

FEBRUARY 2020

**SECTION 1 – PURPOSES OF POLICIES AND PROCEDURES****SECTION 2 – INTRODUCTION**

- 2.1 – Policies and Procedures Incorporated Into LifeVantage Distributor Agreement
- 2.2 – Purpose of Policies
- 2.3 – Changes to the Agreement
- 2.4 – Delays
- 2.5 – Severability
- 2.6 – Waiver
- 2.7 – Language
- 2.8 – Right to Terminate

**SECTION 3 – BECOMING A LIFEVANTAGE DISTRIBUTOR / RULES OF CONDUCT**

- 3.1 – Requirements to Become an LifeVantage Distributor
- 3.2 – LifeVantage Distributor Application by Fax or internet
- 3.3 – Renewal of a LifeVantage Distributorship

**SECTION 4 – OPERATING A LIFEVANTAGE DISTRIBUTORSHIP**

- 4.1 – Adherence to the LifeVantage Sales Compensation Plan
- 4.2 – Business Entities
- 4.3 – Minors
- 4.4 – One LifeVantage Distributorship per Person and two per Household
  - 4.4.1 – Actions of Household Members or Affiliated Individuals
- 4.5 – Independent Contractor Status
- 4.6 – Changes to a LifeVantage Distributorship
- 4.7 – Roll-up of Marketing Organization
- 4.8 – Sale, Transfer or Assignment of a LifeVantage Distributorship
- 4.9 – Separation of a LifeVantage Distributorship
- 4.10 – Succession
- 4.11 – Transfer Upon Death of a LifeVantage Distributor
- 4.12 – Transfer Upon Incapacitation of a LifeVantage Distributor
- 4.13 – Errors or Questions

**SECTION 5 – RESPONSIBILITIES OF LIFEVANTAGE DISTRIBUTORS**

- 5.1 – Change of Address, Telephone or E-mail
- 5.2 – Continuing Development Obligations
  - 5.2.1 – Ongoing Training
  - 5.2.2 – Increased Responsibilities
  - 5.2.3 – Ongoing Sales Responsibilities
- 5.3 – Non-Disparagement
- 5.4 – Providing Documentation to Applicants
- 5.5 – Reporting Policy Violations
- 5.6 – Company Claims

**SECTION 6 – CONFLICTS OF INTEREST**

- 6.1 – Non-Solicitation
- 6.2 – Targeting Other Direct Sellers



- 6.3 – Cross-Sponsoring
- 6.4 – Holding Applications or Orders
- 6.5 – Stacking

## SECTION 7 – LIFEVANTAGE DISTRIBUTOR COMMUNICATION AND CONFIDENTIALITY

- 7.1 – Marketing Organization (Genealogy Reports)
- 7.2 – Communication and Data Protection

## SECTION 8 – ADVERTISING

- 8.1 – General
- 8.2 – Trademarks and Copyrights
- 8.3 – Unauthorized Claims and Actions
  - 8.3.1 – Indemnification
  - 8.3.2 – Product Claims
  - 8.3.3 – Income Claims
  - 8.3.4 – Use of Celebrity Names and Likeness
  - 8.3.5 – Interaction with Scientific Advisory Board and Other Company Consultants
  - 8.3.6 – Governmental Approval or Endorsement
- 8.4 – Mass Media
  - 8.4.1 – Promotions Utilizing Mass Media Prohibited
  - 8.4.2 – Media Interviews
- 8.5 – Internet
  - 8.5.1 – General
  - 8.5.2 – LifeVantage Distributor Websites
  - 8.5.3 – Social Media and Other Websites
    - 8.5.3.1 – The Official LifeVantage Public Facebook (or similar) Pages
    - 8.5.3.2 – Closed Distributor Facebook (or similar) Pages
  - 8.5.4 – Use of Third-Party Intellectual Property
  - 8.5.5 – Respecting Privacy
  - 8.5.6 – Professionalism
  - 8.5.7 – Prohibited Postings
  - 8.5.8 – Responding to Negative Online Posts
  - 8.5.9 – Cancellation of Your LifeVantage Business
  - 8.5.10 – E-mail
  - 8.5.11 – Online Classifieds
  - 8.5.12 – Online Auction Websites
  - 8.5.13 – Online Retailing
  - 8.5.14 – Banner Advertising
  - 8.5.15 – Spam Linking
  - 8.5.16 – Digital Media Submission (e.g., YouTube, iTunes, PhotoBucket, etc.)
  - 8.5.17 – Sponsored Links, Pay-Per-Click (PPC) Ads
- 8.6 – Spamming and Unsolicited Faxes
- 8.7 – Telemarketing
- 8.8 – Advertised Product Price

## SECTION 9 – RULES AND REGULATIONS

- 9.1 – Identification
- 9.2 – Income Taxes
- 9.3 – Insurance
  - 9.3.1 – Business Pursuits Coverage
  - 9.3.2 – Product Liability Coverage
- 9.4 – International Marketing
- 9.5 – Adherence to Laws and Ordinances



- 9.5.1 – Local Ordinances
- 9.5.2 – Compliance with Applicable Laws

## SECTION 10 – SALES

- 10.1 – Commercial Outlets
- 10.2 – Trade Shows, Expositions and Other Sales Forums
- 10.3 – Excess Inventory Purchases Prohibited
- 10.4 – Bonus Buying Prohibited
- 10.5 – Repackaging and Relabeling Prohibited

## SECTION 11 – SALES REQUIREMENTS

- 11.1 – Product Sales
  - 11.1.1 – Sales Volume
- 11.2 – No Territory Restrictions
- 11.3 – 70% Sales Rule
- 11.4 – Sales Receipts
- 11.5 – Cancellation of Sales Contract with End-Consumers

## SECTION 12 – REBATES, BONUSES AND COMMISSIONS

- 12.1 – Rebates, Bonuses and Commission Qualifications
  - 12.1.1 – Adjustment to Rebates, Bonuses and Commissions
  - 12.1.2 – Commissions Payout Fees
  - 12.1.3 – Cancellation Within the First 30 Days
- 12.2 – Unclaimed Commissions and Credits
- 12.3 – Incentive Trips and Awards
- 12.4 – Reports
  - 12.4.1 – Marketing Organisation Reports
  - 12.4.2 – Report Indemnification

## SECTION 13 – PRODUCT GUARANTEE, RETURNS AND INVENTORY REPURCHASE

- 13.1 – Product Guarantee
- 13.2 – Inventory Repurchase
- 13.3 – Exceptions to the Refund Policies

## SECTION 14 – DISPUTE RESOLUTION AND REMEDIES

- 14.1 – Limitation of Remedies
- 14.2 – Stages of Dispute Resolution and General Dispute Resolution Procedures
  - 14.2.1 – Informal Negotiation
  - 14.2.2 – Mediation
  - 14.2.3 – Arbitration or Litigation
- 14.3 – Arbitration Administered by JAMS
- 14.4 – Confidentiality of Dispute Resolution Proceedings
- 14.5 – Liquidated Damages for Breach of the Confidentiality Obligation
- 14.6 – Emergency and Injunctive Relief
- 14.7 – Disputes Not Subject to the Three-Step Dispute Resolution Process
  - 14.7.1 – Action to Enforce Arbitration Award or Order
  - 14.7.2 – Petitions for Emergency Relief
  - 14.7.3 – Disciplinary Sanctions
- 14.8 – Remedies
- 14.9 – Class Action Waiver
- 14.10 – Governing Law
- 14.11 – Attorney's Fees and Costs
- 14.12 – Disciplinary Sanctions, Breach and Remedies
- 14.13 – Modifications and Amendments to the Dispute Resolution Policies



## SECTION 15 – ORDERING

### 15.1 – Customers

### 15.2 – Purchasing LifeVantage Products

### 15.3 – General Order Policies

### 15.4 – Shipping and Back Order Policy

### 15.5 – Confirmation of Order

### 15.6 – Product Abandonment

## SECTION 16 – PAYMENT AND SHIPPING

### 16.1 – Deposits

### 16.2 – Insufficient Funds

### 16.3 – Restrictions on Third-Party Use of Credit Cards

### 16.4 – Sales, Value-Added, Turnover or Equivalent Taxes

## SECTION 17 – INACTIVITY AND CANCELLATION

### 17.1 – Effect of Cancellation

### 17.2 – Cancellation Due to Inactivity

### 17.3 – Involuntary Cancellation

### 17.4 – Voluntary Cancellation

### 17.5 – Non-Renewal

## SECTION 18 – DEFINITIONS

### SECTION 1 – PURPOSES OF POLICIES AND PROCEDURES

LifeVantage Canada Ltd., its parent and affiliated corporate entities (hereinafter, “LifeVantage” or “Company”) has developed the following guidelines to assist the Company and its LifeVantage Distributors mutually succeed in their relationship. The LifeVantage Policies and Procedures (“P&P”) provide the following benefits:

- 1) Protect the rights of all LifeVantage Distributors by providing a framework within which each LifeVantage Distributor may work in an ethical, effective and secure manner.
- 2) Provide an equal and level playing field of opportunity to all LifeVantage Distributors.
- 3) Define the contractual relationship between LifeVantage and its LifeVantage Distributors.
- 4) Inform LifeVantage Distributors regarding compliance issues and regulatory requirements that LifeVantage requires all LifeVantage Distributors to understand as we work together in promoting the LifeVantage products and opportunity

### SECTION 2 – INTRODUCTION

#### 2.1 – Incorporated into LifeVantage Distributor Agreement

The LifeVantage Policies and Procedures also referred to herein as the Manual or P&P in their present form and as amended from time to time at the sole discretion of LifeVantage are incorporated into, and form an integral part of, the LifeVantage Distributor Application and Agreement (“LifeVantage Distributor Agreement”). Throughout the P&P, when the term “Agreement” is used, it collectively refers to the LifeVantage Distributor Application and Agreement, the LifeVantage Policies and Procedures, the LifeVantage Sales Compensation Plan, the LifeVantage Privacy Policy and Website Use Agreement and any applicable business entity forms. These documents are incorporated by reference into the LifeVantage Distributor Agreement. Unless otherwise defined herein, capitalized terms shall have the meaning specified in Section 18 of the P&P. It is the responsibility of each LifeVantage Distributor to read, understand, adhere to and ensure that they are aware of and operating under the most current version of the P&P. When enrolling a new LifeVantage Distributor, it is the responsibility of the Enroler (as further defined below) to provide the most current version of this Manual and the LifeVantage Sales Compensation Plan to the applicant prior to their execution of the LifeVantage Distributor Agreement. All terms contained within the P&P are subject to the terms contained within the LifeVantage Distributor Agreement. In the event of a discrepancy between any provision of the LifeVantage Distributor Agreement and the P&P or the LifeVantage Sales Compensation Plan, the LifeVantage Distributor Agreement shall prevail.



