

# **Livit International, LLC**

## **ASSOCIATE POLICIES & PROCEDURES**

### **UNITED STATES**

UPDATED: December 26, 2016

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# INTRODUCTION

Livit International, LLC, LIVIT, and its affiliates (collectively the “Company”) provide global social and travel solutions (collectively “Products and/or Services”) through a direct sales business opportunity afforded to Associates under the Agreement (the “Opportunity”), allowing our Customers (“Customers”) and Independent Associates (“Associates”) to make a difference in the world and their personal lives.

Through the Opportunity, our Associates operate an Independent Livit International, LLC Business (“LIVIT Business”). To clearly define the contractual relationship that exists between an Associate and the Company, the Company has established this Associate Policies & Procedures (“Policies & Procedures”), which is part of and incorporated into the Associate Agreement.

If an Associate has any questions or requires clarification regarding the Policies & Procedures, the Associate should contact the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)) as failure to adhere to Policies & Procedures may result in disciplinary sanctions.

# IMPORTANT CONTACT INFORMATION

Livit International, LLC  
PO Box 341551  
Austin, TX 78734

(888) 5-LIVITUP  
(888) 554-8488

General - [info@livitup.com](mailto:info@livitup.com)

Associate Services Team - [support@livitup.com](mailto:support@livitup.com)

Customer Services Team - [customersupport@livitup.com](mailto:customersupport@livitup.com)

Compliance Department (compliance questions & submissions) - [compliance@livitup.com](mailto:compliance@livitup.com)

Marketing Department (media & media inquiries only) - [marketing@livitup.com](mailto:marketing@livitup.com)

Events Department (events questions & submit events) - [events@livitup.com](mailto:events@livitup.com)

# IMPORTANT DISCLAIMER (Effective Until July 22, 2017)

I acknowledge that I am NOT a current Associate, Customer, or Employee of Crius Energy Trust, Viridian Energy, Viridian Network, Viridian International Management, and Travel Light; including all affiliates of those companies (collectively referred to as “Viridian”).

I acknowledge that I discovered the Company on my own accord; that no Owner, Employee, Independent Contractor of the Company, or anyone associated with the Company or its affiliates solicited me to be an Associate, Customer, or Employee of the Company.

I acknowledge and realize that an active Viridian Associate, Customer, or Employee cannot currently be an Associate, Customer, or Employee of the Company.



# SECTION 1

## CODE OF ETHICS

### 1.1 - Integrity and Accountability

Associates shall conduct themselves with integrity and professionalism in all matters related to the Company, the Opportunity, and the Products and/or Services. Associates shall be accountable for their conduct when interacting with Corporate representatives, current, former and potential Associates and Customers, and the general public.

### 1.2 - Deceptive and Unlawful Practices

Associates shall not engage in any deceptive, unlawful or unethical conduct, or any conduct prohibited by state or federal regulatory authorities whether known or unknown to the Associate, including, but not limited to, any Customer or Associate recruiting practice that may be detrimental to or reflect poorly on the Company, its Associates, its Customers, its opportunity, products, and services, and the Travel and Direct Selling industries. If Associates have any questions regarding the Company's opportunity, products, or services, or the business model, they may contact the Company at [support@livitup.com](mailto:support@livitup.com).

### 1.3 - Acceptance of Payments

Associates shall not accept any payment or consideration (e.g., money or any other item of value) from any Customer or prospective Customer. All payments for the Company's opportunity, products, and services shall be made to the designated entity, which may be issued by the Company. Additionally, an Associate shall not use his or her credit card to enroll or make purchases from the Company on behalf of another Associate.

### 1.4 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies nor officials approve or endorse any Direct Selling companies or programs. Therefore, Associates shall not make any claim, represent, or imply that either the Company, its opportunity, services, and products, or the compensation has been approved, endorsed or otherwise sanctioned by any government or regulatory agency.

### 1.5 - Honesty in Representing the Company

Associates shall read the Customer Application, Policies & Procedures, the Terms & Conditions, the Compensation Plan, and any other documents applicable to Customers that may be published by the Company and provided to Customers. To ensure that Associates deliver accurate information to the public, Associates are responsible for reading and understanding the information that is regularly provided by the Company about its opportunity, products, and services. Associates shall truthfully and accurately represent the Company. Associates are responsible for their own education regarding the Company and should rely only on information provided by the Company. Any claims, representations, or statements that Associates make regarding the Opportunity, products, and services shall be consistent with those included in the literature and materials provided or authorized by the Company.

### 1.6 - Compliance with Governing Law

Associates shall understand and abide by all applicable laws, orders, ordinances, policies, and regulations, including without limitation any and all local, state, and federal laws and ordinances that govern their independent business and the markets in which the Company operates. Many cities and counties have laws regulating certain home-based businesses and independent contractor activities. If a state, city or county official tells an Associate that a law or ordinance applies to the Associate's Business, the Associate shall be polite and cooperative and immediately contact the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)).

## 1.7 - Compliance with DSA Code of Ethics

Associates shall uphold the DSA Code of Ethics (available at <http://www.dsa.org/code-of-ethics/code-of-ethics/>) and not, in any way, attempt to persuade, induce or coerce another party to breach the Code of Ethics. Any such action shall be considered by the Company as a violation of the Policies & Procedures.

Additionally, the Company is a member of the Direct Selling Association ("DSA"). The DSA is the national trade association of the leading companies that manufacture and distribute goods and services sold directly to consumers. Approximately 170 companies are members of the DSA, including many well-known brand names.

The DSA's mission is "To protect, serve and promote the effectiveness of member companies and the independent business people they represent. To ensure that, the marketing by member companies of products and/or the direct sales opportunity is conducted with the highest level of business ethics and service to consumers."

The cornerstone of the association's commitment to ethical business practices and consumer service is its code of ethics. Every member company pledges to abide by the code's standards and procedures as a condition of admission and continuing membership in the association. Further information can be found on the DSA website at <http://www.dsa.org/code-of-ethics/code-of-ethics/>.

## SECTION 2

### ASSOCIATE AGREEMENT

#### 2.1 - Incorporated Documents form Associate Agreement

The Associate Agreement incorporates the Associate Application, the Policies & Procedures, the Terms & Conditions, the Compensation Plan, and any other documents applicable to Associates that may be published by the Company. Throughout the Policies & Procedures, when the term "Agreement" is used, it collectively refers to the Associate Application, the Policies & Procedures, the Terms & Conditions, the Compensation Plan, and any other documents applicable to Associates that may be published by the Company. It is the responsibility of Associates to read, understand, adhere to, and ensure that they are operating under the most current version of the Agreement. When sponsoring a new Associate, it is the responsibility of the sponsoring Associate (the "Sponsor") to ensure that the prospective Associate is provided with, or has online access to, the most current version of the Agreement prior to the prospective Associate's execution of the Application. At no time shall one Associate enroll on behalf of another Associate. Each individual Associate must personally enter into the Agreement.

#### 2.2 - Changes to the Agreement

Governing laws, as well as the business environment, may periodically change; therefore, the Company reserves the right to update and/or amend and/or modify the Agreement in its sole and absolute discretion. By entering into the Agreement, the Associate agrees to abide by all updates and/or amendments and/or modifications to the Agreement ("Amendments") that the Company elects to make.

Amendments shall take effect thirty (30) days after publication of notice, but shall not apply retroactively to conduct that occurred prior to the effective date of the Amendment. Notice shall be made by the Company via one or more of the following methods: (i) posting on one or more of the Company's official websites; (ii) electronic mail; (iii) inclusion in Company communications; (iv) special mailings; (v) open conference calls to the field; or (vi) posting on the Associate Back Office. The continuation of an Associate's LIVIT Business or an Associate's acceptance of bonuses and commissions constitutes acceptance of any and all amendments to the Agreement.

#### 2.3 - Adherence to the Compensation Plan

Associates must review and adhere to the most current version of the Compensation Plan. Associates shall not:

- i. Offer the Opportunity through, or in combination with, any system, program, or method of marketing not specifically set forth in official Company literature;
- ii. Require or encourage current or prospective Customers or Associates to participate in the Opportunity, Products and/or Services in any manner that varies from the manner as set forth in official Company literature;
- iii. Require, allow, or encourage current or prospective Customers or Associates to execute any agreement other than the official Company agreements and contracts; or

- iv. Require or encourage current or prospective Customers or Associates to make any purchase from, or payment to, any individual, or other entity to participate in the Compensation Plan other than those purchases or payments identified as recommended or required in official Company literature.

# SECTION 3

## BECOMING AN ASSOCIATE

### 3.1 - Requirements to Become an Associate

To become and continue as an Associate, each applicant:

Must be of legal age in the state in which he or she resides or be at least eighteen (18) years of age (proof of date of birth may be requested);

Must be legally authorized to work in the United States or the country that the Associate is a legal citizen;

Must reside in the United States (but not in the states of Montana or Wyoming) or the country that the Associate is a legal citizen;

If in the United States, must be a United States citizen, resident alien, or naturalized citizen;

Must not be an employee or current corporate independent contractor of the Company (or a spouse, immediate family member or Household member of either). Non-immediate family members of the Company, employees, or a current corporate independent contractors must obtain prior written approval from the Company to become an Associate;

Must not be an active independent contractor selling for any other Direct Selling company;

Must have a valid Social Security number, Federal Employer Identification Number ("FEIN"), or Government Issued ID (outside the US), as applicable, that matches the Associate's name or Business Entity's name;

Must submit a complete and accurate Application, including all required tax forms, to the Company either in hard copy or online format;

Must carefully read, understand, and agree to abide by the Associate Agreement;

Must sign or electronically accept the Associate Agreement and all incorporated documents;

The Associate Agreement must be signed or electronically accepted by the new Associate, not his or her sponsor or any other Associate;

Application fees must be paid by the new Associate and not by his or her sponsor or another Associate;

Must complete the banking information in order to receive payment of commissions and bonuses. Banking information must match the Associate's name or Business Entity's name as listed in the Back Office and on all required tax forms;

Acknowledges that any fines, sanctions or penalties levied upon the Company resulting from Associate's actions or inactions shall be deducted from that Associate's commissions and result in further disciplinary sanctions; and

Acknowledges that it is the responsibility of the Associate to maintain all of his or her own business records. If an Associate is unable to access the information necessary to run a LIVIT Business for any reason, it is the

responsibility of the Associate to make alternative arrangements. The sponsoring or upteam Associate is responsible for assisting the downteam Associate in obtaining any information that is provided to an Associate in the Back Office. In the event that an Associate is unable to obtain an electronic copy of the Policies & Procedures, the Company will work with the Associate to make alternative arrangements.

### 3.2 - Associate Address

The address listed on the Associate Agreement and maintained through the Back Office will serve as the Associate's mailing address for all purposes, and must be either the Associate's primary residence or business address. If the mailing address listed on the Associate's Application is identical to the mailing address utilized by other Associates, all Associates utilizing such identical address may be required, at the Company's sole discretion, to furnish additional information to the Company. Associates must report any change of address, telephone number, or email address by calling the Associate Services Team or by sending written or email notice to the attention of Associate Services Team. All persons owning an Associate distributorship, must sign written notification of an address change when an Associate position is owned by more than one individual (e.g., husband and wife).

### 3.3 - Identification

Prospective Associates are required to provide a valid Social Security number or FEIN, legal name as it appears on the Associate's Social Security Card, and birthdate to Livit International on the Application. The Company will verify all Social Security numbers and FEINs upon enrollment and renewal; and by submitting the Associate Application, the Associate consents to such Social Security, FEIN, and background checks.

The Company will assign and provide a unique Associate Identification Number to the Associate by which he, she, or it will be identified. This number will be used to direct Customers and Associates to enroll and to track bonuses and commissions. All confidential information will be protected and not disclosed or sold to third parties as per the Privacy Policy on the official Company website.

### 3.4 - No Requirement to be a Customer

There is no requirement to enroll as a Customer of the Company in order to become or remain an Associate.

### 3.5 - Electronic Resource Kit

The Electronic Resource Kit includes Company training and business-support literature. In order to familiarize Associates with the Opportunity, Products and/or Services and its sales techniques, sales aids, and other matters, the Company provides access to an Electronic Resource Kit through the optional Back Office.

Associates have the option to gain access to the Electronic Resource Kit through the Back Office and will not be mailed a physical Resource Kit. The Associate may choose to access the Back Office & the Electronic Resource Kit by paying a monthly Back Office fee.

### 3.6 - Associate Benefits

Once an Associate's Application has been accepted by the Company, the benefits of the Agreement are available to the new Associate. These benefits include the right to:

- a) Sell the Company's Products and/or Services to Customers in selected markets;
- b) Participate in the Compensation Plan and receive bonuses and commissions, if eligible and earned;
- c) Sponsor other individuals as Associates and thereby build an Organization and progress through the Compensation Plan, if applicable;
- d) Receive periodic Company communications;
- e) Participate in Company sponsored support, service, events, training, motivational and recognition functions (upon payment of appropriate charges, if applicable); and
- f) Participate in promotional and incentive contests and programs sponsored by the Company for Associates, if eligible.

### 3.7 - LearnIt Training Program and Educational Platform

LearnIt™ is a training program and educational platform accessible from the Back Office that allows all Associates to learn about our Products and/or Services and the Direct Selling industry; as well as provide personal development and motivation. Associates are not permitted to share test answers with other Associates or take the mandatory training sections of LearnIt™ for other Associates.

### 3.8 - Training and Business Tools

Education, training, and motivation are critically important to building a successful LIVIT Business. To educate Associates in the business and teach them how to train and motivate others, the Company provides support materials, tools, support services, and training events in a joint effort with Field Leaders.

These materials include training collateral and ticketed events produced and distributed by the Company. Associates are not required to purchase these items or to attend such events. As such, these items and events are subject to a non-buyback rule. These items may include books, magazines, charts and other printed materials, audio CDs or DVD software, subscriptions, online materials, training and recognition events, conventions and other ticketed events and websites.

