displays, mobile/phone applications or other applications of any kind that are not produced and made available directly by Youngevity are deemed to be non-approved, non-compliant advertising, and must not be used to promote any aspect of the Youngevity income opportunity or Products.

#### 51 Esoteric, Non-Intuitive Content

The laws regulating the use of advertising, claims, and information made available regarding nutritional products, network marketing, income opportunities, and health and or income claims are vast, containing many esoteric indications and rationale that are not always intuitive or obvious, especially to the layperson.

Youngevity is reticent to approve any Associate generated advertising. Even in such cases where the Associate generated advertising is approved, the Company may in its discretion deny or revoke approval on any advertising for any reason at any time, with no liability or recourse for expenses incurred by Associate to create, distribute, or repeal the said advertising. Once notified of same, Associate must discontinue any use of the said unapproved advertising immediately.

#### 52 Production and Re-Production of marketing materials or Product Literature Prohibited

Associates shall not, without the prior consent of the Company, produce, re-produce, promote, or use any copyright protected or otherwise proprietary materials, whether owned by the Company or otherwise, including without limitation materials containing the Proprietary Marks that are obtained directly from the Company.

#### 53 Recording, Reproduction and Uploading

Associates shall not produce, re-produce or upload Youngevity produced audio and/or video contents/materials detailing the Youngevity opportunity or Products. Associates shall not audio or video record in any manner Youngevity events and functions.

## 54 Supplier Confidentiality

All purchases of Youngevity Products, literature, and promotional material must be purchased from Youngevity in accordance with these Policies and Procedures. You shall not purchase Youngevity products, literature, and promotional material from a Youngevity supplier. You are not allowed to contact any Youngevity suppliers for any reason. Contact is described as, but not limited to, telephone calls, recorded voice messages (voicemail), facsimile transmission (fax), written communication, or electronic correspondence (e-mail). Any violation of this policy can, depending on severity, result in the termination of the Agreement. For the avoidance of doubt, this provision applies to both Associates and Preferred Customers.

## 55 Internet Sites

- 55.1 The Company welcomes the use of the Internet and on-line platforms to promote the Products, services, and income opportunity. However, just as with any written or spoken advertising, ethical and compliant use of such media must be maintained. This encompasses Company-sponsored communities as well as those maintained by the Company's independent representatives and Associates. It is the intention of Youngevity that these communities are used to provide community members with a forum for discussion, community building, and the exchange of ideas.
- 55.2 However, Associates may not market and/or promote the Youngevity's business opportunity and marketing plan, offer or put on sales Youngevity's Products or services on any e-commerce, auction, classified ad or social networking internet site. This is not limited to, internet sites that have their content based on user participation and user generated content, forums, message boards, blogs and podcasts, including without limitation, eBay, Amazon, Kijiji, Facebook, Craig's List, Twitter, Youtube, and Instagram. Youngevity products, marketing plan and business opportunity may be marketed on the internet only through Youngevity approved websites and not through Associate or third party websites of any kind.
- 55.3 Except as contemplated in the Agreement, the use of trademarks, service marks or copyrights owned by the Company or Youngevity International Inc. is explicitly prohibited on the internet.

## 56 Associate Website Policy

This provision defines the creation and use of official websites created by Youngevity Associates for the purpose of promoting themselves as a Youngevity Associate and the Youngevity products. A website is defined as any use of a computer, the Internet, and the World Wide Web to display, comment on, or otherwise transmit information in graphic, text, or audio form. As with any advertisement or promotion, the Policies and Procedures of Youngevity shall prevail and should be followed.

- a. The name "Youngevity" and all Products' names/brands and logos are Proprietary Marks belonging to and owned by Youngevity International Inc. No Proprietary Marks,



in their entirety, in part, or hyphenated shall be used in any domain name, URL, email address or social media accounts, names, and identifiers.

- b. Only websites owned, controlled, and designated by the Company or Youngevity International Inc. as such can be considered as an "official website" or any iteration thereof. These official websites include, but are not limited to [www.Youngevity.ca](http://www.Youngevity.ca), and many other micro sites, and subordinate sites. Only representatives of good standing may have access to the Company replicated sites, including, but not limited to [www.Youngevityonline.com](http://www.Youngevityonline.com), as well as access to the tools, programs, back office access, and other areas contained therein.
- c. Hyperlinks of Youngevity official websites to any other websites whether or not providing or promoting competing products are strictly prohibited.
- d. No products other than Youngevity products may be mentioned or sold on any Youngevity Associate's website. This includes but is not limited to product comparisons.
- e. All email advertising must be in compliance with all prevailing local, provincial/territorial, and federal laws concerning unwanted, unsolicited emails also known as spam. Spamming is illegal and will not be tolerated by Youngevity.
- f. It is strictly forbidden for any Associate to represent him/herself or any Products, product packages, or affiliations through direct or indirect inference through any website, advertisement, email, or any other means as other than is actually true and as outlined herein. Any represented affiliation with any person, persons, groups, or organization(s) that is against the wishes of, or unknown to said affiliate, will be viewed upon as fraudulent and in breach of the Agreement.

## **57 New Media Channels and Technology**

Associates may not market and/or promote the Youngevity's business opportunity and marketing plan, offer or put on sales Youngevity's Products or services on new media channels and technology of any kind (i.e. mobile/phone Apps, or Apps of any application) that may become available over time.

## **58 Mass Marketing and Spam**

This is the idea of maximum outreach with the broadcast of a message that will reach the largest number of people possible through whatever channels, technologies or media available. This is not limited to, unsolicited emails, email flyers, Short Message Service (SMS), Multimedia Messaging Service (MMS), blogs, publications on all social media platforms.

Associates are responsible for all information regarding the Product and marketing program which is not expressly contained in the marketing and promotional materials from Youngevity. Any form of "spamming" as well as outreach efforts without consent is strictly prohibited.

Associates shall not attempt to market or offer for sales any Products or services through the form of surveys, contests, chain letters, investment and pyramid schemes.