## 2.2 – Purpose of Policies

### Purpose of Policies

LifeVantage is a direct sales company that markets products through LifeVantage Distributors. It is important that all LifeVantage Distributors understand that their success is dependent upon the integrity of all who market LifeVantage products. To clearly define the relationship that exists between LifeVantage Distributors and LifeVantage, and to explicitly set standards for acceptable business conduct, LifeVantage has established the Agreement. LifeVantage Distributors are required to comply with all the terms and conditions set forth in the Agreement, as well as all applicable laws governing their business and their conduct. It is very important that all LifeVantage Distributors read and abide by the Agreement. Please review the information in this Manual carefully. It explains and governs the relationship between LifeVantage Distributors and the Company. Any questions regarding any policy or rule should be directed to LifeVantage.

## 2.3 – Changes to the Agreement

Changes to the Agreement Because applicable laws, as well as the business environment periodically change, LifeVantage reserves the right to amend any portion of the Agreement and its prices and product offerings in its sole and absolute discretion. The Company shall provide or make available to all LifeVantage Distributors a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official website; (2) electronic mail (e-mail); (3) fax-on-demand; (4) voice mail system broadcast; (5) inclusion in Company periodicals; (6) inclusion in product orders; or (7) special mailings from the Company. The most current and controlling version will be located at [www.LifeVantage.com](http://www.LifeVantage.com). It is the responsibility of all LifeVantage Distributors to regularly review [www.LifeVantage.com](http://www.LifeVantage.com) for the most recently published documents applicable for their market(s). Once the amendment(s) are published, the LifeVantage Distributor(s) may elect to accept the amendment(s) or reject them. If the LifeVantage Distributor rejects them, their Agreement will terminate and will not be renewed. If the LifeVantage Distributor continues to purchase or sell Company products, enrol and/or accept rebates, commissions or bonuses from LifeVantage, such actions shall be deemed acceptance of any amendments to the Agreement.

## 2.4 – Delays

LifeVantage shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

## 2.5 – Severability

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed, and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.

## 2.6 – Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a LifeVantage Distributor. No failure of LifeVantage to exercise any right or power under the Agreement or to insist upon strict compliance by a LifeVantage Distributor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of the LifeVantage right to demand exact compliance with the Agreement. Waiver by LifeVantage can be affected only in writing by an authorised officer of the Company. The LifeVantage waiver of any particular breach by a LifeVantage Distributor shall not affect or impair the LifeVantage rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other LifeVantage Distributor. Nor shall any delay or omission by LifeVantage to exercise any right arising from a breach affect or impair the LifeVantage rights as to that or any subsequent breach. The allegation or existence of any claim or cause of action of a LifeVantage Distributor against LifeVantage shall not constitute a defense to the LifeVantage enforcement of any term or provision of the Agreement.

## 2.7 – Language

The parties acknowledge that the present Agreement has been drawn up in the English language at their express wish. Les parties déclarent et reconnaissent que la présente convention a été rédigée en anglais selon leur volonté expresse.



## 2.8 – Right to Terminate

Each LifeVantage Distributor is aware of the rights to terminate without cause, as set forth in the Agreement.

## SECTION 3 – BECOMING AN LIFEVANTAGE DISTRIBUTOR

### RULES OF CONDUCT

Each LifeVantage Distributors promise to:

- 1) Conduct themselves and their operations as a LifeVantage Distributor honestly, morally and legally to help protect the LifeVantage opportunity for all.
- 2) Keep their activities honorable to reflect well on themselves and on LifeVantage.
- 3) Speak well of LifeVantage, as well as competitors.
- 4) Honestly present the LifeVantage product as per the LifeVantage literature, including accurate and legally permissible health claims and benefits.
- 5) Explain the LifeVantage Sales Compensation Plan honestly and completely.
- 6) Respect the privacy of others and keep their personal earnings and the earnings of others private.
- 7) Take their Enroler and Upline responsibilities seriously, including, aiding and supporting those in their Marketing Organisation.
- 8) Abide by the product guarantee and return policies for themselves and for their customers.
- 9) Respect the professional relationships between LifeVantage and any of its advisors, endorsers or affiliates by speaking of them appropriately and refraining from making contact with them.
- 10) Direct all media inquiries to LifeVantage.
- 11) Honor the established relationships between Enrolers and Enrolees to avoid conflicts of interest with other Distributors, Enrolers and enrolees.
- 12) Adhere to the Agreement.

### 3.1 – Requirements to Become an LifeVantage Distributor

To become a LifeVantage Distributor, each applicant must:

- 1) Be a minimum of eighteen (18) years of age and legally competent to enter into a contract;
- 2) Purchase a LifeVantage Start Kit; and
- 3) Submit a properly completed and signed LifeVantage Distributor Agreement to LifeVantage.

The Company reserves the right to reject any applications to become or annually renew as a LifeVantage Distributor in its sole and absolute discretion. The Agreement is effective upon acceptance of the LifeVantage Distributor Agreement by the Company as set forth herein.

### 3.2 – LifeVantage Distributor Application by Fax or Internet

In addition to applying online or with a physical LifeVantage Distributor Agreement, an applicant may also apply by faxing to LifeVantage a properly completed LifeVantage Distributor Agreement. Applicants registering by fax may include their credit card information to purchase the Start Kit and must ensure that they fax all pages of the LifeVantage Distributor Agreement to LifeVantage.



### 3.3 – Renewal of a LifeVantage Distributorship

The term of the Agreement is one (1) year from the date of its acceptance by LifeVantage. A reasonable renewal fee may be required and billed each successive year on the anniversary date of the Agreement. Once the annual renewal fee has been collected, the Agreement will be renewed provided the LifeVantage Distributor is in good standing and the Agreement has not been otherwise cancelled as provided herein.

## SECTION 4 – OPERATING A LIFEVANTAGE DISTRIBUTORSHIP

### 4.1 – Adherence to the LifeVantage Sales Compensation Plan

LifeVantage Distributors must adhere to the terms of the LifeVantage Sales Compensation Plan. LifeVantage Distributors shall not offer the LifeVantage opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official LifeVantage literature. LifeVantage Distributors shall not require or encourage other current or prospective LifeVantage Distributors to participate in LifeVantage in any manner that varies from the LifeVantage opportunity as set forth in official LifeVantage materials. LifeVantage Distributors shall not require or encourage other current or prospective LifeVantage Distributors to execute any agreement or contract other than official LifeVantage agreements to become a LifeVantage Distributor. Similarly, LifeVantage Distributors shall not require or encourage other current or prospective LifeVantage Distributors to make any purchase from, or payment to, any individual or other entity to participate in the LifeVantage Sales Compensation Plan and LifeVantage opportunity other than those identified in the Agreement and/or official LifeVantage literature.

### 4.2 – Business Entities

A corporation, limited liability company, partnership, trust, or local equivalent (collectively referred to as a “Business Entity”) may apply to be a LifeVantage Distributor by submitting a copy of its organisational documents to LifeVantage, along with a properly completed Business Entity Form. If a LifeVantage Distributor has enrolled online, all required documents and corresponding Business Entity Form must be submitted to LifeVantage within thirty (30) days of the online Enrolment. (If not received within the 30-day period, the LifeVantage Distributor Agreement shall automatically terminate.) A LifeVantage Distributor may change its status under the same Enroler from an individual to a partnership, corporation, trust or local equivalent or from one type of entity to another by requesting a Name Change Request Form from the LifeVantage Compliance Department. The form must be signed by all of the shareholders, partners, trustees, members or owners of the relevant Business Entity with authority to bind the Business Entity. Members of the relevant Business Entity are jointly and severally liable for any indebtedness, liability or other obligations to LifeVantage.

### 4.3 – Minors

A person who is recognized as a minor in his or her jurisdiction of residence may not be a LifeVantage Distributor. LifeVantage Distributors shall not enrol or recruit minors or anyone unable to legally form a contract to become a distributor of LifeVantage.