### 3.9 - Associate Communications and Recognition

To protect the Associate's privacy, the Company will only communicate with the individual whose name appears in the field for Applicant Name or Co-Applicant Name (if an individual) or the field for Contact Name (if a Business Entity) on the Agreement. An organization name is not permitted as a Contact Name. The Company will verify the Associate's identity before speaking with the Associate and the Company will only e-mail to the e-mail provided on the account. The only exceptions are if an individual has a designated co-applicant assigned to an account or if a letter of authorization signed by the account holder has been provided to the Company authorizing the Company to communicate with a third party.

If an Associate is the recipient of an award, rank advancement, or other recognition, the award, rank advancement, or recognition will be under the individual or Business Entity whose name appears in the "Recognition Name" field. In the event the Recognition Name field is blank, the Awards and recognition will be awarded to the main account

holder or business entity name. If there is no name or Business Entity name in the Recognition Name field, the default will be the Associate's first and last name. Awards and recognition may be withheld for those Associates who are not in good standing with the Company. The Associate waives any and all claims against the Company with respect to the Company's errors regarding awards or other recognition.



# SECTION 4

## RESPONSIBILITIES OF ASSOCIATES

### 4.1 - Change of Contact Information

Accurate and current contact information of Associates is essential for timely delivery of Company information, as well as the issuance of tax documents, and commissions. Therefore, all Associates are required to keep their contact information (e.g., contact name, SSN or FEIN number, email address, mailing address, and telephone number) current. Any email address or telephone number change can be made in the Associate's Back Office or by contacting the Associate Services Team (support@livitup.com). A mailing address change can only be made by contacting the Associate Services Team (support@livitup.com) and providing a team member with documentation for proof of residence. Associates that wish to split 1099s must email the Associate Services Team (support@livitup.com). Associates should allow two (2) weeks for changes in contact information to take effect.

Any fines, sanctions, or penalties levied upon the Company or its affiliates resulting from an Associate's failure to provide the Company with accurate and complete contact information, in a timely manner, shall be deducted from that Associate's commissions.

### 4.2 - Ongoing Training

Associates are strongly encouraged to further their understanding of Products and/or Services, markets, and the Opportunity. To support this process the Company created LearnIt, which provides training modules that are both informative and educational. Associates should take the time to visit LearnIt each month to keep current on any modules added for Associate development.

Associates who sponsor other Associates are expected to provide assistance and training to ensure that those sponsored Associates are properly operating their LIVIT Business. Associates must have ongoing contact and communication with the Associates in their Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voicemail, email, and the accompaniment of downteam Associates to Company meetings, training sessions, and other functions. Upteam Associates are also responsible for motivating, training, and educating new Associates regarding Products and/or Services and sales techniques. Communication with and training of downteam Associates must not in any way violate any Policies & Procedures herein.

Associates must mentor and monitor other Associates in their Organizations to ensure that downteam Associates do not put their LIVIT Business or the Company at risk by violating these Policies & Procedures.

### 4.3 - Business Expenses

As Independent Contractors, Associates are solely responsible for any expenses which result from their business operations. These expenses may include, but are not limited to, licenses or permits required to operate their businesses, legal fees, telephone expenses, travel expenses and advertising. Associates are prohibited from signing or entering any agreement of any kind, opening any bank account, securing credit or making purchases in the name of or on behalf of Livit International or its affiliates.

#### 4.4 - Taxes

As Independent Contractors, Associates will not be treated as employees of the Company for federal or state tax purposes including, with respect to the Internal Revenue Code, Social Security Act, federal unemployment act, state unemployment acts or any other federal, state, or local statute, ordinance, rule or regulation. Each Associate is solely responsible for paying applicable taxes on any income generated as an Associate; as required by law. No taxes are deducted from any commissions and/or bonus payments.

Each Associate is required to provide Livit International with a completed W-9 tax form. Annually, Livit International will provide an IRS Form 1099-MISC (Non-employee Compensation) earnings statement to each Associate who had earnings of more than \$600.00 in the previous calendar year. It is the Associate's responsibility to provide Livit International with the proper social security number or taxpayer identification number for the purpose of Internal Revenue Service filings. Failure to provide required tax documentation will result in payments being withheld or forfeited.

#### 4.5 - Insurance

As Independent Contractors of the Company, Associates are not covered by the Company's insurance. As business owners, it is strongly recommended that all Associates have appropriate or required General Liability and Workers' Compensation coverage.

# SECTION 4

## MARKETING STANDARDS & PRACTICES

### 4.1 - General Marketing Standards & Practices

For purposes of the Policies & Procedures, marketing standards are the practice of soliciting (i) others with the Opportunity, or (ii) potential Customer with the Products and/or Services. When promoting either, Associates must adhere to good business practices, including, without limitation, the following general marketing standards:

- a) Identify yourself as a Livit International Independent Associate or LIVIT Independent Associate representing Livit International;
- b) Be clear you are not an employee of the Company or any of its affiliates;
- c) Do not represent yourself as an affiliate or employee of, or in partnership with, the travel provider company or any competitive travel service providers;
- d) Do not represent yourself as being affiliated with or employed by any federal or state agency, commission, office, or personnel;
- e) Comply with all state and federal regulatory requirements;
- f) Only market to your Warm Market, defined herein as any person with whom you have an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two-way communication between an Associate and a person, on the basis of an inquiry, application, purchase, or transaction by the person regarding Products and/or Services offered by such Associate or a personal or familial relationship, which relationship has not been previously terminated by either party;
- g) Provide clear and accurate information about the Products and/or Services; including accurate disclosures;
- h) Provide clear and accurate information about the Opportunity; including accurate disclosures;
- i) Abide by the Customer Enrollment Compliance Guidelines; as defined herein;
- j) Be professional and courteous to all potential and current Customers of the Company;
- k) Only Qualified Associates may market your LIVIT Business on your behalf;
- l) Never represent to a Customer that there are no contracts; and
- m) Do not make affirmative representations of savings that are not documented or evidenced in writing from corporate marketing materials.

## 4.2 - Unacceptable Marketing Standards or Practices

Unacceptable Marketing Standards are a detailed list of advertising and/or marketing practices that are not allowed. Violation of any of the Unacceptable Marketing Standards or Practices can lead to Disciplinary Sanctions. Unless otherwise expressly stated herein, the following activities are prohibited:

- a) Slamming – The process of enrolling a customer without the expressed authorization of the account holder of record.
- b) Door-to-Door Marketing – Face-to-face solicitation of a prospective Customer initiated by the Associate at the home or business of a prospective Customer that is unknown to the Associate. This does not apply to those Customers in an Associate's Warm Market.
- c) Spamming / Email, Text or Other Electronic Solicitation – Defined as utilizing or sending unsolicited electronic communications promoting Products and/or Services to prospective Customers or Associates unknown to the Associate. Except as provided below, such electronic solicitations are prohibited.

Associates are strictly prohibited from utilizing unsolicited bulk email distributions or broadcasts (spamming) or any other email distributions that may be illegal under applicable federal, state or local laws, rules or regulations, to market or sell products or services or to solicit Customers or Associates. Associates shall not make offers or solicitations in the guise of research, surveys or informal communication. Associates may not distribute content that is unlawful, harassing, libelous, slanderous, abusive, threatening, harmful, vulgar, obscene, or otherwise objectionable material or which could give rise to civil liability or otherwise violate any applicable local, state, national or international law or regulation.

Associate agrees to comply with the CAN-SPAM Act; a federal law that sets the rules for commercial email, establishes requirements for commercial messages, gives recipients the right to have emails no longer sent to them and spells out tough penalties for violations.

Email solicitation is permitted if the following conditions are met: (1) the email distribution list must be the Associate's Warm Market, (2) the content of all email solicitations must be approved by the Compliance Department (compliance@livetup.com) prior to distribution, (3) the content must comply with the applicable laws and regulations including, without limitation, the Federal CAN-SPAM ACT, and (4) Associates must: (i) Provide a functioning return email address to the sender; (ii) Include a notice in the email that advises recipients that they may reply or that future email solicitations have an "opt-out" notice; (iii) All "opt-out" requests must be honored; (iv) Include their physical mailing address; and (v) clearly disclose that the message is an advertisement or solicitation. The use of deceptive subject lines or false header information and restricted wording is prohibited.

d) Telemarketing / Cold Calling – Placing one or more telephone calls to an individual or entity outside of the Associate's Warm Market to solicit the purchase of Products and/or Services or the Opportunity.

e) Obtaining of Customers by use of blind mailing lists or Direct Mail Sales Programs.

### 4.3 - Standards for Marketing Outside of an Associate's Warm Market

When permitted, Associates promoting the Company outside their Warm Market must adhere to all applicable regulatory requirements. Marketing Events and Internet marketing are considered marketing channels outside of an Associate's Warm Market and the Company has identified specific marketing standards for each of these channels as follows:

#### 4.3.1 - Marketing Events

A Marketing Event is defined herein as any event, exhibition, conference, convention, exposition (expo), forum, meeting, seminar, trade show, workshop, or other public gathering where the Associate displays Livit International information to potential Customers or Associates and/or that provides an Associate the ability to market the Company and the Opportunity to potential Customers and/or Associates. It is the Associate's responsibility to receive approval from the onsite event coordinator and ensure that he or she is the only Livit International Independent Associate attending the event.

In addition to the General Marketing Standards in Section 4.1, an Associate with a display at a Marketing Event must adhere to the following standards:

- a) Provide the potential Associate and/or Customer with approved written information regarding the Company, the Opportunity, and/or the Products and/or Services immediately upon request;
- b) Provide the Company's telephone number for inquiries, verification, and complaints; and
- c) Strictly adhere to all of the Marketing Standards contained in the Associate's Back Office and incorporated herein by this reference. We recommend that you visit the Back Office for your booth accessories and branding needs for a professional display.

Associates are not permitted to promote the Company at flea markets, garage sales, or swap meets as these and other similarly situated events are not conducive to the professional image that the Company wishes to portray. The Company further reserves the right to refuse authorization to participate in any function that it does not deem suitable for the promotion of the Company.

#### 4.3.2 - Internet Marketing

An Associate is permitted to use standard and public online blogs, social networks, or other online forums to discuss the Opportunity, Products and/or Services as long as the content complies with the Policies & Procedures and the Marketing Standards. However, if an Associate wishes to advertise or market the Company and the Opportunity via the previously mentioned channels, an Associate may only do so by directing traffic to the Associate's Personal Replicated Website or the Company marketing websites. This section does not apply to Associate-developed websites. See Section 4.9.7 for detailed information.

In addition to the General Marketing Standards herein, an Associate using blogs, social networks, or other online forums must comply with the following:

- a) Clearly indicate that you are an Independent Associate and not an employee of the Company;

- b) Clearly indicate that you are not affiliated with any federal or state agency, commission, office, or its personnel;
- c) Strictly adhere to all of the Marketing Standards; and
- d) When publishing content that has to do with the Company, use a disclaimer noting that the postings are your own and do not represent the Company's views or opinions.

#### 4.4 - Advertising & Marketing

Associates shall safeguard and promote the good reputation of the Company. Associates shall not engage in advertising practices that are deceptive, false, misleading, or unfair.

The following section deals with the subject of advertising and marketing. For purposes of clarification, advertising is defined as the action of calling something to the attention of the public. Marketing is defined as the process or technique of promoting, selling, and distributing a product and/or service.

With regard to both of these topics, an Associate is not allowed to advertise and/or market to Associates and/or Customers unless the Associate utilizes the materials provided in the Associate's Back Office or Company websites. All advertising materials (i.e. print, banners, flyers, letters, etc.) used by Associates for advertising and/or marketing purposes hereunder can be found in the Back Office. These are the ONLY advertising and/or marketing materials that Associates are permitted to use. Any deviation from or changes to these materials is strictly prohibited.

Associates are prohibited from creating any customized advertising and/or marketing materials (i.e. print, banners, flyers, letters, etc.) that would be used to advertise and/or market to Associates and/or Customers. Advertising and/or marketing, and particularly advertising and/or marketing that is considered high exposure (e.g., billboards, magazines, newspapers, radio, television), is not allowed for Associates and/or Customers. Doing so, will be considered a breach of this Agreement.

Advertising and/or marketing may be considered for Associates with the express written approval of the Compliance Department ([compliance@livetup.com](mailto:compliance@livetup.com)). In those rare instances where an Associate wishes to create a piece of advertising and/or marketing material that would be used to advertise and/or market to Associates and/or Customers that is not already provided in the Back Office, the Associate may do so as follows:

The Associate must first submit a draft of the material created to the Compliance Department ([compliance@livetup.com](mailto:compliance@livetup.com)). This material will be reviewed by the Compliance Department and may be considered for approval on a case-by-case basis in the Company's sole and absolute discretion. Requests will be reviewed within five (5) business days whenever possible. Unless express written approval is received by the requesting Associate, the request shall be deemed denied.

##### 4.4.1 - Sales Aids and Training Materials

To promote the Opportunity, Associates must exclusively use the sales aids and training materials produced by the Company. The Company approved and produced training materials are available in each Associate's Back Office.

However, in rare circumstances, the Company may allow an Associate to use promotional materials, training aids, or other literature that the Associate has developed. If an Associate wishes to use such self-produced materials, the Associate must submit the materials to the Compliance Department ([compliance@livetup.com](mailto:compliance@livetup.com)) for review. Unless

the Associate receives express written approval from the Compliance Department, the Associate shall not be permitted to use self-produced materials.

The Company will not permit Associates to sell sales aids, that promote, educate, or train the Opportunity to other Associates without prior express written approval by the Compliance Department (compliance@livitup.com). Additionally, Associates who receive authorization from the Compliance Department to produce their own sales aids may not sell such material for profit to any other Associate, but may recover out-of-pocket costs for such materials and events.