"Spamming" as well as telephoning or faxing without consent obtained in compliance with the applicable laws, including Canada's Anti-spam Legislation, (CASL), is strictly prohibited. All penalties for failing to comply with CASL or any other applicable law will be at the Associate's sole expense and liability, including but not limited to if they are assessed directly against Youngevity due to any Associate's noncompliance. Potential penalties under CASL are extremely high, and may include an administrative monetary penalty of up to \$10,000,000.

Any email sent by an Associate that promotes the Associate or Youngevity products and services must comply with the applicable law and the following requirements:

#### 58.1 Message Content

- a. There must be a functioning return email address to the sender.
- b. There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- c. The email must include the Associate's physical mailing address.
- d. The email must indicate the name under which the Associate carries on business.
- e. The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- f. Messages that encourage persons to enroll with Youngevity as a preferred customer must include the name Youngevity Canada Inc., and indicate that the message was sent by the Associate for Youngevity.
- g. The use of misleading or deceptive subject lines and/or false or misleading header information is prohibited.
- h. All opt-out requests, whether received by email or regular mail, must be honored within ten (10) business days.

#### 58.2 Obtaining Consent to Send Messages

Under CASL, a person who sends an unsolicited electronic commercial message, including email and text message, must have the express or implied consent of the recipient of the message.

To obtain express consent to send commercial email or electronic messages, you must:

- a. State the purpose for which you are seeking consent, (e.g. to send commercial email).
- b. State the name under which you carry on business.
- c. Provide your physical mailing address.
- d. Provide at least one of your telephone number, email address, or web address.
- e. State that consent may be withdrawn.

- f. Obtain the individual's consent in a manner that allows you to evidence it. For example, provide a consent box they may click, or physically check. Do not create an assumed consent (e.g. a pre-checked box) or opt-out mechanism.

Implied consent to send commercial email or electronic messages will exist only where the recipient of the message:

- a. Has an "Existing Business Relationship" with the Associate as the message recipient:
  - i. made a purchase, or accepted a business opportunity, from the Associate within the two year period immediately prior to the day on which the message is sent, or
  - ii. made an inquiry or application to the Associate within the six month period immediately prior to the day on which the message is sent.
- b. Has a "Family Relationship" with the Associate through:
  - i. a legal parent/child relationship
  - ii. marriage; or
  - iii. common-law partnership; and
  - iv. the Associate and their relation have had voluntary, direct two way communications.
- c. Has a "Personal Relationship" with the Associate, based on direct voluntary two-way contact and it would be reasonable to conclude that the relationship is "personal" taking into consideration all relevant factors such as the sharing of interests, experiences, opinions and information evidenced in the communications, the frequency of communication, the length of time since the communication and if the parties have met in person.
- d. In all cases, there is no implied consent if the individual has indicated they do not wish to receive messages.

### 58.3 Referrals

CASL allows individuals to refer their friends and family to companies and business people, and allows the company or business person who receives a referral to send one email to the referred person. However, to make a referral, a person must have a relationship with both the Associate, and the person referred. The acceptable relationships are defined above, and are:

- a. Existing Business Relationships
- b. Family Relationships
- c. Personal Relationships

If an Associate wishes to solicit referrals, the solicitation must state that the referrer must have one of these relationships with the Associate, and with the person referred, and that the person referred has agreed to receive a message from the Associate. The solicitation must state that the Associate's message will identify the person who makes the referral. An

example of an acceptable referral would be an existing customer of the Associate referring their friend to the Associate.

Once the Associate receives a valid referral, the Associate may send a single email message to the person referred. The referral message must include the full name of the person who made the referral, and must state that the message was sent as a result of the referral. Referral messages must also comply with Message Content requirements set out above. After sending a single referral message, the Associate must then delete the referred email address, and not use it for other purposes or send further messages to it, unless they receive consent to do so from the individual.

#### 58.4 Telemarketing

Canada has laws that restrict telemarketing practices, which are regulated through the Canadian Radio-television Telecommunications Commission (CRTC). The CRTC has “do not call” rules. These government regulations broadly define the terms “telemarketer” and “telemarketing” so that an Associate’s inadvertent action of calling someone whose telephone number is listed on the national “do not call” registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties. All penalties will be at the Associate’s sole expense and liability, including but not limited to if they are assessed directly against Youngevity due to any Associate’s noncompliance. Therefore, Associates must not engage in prohibited telemarketing in the operation of their business, and must not make repeat or harassing phone calls to customers.

The term “telemarketing” means the placing of one or more unsolicited telephone calls or unsolicited “telecommunications” to an individual or entity to induce the purchase of a product or service, or to recruit them as an Associate. “Telecommunications” include both telephone calls and fax communications. Both “cold calls” and unsolicited fax messages made to prospective customers or recruits to promote either Youngevity’s products or services or to become an Associate constitute “telemarketing” and are prohibited.

#### 59 Media Inquiries

Associate is not corporate representative or agent, as such Associate is strictly prohibited from granting radio, television, newspaper, tabloid, internet, or magazine interviews, or using public appearances, public speaking arrangements, fund raising events, trade shows, or making any type of statement to the public media to publicize and promote Youngevity, the Products, services, or the Youngevity business opportunity, without express prior written approval from Youngevity. This is to ensure that accurate and consistent information reaches the general public. Therefore, Associate may not, for any reason, discuss their Marketing Organization with the media, nor act as spokespersons for Youngevity nor talk to the media regarding Youngevity, its Incentives Program, the Products or services. It is a breach of the Agreement to provide any information to the media, regardless of whether the information is positive or negative, accurate or inaccurate. All inquiries from the media (whether radio, television, internet or print) must be referred to the Youngevity corporate office.

## 60 Compliance to Advertising Policy

The Company audits and monitors web activity for unapproved and/or unauthorized advertising on a continued basis. Should the Company come across anything that is a breach of the Agreement, it may request that such unapproved or unauthorized advertisement be taken down or removed immediately by Associate at his own cost and expense. All notices and requests will be made in accordance to the Agreement. Failure to comply this provision will constitute a breach of the Agreement and may lead to the termination of the Agreement, forfeiture of any and all commissions and other consequences set out in the Agreement.