### 4.4 – One LifeVantage Distributorship per Person and two per Household

A LifeVantage Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, member, owner or beneficiary, in only one LifeVantage Distributorship. Individuals of the same family unit may not enter into or have an interest in more than two (2) LifeVantage Distributorships (see Section 6.5 “Stacking”). A “family unit” is defined as spouses and dependent children living at or doing business at the same address. In order to maintain the integrity of the LifeVantage Sales Compensation Plan, spouses or common-law couples (collectively “Spouse(s)”) who wish to become separate LifeVantage Distributors must sign a separate LifeVantage Distributor Agreement and must have the same Enroler. A spouse may be “placed” under their spouse’s LifeVantage Distributorship as long as they have the same Enroler. Business Center positions are not separate distributorships and the qualifications for Business Center positions under an original distributorship are described in the LifeVantage Sales Compensation Plan.

#### 4.4.1 – Actions of Household Members or Affiliated Individuals

If any member of a LifeVantage Distributor’s immediate household engages in any activity which, if performed by the LifeVantage Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the LifeVantage Distributor and LifeVantage may take disciplinary action pursuant to the Agreement against the LifeVantage Distributor. Similarly, if any individual associated in any way with a Business Entity (collectively “Affiliated Individual”)



violates the Agreement, such action(s) will be deemed a violation by the entity distributorship and LifeVantage may take disciplinary action against the Business Entity.

#### **4.5 – Independent Contractor Status**

LifeVantage Distributors are independent contractor distributors, not employees of the Company. LifeVantage Distributors are not purchasers of a franchise or of a business opportunity. The Agreement between LifeVantage and its LifeVantage Distributors does not create an employer/employee relationship, agency, partnership or joint venture between the Company and any LifeVantage Distributor. LifeVantage may, at its discretion, require notarized documents before implementing any changes to a LifeVantage Distributorship. Please allow thirty (30) days after the receipt of the request by LifeVantage for processing. A LifeVantage Distributor is responsible for paying all applicable taxes due from all compensation earned as a LifeVantage Distributor. A LifeVantage Distributor has no authority (expressed or implied) to bind the Company to any obligation. Each LifeVantage Distributor shall establish their own goals, hours and methods of sale, so long as they comply with the terms of the Agreement and all applicable laws.

##### **4.5.1 – Enrolling/ Placing or Sponsoring**

All active LifeVantage Distributors in good standing may enrol and place (sponsor) eligible applicants into LifeVantage. Each prospective distributor has the ultimate right to choose their own Enroler and Placement Sponsor. If two LifeVantage Distributors claim to be the Enroler and/or Placement Sponsor of the same new LifeVantage Distributor or Customer, the Company shall presume that the first application received by the Company is controlling.

#### **4.6 – Changes to a LifeVantage Distributorship**

##### **4.6.1 – General**

Each LifeVantage Distributor must immediately notify LifeVantage of all changes to the information contained on his or her LifeVantage Distributor Agreement and/or Business Entity Form, as applicable. LifeVantage Distributors may modify their existing LifeVantage Distributor Agreement by submitting a written request for a Name Change Request Form, a properly executed LifeVantage Distributor Agreement, and any requested supporting documentation.

##### **4.6.2 – Addition of Co-Applicant**

When adding a co-applicant (either an individual or a Business Entity) to an existing LifeVantage Distributorship, the Company requires a written request, as well as a properly completed and signed LifeVantage Distributor Agreement. To prevent the circumvention of the Agreement regarding transfers and/or assignments of a LifeVantage Distributorship, the original applicant must remain as the main party to the original LifeVantage Distributor Agreement. If the original LifeVantage Distributor wants to terminate their relationship with the Company, they must transfer or assign their LifeVantage Distributorship in accordance with the Agreement. If the Agreement is not followed, the LifeVantage Distributorship may be cancelled by LifeVantage upon the withdrawal of the original LifeVantage Distributor. All sales bonus and commission earnings will be sent to the account and/or address of record of the original LifeVantage Distributor. There is a processing fee for each change requested, which fee must be included with the written request and the completed LifeVantage Distributor Agreement. Please note that any requested modifications related to a change of Enroler or Placement Sponsor are separately addressed below.

##### **4.6.3 – Change of Enroller**

To protect the integrity of all Marketing Organisations and safeguard the hard work of all LifeVantage Distributors, LifeVantage strongly discourages changes in Enrolers or Placement Sponsors. Maintaining the integrity of placement is critical for the success of every LifeVantage Distributor and Marketing Organisations. Accordingly, the transfer of a LifeVantage Distributorship from one enroler to another is rarely permitted. Requests for a change must be submitted by contacting the LifeVantage Compliance Department and must include the reason for the change. Any change will be at the sole discretion of the Company. If the change is approved, only one change will be allowed per distributorship. A change of Enroller will only be considered in the following two (2) circumstances:





**4.6.3.1** – In cases involving fraudulent inducement or unethical sponsoring, a LifeVantage Distributor may request that they be transferred/changed to another organisation with their entire Marketing Organisation intact. All requests for transfer/change alleging fraudulent enrolment practices shall be evaluated on a case-by-case basis.

**4.6.3.2** – The LifeVantage Distributor seeking to transfer/change submits a properly completed and fully executed Enroler Change Request Form, which includes the written approval of their Enroler and immediate five (5) Enroler Upline LifeVantage Distributors. Photocopied or facsimile signatures are not acceptable. The LifeVantage Distributor who requests the transfer must submit a processing fee for administrative charges and data processing. If the transferring LifeVantage Distributor also wants to move any of the LifeVantage Distributors in their Marketing Organisation, each Downline LifeVantage Distributor must obtain a properly completed Enroler Change Request Form and return it to LifeVantage with the processing fee (i.e., the transferring/ changing LifeVantage Distributor and each LifeVantage Distributor in their Marketing Organisation multiplied by the processing fee is the cost to move a LifeVantage organisation.) Downline LifeVantage Distributors of the Marketing Organisation will not be moved with the transferring/changing LifeVantage Distributor unless all of the requirements of this section are met. LifeVantage Distributors requesting the transfer/change must allow thirty (30) days after the LifeVantage receipt of the complete Enroler Change Request Form and fees for processing and while a decision is being made.

#### **4.6.4 – Change of Placement Sponsor**

New enrollees that have not been placed under a particular Placement Sponsor at the time of enrolment will, by default, be placed Front Line or immediately below the position of their Enroler. If a Placement Sponsor has not been selected by the end of the first thirty (30) days of enrolment, then their Enroler becomes their Placement Sponsor and changes thereafter must be made in accordance with and through a properly completed and fully executed Placement Sponsor Change Request form, which includes the written approval of their immediate nine (9) Placement Sponsor Upline LifeVantage Distributors. The LifeVantage Distributor who requests the change must submit a processing fee for administrative charges and data processing. LifeVantage Distributors requesting the change must allow thirty (30) days after the LifeVantage receipt of the Placement Sponsor Change Request form for processing while a decision is being made. If the change is approved, only one Placement Sponsor change will be allowed per LifeVantage Distributor and Customer.

#### **4.6.5 – Cancellation and Reapplication**

A LifeVantage Distributor may change Marketing Organisations by voluntarily cancelling their LifeVantage Distributorship and remaining inactive (i.e., no purchases of LifeVantage products for resale, no sales of LifeVantage products, no enrolling, no attendance at any LifeVantage functions, participation in any other form of LifeVantage Distributor activity, or operation of any other LifeVantage Distributorship) for six (6) consecutive calendar months. Following the six (6) consecutive calendar months period of inactivity, the former LifeVantage Distributor may reapply under a new enroler. LifeVantage will consider waiving the six (6) month waiting period under exceptional circumstances. Such requests for waiver must be submitted to LifeVantage in writing.

#### **4.7 – Roll-up of Marketing Organization**

When a vacancy occurs in a Marketing Organisation due to the termination of a LifeVantage Distributorship, each LifeVantage Distributor or Customer in the first level immediately below the terminated LifeVantage Distributor on the date of the Termination/Cancellation will be moved to the first level or immediately below the terminated LifeVantage Distributor's Placement Sponsor thereby compressing up one level of the Placement Sponsor tree.

#### **4.8 – Sale, Transfer or Assignment of a LifeVantage Distributorship**

Although a LifeVantage Distributorship is a privately owned, independently operated distributorship, the sale, transfer or assignment of a LifeVantage Distributorship is subject to certain limitations under the Agreement. If a LifeVantage Distributor wishes to sell their LifeVantage Distributorship, the following criteria must be met:

- 1) If the buyer is an active LifeVantage Distributor, they must first terminate their LifeVantage Distributorship and wait at least six (6) months before becoming eligible to purchase another LifeVantage Distributorship.
- 2) The transaction must be approved by LifeVantage in its sole discretion.
- 3) The selling LifeVantage Distributor must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a LifeVantage Distributorship.



- 4) Prior to selling a LifeVantage Distributorship, the selling LifeVantage Distributor must notify LifeVantage, in writing, of their intent to sell the LifeVantage Distributorship. No changes in line of enrolment can result from the sale or transfer of a LifeVantage Distributorship.
- 5) The selling LifeVantage Distributor must wait a period of six (6) months from the date of the sale, transfer or assignment of their LifeVantage Distributorship before they will be eligible to again enrol as a LifeVantage Distributor.