#### 4.4.2 - Promotional Materials

The Company has developed a success system based on proven experience and knowledge. As such, the Company has already created marketing materials and activities to fully support the Company, Opportunity, and Associate's LIVIT Business. No other marketing material or activities are necessary to become successful as an Associate. Only the promotional and advertising materials produced by the Company may be used to advertise or promote the Company and/or the Opportunity, whether written, record, or online. Advertising and marketing materials are defined as any printed, broadcast, or online communications including, but not limited to, advertisements, brochures, videos, flyers, banners, presentation materials, apparel, signage, internet, websites, video blogs, etc. The Company's promotional and advertising materials may be duplicated or reprinted without the prior written permission of the Company.

#### 4.4.3 - Events

The Company supports the practice of opportunity meetings, business receptions, trainings, and live or virtual events as they are valuable tools when conducted with professionalism and integrity. Associates may charge an entrance fee or sell event tickets, but the total fees received must not exceed the reasonable cost of such meetings and trainings or special events; provided, however, no Associate may charge a fee or request payment from a prospective Associate or Customer. No meeting or training is allowed to create any profit to those Associates conducting the event. Associates sponsoring such events must keep a detailed registration of all attendees and documentation of revenues and expenses. The Company, in its sole discretion, may attend Associates events and/or audit any event to ensure compliance with these Policies & Procedures and may use recording devices in connection with such audits.

Associates may not produce, or reproduce for sale or distribution any recorded Company events or speeches without the express written approval from the Compliance Department. Nor may Associates reproduce for sale or for personal use any recording of audio or video presentations produced by or for the Company.

The Company reserves the right to rescind approval for any promotional materials, sales tools or other literature or events and Associates waive all claims for damages or compensation arising from or relating to such rescission.

### 4.5 Online Advertising & Marketing Standards & Practices

#### 4.5.1 Internet Advertising Policy

The Company prohibits the use of any unapproved online advertising to promote the Company, the Opportunity, Products and/or Services, any online video, any Company website address or sub domain of a Company website

address except as expressly set forth herein. Other than through a Personal Replicated Website (PRW), Associates are prohibited from using internet sponsored links to take orders or leads for the Opportunity.

#### 4.5.2 - Search Engine Advertising

An Associate may use paid search engine advertising (e.g., Bing, Google) approved by the Company. Associates may only use Company approved phrases available from the Compliance Department to promote Products and/or Services or the Opportunity. Associates must agree to rules and regulations as applied by individual search engines. The Company is not affiliated in any way to any search engine with which an Associate may be registered.

Associates must submit requests to the Compliance Department ([compliance@livetup.com](mailto:compliance@livetup.com)) to receive the express written approval prior to engaging the use of paid search engine advertising. Associates receiving approval to engage in search engine advertising acknowledge that the success, or lack thereof, of search engine advertising is not the responsibility of the Company.

The Company allows Associates to place approved advertising, such as sponsored links through search engines, on the internet to promote the Company and/or Opportunity. However, sponsored links may not contain any Company or its affiliates registered trademark, logos, names, or copyrighted material and must strictly adhere to these Policies & Procedures.

Associates may register their Personal Replicated Website (PRW) with internet search engines. These searches may be linked only to the Associates's PRW. Associates may not use any term that is a trademark, service mark, copyright, or that violates any other proprietary right held by another to register their PRW in a search engine.

#### 4.5.3 - Links and Banner Ads

Associates may place banner ads and links to their Personal Replicated Website on third-party websites, provided that the Associate uses Company approved banner ads, templates and images. The third-party website:

Shall not contain any content or material that could be construed as unlawful, offensive, controversial, or distasteful;

Shall not contain content and materials that are not appropriate for all age groups; and

Must strictly adhere to all of the Marketing Standards.

The individual Web page that a link or banner ad is posted on shall not contain links or banner ads for any other Direct Selling company or in any way promote another Direct Selling company.

Prior to placing a link or banner ad on a third-party website, the Associate must submit the URL of the third-party website to the Compliance Department ([compliance@livetup.com](mailto:compliance@livetup.com)) for review. If the Compliance Department determines that the third-party website is acceptable for display of a Company banner ad or link, the Associate will be notified in writing. Unless an Associate receives express written approval from the Compliance Department, the request shall be deemed denied. If approval has been provided by the Company and at a later date the website content has changed and no longer meets the above standards, the Associate must immediately remove the link or banner ad. If the Company's Compliance Department identifies the change, it will contact the Associate and require the Associate to immediately remove the banner ad(s) or link(s) from the website.



All banner ads must be linked to the Associate's Personal Replicated Website. When directing readers to a Personal Replicated Website, it must be evident to a reasonable reader, from a combination of the link and the surrounding content, that the link will go directly to a Personal Replicated Website. Any attempt to mislead Internet readers into believing they are going to a Personal Replicated Website, when in fact they land at another website, is prohibited. The determination as to what is misleading or what constitutes a reasonable reader will be at the Company's sole and absolute discretion.

#### 4.5.4 - Associate-Developed Websites

Associates may develop a website to promote the Products and/or Services or the Opportunity and support their team. Prior to publication, the Associate must submit the proposed website to the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)). The website may not be published or made accessible to members of the public unless the Associate has received express written approval from the Compliance Department. The Company reserves the right to rescind its approval of a website in the event it determines that the website no longer meets its standards as outlined herein.

#### 4.5.5 - Domain Forwarding

Domain Forwarding refers to forwarding for the purposes of directing a browser to another website, such as a Personal Replicated Website (PRW). Associates wishing to use domain forwarding (e.g., going to [www.traveltoday.com](http://www.traveltoday.com) directs a browser to <http://livitup.com/yourPRWname>) for the purposes of directing a browser to their Personal Replicated Websites are permitted to do so; however, the Associate must submit the domain name to the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)) for written approval prior to active forwarding.

When directing readers to an Associate's forwarding address, it must be evident to a reasonable reader, from a combination of the address and the surrounding content, that the link will go directly to a Livit International Personal Replicated Website. Any attempt to mislead internet readers into believing they are going to a Company Personal Replicated Website, when in fact they land at another website, is prohibited.

### 4.6 - Associate Personal Replicated Websites

If an Associate desires to utilize an Internet Web page to promote his, her or its LIVIT Business, the Associate may do so through the Personal Replicated Website (PRW) provided by the Company. These websites seamlessly link to the official Company website, giving the Associate a professional and Company-approved presence on the Internet. Associates may enroll both new customers and new Associates at their PRW. All Company website addresses and sub-domains of Company websites are wholly owned by the Company.

Associates may NOT independently design a website that uses Company trademarks, trade names, logos, or copyrighted materials, or that otherwise promotes, directly or indirectly, Products and/or Services or the Opportunity except as provided herein. Nor may any Associate use "blind" ads on the Internet that make claims or representations that are ultimately associated with Products and/or Services or the Opportunity. Except as specifically provided in Sections 4.7.2 and 4.9.7, the use of any other Internet website or Web page to promote the sale of Products and/or Services or to promote the Opportunity is prohibited. If you have any questions regarding Personal Replicated Websites you may contact the Associate Services Team ([support@livitup.com](mailto:support@livitup.com)) from the Associate's email address on file.

## 4.7 - Trademarks and Copyrights

The Company does not allow the use of their trade names, trademarks, designs or symbols and copyrighted material by any person, including Associates, without prior written permission by the Compliance Department. If Associates are unclear on what constitutes a trade name, trademark, copyright, etc., it is recommended that they contact the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)).

Associates shall not use or attempt to register any of the Company's or a provider's trade names, trademarks, service names, service marks, product names, company names or any derivative thereof for any email address, Internet domain name, social media, or any other media such as phone numbers or other electronic media. All domain names intended for use by an Associate for the Associate's LIVIT Business must be submitted for approval to the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)).

## 4.8 - Intellectual Property

The Company's name, trademarks and service marks and copyrighted materials are owned by the Company or its affiliates, and the Company's business affiliates' name, trademarks and service marks and copyrighted materials are owned by the respective business partners (collectively, the "Proprietary Marks"). The use of the Proprietary Marks and copyrighted materials by Associates must be approved in writing by the Company prior to use and must be in strict compliance with these Policies & Procedures. Associates are not permitted to use Proprietary Marks in their business name, as a domain name or email address, on or in connection with any social or business networking site or in any other electronic media or transmission without the Company's prior written consent, which can be withheld in its sole discretion. Any right to use Proprietary Marks and copyrighted materials by an Associate is non-exclusive. Any and all goodwill associated with the Proprietary Marks and copyrighted materials (including goodwill arising from Associate's use) inures directly and exclusively to the benefit of the Company, and/or its affiliates (as applicable) and is the property of the Company and/or its affiliates (as applicable). On expiration or termination of the Agreement, no monetary amount shall be attributable to any goodwill associated with any Associate's use of the Proprietary Marks or copyrighted materials.

## 4.9 - Media and Media Inquiries

Media relations efforts are to be handled solely by the Company or its affiliates' public relations department. Associates are prohibited from initiating contact, issuing statements, making appearances, or conducting interviews with the media in which the Company is discussed.

Associates shall not respond to media inquiries regarding the Company or any affiliate companies. All inquiries by any type of media (e.g., print, magazine, newspaper, online media, radio, television, or others) must be immediately referred to the Company ([marketing@livitup.com](mailto:marketing@livitup.com)), without comment or discussion. This policy is designed to ensure that accurate and consistent information is provided to the public.

Associates shall not utilize magazine, newspaper, online media, radio, television, advertisements, webcasts, video blogs, or any other mass multimedia form for the advertising or promotion of Products and/or Services or for the purpose of discussing any aspect of the Company without the express written approval of the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)). In the event that the Company grants permission for the use of such media,

the Company reserves the right to be involved in the production process and the right for copies and future use of all recordings.

#### 4.10 - Translations Prohibited

The Company strictly prohibits Associates from translating any and all Company related materials from one language into any other languages. If a specific translation is needed, please contact the Associate Services Team ([support@livetup.com](mailto:support@livetup.com)) with a detailed request.

# SECTION 5

## CUSTOMERS

### 4.2 - Customer and Associate Leads; Customer Information

A Customer Lead is defined as any type of contact information (e.g., email address, mailing address or telephone number) for a prospective Customer. Because the Company does not have the ability to verify that Customer Leads purchased by Associates are legitimate and because Customer Leads are often obtained through questionable methods, Associates may not purchase or use Customer Leads. Any Associate buying leads or Customer referrals does so at their own risk and assumes all liabilities.

The Company does not condone or approve buying Associate leads or referrals. Any Associate buying leads or Associate referrals does so at their own risk and assumes all liabilities.

Customer contact information is confidential information belonging to the Company. Associates shall not give, sell, or otherwise distribute such information. Violation of this Section may result in any of the Disciplinary Sanctions listed herein; including the involuntary cancellation of the Agreement.

### 4.3 - Customer Enrollment Compliance Guidelines

a) Associates may not enroll on behalf of the Customer. The Customer must enroll personally. Only the account holder of record is authorized to enroll the Customer account. Only the Customer can accept the Company's Terms and Conditions.

b) Associates have no authority to and shall not amend or change any of the Terms and Conditions of the Customer Agreement.

c) Associates should advise Customers to utilize the following methods for enrollment: on the Associate's Personal Replicated Website (preferred), by submitting a Customer Application form located in the Back Office to the Company or by calling the Company (1-888-554-8488) to enroll over the phone. Customers that enroll through an Associate's Personal Replicated Website should use the Customer's personal computer, or personal computing device to enroll. If an Associate is aware that Customers plan to use a central location, such a community center, to enroll, the Associate must seek prior written approval from the Compliance Department (compliance@livitup.com). Failure to comply with this section may result in any of the Disciplinary Sanctions listed herein; including the involuntary cancellation of the Agreement.

d) All required fields on the Customer Application must be completely filled out, signed and dated by the authorized account holder of record. Incomplete applications will not be processed and a new Customer Application must be submitted. The Company shall not be responsible for any damages or injury to the Associate caused by the Associate's submission of an incomplete Customer Application.

e) Associates must ensure that Customers fill out the most current version of the Customer Application form. Customer Applications are updated regularly; Associates may be notified of updates in their Back Office. Associates have an obligation to periodically ensure that they have the most recent version of the Customer Application. The most up-to-date version is always available in the Back Office.

f) When it is apparent that either the Customer's English language skills are insufficient or the Customer or another person informs the Associate of this fact, the Associate will use an interpreter, find another Associate fluent in the Customer's language, or cease pursuing the prospect.

#### 4.4 - Customers Enrolled under the Company

In cases in which a new Customer enrolls without designating a specific Associate or inadvertently selects an unintended Associate, the appropriate Associate may request that the Customer be transferred to the designated Associate's Organization. Requests for transfer under this policy will be processed as long as the requesting Associate makes the request in writing to the Associate Services Team (support@livetup.com) within ten (10) business days from the Customer's date of enrollment with the Company, and with the Customer's permission. Associates have a duty to manage their customers regularly and verify that their customer lists are accurate and up-to-date.

If an Associate fails to request such a change within ten (10) business days, the Associate waives any and all claims against the Company arising from the enrollment of the Customer.

#### 4.5 - Disputes over Customer Enrollments

All Associates in good standing have the right to refer customers for enrollment with the Company. If there is a dispute among Associates as to which Associate should be the enroller of a Customer, the Company will not attempt to resolve the dispute: the Company will regard the first Customer Application it receives as controlling. Associates will not receive more than one bonus on the same Customer for the same products and services.

#### 4.6 - Holding Customer Applications

Associates must not manipulate referrals for enrollments of new Customers. All Customer Applications must be sent to the Company within twenty-four (24) hours from when they are completed. If not, the Application may be considered void by the Company. All Customer Applications are the property of the Company.