## BREACH AND TERMINATION

### 61 Policy Violation

All Associates are obligated to report any and all breaches of these Policies and Procedures. Any such complaints will be promptly investigated, and appropriate action will be taken. The identity of anyone reporting such breaches will be protected and the best interests of Youngevity as well as the reporting Associate will be considered at all times during and after the said investigation, unless this is not allowed under any Applicable Laws.

- a. Most breaches of the Policies and Procedures occur through lack of awareness or understanding on the part of the defaulting Associate. Associates observing a breach should immediately point out the breach directly to the defaulting Associate.
- b. Associates who observe continued violations by another Associate following the personal contact outlined in the preceding sub-policy (a), should report the breach in writing to the Company. Details such as dates, number of occurrences, and evidence, along with any supporting testimony, should be included in the report.
- c. Any violation, whether material or not, of the advertising, use of Company Name(s) or Intellectual Property, and any section of the Agreement must be referred directly to Youngevity.
- d. It is the obligation of every Associate to maintain the integrity of these Policies and Procedures to ensure fairness and equal opportunities to all Associates.
- e. Failure of the Company to enforce any of these Policies and Procedures with one Associate does not waive the right of the Company to enforce any such provision(s) against that same Associate or any other Associate.
- f. To the fullest extent permitted by law, the Company shall not be liable for, and Associate releases the Company from, and waives all claims for, any loss of profits, indirect, direct, special, or consequential damages or any other loss incurred or suffered by Associate as a result of:
  - i. any breach by the Company of any terms and conditions of the Agreement;
  - ii. the operation of Associate's business;
  - iii. any incorrect or wrong data or information provided by the Associate; or

- iv. the failure to provide any information or data necessary for the Company to operate its business, including without limitation, the enrollment and acceptance of an Associate into the Incentives Program or the payment of commissions and bonuses.

## 62 Corrective Measure or Remedies

- 62.1 Youngevity adopts a zero tolerance approach to breach of the Agreement to protect the long term interest of all involved. In the event an Associate (i) is found to be in breach of any provision of the Agreement or any Applicable Laws; or (ii) becomes bankrupt or is the subject of bankruptcy proceeding; or (iii) commits any illegal, fraudulent, deceptive or unethical act or conduct, Youngevity may, in its discretion, take any or more of the following actions (without prejudice to any rights otherwise available to Youngevity):
- a. take disciplinary action including without limitation issuance of a written warning or admonition;
  - b. withholding or forfeiture of commission and/or bonus cheques, which may be imposed immediately or in the future as a compensation for any breach of the Agreement;
  - c. off-setting commission and/or bonus cheques, which may be imposed immediately or in the future, against any loss, damage, claim, cost and expense howsoever arising incurred by Youngevity;
  - d. reassignment of all or part of his/her Marketing Organization;
  - e. suspension of the Agreement for one or more months;
  - f. terminate the Agreement pursuant to the terms and conditions of the Agreement;
  - g. pursue legal recourse against him, as well as claiming reimbursement by him for any expenses, including attorney's fees and legal fees, howsoever arising therefrom;
  - h. any other measure expressly stated in the Agreement.
- 62.2 Youngevity may, in its absolute discretion, withhold from an Associate all bonuses and commissions during the period that Youngevity is investigating the alleged breach or misconduct of the Associate. If an Associate's Agreement is terminated due to a breach preceding the investigation, Youngevity shall be entitled to off-set any loss, damage, claim, cost and expense howsoever arising incurred by Youngevity against any commissions or bonuses withheld by Youngevity during the investigation period as compensation for any breach of the Agreement.

## 63 Termination

- 63.1 Youngevity may terminate the Agreement with an Associate by giving seven (7) days written notice to that Associate. Unless otherwise stated by Youngevity, such termination shall take effect upon the expiry of the said seven days.
- 63.2 An Associate may terminate the Agreement at any time by providing prior written notice to the Company bearing his original signature, printed name, address, Youngevity



identification number and reason for terminating the Agreement (this is to assist Youngevity in on-going efforts to improving its customer service). Such termination notice shall take effect:

- a. if served on the Company on or before the 25th day of a month, on the 1st day of the following month; and
- b. if served on the Company after the 25th day of a month, on the 1st day of the month after the following month.

### 63.3 Deemed Voluntary Termination:

- a. It is the Associate's responsibility to lead his Marketing Organization by example in production of Personal Bonus Volume and Group Bonus Volume through product sales, failing which the Associate will lose his right to receive commissions and bonuses generated through his Marketing Organization.
- b. Associate who fails to achieve the minimum Personal Bonus Volume required to maintain his active status during any particular month, as set forth in the Incentives Program, will not receive the commission or bonus attributable to his status for the sales generated through his Marketing Organization for that month. Failure to meet Personal Bonus Volume and Group Bonus Volume requirements for two consecutive months constitutes the Associate's voluntary termination of the Agreement, pursuant to which he will lose all his Enrollees and his Marketing Organization. Such termination shall become effective on the day following the last day of the second month of inactivity.
- c. An Associate who fails to renew his membership after a sixty (60) days lapse constitutes the Associate's voluntary termination of the Agreement, pursuant to which he will lose all his Enrollees and his Marketing Organization. Such termination shall become effective on the day following the last day of the said sixty (60) days period.

63.4 Upon termination of this Agreement, that Associate is no longer entitled to sell any Products or to enroll other Associates. In addition, said Associate shall lose all rights to their existing downline and shall no longer be entitled to receive sales commissions, overrides, bonuses, awards, or any compensation whatsoever from the Company, nor shall they be entitled to any rights to their former downline genealogies or Associate lists.

63.5 The termination or expiration of the Agreement shall not affect any rights and remedies of Youngevity accrued prior to such termination or expiration nor relieve any party of liability for any breach of the Agreement occurring prior to the termination or expiration.