#### **4.9 – Separation of a LifeVantage Distributorship**

LifeVantage Distributors sometimes operate their LifeVantage Distributorships as spouses through a Business Entity. At such time as a marriage ends, or a Business Entity dissolves, arrangements must be made to assure that any separation or division of the Business Entity is accomplished so as not to adversely affect the interests and income of other LifeVantage Distributors upline or downline of the distributorship. If the separating parties fail to provide for the best interests of other LifeVantage Distributors and the Company, LifeVantage may involuntarily and immediately terminate the Agreement and roll-up their LifeVantage Distributorship and its entire Marketing Organisation pursuant to the Agreement. Under no circumstances will the Downline of divorcing or legally separating spouses or a dissolving Business Entity be divided based on the requests or desires of the divorcing or legally separating parties. Similarly, under no circumstances will LifeVantage split commission and bonus earnings between divorcing or legally separating spouses or members of dissolving Business Entities. LifeVantage will recognize only one distributorship and will issue only one commissions payment per LifeVantage Distributorship per commission cycle. Commission payments shall be issued to the individual or Business Entity listed on the LifeVantage Distributorship. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the LifeVantage Distributorship, commissions will continue to be paid to the primary member/ applicant on the account. If a former spouse or a former affiliated individual has completely relinquished all rights in their original LifeVantage Distributorship, they are thereafter free to enrol under any enroler of their choosing, so long as they meet the waiting period requirements set forth in the Agreement. In such case, however, the former spouse or partner shall have no rights to any downline Marketing Organisation in their former organisation. The former spouse, business partner and/or affiliated individual must develop a new Marketing Organisation in the same manner as would any other new LifeVantage Distributor.

#### **4.10 – Succession**

Upon the death of or incapacitation of a LifeVantage Distributor, their LifeVantage Distributorship may be passed to their heirs or successors. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a LifeVantage Distributor should consult their attorney to assist them in the preparation of a will or other testamentary instrument. Whenever a LifeVantage Distributorship is transferred by a will or other testamentary process, the legal successor in interest acquires the right to collect all Financial Distributions (as defined in within) earned on the deceased LifeVantage Distributor's Marketing Organisation in accord with the current LifeVantage Sales Compensation Plan. The successor(s) in interest must:

- 1) Execute a LifeVantage Distributor Agreement;
- 2) Comply with terms and provisions of the Agreement;
- 3) Meet all of the qualifications for the deceased LifeVantage Distributor's status;
- 4) Bonus and commission payments of a LifeVantage Distributorship transferred pursuant to this section will be made in a single payment jointly to the legal successor(s) in interest. Such successor(s) must provide LifeVantage with an "address of record" and account information for all bonus and commission payments.
- 5) If the LifeVantage Distributorship is bequeathed to multiple legal successors in interest, they must form a Business Entity and acquire an applicable Inland Revenue Department number, national identification number or other equivalent identification number. LifeVantage will issue all bonus and commission payments and tax forms to each LifeVantage Distributor as required by the applicable taxation authority.

#### **4.11 – Transfer Upon Death of a LifeVantage Distributor**

To effect a testamentary transfer of a LifeVantage Distributorship, the successor in interest must provide the following to LifeVantage:

- 1) A certified copy of the death certificate;



- 2) A notarized copy of the will or other instrument establishing the successor's right to the LifeVantage Distributorship; and
- 3) A completed and signed LifeVantage Distributor Agreement. If the successor in interest is already a LifeVantage Distributor, the Company can grant exception to the one (1) LifeVantage Distributorship per Household rule upon written request from the successor in interest.

#### **4.12 – Transfer Upon Incapacitation of an LifeVantage Distributor**

To effect the transfer of a LifeVantage Distributorship due to incapacity of the Distributor, a legally appointed representative must provide the following to LifeVantage: (1) a notarized copy of an appointment as trustee or other legally appointed representative; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the LifeVantage Distributorship; and (3) a completed LifeVantage Distributor Agreement executed by the trustee. If the appointed representative in interest is already a LifeVantage Distributor, the Company can grant exception to the one (1) LifeVantage Distributorship per Household rule upon written request from the representative in interest. If the representative in interest is already a LifeVantage Distributor, the Company may grant exception to the One Distributorship per Household rule upon written request from the representative in interest.

#### **4.13 – Errors or Questions**

If a LifeVantage Distributor has questions about or believes any errors have been made regarding commissions, bonuses, Marketing Organisation Activity Reports or credit card charges, the LifeVantage Distributor must contact and/or notify LifeVantage in writing within sixty (60) days of the date of the purported error or incident in question. LifeVantage will not be responsible for any errors, omissions or problems not reported to the Company within sixty (60) days of the purported error or incident in question.

### **SECTION 5 – RESPONSIBILITIES OF LIFEVANTAGE DISTRIBUTORS**

#### **5.1 – Change of Address, Telephone or E-mail**

To ensure timely delivery of products, support materials and sales commission payments, it is critically important that your addresses with LifeVantage are current. Street addresses are required for shipping since LifeVantage product will not be delivered to a post office box. LifeVantage Distributors planning to move should send any change of address, telephone or e-mail to the LifeVantage Distributor Support Department. If a LifeVantage Distributor is presently on a monthly subscription order, the subscription order will automatically be updated to the new address. If more than one change of address notice or subscription order agreement has been submitted to LifeVantage, the most recent one will supersede previous notices. Please allow thirty (30) days after the receipt of the notice or new subscription agreement by LifeVantage for processing.

#### **5.2 – Continuing Development Obligations**

##### **5.2.1 – Ongoing Training**

LifeVantage Distributors who are the Enroler of new LifeVantage Distributors perform an actual assistance function to ensure that their Marketing Organisation is properly operating their LifeVantage Distributorships in accord with the Agreement. LifeVantage Distributors should have ongoing contact and communication with the LifeVantage Distributors in their Marketing Organisation. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail and the accompaniment of their LifeVantage Distributors to LifeVantage meetings, training sessions and other functions. LifeVantage Distributors who are the Sponsor also motivate and assist new LifeVantage Distributors in LifeVantage product knowledge, effective sales techniques, the LifeVantage Sales Compensation Plan and compliance with the Agreement. Communication with downline Marketing Organisation LifeVantage Distributors must ensure that LifeVantage Distributors do not make improper product or business claims or engage in any illegal or inappropriate conduct.

##### **5.2.2 – Increased Responsibilities**

As LifeVantage Distributors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the LifeVantage products and opportunity. They may be called upon from time to time to share this knowledge with other LifeVantage Distributors and Customers within their Marketing Organisation.



### 5.2.3 – Ongoing Sales Responsibilities

Regardless of their level of achievement, LifeVantage Distributors should strive to continually and personally promote sales through the generation of new customers and through servicing their existing customers as well as promoting this same customer sales behavior in their Marketing Organisation.

### 5.3 – Non-Disparagement

LifeVantage wants to provide its LifeVantage Distributors with the best products, compensation plan and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the LifeVantage Distributor Support Department. LifeVantage Distributors should not, however, disparage, demean or make negative remarks about LifeVantage, other LifeVantage Distributors, LifeVantage products, the LifeVantage Sales Compensation Plan, or any LifeVantage directors, officers or employees.

### 5.4 – Providing Documentation to Applicants

An Enroler Distributor must provide the most current version of the Agreement to include the LifeVantage Policies and Procedures and the LifeVantage Sales Compensation Plan to the individual(s) whom they are considering enrolling to become a LifeVantage Distributor before such applicant signs a LifeVantage Distributor Agreement. The most recent LifeVantage Distributor Agreement may be found on the official LifeVantage website.

### 5.5 – Reporting Policy Violations

LifeVantage Distributors who become aware of a policy violation by another LifeVantage Distributor should submit a written report of the violation directly to the attention of the LifeVantage Compliance Department. Details of any incident such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

### 5.6 – Company Claims

No claims may be made or implied that any LifeVantage Distributor has advantages with or special privileges with the Company or is in any way exempt from the same obligations and requirements of every other LifeVantage Distributor.

## SECTION 6 – CONFLICTS OF INTEREST

LifeVantage Distributors may participate in other direct selling or network marketing or multilevel marketing ventures (collectively “Network Marketing Ventures”), and LifeVantage Distributors may engage in selling activities related to non-LifeVantage products and services if they desire to do so. If a LifeVantage Distributor elects to participate in another Network Marketing Venture, in order to avoid conflicts of interest and loyalties as well as breach of the Agreement, LifeVantage Distributors must adhere to the following:

### 6.1 – Non-Solicitation

During the term of the Agreement, and to the maximum extent permitted by law, a LifeVantage Distributor shall not engage in any actual or attempted recruitment or enrolment of a LifeVantage Distributor or Customer for any other Network Marketing Ventures, either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of another Network Marketing Venture to any LifeVantage Distributor or Customer, or implicitly or explicitly encouraging any LifeVantage Distributor or Customer to join another Network Marketing Venture.

- 1) For a period of one (1) year following the Cancellation of a LifeVantage Distributor’s Agreement, the former LifeVantage Distributor is strictly prohibited from recruiting any LifeVantage Distributor or Customer for another Network Marketing Venture which sells competing products. By signing the LifeVantage Distributor Agreement, each LifeVantage Distributor acknowledges and agrees that the Company is trying to protect legitimate business interests by this prohibition and such prohibition is reasonable in its scope and duration.
- 2) During the term of the Agreement, a LifeVantage Distributor may not:
  - a) Produce, offer or transfer any literature, electronic media or other promotional material of any nature of another Network Marketing Venture which is used by the LifeVantage Distributor or any third person to recruit LifeVantage Distributors, or Customers for that Network Marketing Venture;



- b) Sell, offer to sell, or promote any competing non-LifeVantage products or services to LifeVantage Distributors or Customers (any product in the same generic product category as a LifeVantage product is deemed to be competing (e.g., any nutritional supplement or personal care product is in the same generic category as the LifeVantage nutritional supplements, and/or personal care products and is therefore a competing product, regardless of differences in cost, quality, ingredients or nutrient content);
- c) Offer LifeVantage products or promote the LifeVantage Sales Compensation Plan in conjunction with any non-LifeVantage products, services, business plan, opportunity or incentive; or
- d) Offer any non-LifeVantage products, services, business plan, opportunity or incentive at any LifeVantage meeting, seminar, launch, convention or other LifeVantage function, or immediately following such event.