# SECTION 5

## ORGANIZATIONAL STRUCTURE & SPONSORSHIP

### 5.1 - Business Entities

A corporation, limited liability company ("LLC"), partnership, or trust ("Business Entity") may apply to be an Associate subject to prior approval by the Company. The Business Entity is required to furnish the names of all parties involved in the corporation, LLC, partnership, or trust on the Application. Failure to disclose or update the Company with Business Entity data may result in cancellation and/or termination.

However, no individual may hold an interest in more than one position. Equity owners, managers, officers, directors, trustees, or beneficiaries of a Business Entity applying as an Associate may not have been (i) an Associate as an individual, or (ii) an equity owner, officer, manager, director, trustee, or beneficiary of another Associate Business Entity within six (6) calendar months preceding the execution of the Agreement.

For a Business Entity to become an Associate or renew as an Associate, it must provide the Company with the following:

- a) A completed Application (paper or online application) signed by an authorized officer of the Business Entity;
- b) A copy of the corporate Articles of Incorporation (Corporation), Articles of Organization or Operating Agreement (LLC), partnership agreement, or trust agreement; as applicable. Articles of Incorporation or Articles of Organization must be file-stamped by the Secretary of State in the state of formation. Partnership or trust agreements must be fully executed;
- c) The full name, address, and Social Security Number of all equity owners and each director, manager, officer, shareholder, unit, or holder who owns the Business Entity;
- d) A copy of IRS Form: SS-4 stating the Business Entity's FEIN, which by providing such FEIN, you consent to verification of;
- e) A properly executed Form W-9;
- f) A copy of a fully signed resolution authorizing the Business Entity to enter into the Agreement; and
- g) A letter from the Business Entity designating one individual, who must be at least eighteen (18) years of age, as the responsible party for the Business Entity's operations and sales.

Any Business Entity submitting an online application will need to submit all required documentation to the Company (support@livitup.com) in order to complete enrollment.

### 5.2 - Change of Associate Legal Designation

Associates may change their legal designation under the same Sponsor from an individual to a Business Entity (as well as changing the type of Business Entity). Associates seeking such a change must comply with this Section and complete the Business Entity Change Application and submit it to Livit International (support@livitup.com). There is a \$25.00 fee for each change requested; this fee must be included with a new Application.

### 5.3 - Organization Protection

When a vacancy occurs in an Organization due to the cancellation and/or termination of an Associate's Agreement, the Associates in the downteam of the terminated Associate will remain in their original positions. The Customers associated with the terminated Associate will remain as Customers unless they voluntarily cancel. Upteam Associates will continue to receive bonuses and commissions as they did prior to the cancellation and/or termination event. The position occupied by the terminated Associate will not be filled and will remain vacant in the Organization. There is no "roll-up" or "compression" of Associates and/or Customers. In addition, when an Associate is terminated due to violations of the Policies & Procedures, bonuses and commissions resulting from violations of the Policies & Procedures will not be paid and may impact the entire Organization.

### 5.4 - Sponsoring an Associate

All Associates in good standing have the right to sponsor and propose to enroll others into the Company. While each prospective Associate has the ultimate right to choose his, her, or its own Sponsor, Associates are expected to maintain a high level of integrity and respect for one another in the Associate community. When an Associate has presented the Opportunity to a prospect either in person, online, or over the telephone in a formal presentation manner, other Associates should be courteous of the relationship and not interfere in the sponsoring process by attempting to entice enrollment under a different Sponsor for a minimum period of thirty (30) days.

After this thirty (30) day time frame has elapsed, the prospect is to be considered a free agent and can be approached by other Associates in the field. If two (2) Associates claim to be the Sponsor of the same new Associate, the Company will expect the resolution for the dispute to take place in the field. In the event this cannot be accomplished and the new Associate will not make the choice, the Company will assign the new Associate to the Sponsor identified in the first dated application received by the Company.

### 5.5 - Corporate Sponsored Associates

Occasionally, a new Associate will enroll directly under the Company's website without the support of a Sponsor. The Company believes that all Associates should have the support of a Sponsor. In situations in which a new Associate signs up under the Company, an attempt will be made by the Associate Services Team to identify the correct line of sponsorship. However, in the event that no Sponsor is selected, the new Associate will be assigned to a Sponsor as follows: such Associates will be assigned to National Directors (and above) on a rotating basis. the Company will contact the proposed sponsor to whom a new Associate is being assigned for recommended placement within the Organization. The proposed Sponsor must contact the new Associate within five (5) business days or the new Associate will be reassigned.

### 5.6 - Sponsorship Rules

#### 5.6.1 - Sponsor Support and Training

Associates must provide ongoing communications, advice and support to their commissionable downline organization. Associates are encouraged to assist new Associates in training and enrolling new customers and other Associates.

#### 5.6.2 - Transfer of Sponsorship

Changing sponsors is strictly prohibited except as expressly set forth herein. An Associate may rejoin the Company under a new sponsor only after a period of no less than six (6) months from the date that the Associate's independent contractor relationship with the Company was voluntarily terminated or he or she failed to renew the Agreement.

To protect the integrity of all Organizations and safeguard the hard work of all Associates, the Company does not permit an Associate to change sponsorship ("Cross-Team Sponsorship") when the Associate is currently under an Associate Agreement, or who has had such an Agreement within the preceding six calendar (6) months. The Company prohibits changes in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every Associate and Organization. Accordingly, the transfer of a LIVIT Business from one Sponsor to another is not permitted except as otherwise expressly provided herein. For example:

In cases in which new Associates are mistakenly enrolled under someone other than the Associate intended to be their Sponsor, those Associates may request that they be transferred to another organization with their entire Organization intact. Requests for transfer under this policy may be submitted as long as the Associate makes the request in writing to the Associate Services Team (support@livitup.com) within ten (10) business days from the date of enrollment. In the event a Sponsor change is requested outside of the ten (10) business days, the request must be submitted by the upteam Associates to the Company for consideration. If the request is considered and approved, the Company will require the approval of the enrolling Associate and the upteam Associates before the change can be finalized.

If an Associate discovers Cross-Team Sponsoring, that Associate shall report it to the Compliance Department (compliance@livitup.com) immediately. The Company may take Disciplinary Sanctions against the Associate that changed organizations and those Associates who encouraged or participated in the Cross-Team sponsoring. The Company may also move all or part of the offending Associate's Organization to his or her original Marketing Organization if the Company deems it equitable and feasible to do so. The Company has no obligation to move the Cross-Team-sponsored Associate's Organization, and the ultimate disposition of the organization remains within the sole discretion of the Company. Associates waive all claims and causes of action against the Company arising from or relating to the disposition of the Cross-Team-sponsored Associate's Organization.

Resolving conflicts over the proper placement of a downteam that has developed under an organization that has improperly switched Sponsors is often extremely difficult. Associates waive any and all claims against the Company and its affiliates that relate to or arise from changes in the lines of sponsorship.

## 5.7 - Sponsor Disputes

The person whose name appears on the Agreement date-marked at the earliest date is the sponsor. The Company reserves the right to determine the sponsor of an Associate.

## 7.4 - One LIVIT Business per Individual or Entity

An individual or entity can only have an ownership interest, legal or equitable, in one (1) LIVIT Business. In the event that multiple accounts are discovered, the most recently sponsored accounts will be deactivated.

In addition, only one (1) person per Household may have an ownership interest in a LIVIT Business. For example, if you and your sister reside in the same Household, only one of you may have a LIVIT Business. The term Household



is defined herein in the same manner as the U.S. Census Bureau definition. A Household includes all the persons who occupy a housing unit. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or, if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. People not living in households are classified as living in group quarters.

A violation of this Section is commonly known as Stacking. Stacking is defined herein as Associates who enroll more than 1 business per household. Stacking is strictly prohibited.

## 5.8 - Stacking

Stacking is a fraudulent manipulation of the Compensation Plan. Stacking occurs when a sponsor places Associates or Customers under a downline Associate (who may not know or have any relationship with the Customers and/or Associates) in order to trigger commissions and/or a promotion. Stacking is unethical and unacceptable behavior and may result in the cancellation or termination of the Agreements of all Associates found to be involved and will result in the loss of all future commissions, bonuses, and other payments.

## 5.9 - Associate Recruiting Rules

To protect the integrity of the Opportunity the following Associate recruiting rules are strictly enforced:

### 5.9.1 - Enrollment of Spouses

Spouses can sign up as Associates as either (i) a single Associate (example: John and Jane Doe); or, (ii) as individual Associate positions with the same sponsor.

Spouses, whether operating as a single Associate or each with his or her own position under the same sponsor represent to the Company that each of them (i) is jointly bound by the terms of the Agreement and these Policies & Procedures; (ii) is responsible for any and all conduct by his or her spouse even if only one spouse is designated as a Associate; and (iii) understands that if the spouse of any Associate acts in a manner which would be a violation of the Agreement and/or these Policies & Procedures, such violation will be attributed to each of the Associate position(s), and to both the husband and wife.

### 5.9.2 - Multiple Positions Prohibited

An Associate may not own, operate, or have an interest in more than one Associate position except as expressly stated herein.

### 5.9.3 - Phantom Positions

An Associate shall not provide false or invalid social security numbers or FEINs on an Agreement. Placing another individual's name or establishing phantom Associate positions is a violation of these Policies & Procedures and will result in the immediate cancellation and/or termination of the Associate Agreement and loss of all future commissions, bonuses, and other payments.

### 5.9.4 - Cash or Monetary Incentives

The Company strictly prohibits Associates from offering any cash or monetary incentives, promotions, prizes, or bonuses to their downline or upline as a method of influencing recruiting, or customer acquisition. Further, the Company prohibits the use of cash or monetary incentives, promotions, prizes, or bonuses for the purpose of recruiting new Associates.

#### 5.9.5 - Cross-Team Recruiting

The Company does not permit an Associate to recruit other Associates ("Cross-Team Recruiting") when the Associate is currently under an Associate Agreement, or who has had such an Agreement within the preceding six calendar (6) months.

#### 5.9.6 - Targeting Other Direct Sellers

Defined as targeting the sales force of another Direct Selling company to sell Products and/or Services or to become Associates. Targeting other Direct Sellers is prohibited. This includes the solicitation or enticement of members of the sales force of another Direct Selling company to violate the terms of their contract with such other company. If an Associate engages in such activity, the Associate bears the risk of being sued by the other Direct Selling Company. If this activity results in arbitration, a lawsuit, or mediation against the Associate alleging that they engaged in inappropriate recruiting activity of its sales force or customers, The Company will not pay any of the Associate's defense costs or legal fees and will not indemnify the Associate for any judgment, award, or settlement.

#### 5.9.7 - Other Direct Sellers Targeting Associates

In the event that you are approached by a disenfranchised member of another Direct Selling company, you must inform the disenfranchised member to continue to follow the policies and procedures of the member's Direct Selling Company.

#### 5.10 - Holding Associate Applications

Associates must not manipulate referrals for enrollments of new Associates. All Associate Applications must be sent to the Company within twenty-four (24) hours from when they are completed. If not, the Application may be considered void by the Company. All Associate Applications are the property of the Company.

#### 5.11 - Compensation Plan Claims

When presenting or discussing the Compensation Plan, Associates must make it clear to prospective Associates that financial success with the Company requires commitment, effort, and sales skill. Conversely, Associates must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include:

- It's a turnkey system;
- The system will do the work for you;
- Just get in and your downline will build through spillover;
- Just join and I will build your downline for you;

- The company does all the work for you; or
- You don't have to sell anything.

The above statements are examples of improper representations about the Compensation Plan. It is important that Associates do not make these or any other representations that could lead a prospective Associate to believe that he or she can be successful as an Associate without commitment, effort, and sales skill.

## 5.12 - Earnings Claims

The Company makes no guarantees of income or claims of profits or success. Any success achieved is based solely upon an Associate's personal effort, commitment and skills.

Associates shall not make any earnings projections, earnings claims, anticipated or actual earnings claims, or disclosure of Associate earnings (including the showing of checks, copies of checks, bank statements, or tax records). Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of earnings claims and testimonials made by persons engaged in Direct Selling. Thus, when discussing the earnings potential available through the Opportunity, Associates may use only those materials produced by the Company, and may not make any claims inconsistent with such materials.

For example "earnings claims" could include, but are not limited to:

**5.12.1** - Statement of actual earnings, for example, a statement made by an Associate of his, her or its own earnings or those of another Associate.

**5.12.2** - Statement of average earnings, for example, a statement of the average earnings of all Associates, whether active or not.

**5.12.3** - Statement of non-average earnings, for example, "Our top Associate earned XXX dollars last month."

**5.12.4** - Lifestyle claims, including statements involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one's dreams, having everything one always wanted, and other claims phrased in terms of "opportunity" or "possibility" or "chance." Claims such as "My LIVIT earnings exceeded my salary after six (6) months in the business," or "Our LIVIT Business has allowed my wife to come home and be a full-time mom or for me to be a stay-at-home dad" also fall within the purview of "lifestyle" claims.

## 5.13 - Earnings Disclosure Statement (EDS)

The Company may distribute an Earnings Disclosure Statement (EDS). The EDS is designed to accurately convey honest and comprehensive information regarding the income of Associates. The EDS represents the average earnings of Associates and provides high, low, and average monthly earnings information, as well as annualized averages. When discussing or promoting the Opportunity to prospective Associates, the Associate must provide a copy of the current EDS when available (in the Back Office) to each prospect.

## 5.14 - Products and Services Claims

Associates are prohibited from making any claim regarding Products and/or Services that deviates from the terms, pricing, and conditions set forth in Company literature.

## 5.15 - Exclusivity; Non-Solicitation

During the term of the Agreement, Associates may generally participate in Network Marketing companies so long as they do not solicit other Associates to join such companies. However, once an Associate reaches the rank of Area Director or above, the Company reserves the right to withhold promotional compensation and recognition, in its sole and absolute discretion, for those Associates who are involved with any other Network Marketing company. In order to achieve the rank of National Director, an Associate will be required to sign before receiving compensation or promotional benefits related to the rank of National Director, an agreement that states such Associate will remove himself or herself and any Household member from any activities with any other Network Marketing companies, and resign from any current Network Marketing companies within a certain grace period.