## 64 Return of Goods on Termination

64.1 Subject to the provisions of the Agreement, any Associate who wishes to return any Products purchased upon termination of the Agreement must notify the Company of their intention in writing ("Return Notification"). The Return Notification must include a list all the Products the Associate intends to return, the quantities of each Product, the sales order number(s) under which each of the Products were purchased and such other information

as may be required by the Company. The Return Notification must be signed by the Associate and must include an acknowledgement by the said Associate that he may not become an Associate within six (6) months from such termination.

- 64.2 The Company shall not accept the return of any Products in the Return Notification unless the Products are unopened and in a Commercially Resalable Condition and such Products were purchased no more than sixty (60) days prior to return. The Company will purchase these returned Products at a price ninety percent (90%) of the original net cost to the Associate returning such goods. All Products returned for refund must be complete. The Company will not accept partial return for Products previously purchased. The Company will charge a refund processing fee of 10% of the price of Product refunded.
- 64.3 For purpose of this policy 64, Products purchased more than thirty (30) days prior to return shall not be considered to be in "Commercially Resalable Condition" if: (a) the Products' shelf-life period has passed or will expire in less than twelve (12) months after they are returned for repurchase by the Company; or (b) the Products are seasonal, discontinued, or special promotional products.
- 64.4 If bonuses were paid to a terminating Associate's Upline on volume represented by returned Products, commissions related to such volume will be "claw-backed" and debited from all Upline's accounts. A "claw-back" transaction will appear in the personal purchases section of the Upline's next "adjustment summary" with the name of the Associate whose commercial relation was terminated in the description.
- 64.5 Any Products returned to the Company must be fully paid by the Associate before return. Once the Product is received, a credit will be issued and a cheque will be sent by the 15th day of the following month, or a credit will be issued on the credit card originally used for the purchase. The Associate's commercial relation will then be permanently terminated.

## **D. MISCELLANEOUS**

### **65 Consent to Publication**

From time to time, at Youngevity events or other functions or occurrences, solely for the purposes of promoting the Products, the Company, or combination thereof, the Company may take photos, record audio and or video of events, testimonials, sessions, or interviews and the like. The said photos, video, and or audio may include the image, likeness, and or voice of any and/or all attendees of the event, function, or occurrence. Attendees may include, but are not limited to Associates, Preferred Customers, and or prospective Associates or Preferred Customers and/or any other guests (Hereinafter for the purposes of this provision will be inclusively referred to as "Subject"). The Associate agrees and understands that it is his/her responsibility to disclose this provision to any guest that he invites to any Company event, function, or other occurrence. Any such photography, videography, and or voice recording will be obviously and or clearly disclosed to the Subject. The Company will use its best and reasonable efforts to ensure that no photos, videos, and or audio recordings will be gathered against the expressed wishes of the Subject. However, continued attendance by a Subject at any event, function, or occurrence

where photos, video, and or audio are being captured will, in all cases, be construed as an agreement and acceptance of the following:

- a. subject grants permission to the rights of his image, likeness and sound of his/her voice as recorded on audio or video without payment or any other consideration;
- b. subject understands that his image may be edited, copied, exhibited, published or distributed and summarily waives the right to inspect or approve the finished product wherein his likeness appears;
- c. additionally, Subject waives any right to royalties or other compensation arising from or related to the use of his image or recording;
- d. subject also understands that these images and or recordings may be used in diverse educational, commercial or promotional settings within an unrestricted geographic area; and
- e. there is no time limit on the validity of this understanding and subsequent release, nor is there any geographic limitation on where these materials may be distributed.

## 66 Confidentiality

Without prejudice to the foregoing provisions, all information and material disclosed or made known to you by Youngevity pertaining the subject matter under the Agreement, shall not be disclosed or otherwise disseminated by you without prior written approval of Youngevity, and such information and material shall not be used by you except in furtherance of the purposes of this Agreement.

## 67 Intellectual Properties and Proprietary Marks

### 67.1 Trade Mark, Service Mark and Trade Name Restrictions and Compliance

- a. Youngevity International Inc. owns the Intellectual Property and all rights and subject matters comprised therein and has the exclusive right to utilize the Intellectual Property; grant any other person a licence to use the Intellectual Property, and adapt, amend and modify any of the Intellectual Property by variation, addition, renewal, substitution or howsoever otherwise.
- b. Save as otherwise consented by the Company (as licensee of Youngevity International Inc.) in writing, Preferred Customers and Associates shall not use, reproduce or disseminate any Proprietary Marks, or anything confusingly similar thereto, except in the use and dissemination of literature published and made available by Youngevity and on stationary and business cards produced and authorized by Youngevity.
- c. You shall take such action as the Company (as licensee of Youngevity International Inc.) may from time to time direct in relation to the use of, or refrain from using, any Intellectual Property. You shall not apply for registration of a trademark, trade name, business name or social media identifier as proprietor of any of the Proprietary Marks, or anything confusingly similar thereto, in any part of the world or on media of any kind. If at the time Youngevity International Inc. desires to apply for registration of any Proprietary Marks in any territory and discovers that you have, in breach of this

provision, so applied or registered that Proprietary Mark or a mark similar to the Proprietary Mark, then on written demand by Youngevity, you shall at your own expense file such applications as may be required and do all such acts and things and execute all such documents necessary to assign such application or registration and all rights in such Proprietary Mark to Youngevity International Inc.

- d. The goodwill and all other rights in and associated with the Proprietary Marks shall vest absolutely in Youngevity International Inc. It is the intention of the parties that all such rights shall at all times and for all purposes remain vested in Youngevity International Inc. In the event that any such rights shall at any time accrue to you by operation of law or otherwise, you shall immediately upon demand, at your own expense, do all such acts and execute all such documents as Youngevity shall deem necessary to vest such rights absolutely in Youngevity International Inc.