## 6.2 – Targeting Other Direct Sellers

LifeVantage does not encourage LifeVantage Distributors to target the sales force of another direct sales company to sell LifeVantage products or to become LifeVantage Distributors for LifeVantage, nor does LifeVantage encourage LifeVantage Distributors to solicit or entice members of the sales force of another direct sales company to violate the terms of their contract with any such other company.

## 6.3 – Cross-Sponsoring

Actual or attempted cross-sponsoring is strictly prohibited. “Cross-Sponsoring” is defined as the enrolment of an individual or entity which is already a LifeVantage Customer or LifeVantage Distributor and/or who has been such within the preceding six (6) calendar months, within a different line of enrolment or sponsorship. The use of a spouse’s or relative’s name, trade names, doing business as names (“DBAs”), assumed names, corporations, partnerships, trusts, federal ID numbers, VAT numbers or fictitious ID numbers to circumvent this policy or any other provision of the Agreement is strictly prohibited. LifeVantage Distributors shall not demean, discredit or defame other LifeVantage Distributors in an attempt to entice another LifeVantage Distributor to become part of the first LifeVantage Distributor’s Marketing Organisation. Notwithstanding the foregoing, this policy shall not prohibit the transfer of a LifeVantage Distributorship in accordance with this Manual. If Cross-Sponsoring is discovered, it must be brought to the Company’s attention immediately. LifeVantage may take action against the LifeVantage Distributor who changed organisations and/ or those LifeVantage Distributors who encouraged or participated in the Cross-Sponsoring. LifeVantage may also move all or part of the offending LifeVantage Distributor’s downline to their original Downline organisation, if the Company deems it equitable and feasible to do so. However, LifeVantage is under no obligation to move the Cross-Sponsored LifeVantage Distributor’s downline Marketing Organisation, and the ultimate disposition of the Marketing Organisation remains within the sole discretion of LifeVantage. LifeVantage Distributors waive all claims and causes of action against LifeVantage arising from or relating to the disposition of the Cross-Sponsored LifeVantage Distributor’s Marketing Organisation.

## 6.4 – Holding Applications or Orders

Holding Applications or Orders LifeVantage Distributors must not manipulate enrolments of new applicants and the purchase of products. All LifeVantage Distributor Agreements, and product orders must be sent to LifeVantage within forty-eight (48) hours from the time they are signed by a LifeVantage Distributor or placed by a Customer, respectively.

## 6.5 – Stacking

“Stacking” is strictly prohibited. The term Stacking includes: (1) the failure to transmit to LifeVantage or the holding of a LifeVantage Distributor Agreement in excess of two (2) business days after its execution; (2) violating the two LifeVantage Distributorships per household rule; and/or (3) enrolling fictitious individuals or Business Entities to become LifeVantage Distributors or Customers.

# SECTION 7 – LIFEVANTAGE DISTRIBUTOR COMMUNICATION AND CONFIDENTIALITY

## 7.1 – Marketing Organization (Genealogy Reports)

Marketing Organisation Activity Reports are available for LifeVantage Distributor access and viewing at the LifeVantage official website. LifeVantage Distributor access to their Marketing Organisation Activity Reports is password protected. All Marketing Organisation Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets and are owned exclusively by LifeVantage. Marketing Organisation Activity



Reports are provided to LifeVantage Distributors in strictest confidence and are made available to LifeVantage Distributors for the sole purpose of assisting LifeVantage Distributors in working with their respective Marketing Organisation in the development of their LifeVantage Distributorship and sales Marketing Organisations. LifeVantage Distributors should use their Marketing Organisation Activity Reports to assist and motivate their Marketing Organisation LifeVantage Distributors increase their sales and support their Customers. The LifeVantage Distributor and LifeVantage acknowledge and agree that, but for this agreement of not provide Marketing Organisation Activity Reports to the LifeVantage Distributor. A LifeVantage Distributor shall not, on their own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- 1) Directly or indirectly disclose any information contained in any Marketing Organisation Activity Report to any third party;
- 2) Directly or indirectly disclose the password or other access code to their Marketing Organisation Activity Report;
- 3) Use the information to compete with LifeVantage or for any purpose other than promoting their LifeVantage Distributorship;
- 4) Recruit or solicit any LifeVantage Distributor or Customer of LifeVantage listed on any report, or in any manner attempt to influence or induce any LifeVantage Distributor or Customer to alter their business relationship with LifeVantage;
- 5) Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Marketing Organisation Activity Report. Upon demand by the Company, any current or former LifeVantage Distributor will return the original and all copies of Marketing Organisation Activity Reports to the Company; and
- 6) It is a violation of the Agreement and these Policies and Procedures for a LifeVantage Distributor or a third party to access this data via reverse engineering, keystroke monitoring or by any other means.

## 7.2 – Communication and Data Protection

Each LifeVantage Distributor agrees that LifeVantage or a party acting on its behalf may contact a LifeVantage Distributor by email or at the telephone numbers or fax number listed on application or as updated on their account. Distributors understand that their consent is not a condition of purchase. LifeVantage Distributors consent and agree to the LifeVantage Privacy Policy and Website Use Agreement when executing the Agreement. LifeVantage is the data controller of any Personal Information (as defined in the LifeVantage Privacy Policy and Website Use Agreement) that may be provided LifeVantage when placing an order for products or services from the European Union. LifeVantage Distributors agree that LifeVantage or a party acting on its behalf may collect Personal Information from them including names, birth dates, genders, addresses, phone and fax numbers, banking and credit card information and transmit that information to LifeVantage Corporation which is located in the United States of America for the purpose of executing orders and making commission payments. LifeVantage Corporation may provide Personal Information of LifeVantage Distributors and Customers to its shipping partners and credit card processors for the purpose of processing orders. LifeVantage Distributors consent and agree to LifeVantage transferring the data for these purposes. LifeVantage Distributors may request a copy of Personal Information, or to correct, remove or update Personal Information, by contacting LifeVantage in writing by mail or by sending an e-mail to support@lifestage.com.

## SECTION 8 – ADVERTISING

### 8.1 – General

In order to safeguard and promote the good reputation and established brands of LifeVantage and its products and ensure that the promotion of LifeVantage, the LifeVantage opportunity, and LifeVantage products are consistent with the public interest and avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices, all LifeVantage Distributors, except those with significant experience and who have achieved the rank of Elite Pro 7 or higher per below exception, are encouraged to use only the sales aids and support materials produced by LifeVantage. The Company has carefully designed its products, product labels, compensation plan and promotional materials to ensure that the presentation of each aspect of LifeVantage is fair, truthful, substantiated and complies with the vast and complex legal requirements of all applicable laws. In the event that an experienced LifeVantage Distributor, who has achieved the rank of Elite Pro 7 or higher, produces supplemental marketing material of any kind including, but not limited to, advertisements of any media type, flyers, brochures, digital media, websites, audio recordings, posters, or banners, LifeVantage requires that such be submitted to the LifeVantage Compliance Department for approval before it may be used or made public.



All such proposed materials may be sent to LifeVantage Compliance Department at antage Distributor receives specific written approval to use such materials the request shall be deemed denied. Also, LifeVantage reserves the right, at its discretion, to edit or discontinue previously approved LifeVantage Distributor materials. All such materials may not be sold and may only be offered free of charge. LifeVantage further reserves the right to rescind approval for any sales tools, promotional materials, advertisements or other literature, and LifeVantage Distributors waive all claims for damages or remuneration arising from or relating to such rescission. Elite Pro 7 or higher LifeVantage Distributors may not make any claims stating that documents or materials that they have written or produced have been given approval from the LifeVantage Compliance Department or that they are “compliance-approved” even if they have received approval through the Compliance Department for their marketing materials. As these compliance policies are vital to the long-term stability of LifeVantage and the preservation of the opportunity for all, violations of these policies will be strictly enforced. Failure to obtain approval for supplemental marketing materials of any kind and/or failure to implement the policies in any material may result in any of the actions set forth in the Agreement including, without limitation, the following:

- 1) Formal warning letter and/or probation;
- 2) Suspension of commissions;
- 3) Termination of the LifeVantage Distributorship; and
- 4) Litigation for damages to LifeVantage. All LifeVantage Distributors who create their own advertisements under this section also hereby represent and warrant to the Company that the advertisement does not contravene any applicable local laws. LifeVantage Distributors agree to indemnify the Company against any loss arising from any breaching of this obligation.