For a period of six (6) months following cancellation and/or termination of the Agreement for any reason, Associates shall not directly or indirectly approach or recruit other Associates or Customers outside of their Personally Sponsored Associates for any other Direct Selling business or for any other travel products or services business.

Associates and the Company understand and agree that because Direct Selling is conducted through networks of independent contractors dispersed across the entire United States and internationally and because business is commonly conducted via the Internet and telephone, an effort to narrowly limit the geographic scope of this no solicitation provision would render it wholly ineffective. Therefore, Associates and the Company agree that this no solicitation provision shall apply to all markets in which the Company conducts its business.

Associates understand and agree that customers procured on behalf of the Company are customers of the Company and its business partners. During the term of this Agreement and for six (6) months thereafter, Associates may not, directly or indirectly, (i) market, offer, or sell products and/or services that compete with, or are similar to, those offered by the Company or its business partners or (ii) otherwise solicit, divert, take away or interfere with any of the customers, employees, or business of the Company. During the term of the Agreement and for six (6) months thereafter, Associates may not, directly or indirectly, on behalf of themselves or any other individual or company, solicit or induce any Associate, customer, or employee of the Company or its business partners (i) to participate in any network marketing or direct sales program offered by any other company, regardless of whether or not such company offers similar services, or (ii) to terminate or alter his or her business or contractual relationship with the Company.

## 5.16 - Sale of Competing Products and/or Services

Associates may not represent, sell, or promote any competing products and/or services.

The Company will not tolerate Associates specifically or consciously targeting the sales force of another Direct Selling company to sell the Company's products and/or services or to become an Associate of the Company.

## 5.17 - Associate Participation in Other Direct Selling Programs

An Associate can engage in non-Company Direct Selling programs outside of travel, but it is the responsibility of the Associate to ensure that his or her LIVIT Business is operated separately and apart from any other program in which the Associate participates. To this end, an Associate:

**5.17.1** - Shall not display Company promotional materials or sales aids with or in the same location as any other Direct Selling company's promotional materials, sales aids, products and/or services;

**5.17.2** - Shall not offer Products and/or Services or promote the Opportunity to prospective or existing Customers or Associates in conjunction with any other Direct Selling company's opportunity, product, or service;

**5.17.3** - Shall not offer or promote the products and/or services of any other Direct Selling company at any Company-related meeting, seminar or convention; and

**5.17.4** - Upon achieving the Rank of Regional Director (or above), must disclose any other Direct Selling company with which the Associate is involved by sending an e-mail to the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)).

## 5.18 - No Customer Solicitation in Unapproved Markets

The Products and/or Services may only be sold and marketed in Company approved markets. In some markets, not all of the Products and/or Services will be available. As additional markets are opened for the sale of Products and/or Services, the Company will announce such markets and availability to all Associates. Neither the Company nor any of its affiliates makes any representation, warranty or guarantee that the Products and/or Services will be available in any additional markets.

Accordingly, Associates are authorized to promote the sale of the Products and/or Services and have Customers enroll for such services only in those specific markets that the Company has announced as being open.

The Associate may, in markets in pre-launch status: (i) conduct training meetings; and (ii) enroll or attempt to enroll potential Associates.

On occasion, the Company may announce that a market is open for pre-enrollment of Associates or Customers prior to opening of the market for sale of the Products and /or Services pursuant to the Terms and Conditions announced by the Company at that time.

## 5.19 - No Exclusive Territorial Rights / Restrictions on Solicitation

The sale of Products and/or Services and is limited to the specific markets as announced by the Company; however, within such markets, there are no exclusive industries, organizations or territories granted to any Associate. Associates are not granted any exclusive territory in which to conduct their business. Each Associate will have the right to conduct business in the locations authorized by the Company, without exclusivity. Associates may solicit Customers or Associates only in geographic locations as designated in writing by the Company. Associates may only market, solicit, or sell the Products and/or Services designated by the Company.



# SECTION 7

## GENERAL UNDERSTANDING AND BUSINESS OWNERSHIP

### 7.1 - Independent Contractor Status

Associates are Independent Contractors and are not purchasers of a franchise or a business opportunity. The Agreement between Livit International and its Associates does not create an employer/employee relationship, agency, partnership or joint venture between Livit International and the Associate; and the Associate may not represent or imply, orally or in writing, otherwise. Associates shall not be treated as employees for tax purposes and shall not be eligible for employee benefits, insurance, and unemployment compensation. Associates are responsible for paying applicable taxes due from all compensation earned as Associates. The Associate has no authority, express or implied, to bind Livit International to any obligation or Agreement. Associates shall establish their own activities and goals, hours, own personal level of commitment, without control and direction of Livit International, so long as they comply with the terms of the Agreement and applicable laws.

An Associate may be listed as an "Independent Associate" in contact directories (e.g., yellow pages, white pages, online yellow pages) under his, her or its own name. Associates shall not identify themselves as Livit International brokers, consultants, or any title other than Livit International Independent Associates or LIVIT Independent Associates. Associates shall not place telephone directory display ads using the Company's names or logos.

### 7.2 - Vendor and Other Communications

Any questions, comments, or concerns relating to an Associate's Business should be communicated directly to the Associate Services Team (support@livitup.com). The Company's vendors are not able to accommodate communication directly from individual Associates. Therefore, Associates shall not directly or indirectly contact any vendor or supplier of the Company unless specifically approved by the Company in writing.

### 7.3 - Telephone Procedures

Associates may not answer the telephone or have a voicemail greeting message saying or responding, "Livit International," "LIVIT," or any other form of the Company name. Associates may not use any language or manner that would lead the caller or give caller reason to believe that he or she has reached the corporate offices of the Company.

To indicate your status as an Independent Contractor, it is required that you state in any correspondence (such as e-mails or on business cards) that you are an "Independent LIVIT Associate" or "Independent Livit International Associate". For example:, "John Smith, Independent LIVIT Associate."

### 7.5 - Actions of Household Members or Affiliated Individuals

If any member of an Associate's Household engages in any activity that, if performed by the Associate, would violate any provision of the Agreement, such activity will be deemed a violation by the Associate. Similarly, if any individual associated in any way with an Associate, corporation, LLC, partnership, or trust ("Affiliated Individual") violates the Agreement, such actions will be deemed a violation by the entity. Additionally, an Associate may not hire any other persons to work or market for the Associate's business.

## 7.6 - Requests for Records

Any request to the Associate Services Team (support@livitup.com) from an Associate for copies of applications, invoices, reports, or other records will require a fee of \$2.00 per page per copy. This fee covers the expense of mailing and the time required to research files and make copies of the records.

## 7.7 - Returned Checks

All checks returned by an Associate's bank for insufficient funds will be resubmitted for payment. A \$35.00 returned check fee will be charged to the account of the Associate. After receiving a returned check from an Associate, all future orders must be paid via credit card, money order, or cashier's check. Any outstanding balance owed to the Company by an Associate for Non-Sufficient Funds (NSF) checks and returned check fees will be withheld from subsequent bonus and commission checks.



## SECTION 8

### SALE, TRANSFER, OR ASSIGNMENT OF LIVIT BUSINESS

#### 8.1 - Sale, Transfer, or Assignment

Subject to the Company's prior review, and written approval, which shall not be unreasonably denied, by the Company, an Associate may sell or transfer his or her Associate position to an individual or a Business Entity. A "sale" will be defined as a change in which the individual selling the Associate position no longer maintains a financial interest in the Associate position upon completion of the sale. A "transfer" will be defined as a change in name and/or identification number in an Associate position in which the individual transferring the Associate position still retains a financial interest upon completion of the transfer.

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

- a) Both the seller and purchaser must complete the Sale or Transfer of LIVIT Business form and submit it to the Associate Services Team (support@livitup.com). There is a mandatory \$50.00 administrative processing fee associated with the sale or transfer of a LIVIT Business. The Sale or Transfer of LIVIT Business form is provided in the Associate's Back Office;
- b) The existing line of sponsorship will be transferred in tact so that the business center remains the same in structure and genealogy;
- c) The purchaser must be, or must become, a Qualified Associate. Part of becoming a Qualified Associate involves completing an Application (whether the purchaser is an active or new Associate), submitting it to the Associate Services Team (support@livitup.com). No enrollment fee will be refunded to the seller and no enrollment fee will be charged to the purchaser. If the purchaser is an Active Associate, the purchaser may be required to terminate their current LIVIT Business to ensure compliance with these Policies & Procedures and wait six (6) months to purchase the existing business to remain in compliance with these Policies & Procedures;
- d) Before the sale, transfer, or assignment can be finalized and approved by the Company, any debt obligations the selling party and, if applicable the purchasing party, has with the Company must be satisfied; and
- e) The seller and, if applicable the purchasing party, must be in good standing and not in violation or under investigation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign a LIVIT Business or his, her or its interest in a Business Entity that owns or operates a LIVIT Business.

The review and approval process will begin when the Company has received all of the documentation required in accordance with the requirements set forth in the Sale/Transfer Packet available from the Associate Services Team. Each transfer or sale of an Associate position shall be subject such requirements as the Company may impose from time to time. The Company reserves the right to request additional documentation that may be necessary to analyze the transaction between the purchaser and seller. The Company will, at its sole and absolute discretion,

approve or deny the proposed sale, transfer, or assignment within thirty (30) calendar days after its receipt of all necessary documents from the parties.

The seller must receive written approval from the Company before proceeding with the sale. If the parties fail to obtain the Company's written approval for the transaction, the transfer shall be voidable at the Company's option. The purchaser of the existing LIVIT Business will assume the obligations and position of the selling Associate. An Associate who sells a LIVIT Business shall not be eligible to reapply as an Associate for a period of at least six (6) calendar months after the date of the sale. No changes in line of sponsorship can result from the sale or transfer of a LIVIT Business.

## 8.2 - Separation of a LIVIT Business

Dissolution of Business Entities or joint accounts (such as married couples or domestic partnerships) may not be disruptive to the Company, Customers, Associates, or the Organization. For such dissolutions, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other Associates, up or down the line of sponsorship. If such separation negatively impacts the Organization or the separating parties fail to resolve their separation in a timely manner, the Company may terminate the Associate's Agreement.

During any dissolution process, the parties must adopt one of the following methods of operation:

- a) One of the parties may, with consent of the other(s), operate the LIVIT Business pursuant to an assignment in writing whereby the relinquishing spouse, partners, shareholders, or members authorize the Company to deal directly and solely with the other spouse or non-relinquishing partner, shareholder, or member; or
- b) The parties may continue to operate the LIVIT Business jointly on a "business-as-usual" basis, whereupon all compensation paid by the company will be paid according to the status quo as it existed prior to the divorce or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Organization of a dissolving Business Entity or joint account (e.g. divorcing spouses) be divided. Similarly, under no circumstances will the Company split bonuses and commissions between divorcing spouses, members of a dissolving Business Entity, or a dissolving domestic partnership. The Company will recognize only one (1) Organization and will issue only one (1) bonus and/or commission payment per LIVIT Business per commission cycle. Bonus/commission payments shall always be issued to the same individual or Business Entity.

The Company may request that the Associate provide a certified copy of the final decree of divorce which sets forth new ownership of the Associate position.

In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of bonuses/commissions and ownership of the LIVIT Business in a timely fashion as determined by the Company, the Agreement may be terminated.

If a former spouse or domestic partner has completely relinquished all rights to the original LIVIT Business pursuant to a divorce or dissolution, he or she thereafter may be considered for enrollment under any Sponsor of his or her choosing without waiting six (6) calendar months. This will be reviewed by the Company on a case-by-case basis, in

the Company's sole and absolute discretion. In the case of Business Entity dissolutions, the former shareholder, partner, member, or other entity affiliate who retains no interest in the business must wait six (6) calendar months from the date of the final dissolution before re-enrolling as an Associate. In either case, the former spouse, domestic partner, or business affiliate shall have no rights to any Associates or Customers in the former Organization. The new business must be developed without solicitation of the current Organization in the same manner as any other new Associate pursuant to the rules contained herein.

### 8.3 - Transfer Upon Incapacitation of an Associate

To generate a transfer of a LIVIT Business because of incapacity, the conservator, guardian, or trustee of the incapacitated Associate must provide all necessary documentation. This documentation will establish the right of the subject conservator, guardian, or trustee to the incapacitated Associate's LIVIT Business.

Should an Associate become incapacitated and unable to work his or her business; and a family member or legal guardian wishes to assume operating control of the Associate's business, the Company requires the following medical and legal documentation;

- i. A certified copy of medical documentation outlining the condition of the Associate and his or her inability to effectively manage his or her LIVIT business; and/or
- ii. A copy of a living will setting forth provisions affecting ownership of the Associate's position, or a certified copy of a court order determining legal guardian status.

The conservator, guardian, or trustee must:

- a) Complete and execute an Application, including all required tax forms;
- b) Comply with the terms and provisions of the Agreement; and
- c) Meet all of the qualifications for the incapacitated Associate's Rank.

Any requests for placement transfer must go through the designated process for exception review. Once received and reviewed, the Company has the sole discretion and right to approve or disapprove a transfer of ownership of the Associate's business to the designated family member or legal guardian.