## 68 Severability

Should any provision of the Agreement (or part thereof) be, or is found to be, invalid or unenforceable under, or in violation of applicable laws, such provision (or part thereof) will be deemed ineffective only to the extent of such invalidity, unenforceability or violation. This shall not invalidate or render unenforceable the remaining of that provision and any other provisions of the Agreement.

## 69 Force Majeure

- a. For the purposes of these Policies and Guidelines, the term "Force Majeure Event" shall mean any event, cause or occurrence or series of events, causes or occurrences beyond the control of Youngevity. Such event, cause or occurrence includes natural disaster, war, telecommunication outage, civil unrest, riot, strike, terrorist act, explosion, flood, fire, hostilities, chemical or biological contamination, epidemic, international or domestic political crisis, and any government decrees or orders or curtailment of a party's usual source of supply.
- b. In the event that Youngevity fails or delays in the performance of its obligations under the Agreement due to a Force Majeure Event, Youngevity will notify the Associate of such Force Majeure Event. Nonetheless, all parties shall still endeavour their best effort to continue to perform and fulfil their respective obligations.
- c. Youngevity shall not be liable to any person for any loss or damage resulting from any failure or delay in the performance of the Agreement or any part thereof, or its ability to perform its obligations hereunder, if such failure or delay is caused directly, in whole or in part, by any Force Majeure Event. Once the Force Majeure Event has ended, Youngevity will resume and perform all its obligations in accordance with the Agreement.
- d. Should a Force Majeure Event continue for a period of [sixty (60)] days or longer after the aforesaid notice, Youngevity may terminate the Agreement by giving at least a [thirty (30)] days' prior written notice, provided that such termination notice shall become void if Youngevity is able to continue to fully perform its obligations before the expiry of the said [thirty (30)] days' termination notice.

## 70 Indemnity

Without prejudice to any other rights available under the law or this Agreement, Associates agree to indemnify and hold harmless Youngevity, its shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, the Associate's (a) activities as an associate; (b) breach of any terms or conditions of the Agreement; and/or (c) violation of or failure to comply with any Applicable Laws and in the countries in which you conduct your Youngevity business.

## 71 Surviving Provisions

The termination of the Agreement for whatever reasons, without prejudice to any other rights or remedies which Youngevity may be entitled to hereunder or at law and shall not affect any accrued rights or liabilities of either party nor the coming into or continuance in force of any provision which is expressly or by implication intended to survive such termination (including without limitation to policy 26 of *(Sales/Resales Location of Product)*, policy 27 *(Re-Packaging/Re-labelling Prohibited)*, policy 29 *(Sales Policy of Youngevity Products)*, and all policies (except policy 69 *(Force Majeure)*) under Part D), and the definitions, which shall survive the termination of the Agreement and shall remain in full force and effect notwithstanding such termination.

## 72 Governing Law, Jurisdiction and Venue

This Agreement, its interpretation and enforcement, and all claims arising out of or relating to this Agreement, whether asserted in law or equity, contract-based, tort-based, or otherwise, and including substantive claims or defences asserted within any arbitration proceeding, shall be governed by the laws of the Province of Ontario without regard to choice of law or conflicts of law principles. Procedural matters in any arbitration proceeding shall be governed by the ADR Chambers arbitration rules. Mandatory and exclusive jurisdiction and venue of any claim, dispute, matter, controversy, or action between Youngevity and any Associate(s) that is not subject to arbitration shall be in the Superior Court of Ontario commenced in Toronto, Ontario to the exclusion of all other venues and forums and Associates hereby waive any and all objections to such venue, including personal jurisdiction and forum non-conveniens. The institution of an action or proceeding by an Associate against Youngevity in another venue or forum in violation of this provision shall be a material breach of this Agreement causing Youngevity irreparable harm, and the Associate agrees and stipulates that Youngevity shall be entitled to temporary, preliminary, and permanent anti-suit injunctive relief to enforce this provision. Associates agree that notwithstanding any statute of limitation to the contrary, any claim an Associate may wish to bring against Youngevity for any act or omission relating to this Agreement must be brought within one (1) year from the date of the alleged act or omission giving rise to the claim. Failure to bring such claim within the permitted time shall act as a bar against all claims against Mialisia for such act or omission. Associates waive any and all claims or rights to have any other statute of limitation apply.

## 73 Mandatory Arbitration and Dispute Resolution

EXCEPT AS MAY BE PROVIDED OTHERWISE BY THESE POLICIES, ANY CLAIM OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER SUCH CLAIM ARISES IN TORT, CONTRACT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED BY BINDING AND CONFIDENTIAL ARBITRATION ADMINISTERED BY THE ADR CHAMBERS ARBITRATION RULES BEFORE A SINGLE ARBITRATOR. ASSOCIATES HEREBY WAIVE THEIR RIGHTS TO TRIAL BY JURY OR BY ANY COURT EXCEPT AS EXPRESSLY PROVIDED HEREIN. THE HEARING SHALL OCCUR NOT LATER THAN ONE HUNDRED AND EIGHTY (180) DAYS FROM THE DATE THE DEMAND IS MADE, ABSENT AGREEMENT BY THE PARTIES OR EXTRAORDINARY CIRCUMSTANCES, WITH A JUDGMENT ON THE AWARD ENTERED WITHIN THIRTY (30) DAYS AFTER THE CONCLUSION OF THE HEARING. THE ARBITRATION SHALL BE CONDUCTED IN A LOCATION REASONABLY ACCESSIBLE TO THE ASSOCIATE OR AT THE ASSOCIATE'S OPTION IN TORONTO, ONTARIO, CANADA. HOWEVER, THE JUDGMENT ON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

Either party may initiate an Arbitration by providing a Notice to Arbitrate to the other party:

- a. The notice must include a description of the Dispute and the relief sought to be recovered. A sample of a Notice to Arbitrate can be found at:  
<http://adrchambers.com/uploads/Notice%20to%20Arbitrate.pdf> ("Notice to Arbitrate")

- b. Three copies of the Notice to Arbitrate, plus the appropriate filing fee, must also be sent to:

ADR Chambers  
180 Duncan Mill Road, 4th Fl.  
Toronto, ON  
M3B 1Z6

- c. One copy of the Notice to Arbitrate must be sent to the other party in accordance with the Notice provision hereinafter set out.