## 8.2 – Trademarks and Copyrights

No LifeVantage Distributor shall use any LifeVantage trade names, trademarks, designs, or symbols without its prior, written permission. For example, except in limited circumstances specifically addressed herein, LifeVantage Distributors may not use or attempt to register “LifeVantage,” “Protandim,” “LifeVantage TrueScience,” “Nrf2 Synergizer,” “LFVN, or any LifeVantage trademarks, other product names or any derivatives thereof connected with the Company for use in any Internet domain name, Internet/search engine AdWords, social media pages or blogs, e-mail address, user name, team names, telephone numbers or any other address or title or online aliases that could cause confusion or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from or is the property of LifeVantage. LifeVantage Distributors may not produce for sale or distribution any recorded Company events or speeches without the prior written permission from LifeVantage. LifeVantage Distributors may not reproduce for sale or other use any recording of Company produced audio or digital media presentations. The name “LifeVantage,” “Protandim” and other names as may be adopted by LifeVantage are examples of proprietary Company trade names, trademarks and service marks. As such, these marks are of great value to LifeVantage and are supplied to LifeVantage Distributors for their use only in an expressly authorised manner. Use of the LifeVantage marks on any item not produced by the Company is prohibited except as follows:

- LifeVantage Distributor’s Name
- LifeVantage Independent Contractor Distributor

All LifeVantage Distributors must list themselves as a LifeVantage Independent Contractor Distributor in any advertising medium and under their own name. No LifeVantage Distributor may place, use or display ads using the LifeVantage name or logo. LifeVantage Distributors may not answer the telephone by saying “LifeVantage,” “LifeVantage Canada” or in any other manner that would lead the caller to believe that he or she has reached corporate offices of LifeVantage. Similarly, LifeVantage Distributors are prohibited from using the names of persons or companies, trademarks, designs or symbols to further their LifeVantage Distributorship without the written consent of the owner.

## 8.3 – Unauthorized Claims and Actions

### 8.3.1 – Indemnification

A LifeVantage Distributor is fully responsible for all of their verbal and written statements made regarding LifeVantage products and the LifeVantage Sales Compensation Plan which are not expressly contained in official LifeVantage materials. LifeVantage Distributors agree to indemnify LifeVantage and its directors, officers, employees and agents, and hold them harmless from any and all liability including, but not limited to, judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by LifeVantage as a result of the LifeVantage Distributor’s unauthorised representations or actions. This provision shall survive the termination of the Agreement.



### 8.3.2 – Product Claims

No claims, which include personal testimonials, as to therapeutic, curative or beneficial properties of any products offered by LifeVantage may be made, except those contained in current and official LifeVantage materials. In particular, no LifeVantage Distributor may make any claim that LifeVantage products are useful in, or anyway have properties for, the cure, treatment, diagnosis, mitigation or prevention of any diseases or signs or symptoms of disease, or that are suggesting or implying a relationship between any of the products offered by LifeVantage (or of their constituents) and health. Not only are such claims violations of LifeVantage policies, but they potentially violate applicable laws and regulations, as well as national or local (municipality, communal or otherwise) laws and regulations.

### 8.3.3 – Income Claims

It is important that all LifeVantage Distributors are fully informed and have realistic expectations concerning the income opportunity associated with being a LifeVantage Distributor. Therefore, it is important that LifeVantage Distributors not make any claims, specific or implied, regarding the income opportunity that are false or misleading, including income guarantees of any kind. As to lifestyle claims (e.g., my LifeVantage business allowed me to buy a boat, quit my job, purchase a new home, etc.), LifeVantage Distributors may only make such claims if the following conditions are met:

- 1) The information must be accurate and not misleading;
- 2) The information must be based on their experience and actual compensation level or be consistent with information in Company support materials.

Hypothetical income examples that are used to explain the operation of the LifeVantage Sales Compensation Plan and which are based solely on mathematical projections, may be made to prospective LifeVantage Distributors, so long as the LifeVantage Distributor who uses such hypothetical examples makes clear to the prospective LifeVantage Distributor(s) that such earnings are hypothetical and also show the disclaimer on the LifeVantage Sales Compensation Plan.

### 8.3.4 – Use of Celebrity Names and Likeness

No names or likeness of a celebrity may be published by LifeVantage Distributors in association with LifeVantage without prior written approval of LifeVantage.

### 8.3.5 – Interaction with Scientific Advisory Board and other Company Consultants

LifeVantage is uniquely positioned in the marketplace by its special relationship with many preeminent scientific, marketing, Public Relations (“PR”), business and legal professionals. In the interest of preserving these relationships for the benefit of all LifeVantage Distributors and the Company, LifeVantage Distributors must: (1) adhere strictly to the Company’s advertising policies; and (2) refrain from any contact with any member of the Company’s board of directors, Scientific Advisory Board or other consultant or advisor of the Company, without the express prior written consent of the Company.

### 8.3.6 – Governmental Approval or Endorsement

Government regulatory agencies do not approve or endorse any direct selling or network marketing companies or programs. Therefore, LifeVantage Distributors shall not represent or imply that LifeVantage, its products or the LifeVantage Sales Compensation Plan has been “approved,” “endorsed” or otherwise sanctioned by any government agency.

## 8.4 – Mass Media

### 8.4.1 – Promotions Utilizing Mass Media Prohibited

Except as otherwise specifically authorised herein, LifeVantage Distributors may not use any form of media or other mass communication advertising to promote the products or opportunity. This includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, Internet ads, etc. Products may be promoted only by personal contact or by literature produced and distributed by the Company or by LifeVantage Distributors in accordance with these LifeVantage Policies and Procedures and the Agreement. LifeVantage Distributors may place generic opportunity advertisements in jurisdictions allowing that type of advertisement, but only in accordance with this Manual and in compliance with applicable law. For the avoidance of doubt, any LifeVantage Distributor who intends to place a generic opportunity advertisement in their jurisdiction must obtain advance written permission from LifeVantage stating that such action is legally permissible.





## 8.4.2 – Media Interviews

LifeVantage Distributors may not promote the Products or opportunity through interviews with the media, articles in publications, news reports, press releases or any other public information, trade or industry information source, unless specifically authorised, in writing, by the Company. This includes private, paid membership or “closed group” publications. LifeVantage Distributors may not speak to the media on the Company’s behalf and may not represent that they have been authorised by the Company to speak on its behalf. All media contacts or inquiries should be immediately referred to the Company.

## 8.5 – Internet

### 8.5.1 – General

Regardless of compliance with the Agreement and the policies set forth herein, all LifeVantage Distributors are personally responsible for their online postings and all other online activity that relates to LifeVantage. Therefore, even if a LifeVantage Distributor does not own or operate a blog or social media site, if a LifeVantage Distributor posts to any such site that relates to LifeVantage or which can be traced to LifeVantage, the LifeVantage Distributor is responsible for the posting and must act in a way that builds, strengthens and enhances the LifeVantage reputation, image and standing in the community. LifeVantage Distributors are also responsible for postings which occur on any external website that the LifeVantage Distributor owns, operates or controls. LifeVantage Distributors must disclose their full names on all relevant social media profiles that relate to LifeVantage and its products or business, and each must conspicuously identify themselves as a “LifeVantage Independent Contractor Distributor.” Anonymous postings or use of an alias is prohibited. LifeVantage Distributors must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. Determination of what is inappropriate is at Company's sole discretion, and offending LifeVantage Distributors will be subject to disciplinary action. LifeVantage Distributors may not use blog spam, spamdexing or any other mass-replicated methods to leave comments on any website, blog or message board. Comments LifeVantage Distributors create or leave online must be useful, unique, relevant and specific to the blog’s article. As a general rule, LifeVantage Distributors may not use any geographic references in the page names/ titles or URLs of their LifeVantage-related social media or external websites. For purposes of clarification and the avoidance of doubt, other than for a Default URL or an approved amendment to a Default URL, LifeVantage Distributors may not use the terms “LifeVantage,” “Protandim” or any derivation thereof, in any external website address or related URL (e.g., [www.jillsellsProtandim.com](http://www.jillsellsProtandim.com) or [www.blogspot.lifevantageofCanada.com](http://www.blogspot.lifevantageofCanada.com)). Any External Website which contains “LifeVantage” or “Protandim,” other LifeVantage product and program names, or any derivation thereof in the URL, must be transferred to LifeVantage or closed/ terminated upon demand by LifeVantage. In no event may the LifeVantage Distributor sell such domain name to any third party without the prior express written consent of LifeVantage.

### 8.5.2 – LifeVantage Distributor Websites

If a LifeVantage Distributor desires to utilize an Internet web page to promote their LifeVantage Distributorship, they may do so only through the Company’s replicated website program, using the official LifeVantage template. This program permits LifeVantage Distributors to advertise on the Internet and to use a home page design that can be personalized with the LifeVantage Distributor’s contact information. These websites give the LifeVantage Distributor a professional and Company-approved presence on the Internet. Online sales may only be generated from a LifeVantage Distributor’s LifeVantage replicated website. A LifeVantage Distributor shall not use “blind” ads on the Internet that make product or income claims which are ultimately associated with LifeVantage products, opportunity or the LifeVantage Sales Compensation Plan.

### 8.5.3 – Social Media and Other Websites

Non-replicated external websites, specifically social media sites, are relationship-building sites. While building relationships is an important part of the sales process, external websites, including, without limitation, social media sites may, not be used as a direct medium for generating sales or explaining the LifeVantage income opportunity or product.

#### 8.5.3.1 – The Official LifeVantage Public Facebook (or similar) Pages

LifeVantage has an official public Facebook page which it uses to invite potential customers and investors to investigate the company. It is not intended to be used by LifeVantage Distributors to sell product or promote their business or to interact with other LifeVantage Distributors or consumers. As such, LifeVantage Distributors may not place linking information on the public LifeVantage Facebook page, nor may they post any pricing, promotions, marketing material,



sales, advertisements, or announcements relating to their businesses. LifeVantage reserves the right to remove any messages posted on the official Company Facebook page as determined in its sole discretion.

#### **8.5.3.2 – Closed LifeVantage Distributor Facebook (or similar) Pages**

Closed LifeVantage Distributor Facebook (or similar) Pages LifeVantage will also create a closed corporate Facebook community for Company and LifeVantage Distributor use. LifeVantage Distributors may join these groups only with the consent of LifeVantage, and all content and discussions will be password protected and closed to the public. No LifeVantage Distributor shall allow access to or disseminate information from such groups.