### 8.4 - Succession of a LIVIT Business

Upon the untimely passing of an Associate, his or her business may be passed to his or her heir(s). Appropriate legal documentation must be submitted to the Company to ensure the transfer is valid. In order to assign a position which has been inherited, an Associate of the estate of the deceased Associate must provide the Company with the following:

- i. A certified copy of the death certificate of the deceased Associate;
- ii. A copy of the will setting forth provisions affecting ownership of the Associate position with proof of its admission to probate, or a certified copy of a court order determining heirship;

- iii. Certified Letters Testamentary setting forth the name of the personal Associate of the deceased Associate's estate, dated no more than sixty (60) days from the effective date of the transfer;

Accordingly, an Associate should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a LIVIT Business is transferred by a will or other testamentary process, the heir(s) acquires the right to collect all bonuses/commissions of the deceased Associate's Organization provided the following qualifications are met. The heir(s) must:

- a) Complete and execute an Application, including all required tax forms;
- b) Comply with the terms and provisions of the Agreement; and
- c) Meet all of the qualifications for the deceased Associate's Rank.

Bonuses/commissions of a LIVIT Business transferred pursuant to this section will be paid in a single payment jointly to the heir(s). The heir(s) must provide the Company with an "address of record" to which all bonus/commission payments will be sent. If the business is bequeathed to joint heir(s), they must form a Business Entity and acquire a Federal Employer Identification Number (FEIN). The Company will issue all bonus/commission payments and one (1) IRS Form 1099-MISC (Non-employee compensation) to the Business Entity. If time elapses during this process, commissions will be paid as earned.

# SECTION 9

## PRODUCTS AND/OR SERVICES SALES

### 9.1 - Terms of Service

The Company, its affiliates and/or its service providers have the sole right to accept or reject Customer orders for Products and/or Services, to establish and change without notice the Customer's prices of Products and/or Services, and to establish the terms and conditions of their offering. The Company, its affiliates, and its service providers may discontinue offering or selling any Products and/or Services, without liability or obligation. Associates may only offer and sell Products and/or Services in accordance with prices and terms and conditions established by the Company.

### 9.2 - Personal Purchases

An Independent Associate is not required to subscribe to or purchase any product or service marketed by the Company or its affiliates. If an Associate chooses to purchase any Products and/or Services, he or she will be responsible for all purchase billings when due. Each personal purchase by an Associate of any Products and/or Services shall be deemed a sale by his/her sponsor.

### 9.3 - Sales Presentations

Associates understand and agree that only Company materials may be used in training sessions and business presentations. Associates must present the Opportunity and Products and/or Services as separate relationships, so that each prospect will choose only those relationships he or she truly desires. In presenting the Opportunity to potential Associates only those figures published by the Company and made available to Associates for the specific purpose of sponsoring may be utilized. The use of other written or verbal income projections, actual Associate commissions checks, all other income potential presentations whatsoever or use of any other unauthorized materials are strictly prohibited.

At sales presentations, Associate shall truthfully identify themselves, their products, and the purpose of their business to prospective Associates and/or Customers. Associates may not use any misleading, deceptive, or unfair sales practices. Explanations and demonstrations of Products and/or Services offered shall be accurate and complete including, but not limited to, with regard to price, terms of payment, and after sales services and delivery.

Personal or telephone contacts shall be made in a reasonable manner and during reasonable hours to avoid intrusiveness (note however that telemarketing is not permitted). Associates must immediately discontinue a sales presentation upon the request of a potential Customer. Associates shall not directly or by implication, denigrate any other company, product or service. Associates shall refrain from using comparisons which are likely to mislead and which are incompatible to the principles of fair completion. Associates shall not abuse the trust of individual consumers and shall not exploit a customer's age, illness, lack of understanding, or lack of language expertise.

### 9.4 - Customer Privacy

An individual's right to limit use of personal information is an essential aspect of the Company's service. Associates are charged with being the guardians of Customer information. An Associate will not use in any way any

information provided by the Customer during the enrollment process, or which the Customer may disclose during the subscription process, or information provided by the Company about the Customer, to market services to the Customer, or any other alternative purpose. Federal and state laws require that the Company and its Associates protect this private information from dissemination to anyone and limit the ways in which the Company may use the information without appropriate Customer approval. The Company's privacy policy is available for public review at [livitup.net](http://livitup.net).

## 9.5 - Unauthorized Contact

Under no circumstances is an Associate permitted to directly contact any product supplier or service provider with whom the Company or any of their respective affiliates without receiving prior written authorization from an authorized officer of the Company.

Associates may not directly contact regulatory agencies or any retail provider on behalf of the Company or in connection with any Company business, without receiving prior written authorization from an authorized officer of the Company.

## 9.6 - Communications

All electronic communications by Associate's business should be clear, honest, and complete so that the recipient of the communication will know the exact nature of what is being offered. Associates sharing personal information collected online shall provide individual consumers with an opportunity to prohibit the dissemination of such information, and if any Customer requests that his or her personal information not be shared, shall refrain from sharing such information. Associates shall provide individuals the option to terminate any further communication. Associates are required to abide by all applicable laws and regulations regarding electronic communications and shall not conduct activities via electronic communication in any market where such activities are prohibited by law.

## 9.7 - Claims and Warranties

Associates may make no claim, representation, or warranty concerning any Products and/or Services of the Company or any of their respective affiliates, except those expressly approved in writing by the Company or contained in company materials. Except as expressly stated herein, the Company makes no warranty or representation, express or implied, as to the merchantability, fitness for a particular purpose, workmanship, or an other warranty arising by law, statute, usage of trade, or course of dealing concerning any Products and/or Services purchased from or through the Company. To the maximum extent permitted by applicable law, all such information, software, products, services related graphics, and content are provided "as is", "with all faults," and "as available."

# SECTION 10

## COMPENSATION

### 10.1 - Compensation Qualification & Eligibility

Qualification and eligibility requirements are contained in the Agreement and the Compensation Plan. The Compensation Plan is based on the sale of the Products and/or Services to Customers. Associates must fulfill personal Customer enrollment requirements, as well as meet other responsibilities set forth in the Compensation Plan to be eligible for bonuses and commissions or advancement to higher Ranks.

Associates must be Active and Qualified Associate in accordance with the Compensation Plan and must be in compliance with the Agreement in order to be eligible to receive payment of any commissions, bonuses, and other compensation.

### 10.2 - Compensation Payment

The Company shall pay commissions to Associates in accordance with the Compensation Plan. The Company may change any portion of the Compensation Plan, including, without limitation, commission percentages, commission structure, bonuses, and/or any other form of compensation at its option and its sole discretion.

Each Associate's commissions will be paid to the Associate by a third-party payment-processing vendor. The threshold minimum amount for which the Company will issue a payment to an Associate is \$50.00. If an Associate's bonuses and commissions do not equal or exceed \$50.00, the Company will accrue the bonuses and commissions until they total \$50.00. Payment will be issued once \$50.00 has been accrued or will be paid annually. If an Associate's social security or FEIN identification number does not match the social security or FEIN number on the bank account receiving payments, then the Company will not pay out commissions until the discrepancy is resolved, at which time any back-dated commissions will be trued up. All prizes and trips earned by Associates will be considered taxable income and reported to the IRS on a Form 1099.

Notwithstanding the foregoing, all commissions, bonuses or other compensation owed to an Associate, regardless of the amount accrued, will be paid at the end of each fiscal year or upon cancellation and/or termination of an Associate's LIVIT Business.

Payment-processing fees may apply to all bonus and commission payments issued to an Associate. Such fees are charged by the third-party payment-processing vendor and are disclosed on its website.

### 10.3 - Adjustment to Bonuses and Commissions

Associates receive bonuses and commissions and rank advancement based on the actual sales of Products and/or Services to Customers as well as development of downteam Associates. As such, errors or insufficient data used to pay such bonuses and commissions or to accelerate rank advancement will be corrected and such corrections may result in adjustments to bonuses, commissions, and rank advancement. In the event a Customer receives an adjustment to their billing due to error, and bonuses and commissions have been paid out based on the amount paid by the Customer prior to such adjustment, it may be necessary to likewise adjust the future bonus and commission payments to those Associates who received bonuses and commissions based on the billing amount prior to the

adjustment. This may result in a deduction from future payments or in the payment of additional amounts to such future payments. When this occurs, it will be clearly disclosed to the affected Associates as either a positive or negative adjustment.

#### 10.4 - Commission Documentation Delivery

All documentation necessary for commission and bonus qualifications must be received by the Company daily by 11:59 p.m. Central Standard Time for a payment to be issued on the same day the following week.

#### 10.5 - Commission Inquiries or Errors

Any commission discrepancy must be reported to the Company in writing. All commission inquiries must be received by the Company within ninety (90) days of the commission release date. If an Associate has inquiries about or believes any errors have been made regarding bonuses and/or commissions, reports, or charges, the Associate must contact the Associate Services Team by either email (support@livetup.com) or by mail (Livit International Attn: Commissions, PO Box 341551, Austin, TX 78734) within sixty (60) calendar days of the date of the purported error or incident in question. The Company will not be responsible for any errors unless it is determined that the error was the result of an administrative oversight and was not corrected. The Company will not be responsible for any errors, omissions, or problems not reported to the Company within sixty (60) calendar days from the date the bonus/commission was paid.

#### 10.6 - Reissued Checks

Associates must request in writing if he or she wants a lost or missing check reissued, which re-issuance may take up to ninety (90) days. If a commission payment must be reissued, the Associate will be responsible for the fees involved with placing a stop payment on the original payment and reissuing a new payment.

#### 10.7 - Administration Fees.

An administration fee of \$2.50 will be deducted from each commission payment made by check to cover processing costs relating to the issuance of the check and the statement. No administrative fee will be charged on commissions paid by direct deposit. A commission payment will not be issued until the total amount (less the administration fee) is greater than \$50. All commissions are accumulated until the appropriate amount is reached and added to the next commission payment of its kind.

#### 10.8 Commissions Payment Delay

The Company is not responsible for loss of commissions or delay in payment due to any of the following: (i) the Agreement is not on file with the Company or is incomplete, incorrectly filled out, or not executed; (ii) improper notification of change of address has occurred; (iii) outdated forms are submitted to the Company; or (iv) there are issues in processing customer information.



## 10.9 - Offset

The Company has the right to offset any amounts owed by an Associate to the Company, including, without limitation, any indemnity obligation incurred from commissions or other compensation or payments due to the Associate.

# SECTION 11

## BACK OFFICE & REPORTING SERVICES

### 11.1 - Back Office

The Back Office is defined herein as a Web-based application offered to each Associate that includes business-building tools, training, reporting services, commissions, genealogy, information, news, events, and updates.

The Company provides an optional Back Office to its Associates for a monthly fee. This fee is a recurring monthly fee charged prior to Associates purchase date of each month. The Company bills thirty (30) days in advance for the monthly Back Office subscription. The Back Office is a non-refundable service and the Company does not provide for partial month refunds. If an Associate wishes to cancel his, her, or its Back Office subscription, they may do so through their Back Office or by contacting the Associate Services Team (support@livitup.com).

The Company reserves the right to deny Associates' access to their Back Office at its sole and absolute discretion. Associates may register for a Back Office during enrollment or from the Company's corporate website (livitup.com). A Back Office account may be suspended or terminated after three (3) unsuccessful attempts at billing. If an Associate's Agreement is cancelled, terminated, or suspended, their Back Office will be automatically terminated.

The Back Office is separate from the Associate's Personal Replicated Website.

The Back Office provides access to confidential and proprietary information that may be used solely and exclusively to promote the development of an Associate's LIVIT Business and to increase sales of Products and/or Services. The confidentiality of this information shall survive any cancellation, termination, or expiration of the Associate Agreement.

### 11.2 - Back Office Reporting Services

Organizational and business reporting services; including the number of sponsored Associates is included in the optional Back Office and is available online. Each Associate acknowledges the Back Office and reporting services are proprietary and confidential to the Company and is transmitted to the Associate in strictest confidence. Associate agrees he or she will not use, copy, or distribute the Back Office information and reporting services other than for the benefit of the Company and for the purpose of operating his or her LIVIT Business. Associate acknowledges that the Back Office and reporting services may contain information concerning the Associate including, but not limited to his or her name, address, phone number, products, and earnings, and by executing the Agreement, consents to the dissemination of the Back Office and reporting services.

An online report generated that provides critical data relating to the identities of Associates, sales information and enrollment activity of each Associate's Organization. This report contains confidential and trade secret information that is proprietary to the Company.

All information provided by the Company in the Back Office regarding downteam Organization, Customers, and commissions reports is believed to be accurate and reliable. Nevertheless, due to various factors including, but not limited to, the inherent possibility of human and technical error, the information is not guaranteed to be true or accurate by the Company nor any persons creating or transmitting the information.

To the fullest extent permissible under applicable law, the Company, its affiliates and/or other persons creating or transmitting the information will in no event be liable to any Associate or anyone else for any direct, indirect, consequential, incidental, special, or punitive damages that arise out of the use of or access to personal and marketing organization sales and/or enrollment information (including but not limited to lost profits bonuses/commissions, loss of opportunity and damages that may result from inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the information), even if the Company, its affiliates, or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, the Company, its affiliates and other persons creating or transmitting the information shall have no responsibility or liability to the Associate or anyone else under any tort, contract, negligence, strict liability, products liability, or other theory with respect to that information.

Access to and use of the Company's online reporting services and the Associate's reliance upon such information is at the Associate's own risk. All such information is provided to the Associate "as is." If the Associate is dissatisfied with the accuracy or quality of the information, the Associate's sole and exclusive remedy is to discontinue use of and access to the Company's online Back Office Reporting Services and reliance upon the information.

The confidentiality of this information shall survive any cancellation, termination, or expiration of the Associate Agreement.

### 11.3 - Confidential Company Information

Company Reports ("Reports") are available for Associate access and viewing in the Back Office. Access to these online Reports is password protected. **All Reports and the information contained therein are confidential and constitute proprietary information and trade secrets belonging to the Company.** These Reports are provided to Associates in strictest confidence and are made available to Associates for the sole purpose of assisting Associates in working with their respective Organizations in the development of their LIVIT Business. Associates should use their Reports to assist, motivate, and train their downteam Associates. The Associate and the Company agree that, but for this agreement of confidentiality and nondisclosure, the Company would not provide these Reports to the Associate. Associates shall not, on their own behalf, or on behalf of any other person or entity:

- a) Directly or indirectly disclose any information contained in any Report to any third party;
- b) Directly or indirectly disclose the password or other access code to the Associate's Back Office;
- c) Use the information contained in any Report to compete with the Company or for any purpose other than promoting or supporting their LIVIT Business; or
- d) Recruit or solicit any Associate or Customer listed on any Report or in any manner attempt to influence or solicit any Associate or Customer to alter a business relationship with the Company.