THE ARBITRATOR SHALL HAVE COMPLETE DISCRETION OVER THE DISCOVERY AND PRODUCTION PROCESS. COPIES OF THE ADR CHAMBERS ARBITRATION RULES MAY BE DOWNLOADED AT: <http://adrchambers.com/ca/arbitration/regular-arbitration/arbitration-rules/> EXCEPT THAT THE ADR CHAMBERS MAY NOT ADMINISTER ANY MULTIPLE CLAIMANT OR CLASS ARBITRATION. IN THIS REGARD THE PARTIES SPECIFICALLY AGREE THAT THEY MAY BRING DISPUTES AGAINST THE OTHER PARTY ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A CLASS MEMBER IN ANY PROPORTED CLASS OR REPRESENTATIVE PROCEEDING INCLUDING WITHOUT LIMITATION ANY CLASS ACTION OR CLASS ARBITRATION. AN ARBITRATOR SHALL NOT COMBINE OR CONSOLIDATE MORE THAN ONE PARTY'S CLAIM WITHOUT THE WRITTEN CONSENT OF ALL AFFECTED PARTIES TO AN ARBITRATION PROCEEDING. THE ADR CHAMBERS MAY NOT ADMINISTER ANY MULTIPLE CLAIMANT OR CLASS ARBITRATION AS THE PARTIES SPECIFICALLY AGREE THAT THE ARBITRATION SHALL



BE LIMITED TO THE RESOLUTION ONLY OF INDIVIDUAL CLAIMS. THE ARBITRATOR HAS THE DISCRETIONARY AUTHORITY TO AWARD THE COSTS OF THE ARBITRATION, THE ARBITRATOR'S FEES, AND ANY REASONABLE AND NECESSARY ATTORNEYS' LEGAL FEES INCURRED IN CONNECTION WITH A DISPUTE RESOLVED IN FAVOR OF THE PREVAILING PARTY. THE COSTS OF INITIATING THE ARBITRATION SHALL BE BORNE BY THE PARTY INITIATING ARBITRATION, WITH ALL REMAINING COSTS AND FEES SPLIT EQUALLY BETWEEN THE PARTIES UP THROUGH ISSUANCE OF A FINAL AWARD. WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW ANALYSIS, THE PARTIES AGREE THE AGREEMENT, AND ANY MATTER ARISING OUT OF OR RELATING TO OR INVOLVING THE AGREEMENT THAT IS SUBMITTED TO ARBITRATION, WILL BE GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO, INCLUDING WITHOUT LIMITATION THE *ARBITRATION ACT 1991*, S.O. 1991 c. 17 AS AMENDED.

UNLESS OTHERWISE STIPULATED BY ALL PARTIES THERETO, THE PARTIES AND THE ARBITRATOR SHALL MAINTAIN THE CONFIDENTIALITY OF THE ARBITRATION PROCEEDINGS AND SHALL NOT DISCLOSE TO ANY THIRD PARTY THE SUBSTANCE OF, OR BASIS FOR, THE CONTROVERSY, DISPUTE, OR CLAIM; THE SUBSTANCE OR CONTENT OF ANY SETTLEMENT OFFER OR SETTLEMENT DISCUSSIONS OR OFFERS ASSOCIATED WITH THE DISPUTE; THE PLEADINGS, OR THE CONTENT OF ANY PLEADINGS, OR EXHIBITS THERETO, FILED IN ANY ARBITRATION PROCEEDING; THE CONTENT OF ANY TESTIMONY OR OTHER EVIDENCE PRESENTED AT AN ARBITRATION HEARING OR OBTAINED THROUGH DISCOVERY IN AN ARBITRATION; THE TERMS OR AMOUNT OF ANY ARBITRATION AWARD; AND THE RULINGS OF THE ARBITRATOR ON ANY PROCEDURAL AND/OR SUBSTANTIVE ISSUES INVOLVED IN THE CASE.

THE PARTIES FURTHER AGREE THAT NO ARBITRATOR HAS THE AUTHORITY TO (1) AWARD RELIEF IN EXCESS OF WHAT THIS AGREEMENT PROVIDES; (2) AWARD CONSEQUENTIAL OR PUNITIVE DAMAGES OR ANY OTHER DAMAGES NOT MEASURED BY THE PREVAILING PARTY'S ACTUAL, DIRECT DAMAGES; OR (3) ORDER CONSOLIDATION OR CLASS ARBITRATION, CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING.

NOTWITHSTANDING THE FOREGOING, NOTHING IN THESE POLICIES OR THIS AGREEMENT SHALL PREVENT YOUNGEVITY FROM APPLYING TO AND OBTAINING FROM ANY COURT HAVING JURISDICTION A WRIT OF ATTACHMENT, TEMPORARY RESTRAINING ORDER, PRELIMINARY OR PERMANENT INJUNCTION, RELIEF PURSUANT TO THE *ONTARIO RULES OF CIVIL PROCEDURE*, OR OTHER EQUITABLE RELIEF TO SAFEGUARD AND PROTECT YOUNGEVITY'S INTERESTS AND RIGHTS, INCLUDING WITHOUT LIMITATION, RIGHTS WITH RESPECT TO CONFIDENTIAL INFORMATION, LOGOS, TRADEMARKS AND COPYRIGHTED MATERIALS AT ANY TIME PRIOR TO, DURING, OR FOLLOWING THE FILING OF ANY ARBITRATION PROCEEDING. NOTWITHSTANDING THE BROAD DELEGATION OF AUTHORITY TO AN ARBITRATOR HEREIN, A COURT MAY DETERMINE YOUNGEVITY'S RIGHTS WITH RESPECT TO:

- i. A TRADE SECRET MISAPPROPRIATION;
- ii. A TRADEMARK INFRINGEMENT;
- iii. A COPYRIGHT INFRINGEMENT;
- iv. BREACH OF THE CONFIDENTIAL INFORMATION PROVISIONS HEREIN.