#### **8.5.3.3 – Other Internet Use**

LifeVantage Distributors may use the Internet, social networking sites, blogs, social media and applications, and other sites that have content that is based on user participation and user-generated content, forums, message boards, blogs, wikis and podcasts to do the following:

- 1) Communicate preliminary information about LifeVantage or their involvement with LifeVantage;
- 2) Direct users to their LifeVantage replicated website; and
- 3) Post LifeVantage-produced business support materials only that have been approved by LifeVantage for posting and taken from Company's approved "Internet Toolbox." Such use is permitted provided that it (1) is incidental to the primary use of the website or forum, (2) does not contain any false or misleading information about LifeVantage, its products or business opportunities, and (3) conforms to the other policies set forth herein, including, without limitation, the policies related to the use of the LifeVantage trademarks, trade names and other intellectual property.

#### **8.5.4 – Use of Third-Party Intellectual Property**

If a LifeVantage Distributor uses the trademarks, trade names, service marks, copyrights or intellectual property of any third party in any online posting, it is their responsibility to ensure that they have received the proper license to use such intellectual property and pay the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third party, and the LifeVantage Distributor must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

#### **8.5.5 – Respecting Privacy**

LifeVantage Distributors must always respect the privacy of others in their postings. They must not engage in gossip or advance rumors about any individual, company or competitive products or services. LifeVantage Distributors may not list the names of other individuals or entities on their postings unless they have the written permission of the individual or entity that is the subject of their posting.

#### **8.5.6 – Professionalism**

LifeVantage Distributors must ensure that their postings are truthful and accurate. This requires that they fact-check all material they post online. They should also carefully check their postings for spelling, punctuation and grammatical errors. Use of offensive language is prohibited.

#### **8.5.7 – Prohibited Postings**

LifeVantage Distributors may not make any postings or link to any postings or other material that:

- 1) Is sexually explicit, obscene or pornographic;
- 2) Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- 3) Is graphically violent, including any violent video game images;



- 4) Is solicitous of any unlawful behavior;
- 5) Engages in personal attacks on any individual, group or entity; or
- 6) Is in violation of any intellectual property rights of the Company or any third party.

#### **8.5.8 – Responding to Negative Online Posts**

LifeVantage Distributors should not converse with one who places a negative post against them, other LifeVantage Distributors or LifeVantage. They should report negative posts to the Company at [compliance@lifevantage.com](mailto:compliance@lifevantage.com). Responding to such negative posts simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as LifeVantage, and therefore damages the reputation and goodwill of LifeVantage.

#### **8.5.9 – Cancellation of Your LifeVantage Business**

If a LifeVantage Distributor's business is cancelled for any reason, they must discontinue using the LifeVantage name, and all the LifeVantage trademarks, trade names, service marks and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all external websites that they utilize and do so as soon as possible, and no later than 14 days from the date of cancellation. If a LifeVantage Distributor's post on any social media site on which they have previously identified themselves affiliated with LifeVantage, they must conspicuously disclose that they are no longer with the Company.

#### **8.5.10 – E-mail**

LifeVantage Distributors must use the following disclaimers within any email correspondence when discussing LifeVantage or the LifeVantage opportunity:

The sender of this email is a LifeVantage Distributor and as such is an independent contractor of LifeVantage. LifeVantage Distributors are not employees of LifeVantage. If you have questions about the company, please contact LifeVantage Distributor Support by phone (866) 460-7241, or email, at [support@lifevantage.com](mailto:support@lifevantage.com). This email message (including attachments) contains information which may be confidential and/or legally privileged. Unless you are the intended recipient, you may not use, copy or disclose to anyone the message or any information contained in the message or from any attachments that were sent with this email. If you have received this email message in error, please advise the sender by email, and delete the message. Unauthorised disclosure and/or use of information contained in this email may result in civil and criminal liability. LifeVantage Distributors must comply with Canadian Anti-Spam Legislation.

#### **8.5.11 – Online Classifieds**

LifeVantage Distributors may not use online classifieds (including, but not limited to, Craigslist) to list, sell or retail specific LifeVantage products, product bundles or the LifeVantage opportunity.

#### **8.5.12 – Online Auction Websites**

Unless otherwise prohibited by law, the LifeVantage products and opportunity may not be listed on eBay, Trademe, Amazon, Alibaba or other online auctions, nor may LifeVantage Distributors enlist or knowingly allow or facilitate a third party to sell LifeVantage products on eBay or other online stores or auctions.

#### **8.5.13 – Online Retailing**

Unless otherwise prohibited by law, LifeVantage Distributors may not list or sell LifeVantage products on any retail store or ecommerce site, including Amazon.com or the like (with the exception of their own Replicated Website). Additionally, LifeVantage Distributors may not (1) enlist or knowingly allow a third party to sell LifeVantage products on any online retail store or ecommerce site or (2) sell products to a third party that the LifeVantage Distributor has reason to believe will sell such products on any online retail store or ecommerce site. LifeVantage Distributors may obtain the then-current product images and descriptions from the Tools Tab in their Virtual Office, which LifeVantage Distributors may display only on their Replicated Website.



#### **8.5.14 – Banner Advertising**

LifeVantage Distributors may place banner advertisements on their third-party websites (as described herein below); provided, however, that they only use LifeVantage-approved templates and images from the Tools tab in the Virtual Office, and do not list any pricing, discounts or promotions of any LifeVantage product on such advertisement. Any LifeVantage-related banner advertisements on these websites must link back directly to their Replicated Websites.

#### **8.5.15 – Spam Linking**

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Any comments a LifeVantage Distributor makes on blogs, forums, guest book, etc., must be unique, informative and relevant.

#### **8.5.16 – Digital Media Submission (e.g., YouTube, iTunes, PhotoBucket, etc.)**

LifeVantage Distributors may not upload, submit or publish LifeVantage-related video, audio or photo content to any website.

#### **8.5.17 – Sponsored Links and Pay-Per-Click (PPC) Ads**

Paid Search Sponsored links or pay-per-click ads (PPC) are not acceptable.

#### **8.6 – Spamming and Unsolicited Faxes**

Except as provided in this Manual, LifeVantage Distributors may not send or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail or “spamming” relative to the operation of their LifeVantage Distributorships. The terms “unsolicited faxes” and “unsolicited e-mail” mean the transmission via telephone, facsimile or electronic mail, respectively, of any material or information advertising or promoting LifeVantage, its products, its opportunity or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or e-mail: (1) to any recipient with that recipient’s prior express invitation or permission; or (2) to any person with whom the LifeVantage Distributor has an established business or personal relationship, in each case as permitted by applicable law. The term “established business or personal relationship” means prior or existing relationship formed by a voluntary two-way communication between a LifeVantage Distributor and a person, on the basis of: (1) an inquiry, application, purchase or transaction by the person regarding products offered by such LifeVantage Distributor; or (2) a personal or familial relationship, which relationship has not been previously terminated by either party.

#### **8.7 – Telemarketing**

Applicable local authorities, each have regulations that restrict telemarketing practices. Many authorities have “do not call” regulations as part of their telemarketing laws. Although LifeVantage does not consider LifeVantage Distributors to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that a LifeVantage Distributor inadvertent action of calling someone whose telephone number is listed on a “do not call” registry could cause them to violate the law. Moreover, these regulations must not be taken lightly, as they can carry significant penalties and fines, per violation. Therefore, LifeVantage Distributors must not engage in telemarketing in the operation of their LifeVantage Distributorship. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a LifeVantage product or service, or to recruit them for the LifeVantage opportunity. “Cold calls” made to prospective customers or LifeVantage Distributors that promote either LifeVantage products or services or the LifeVantage opportunity constitute telemarketing and are prohibited. In addition, LifeVantage Distributors shall not use automatic telephone dialing systems or random phone lists relative to the operation of their LifeVantage Distributorships. The term “automatic telephone dialing system” means equipment which has the capacity to: (1) store or produce telephone numbers to be called using a random or sequential number generator; and (2) to dial such numbers. In addition, LifeVantage Distributors acknowledge and agree to abide by telemarketing guidelines.

#### **8.8 – Advertised Product Price**

LifeVantage may provide LifeVantage Distributors from time to time with suggested retail prices for the sale of the Products, which are the prices at which LifeVantage recommends that the LifeVantage Distributors sell the Products. LifeVantage Distributors agree that all advertising regarding the price of Products will be truthful and will not contain



misleading statements. Any violation of this obligation regarding misleading pricing by a LifeVantage Distributor shall constitute a breach of the Agreement and may result in punitive action including, but not limited to, any of the actions set forth in the Agreement.

## **SECTION 9 – RULES AND REGULATIONS**

### **9.1 – Identification**

All LifeVantage Distributors are required to provide their Goods and Services Tax (GST) number or equivalent government issued identification number, as applicable, to LifeVantage on the LifeVantage Distributor Agreement. Upon enrolment, the Company will provide a unique LifeVantage Distributor Identification Number (DIN) to the LifeVantage Distributor by which they will be identified. This number will be used to place orders and track Financial Distributions.