Upon demand by the Company, any current or former Associate will return any and all copies of Reports to the Company.

Associates agree that they shall not post, publish, or otherwise disclose and/or disseminate any of the documents found in their Back Office that are designated as confidential without written approval by the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)).

Buying or selling, or inducing others to buy or sell, Associate, Customer, prospective Associate or prospective Customer information is strictly prohibited at all times. Associates shall not provide any type of incentive for any action or proposed action to induce an Associate or third party to sell any information pertaining to an Associate, Customer, prospective Associate or prospective Customer.

## SECTION 12

### TERM, CANCELLATION, TERMINATION, SUSPENSION, INVESTIGATION

#### 12.1 - Term and Renewal of the Agreement

The term of the Agreement is one (1) year from the date of the Company's acceptance of the Associate's Application unless otherwise cancelled or terminated earlier as provided herein. The Agreement auto renews annually. The Company reserves the right in its sole discretion to reject the renewal of an Agreement.

#### 12.2 - Effect of Cancellation

Cancellation is defined herein as the termination of an Associate's business.

So long as an Associate remains active, complies with the terms of the Agreement, and the Company accepts payment of the initial enrollment fee, the Company shall pay bonuses/commissions to such Associate in accordance with the Compensation Plan. An Associate's bonuses/commissions constitute the entire consideration for the Associate's efforts in generating sales and all activities related to generating sales (including building an Organization).

Following a voluntary or involuntary cancellation of the Agreement by the Associate or the Company, the former Associate shall have no right, title, claim, or interest to the Organization that the Associate operated or receive any bonus/commission from the sales generated by the organization. An Associate whose business is canceled will lose all rights as an Associate. This includes the right to sell Products and/or Services and the right to receive future bonuses/commissions or other income resulting from the sales and other activities of the Associate's former Organization. In the event of cancellation, Associate agrees to waive all rights, including but not limited to property rights, rights to the former Organization, and to any bonuses/commissions or other remuneration derived from the sales and other activities of the Associate's former Organization.

Following cancellation of an Associate's Agreement, the former Associate shall not hold himself or herself out as an Associate and shall not have the right to promote the sale of Products and/or Services. The Associate must remove and permanently discontinue the use of the trademarks, service marks, trade names and any signs, labels, stationery or advertising referring to or relating to the Company or its affiliates' products, services, plans or programs. Associate must take all action reasonably required by the Company relating to protection of its confidential information and intellectual property.

An Associate whose Agreement is canceled shall receive bonuses/commissions only through the last full pay cycle the Associate was active prior to cancellation (less any amounts withheld during an investigation/probation preceding an involuntary cancellation).

#### 12.3 - Voluntary Cancellation

Associates have the right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Associate Services Team (support@livitup.com) from the Associate's email address on file or submitted to the Company's principal business address (PO Box 341551, Austin, TX 78734). The written notice must include the

printed name, address, Associate Identification Number, and signature (if in hard-copy form). The cancellation of the Agreement will become effective upon receipt by the Company.

If an Associate is also a Customer, the Associate's Customer Agreement shall continue in full force and effect, unless canceled.

## 12.4 - Re-Activation of Voluntarily Canceled Position

If an Agreement has been voluntarily canceled and the Associate chooses to reactivate within six (6) months or less from the cancellation date, the Associate may reactivate his or her original position under his or her original sponsor. The Associate does not have the option of starting a new position under a new sponsor.

If an Agreement has been voluntarily canceled for a period of greater than six (6) months, the Associate may start a new position under a new sponsor of their choice.

## 12.5 - Voluntary Cancellation to Change Organization

Associates may legitimately change Organizations by voluntarily canceling the Agreement in writing to Associate Services Team (support@livetup.com) and remaining inactive (e.g., no sales of Products and/or Services, no sponsoring of Associates, no attendance at any Company functions, and no participation in any other form of Associate activity or operation of any other LIVIT Business) for six (6) calendar months. Following the six (6) month period of inactivity, the former Associate may reapply under a new Sponsor; however, the former Associate's Organization will remain in the original line of sponsorship. The Company may consider waiving the six (6) month waiting period in extreme circumstances at its sole discretion. Such requests for waiver must be submitted in writing to the Company (support@livetup.com) from the primary email address on file.

## 12.6 - Involuntary Cancellation

An Associate's violation of any terms of the Agreement, including any amendments that may be made by the Company in its sole discretion, may result in any of the Disciplinary Sanctions listed in herein, including the involuntary cancellation of the Agreement.

At the sole discretion of the Company, the Agreement may be canceled or terminated for any breach of the Agreement, including, but not limited to, the following:

- i. Misrepresenting any aspect of any service or product being offered to a customer;
- ii. Failing to comply with, or any breach or violation of any of the terms or provisions of the Agreement, the Policies & Procedures, the Compensation Plan, or any published Company procedure, guideline or directive, as solely determined by the Company;
- iii. Failing to earn a commission check for a period of twelve (12) or more consecutive months;
- iv. Disparaging the Company, its affiliates or suppliers or its Associates;
- v. Cross-recruiting, recruiting or soliciting on behalf of a competitor of the Company, or engaging in any activity that constitutes a conflict of interest as set forth in these Policies;

- vi. Misrepresenting Products and/or Services by making claims contrary to Company literature, policies, instructions, or directions; or
- vii. Failing to comply with any applicable local, state or federal law, regulation or statute.

Cancellation shall be effective on the date on which written notice is emailed, shipped (e.g., USPS, FedEx, or UPS), or mailed to the Associate's last known address on file. The Company reserves the right to cancel or terminate the Associate's Agreement upon thirty (30) days written notice.

## 12.7 - Suspension

In the Company's sole discretion, to protect itself, its Associates, customers, and affiliates, the Company may suspend some or all of its Associate's access to information and services and withhold commission payments during the pendency of an investigation without prior notice to the Associate.

## 12.8 - Investigations of Inquiries and Complaints

The Company's Compliance Department will endeavor to investigate Associate and/or Customer inquiries and complaints concerning an Associate's marketing practices or other noncompliant activities within fifteen (15) business days of receipt of a complaint. During the Company's investigation of a complaint, the Company may, in its sole and absolute discretion, suspend an Associate. Associates shall cooperate with the Compliance Department to facilitate a thorough and timely investigation.

## 12.9 - Notification of Upline

The Company's Compliance Department may contact the upline of an Associate under investigation to inform him or her of the investigation. The Compliance Department may advise of corrective or follow-up action from the upline Associate or his or her downline and may require evidence that he or she has addressed the issue as requested.

## 12.10 - Appeal of Cancellation / Termination

When a decision is made to cancel or terminate an Associate, the Company will inform the Associate in writing that his or her Agreement is subject to cancellation or termination effective as of the date of the written notification or other specified date. The Associate will have ten (10) days from receipt of the notice to appeal in writing the proposed termination. The failure to respond within such ten (10) day period will be considered acceptance of the termination and/or any other sanction or penalty that the Company may impose. If the Associate files a timely appeal, the Company will review the termination, consider any other appropriate information and notify the Associate of its decision, which will be made in its sole discretion, is final and, is subject to no further review or appeal. The termination will be effective as of the date stated in the original termination notice.

## 12.11 - State Laws

Where state laws on termination are inconsistent with the Company's termination policy, the applicable state law shall apply.

## 12.12 - Initial Enrollment Fee Refund

If the Associate submits a voluntary cancellation request within three (3) business days of the initial enrollment date to the Associate Services Team (support@livitup.com), the Associate will receive a full refund of the enrollment fee (if applicable).

For those Associates who submit a voluntary cancellation after three (3) business days or for those who are involuntarily cancelled, the Associate may not request a refund of the initial enrollment fee.

This refund policy applies only to initial enrollment fees.

## 12.13 - Monthly Back Office Fee Refund

Monthly Back Office fees paid by the Associate, if any, are not refundable except where required by state law.



# SECTION 13

## LEGAL

### 13.1 - Compliance

These Policies & Procedures are guidelines for the Company and all Associates and serve to protect the rights of both parties. Execution of the Agreement is evidence of the Associate's acceptance and agreement to comply with these Policies & Procedures.

### 13.2 - Reporting Violations of the Agreement

Associates observing or becoming aware of a violation of the Agreement by another Associate are required to report the violation to the Compliance Department either by email (compliance@livetup.com) or phone (1-888-554-8488). If the report is submitted by email, please provide details such as dates, number of occurrences, persons involved, and any supporting documentation.

All reports received by the Company will remain confidential and anonymous until such time as the Associate who made the report authorizes the Company to disclose his, her, or its identity or is compelled to do so by subpoena, court order, or arbitrator's instruction.

Should you have reasonable suspicion or knowledge that an Associate is violating any of these Policies & Procedures, you have a duty to report such violation. Failure to report could result in disciplinary actions against the non-reporting Associate. If you are told anything that is contrary to these Policies & Procedures, you may not rely on the information and you have the duty to confirm with the Compliance Department.

### 13.3 - Confidentiality Agreement

During the term of the Agreement, the Company may provide to Associates confidential information, including, but not limited to Back Office access, genealogical and downline reports, customer lists and customer information, Associate lists and information, business reports, commission or sales reports, and such other financial and business information which the Company may deem as confidential. All such information (whether in oral, written, or electronic form) is proprietary and confidential to the Company and is transmitted to Associates in strictest confidence on a "need to know" basis for use solely in Associates business with the Company. Associates must use their best efforts to keep such information confidential and must not disclose any such information to any third party, directly, or indirectly. Associates must not use the information to compete with the Company or for any purpose other than promoting the Company's business, program, and its products and services. Upon non-renewal, cancellation, or termination of the Agreement for whatever reasons, the Associate must discontinue the use of such confidential information and promptly return any confidential information in their possession to the Company.

### 13.4 - Conflict of Interest

In order to avoid a conflict of interest, the Company does not engage in any other businesses with Associates, other than this Agreement.

Associates whose employment or other non-Company affiliations allow them access to information such as customer accounts and/or social security numbers are strictly prohibited from using this information in connection with any personal or business activity.

### 13.5 - Non-Disparagement

The Company values constructive criticism and comments from Associates. All such comments should be submitted in writing to the Associate Services Team (support@livitup.com). While the Company welcomes constructive input, negative comments and remarks made by Associates about the Company, other Associates, or Customers, or Employees serve no legitimate purpose and create a negative culture. For this reason, and to set the proper example for their Organizations, Associates shall not disparage, demean or make inappropriate or negative remarks about Associates, Customers, or the Company and its directors, officers, employees, and agents. Additionally, Associates shall not disparage regulators, competitors, or vendors. The Company reserves the right to remove any disparaging or inappropriate comments from any of the Company's mediums or forums.

The Company and Associate acknowledge and agree that the Company has no responsibility for Associate actions and shall be held harmless for any Associate that violates this Section.

### 13.6 - Disciplinary Sanctions

Violation of the Agreement; violation of any common law duty, including but not limited to any applicable duty of loyalty; violation of any law or regulation; any illegal, fraudulent, deceptive or unethical business conduct; or any act or omission by an Associate that, in the sole and exclusive discretion of the Company, may damage its reputation or goodwill (such act or omission need not be related to the Associate's LIVIT Business), may result, at the Company's discretion, in one or more of the following Disciplinary Sanctions:

- a) Requiring the Associate to take immediate corrective measures;
- b) Issuance of a written warning or admonition;
- c) Suspension with pay which may include: (i) Deactivation of the Back Office and/or the Associate's Personal Replicated Website;
- d) Suspension without pay, which may include any combination of the following: (i) Deactivation of the Back Office and/or the Associate's Personal Replicated Website; and/or (ii) Withholding of all or part of the Associate's bonuses/commissions during the period that the Company is investigating any alleged violation. If an Associate's business is canceled for Disciplinary Sanctions, the Associate will not be entitled to recover any bonuses/ commissions withheld during the investigation period; and/or (iii) Loss of rights to one (1) or more bonus/commission payments; and/or (iv) Ineligibility for Associate incentive programs including, but not limited to: car bonuses, contests, promotions, recognitions, trips, etc.; and/or (v) Involuntary cancellation of the Agreement (Note: Cancellation will be effective as of the notice date); and/or (vi) Any other measure expressly allowed within any provision of the Agreement or that the Company deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Associate's violation.

In situations deemed appropriate, the Company may institute legal proceedings for monetary and/or equitable relief.

Each Associate agrees to cooperate with the Company's investigation of potential violations. An Associate's duty to cooperate shall include, without limitation: 1) responding promptly, completely, and truthfully to any inquiries or requests for information or documents (including, but not limited to, books, records, correspondence, and electronically stored information); 2) furnishing requested documents and information within two (2) business days of any request; 3) authenticating documents; and 4) testifying completely and truthfully. Each Associate agrees that this duty to cooperate with the Company also applies to any mediation, arbitration, civil litigation, or administrative proceeding.

### 13.6 - Appeal of Disciplinary Sanctions

Following issuance of a Disciplinary Sanction, the disciplined Associate may appeal the sanction to the Compliance Department. The Associate's appeal must be in writing and received by the Company within 10 (ten) business days from the date of the Company's notice of the Disciplinary Sanction. If the appeal is not received by the Company within the (10) ten business day period, the sanction will be final. The Associate must submit all supporting documentation with his or her appeal correspondence. If the Associate files a timely appeal of a Disciplinary Sanction, the Compliance Department will review and reconsider the Disciplinary Sanction(s), consider any other appropriate action, and notify the Associate in writing of its decision, which will be made in its sole discretion, is final and, is subject to no further review or appeal.