THE INSTITUTION OF ANY ACTION FOR EQUITABLE RELIEF UNDER THIS PROVISION OR TO ENFORCE AN AWARD OR ORDER SHALL NOT CONSTITUTE A WAIVER OF THE RIGHT OR OBLIGATION OF ANY PARTY TO SUBMIT ALL CLAIMS TO ARBITRATION.

IF ANY ASSOCIATE INITIATES LITIGATION OUTSIDE OF ARBITRATION IN VIOLATION OF THE PROVISIONS OF THIS SECTION, AND UPON DEMAND BY YOUNGEVITY FAILS TO SUBMIT THE MATTER TO ARBITRATION, THE ASSOCIATE SHALL BE LIABLE TO YOUNGEVITY FOR ALL COSTS, EXPENSES, AND LEGAL FEES INCURRED IN COMPELLING ARBITRATION OF THE MATTER.

THIS SECTION SHALL INURE TO THE BENEFIT OF YOUNGEVITY AND ALL OF ITS PARENTS, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, MEMBERS, MANAGERS, AGENTS, EMPLOYEES, ATTORNEYS, SUCCESSORS, AND ASSIGNS, ANY OF WHOM SHALL BE ENTITLED TO INVOKE OR SEEK ENFORCEMENT OF THESE PROVISIONS, AND SHALL COVER ALL CLAIMS ASSERTED AGAINST ANY OF THEM THAT ARISE OUT OF OR RELATE TO THIS AGREEMENT.

TO THE EXTENT THIS ARBITRATION PROVISION OR ANY PORTION THEREOF IS DETERMINED TO BE IN VIOLATION OF OR UNENFORCEABLE TO ANY EXTENT UNDER ANY PROVINCIAL OR FEDERAL LAW, THE PARTIES AGREE THAT SUCH PROVISION OR PORTION IS SEVERABLE AND MAY BE REVISED TO BE CONSISTENT WITH APPLICABLE LAW AND TO EFFECTUATE TO THE MAXIMUM EXTENT POSSIBLE THE ORIGINAL TERMS AND INTENT OF THIS PROVISION.

## 74 Notices

Unless otherwise provided in this Agreement, any notice or other communications requested or permitted to be given under this Agreement shall be in writing and shall be delivered personally, transmitted by facsimile or sent by first class, certified (or registered) or express mail, postage prepaid. Unless otherwise provided in this Agreement, notices shall be deemed given when delivered personally, or if transmitted by facsimile, one day after the date of that facsimile, or if mailed, five days after the date of mailing to the address of Youngevity's headquarters or to the Associate's address as provided by the Associate, unless notice of an address change has been received by Youngevity. Youngevity shall have the right, as an alternative method of notice under this Section, to use other normal channels of communications with Associates.

## E. YOUNGEVITY® DEFINITIONS OF TERMS

The following terms will have the meanings set forth herein when used in Youngevity's Policies and Procedures, Incentives Program and/or the Application and all Official Youngevity Materials.

**Applicable Laws:** All and any applicable law, rules, regulations, ordinances, directives, guidelines, codes and orders of courts that apply in the countries in which an Associate operates and conducts his/her Youngevity business.

**Application:** The application form duly completed and signed by an applicant, and received and accepted by Youngevity to be enrolled as an Associate.

**Autoship:** A preselected set of products which is shipped on a pre-defined date monthly.

**Autoship Order Form:** A standard form which allows you to:

- a. selected list your choice products;
- b. setup an instruction to charge to your Preferred Method of Payment on file; and
- c. ship the pre-selected products monthly.

**Bonus Volume (BV):** A value amount assigned to individual products. This is the amount, singly and cumulatively, from which an Associate's Bonus and Residual Commissions are calculated. Please see the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Commercially Resalable Conditions:** Products shall be deemed "resalable" under the following guidelines:

- a. unopened and unused;
- b. packaging and labeling has no visible alteration or damages;
- c. packaging and labelling are in an acceptable condition that permits Youngevity to sell the merchandise at Suggested Retail Price (SRP) or Wholesales Price (W/S);
- d. product exchanged between thirty-one (31) days and ninety (90) days of purchase must have an expiry date of no less than six (6) months and must contains the current Youngevity packaging and labeling;
- e. not valid for promotional products.

**Commissions:** Commissions are a percentage (%) of the Bonus Volume of Product sales. Commissions on downline activity are calculated and paid on both weekly and monthly cycles. Please see the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Country:** A country in which Youngevity has official presence, and in which an Associate is enrolled with a Marketing Organization.

**Distributor:** An Associate, a person currently authorized to purchase and sell Products from the Company and to participate in the Youngevity Incentives Program, who has an Enroller, has completed, executed and delivered to Youngevity an Application, has purchased a business kit, has at least one End Customer and has received his/her first commission cheque. Associate is a general term referring to all authorized Distributors as individuals and as a group regardless of the level or position attained in the program, including, but not limited to analogous terms such as distributors, representatives, consultants, Marketing directors, Associates, and entrepreneurs, among others. The term "Distributorship" shall be construed accordingly.

**Downline:** All Associates via lines of enrollment or placement by any other Associate below or emanating from a particular Associate.

**End Consumer:** A person who purchases Youngevity products for the purpose of own consumption rather than for resale to someone else.

**Enroller or Enrolling Associate:** An Associate who officially enrolls another new Associate (Enrollee) in the Company's income opportunity. The Enrolling Associate has the option to place the new Associate into any position within his downline organization, or to retain the new Associate on his front line and maintain the role of Placement Associate. The Enrolling Associate retains a vested interest in bonus commissions, as bonus commissions primarily follow the lines of enrollment, irrespective of placement within a given organization.

**Group Bonus Volume (GBV):** The Bonus Volume (BV) sold through an Associate's downline organization. The number of levels that are added cumulatively are dependent upon the specific parameters of the bonus in question. Please see the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Group Qualifying Volume (GQV):** The total QV sold through an Associate's downline organization. Different qualifying criteria may recognize different calculations – such as sales by a certain number of downline levels, or cut-offs or percentages based upon downline rank complexion. Please see the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Incentives Program:** Incentives/compensation refers to commissions paid to Associates for product sales to consumers. See the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Intellectual Property:** The Application, the Youngevity Incentives Program, Official Youngevity Material, the Youngevity Policies and Procedures, the Youngevity Product Catalogue, the Youngevity Internet Usage Guidelines, the Proprietary Marks, the system and all other patents, trademarks, service marks, trade names, logos, designs, domain names, symbols, emblems, insignia, fascia, slogans, copyrights, know-how, information, drawings, plans, pictures, images and other identifying materials whether or not registered or capable of registration and all other proprietary rights whatsoever owned by or available to Associate adopted or designated now or at any time hereafter by the Company and/or Youngevity International Inc. for use in connection with the business and the system.

**Legal Age:** A new Associate enrolling in the Mialisia program must be the age of majority in his or her Province or Territory of residence to enter into the Agreement.

**Marketing Organization:** The Preferred Customers and Associates that comprise the group of individuals from which an Associate is entitled to receive commissions based on the collective sales volume of the group and the position of that Associate within that group pursuant to the Youngevity Incentives Program.

**Monthly Business Reports:** Reports produced by Youngevity on a monthly basis and provided to an Associate which contain information relating to the activity of the Marketing Organization. The Monthly Business Reports contain trade secret information that is proprietary to Youngevity.

**Official Youngevity Material:** Material which is authorized, published, and disseminated by Youngevity, including without limitation any documentation forming part of the Agreement, and may be in any form including, but is not limited to, any printed material, audio and video tapes, satellite broadcasts, fax and electronic communications and Internet communications.

**Other Country:** Refers to countries in which Youngevity has an official presence.

**Other Rules:** Refers to local requirements, policies, codes, rules and regulations of business applicable to Associates of such Other Country.

**Overall Qualifying Volume (OQV):** The total Overall QV in sales through an Associate's downline organization.

**Personal Bonus Volume (PBV):** Is the BV value of an Associate's personal retail sales (all sales running through the Associates personal identification number) during a calendar month. Please see the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Personal Qualifying Volume (PQV):** The QV value of an Associate's personal retail sales (all sales running through the Associates personal identification number) during a calendar month. Please see the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Placement Associate:** An Associate under which a new Associate is placed, either by him or by another Associate in his direct Upline organization. The Placement Associate is generally responsible for supervision and training of the placed Associate. The Placement Associate retains a vested interest in the residual commissions, GBV, and GQV, as these primarily follow the lines of placement, irrespective of enrollment within a given organization.

**Policies and Procedures:** These policies published by Youngevity, as amended from time to time, which set forth, among other things, the requirements for operating a Marketing Organization.

**Preferred Customer (PC):** A product purchaser that enrolls with the Company as a preferred customer through an Associate and purchases Product at the wholesale price through his identification number for his own use.

**Product:** Any commissionable item, program, or service that the Company makes available for Associates to market and sell.

**Proprietary Marks:** All trademarks, service marks, trade names, logos and product names, whether registered or unregistered, belonging to Youngevity International Inc., which include, but not limited to, "Youngevity", logos, and all marks or slogans designating products or services offered by Youngevity International Inc. and/or the Company as licensee thereof.

**Qualifying Volume (QV):** A value amount assigned to individual products. This is the amount, singly and or cumulatively, from which rank qualifications are calculated. Please see the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Retail Profit:** The amount an Associate makes (gross) by purchasing an item at wholesale price and selling it at retail to End Customer, or the difference between the wholesale price and retail price for items purchased directly through the Associate's retail shopping cart. Retail Sales for

items purchased directly through the Associate's retail shopping cart are subject to a surcharge of 5% of the retail profit amount, which is automatically levied in the net retail commission. Please see the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Retail Sale:** A retail sale is a sale of the Products to the End Consumer, including:

- a. sales to End Customers through the Associate's retail shopping cart; or
- b. the purchase and resell of product by an Associate to the End Customer.

**Suggested Retail Price (SRP):** The Company's recommended price for selling a particular product to End Customers. It is the intent that the Suggested Retail Price is the price that is charged for any and all product(s) that are sold to anyone that is not either an active Associate or Preferred Customer of the Company. Prices are subjected to change without notice. Please see current Price List for details.

**Titles or Ranks:** Represents certain milestones of growth and production for an Associate and his/her downline organization. Details of ranks, titles, and qualifications are detailed in the Youngevity Incentives Program Guide. Ranks and the corresponding titles are shown two ways: Lifetime Rank – which is the highest rank achieved within the Compensation system, and Paid as Rank – represents the current qualification within a given calendar month. Some aspects of the Incentives Program pay in concert with either a Representative's Lifetime Rank or Paid as Rank. See the Youngevity Incentives Program Guide for details and definitions relating to Associate Compensation System.

**Upline:** All Placement Associate's above a particular Associate in lines of placement up to the Company. The entire Upline consists of all Placement Associate's and Enrolling Associate's that link or are between any particular Associate and the Company.

**Wholesale Price (W/S):** The maximum discounted price paid to the Company by Associates for product. Also, the minimum price to be charged for selling product(s) to anyone that is not either an active Associate or Preferred Customer of the Company. Prices are subjected to change without notice. Please see current Price List for details.

**70% Rule:** A rule which regulates the quantity of Company's products that Associates may purchase at any point in time for resale to consumers, or to provide prompt product delivery to downline Associates in their own personal group. Associates should not stockpile or acquire excessive inventories. Prior to reordering any Company's product, Associates must certify that they have sold a minimum of 70% of all previous orders.

---