### 13.7 - Grievances and Complaints

When an Associate has a grievance or complaint with another Associate regarding any practice or conduct in relationship to the Associate's respective LIVIT Business, the complaining Associate should first report the problem to his or her Sponsor, who should review the matter and try to resolve it with the other party's Sponsor. If the matter involves interpretation or violation of the Agreement, it must be reported in writing to the Compliance Department ([compliance@livitup.com](mailto:compliance@livitup.com)).

### 13.8 - Independent Dispute Resolution

If any claim, dispute, controversy, or other difference between or among the Company and/or any Associate(s) arises out of or is related to this Agreement, or the breach thereof, the parties to the dispute will meet and negotiate in good faith to attempt to resolve the dispute. If, after at least thirty (30) calendar days following the date, one party has sent written notice of the dispute to the other party, the dispute is not resolved, and if any party wishes to pursue the dispute, it will be submitted to the Dispute Resolution Board as set forth below. In no event may arbitration be initiated more than one (1) year following the sending of written notice of the dispute.

### 13.9 - Dispute Resolution Board

The Dispute Resolution Board reviews evidence, deliberates, and responds to current outstanding issues on a collective basis. The purpose of the Dispute Resolution Board ("DRB") is to review matters between or among the Company and/or any Associate(s) that have not been resolved following Independent Dispute Resolution.

An Associate may submit a written request for a telephone conference or an in-person hearing within 5 (five) business days from the date of the failure to resolve any dispute through Independent Dispute Resolution. All

communication between or among the Company and/or the Associate(s) seeking resolution of a dispute must be in writing. It is within the DRB's discretion whether a claim is accepted for review.

If the DRB agrees to review the matter, it shall schedule a hearing within 15 (fifteen) days of receipt of the Associate's written request. All evidence (e.g., documents, exhibits, etc.) that an Associate(s) desires to have considered by the DRB must be submitted to the DRB no later than 5 (five) business days before the date of the hearing. The Associate shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be present at the hearing. The decision of the DRB will be final and subject to no further review. During the pendency of the claim before the DRB, the Associate waives his or her right to pursue arbitration or any other remedy. In no event may arbitration be initiated more than one (1) year following the sending of written notice of the dispute.

### 13.9 - Mediation

Prior to instituting any arbitration as provided in herein, the parties shall meet in good faith and attempt to resolve any dispute, controversy, or other difference between or among the Company and/or any Associate(s) arising from or relating to the Agreement, or the breach thereof, through non-binding mediation. One (1) individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated fees and costs pursuant to the mediation agreement. Each party shall pay its own attorney fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Austin, Texas. In no event may arbitration be initiated more than one (1) year following the sending of written notice of the dispute.

### 13.10 - Arbitration

If mediation is unsuccessful, any claim, dispute, controversy, or other difference between or among the Company and/or Associate(s) arising out of or relating to this Agreement, or the breach thereof, the parties to the dispute agree that the dispute will be resolved by binding arbitration administered by the American Arbitration Association pursuant to its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Associates waive all rights to trial by jury or by any court. All arbitration proceedings shall be held in Austin, Texas.

The parties agree that the arbitrator will have the primary power to decide any question about the arbitrability of any claim, dispute, or other difference between them. The arbitrator may award, in addition to declaratory relief, preliminary and permanent injunctive relief and actual damages.

If the initial damages sought by the initiating party (the "claimant") are less than \$1,000,000, there shall be one (1) arbitrator. If the initial damages sought by the claimant are \$1,000,000 or greater, there shall be three (3) arbitrators. The arbitrator(s) shall be an attorney or attorneys at law, who shall have expertise in business law with a strong preference being an attorney knowledgeable in the Direct Selling industry, selected from the panel provided by the American Arbitration Association.

The prevailing party shall be entitled to receive from the losing party costs and expenses of arbitration, including legal and filing fees. The arbitrator will not have the authority to award economic, consequential, punitive,

exemplary or incidental damages. The decision of the arbitrator(s) shall be final and binding on the parties and may, if necessary, be reduced to a judgment and enforced in any court of competent jurisdiction. This agreement to arbitration shall survive any cancellation, termination, or expiration of the Associate Agreement.

No extrinsic evidence, including trade custom, shall be used at the arbitration hearing to interpret the Associate Agreement.

i. Notwithstanding the foregoing, nothing in the Agreement shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect the party's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

ii. Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use or registration of any mark, copyright, or other intellectual property or proprietary or confidential information of the Company without the Company's prior written consent. The Company may seek any applicable remedy in any applicable forum with respect to these disputes.

iii. Nothing in this rule shall prevent the Company from terminating the Agreement or from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other injunctive or emergency relief available to safeguard and protect the Company's interests prior to the filing of or during or following arbitration or other proceeding or pending the handing down of a decision or award in connection with any arbitration or other proceeding.

iv. Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of the Agreement, the Policies & Procedures, or the Compensation Plan.

### 13.11 - Class Action

As part of the consideration exchanged for the opportunity of being an Associate, all parties expressly waive and disclaim any right to bring any claim in any and all forums as a class action or as a private attorney general. No party may serve as a class representative or as a member of a class in litigation adverse to another Associate, the Company or any of their affiliates.

### 13.12 - Indemnity

Associates are fully responsible for all of their verbal and written statements made regarding the Company that are not expressly contained in official Company materials. Associates agree to indemnify the Company, and its affiliates and their respective directors, officers, employees, members, and agents (the "Indemnified Parties), jointly and severally, and hold them harmless from and against any and all alleged claims, liabilities, damages, expenses, fines, penalties; including judgments, third party lawsuits, civil penalties, refunds, lawyers', attorney, other third party fees, court costs, and lost business arising and/or incurred as a result of or stemming from the Associate's (i) unauthorized representations, actions, or inactions; (ii) breach of the Associate Agreement, Policies & Procedures, Compensation Plan; or (iii) violation of or failure to comply with any applicable federal, state or local law or regulation. This provision shall survive any cancellation, termination, or expiration of the Associate Agreement.

### 13.13 - Limitation of Damages

To the maximum extent permitted by law, the Company and its affiliates, officers, directors, employees and other associates shall not be liable for, and each associate hereby releases the foregoing from, and waives any claim for direct, indirect, incidental, special, consequential, or exemplary damages (including, without limitation, damages for loss of business, loss of profits or litigation) which arise out of any claim whatsoever relating to the Company's or any affiliates' performance, non-performance, act or omission with respect to the business relationship, use or misuse of its Products and/or Services, or other matters between any Associate and the Company, whether based on breach of contract, breach of warrant, tort (including, without limitation, negligence) or strict liability, or otherwise, even if advised of the possibility of such damages.

### 13.14 - Amendments

The Company reserves the right to amend its Agreement, Terms and Conditions, Policies & Procedures, Compensation Plan, company materials, program and prices for Products and/or Services, from time to time, in its sole discretion, which modifications shall become a binding part of this Agreement. Such amendments shall be published on the corporate website or by other means determined by the Company and shall become effective five (5) days after publication. An Associates continued acceptance of commissions or bonuses shall constitute his or her acceptance of any and all amendments.

### 13.15 - Sever-ability

If under any applicable law or rule of any applicable jurisdiction, any provision of the Agreement, in its current form or as amended, is found to be invalid or unenforceable for any reason, only the invalid portion of the provision shall be severed and the remaining portion of the Agreement will remain and be interpreted as best to effect the intent of the parties hereto. The remaining provisions of the Agreement, as the case may be, shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from the Agreement. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

### 13.16 - Waiver

The Company requires strict compliance with the Agreement and applicable governing laws. The Company's failure to exercise any right or power under the Agreement or its failure to insist upon strict compliance by an Associate with any obligation or provision of the Agreement shall not constitute a waiver of the Company's right to demand compliance with the Agreement at any time in the future. Waiver by the Company can only be effectuated in writing by an Authorized Officer of the Company and will be specific to the Associate granted the waiver, unless otherwise stated. The Company's waiver of any particular breach by an Associate shall not affect or impair the Company's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Associate. Nor shall any delay or omission by the Company to exercise any right arising from a breach affect or impair the Company's rights as to that or any subsequent breach. The existence of any claim or cause of action of an Associate against the Company shall not constitute a defense to the Company's enforcement of any term or provision of the Agreement.

### 13.17 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Austin, Texas. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of the State of Texas shall govern all matters relating to or arising from the Agreement.

### 13.18- Miscellaneous

It is agreed that the Agreement shall not be construed against the Company. Associate acknowledges that he, she, or it has had the opportunity to consult with an attorney if the Associate so wishes prior to entering the Agreement.

### 13.19 - Force Majeure, Delays, and Changes in Law

The Company shall not be responsible for delays or failure in performance of its obligations when performance is made commercially impracticable due circumstances beyond a party's reasonable control. This includes, without limitation, acts of terrorism, natural disasters, strikes, labor difficulties, technology challenges, vendor mistakes and delays; including industry communications, riot, fire, war, death, storms, acts or omissions of third parties, disruptions in communication systems, government decrees or orders or curtailment of a party's usual course of supply.

### 13.20 - Electronic Acceptance

Associate agrees to and consents to do business electronically. The Associate Agreement and all incorporated documents, amended or otherwise, are accepted and fully executed by the Associate upon Associate enrollment and shall be deemed to be legal and binding. The electronic transmission of enrollment, acceptance, and execution shall be deemed to have the same legal effect as delivery of an original signed executed copy of the Agreement.

# SECTION 14

## DEFINITIONS

**Active Associate** - An Associate who is enrolled in the Opportunity and is in good standing with the Company by performing all obligations under the Agreement. An Associate who does not meet these requirements is an "Inactive Associate."

**Active Customer** - A Customer is considered Active in a period in which a Payment Record has been received. A "Payment Record" is an electronic transmission received containing Customer payment and information.

**Associate Agreement ("Agreement")** - Collectively and in their current form and as amended by the Company in its sole and absolute discretion, the Associate Agreement incorporates the Associate Application, the Policies & Procedures, the Terms & Conditions, the Compensation Plan, and any other documents applicable to Associates that may be published by the Company.

**Associate** - An individual or business entity enrolled with the Company to participate in the Opportunity.

**Associate Identification Number** - A unique identification number assigned to each new Associate by the Company.

**Associate Services Team** - During business hours, the Company provides Associate services for Associates. The Associate Services Team can be contacted at 1-866-657-8617 or at support@livitup.com.

**Authorized Officer** - The Chief Executive Officer (CEO) of the Company or any other named officer of the Company.

**Business Entity** - Any business categorized as a corporation, LLC, nonprofit, partnership, trust, etc.

**Co-applicant** - Any additional person added to the Associate's account with approval by the Associate and who has full rights to the account.

**Compliance Department** - The Compliance Department interprets the Agreement and all incorporated publications; including the Policies & Procedures for the field to ensure compliance.

**Cross-Team** - Any Associate placed in an Organization that is neither upteam nor downteam from a given Associate.

**Customer** - A Customer is an individual or business who has a Products and/or Services account with the Company.

**Customer Agreement** - The Customer Agreement is the Customer Application form signed by the Customer that authorizes the Company to provide Products and/or Services.

**Customer Services Team** - During business hours, the Company provides Customer services for Customers. The Customer Services Team can be contacted at 1-888-554-8488 or at customersupport@livitup.com.

**Customer Enrollment Compliance Guidelines** - The Company has set forth specific enrollment standards for the potential marketing channels. The Customer Enrollment Compliance Guidelines are available in the Back Office or by contacting Customer Services Team.

**Direct Selling** - A retail channel for the distribution of goods and services directly to the consumer.



**Domain Name** - This is the name that identifies a website. For example, "livitup.com" is the domain name of Livit International's website.

**Downteam** - All Associates enrolled below the Associate in their line of sponsorship are considered to be part of the downteam.

**Dropped Customer** - An individual or business that has involuntarily or voluntarily canceled a product and/or service account with the Company.

**Field Leaders** - Those Associates identified by the Company who have achieved significant rank advancements within the Company and who are actively participating in the Company sponsored and/or approved trainings and/or events and who have demonstrated significant leadership skills.

**Level** - Each layer of downteam Associates in a particular Associate's Organization. This term refers to the relationship of an Associate relative to a particular upteam Associate, determined by the number of Associates between two who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A's fourth level.

**Line** - Each one of the individuals enrolled immediately underneath an Associate and the Associate's respective Organization represents one "line" in an Associate's Organization.

**Marketing Material** - Any type of document that may be used to advertise and/or market to a Customer (e.g., business card, flyer, or letter).

**Organization** - The Customers enrolled and the Associates sponsored placed in a particular Associate's downteam.

**Official Material** - Literature, video recordings, and other materials developed, printed, published and distributed by the Company to Associates.

**Qualified Associate** - An Associate who has one (1) or more personally enrolled, qualified, or active Customers.

**Qualified Customer** - An active Customer for which the Company has confirmed enrollment with the Company.

**Rank** - The level that an Associate has achieved pursuant to the Compensation Plan.

**Recruit** - The actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Associate or Customer to enroll or participate in another Direct Selling opportunity, even if the Associate's actions are in response to an inquiry made by another Associate or Customer.

**Sponsor** - The act of enrolling others and training them to become Associates is called "sponsoring." An Associate who enrolls another Associate into the Company is listed as the Sponsor on the Associate Application and Agreement.

**Upteam** - This term refers to the Associate or Associates above a particular Associate in a sponsorship line up to the Company. In other words, it is the line of sponsors that links any particular Associate to the Company.

**Web Page** - Any page that one sees when one is browsing the Internet. Every new screen one sees is a new Web page. A website can have one Web page or millions.

**Website** - A group of Web pages usually containing hyperlinks to one other and made available online by an individual, company, educational institution, government or organization.