### **9.2 – Income Taxes**

Each LifeVantage Distributor is responsible for paying all applicable taxes on any income generated as a LifeVantage Distributor. If a LifeVantage Distributor is tax exempt, the tax identification, national identification number, GST number or other equivalent identification number, as applicable, must be provided to LifeVantage. LifeVantage shall, in all cases, be entitled to withhold any and all tax of whatever nature as is required of it by any and all applicable laws and whether levied on a Federal, national state/province or local (municipality, communal or otherwise) level (a “political unit”), and shall further charge, assess or otherwise add to the amounts invoiced or to be invoiced to you whatever value-added, sales, turnover, or equivalent taxes as is required of it by any and all applicable laws of any political unit having jurisdiction to require LifeVantage to do so. LifeVantage will provide to each Distributor only such tax reports and/ or similar tax reporting forms of the jurisdiction in which LifeVantage is itself established, but only if and to the extent required to do so by an applicable law or regulation, and shall further only provide tax reports and/or similar tax reporting forms of the jurisdiction in which each such LifeVantage Distributor is established if and to the extent LifeVantage is required to do so by an applicable law or regulation.

### **9.3 – Insurance**

#### **9.3.1 – Business Pursuits Coverage**

A LifeVantage Distributor may wish to arrange insurance coverage for their LifeVantage Distributorship. Be advised that most homeowner’s insurance policies do not cover business-related injuries or the theft of or damage to inventory or business equipment. Each LifeVantage Distributor should contact their insurance agent to make certain that their relevant property is protected. This may often be accomplished with a simple “Business Pursuit” endorsement attached to their present homeowner’s policy.

#### **9.3.2 – Product Liability Coverage**

LifeVantage maintains insurance to protect the Company and LifeVantage Distributors against product liability claims. The Company's insurance policy extends coverage to LifeVantage Distributors so long as they are marketing LifeVantage products in the regular course of conduct and in accordance with Company policies and applicable laws and regulations. The LifeVantage product liability policy may not extend coverage to claims or actions that arise as a result of a LifeVantage Distributor’s misconduct in marketing the products.

### **9.4 – International Marketing**

LifeVantage Distributors are authorised to enrol Customers or Distributors only in countries in which LifeVantage is authorised to conduct business as announced in Official LifeVantage Materials or on the Company website. Permissible conduct and activity in unauthorised and/or Not-For-Resale markets is described in the below sections.

#### **9.4.1 – Un-Authorised Markets (Pre-Market) – Prior to the official opening of a country, permissible LifeVantage**

Distributor activity is limited to providing business cards and conducting, organizing or participating in meetings with no more than five (5) attendees, including the LifeVantage Distributor. Other attendees must be personal acquaintances or acquaintances of personal acquaintances. These meetings must be held in a home or a public establishment but may not



be held in a private hotel room. LifeVantage Distributor Pre-Market opening conduct prohibited in all markets includes but is not limited to:

**9.4.2** – All cold-calling techniques (soliciting persons who are not prior personal acquaintances of the contacting LifeVantage Distributor) are strictly prohibited in unauthorised markets;

**9.4.3** – Importing or facilitating the importation of, selling, gifting or distributing in any manner, Company products, services or product sample(s);

**9.4.4** – Placing any type of advertisement or distributing any promotional materials regarding the Company, its products or the opportunity, except for official LifeVantage material specifically authorised for distribution in unopened markets as designated by the Company;

**9.4.5** – Soliciting or negotiating any agreement for the purpose of committing a citizen or resident of an unopened market to the opportunity, a specific enroler or specific line of sponsorship. Furthermore, LifeVantage Distributors may not sign up a citizen or resident of unopened markets in an Authorised Country or by using the LifeVantage Distributor Agreement forms from an Authorised Country, unless the citizen or resident of the unopened market has, at the time of sign-up, permanent residence and the legal authorisation to work in the Authorised Country. It is the enrolling LifeVantage Distributor's responsibility to ensure compliance with residency and work authorisation requirements. Membership or participation in, or ownership of a corporation, partnership or other legal entity in an Authorised County may not by itself fulfill the residency or legal authorisation to work requirements. If a participant to a LifeVantage Distributorship fails to provide verification of residency and work authorisation when requested by the Company, the Company may, at its election, declare the LifeVantage Distributor Agreement void from its inception;

**9.4.6** – Accepting money or other consideration, or being involved in any financial transaction with any potential LifeVantage Distributor either personally or through an agent, for purposes relating to Company products or the opportunity, including renting, leasing or purchasing facilities for the purpose of promoting or conducting Company-related business;

**9.4.7** – Promoting, facilitating or conducting any type of activity which exceeds the limitations set forth in the Agreement and these policies or which the Company, in its sole discretion, deems to be contradictory to the Company's business or ethical interests in international expansion.

#### **9.4.8 – Not-For-Resale (“NFR”)**

Countries are countries where its residents are allowed to import products for personal use only on a “not-for-resale” basis, but where the reselling of those products is prohibited.

### **9.5 – Adherence to Laws and Ordinances**

#### **9.5.1 – Local Ordinances**

There are laws regulating certain home-based businesses. In most cases these ordinances are not applicable to LifeVantage Distributors because of the nature of their LifeVantage Distributorships. However, LifeVantage Distributors must obey those laws that do apply to them. If a government official tells a LifeVantage Distributor that an ordinance applies to him or her, the LifeVantage Distributor shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of LifeVantage. In most cases there are exceptions to the ordinance that may apply to LifeVantage Distributors.

#### **9.5.2 – Compliance with Applicable Laws**

LifeVantage Distributors shall comply with all applicable laws and regulations in the conduct of their LifeVantage Distributorships.

##### **9.5.2.1 – Anti-Corruption Laws**

LifeVantage Distributors must comply with all anti-corruption laws in the markets in which the Company does business. Anti-corruption laws require that you never directly or indirectly (i.e. through a third party) make a payment or gift with the purpose of influencing the acts or decisions of foreign officials.



### 9.5.2.2 – Pyramid Selling Scheme

An LifeVantage Distributor shall not set forth any multi-level marketing structure that does not comply with the terms and conditions contained in the Agreement and that is deemed illegal under applicable laws. With this regard, a LifeVantage Distributor must not:

- 1) Oblige its Marketing Organization to recruit potential distributors;
- 2) Require payment only for the right of its Marketing Organization to receive compensation for recruiting others (payments are only allowed for the purchase of products);
- 3) Require payment as a condition of participation, other than a specific amount of product at the LifeVantage Distributor's costs and for the sole purpose of facilitating sales (e.g., a Start Kit);
- 4) Allow its Marketing Organization to make representations relating to compensation without fair, reasonable, and timely disclosure and fail to limit the marketing and advertisement such Marketing Organization can make to potential distributors.

## SECTION 10 – SALES

### 10.1 – Commercial Outlets

LifeVantage strongly encourages the retailing and selling of its products through person-to-person contact. In an effort to reinforce this method of marketing and to help provide a standard of fairness for all LifeVantage Distributors, LifeVantage Distributors may not display or sell LifeVantage products or literature in any retail establishment. LifeVantage Distributors may, however, sell LifeVantage products from service establishments which see customers or clients on an appointment only basis, such as hair salons, spas or chiropractic clinics, etc. LifeVantage will permit LifeVantage Distributors to solicit and make commercial sales only upon prior written approval from the Company. The term “commercial sale” means the sale of LifeVantage products to a third party who intends to resell such products to an end consumer.

### 10.2 – Trade Shows, Expositions and Other Sales Forums

LifeVantage Distributors may display and/or sell LifeVantage products at trade shows and professional expositions. Before submitting a deposit to the event promoter, LifeVantage Distributors must contact the Compliance Department in writing for conditional approval, as the LifeVantage policy is to authorise only one LifeVantage Distributor per event. Final approval will be granted to the first LifeVantage Distributor who submits an official advertisement of the event, a copy of the contract signed by both the LifeVantage Distributor and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Compliance Department. LifeVantage further reserves the right to refuse authorisation to participate at any function which it does not deem a suitable forum for the promotion of its products, services or the LifeVantage opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets, as these events are not conducive to the professional image LifeVantage wishes to portray.

### 10.3 – Excess Inventory Purchases Prohibited

LifeVantage Distributors are not required to carry any inventory of products or sales aids. However, LifeVantage Distributors who do so may find selling to customers and building a Marketing Organisation somewhat easier because of the decreased response time in fulfilling customer orders or in meeting a new LifeVantage Distributor's needs. Each LifeVantage Distributor must make their own decision with regard to these matters. To ensure that LifeVantage Distributors are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to LifeVantage upon the LifeVantage Distributor's Cancellation pursuant to the Agreement. LifeVantage strictly prohibits the purchase of products in unreasonable amounts primarily for the purpose of qualifying for commissions, bonuses or advancement in the LifeVantage Sales Compensation Plan. LifeVantage Distributors may not purchase more inventory than they can reasonably resell or consume in a month nor may they encourage others to do so.

### 10.4 – Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. “Bonus buying” includes, but is not limited to the direct or indirect involvement of: (1) the enrolment of individuals or entities without the knowledge of and/or execution of a LifeVantage Distributor Agreement by such individuals or entities; (2) the fraudulent enrolment of an individual or entity as a LifeVantage Distributor or Customer; (3) the enrolment or attempted enrolment of non-existent individuals or entities as LifeVantage



Distributors or Customers; (4) the use of a credit card by or on behalf of a LifeVantage Distributor or Customer when the LifeVantage Distributor or Customer is not the account holder of such credit card; and (5) purchasing LifeVantage product on behalf of another LifeVantage Distributor or Customer or under another LifeVantage Distributor's DIN, or Customer ID to qualify for commissions, bonuses or incentives.

### **10.5 – Repackaging and Relabeling Prohibited**

LifeVantage Distributors may not repackage, relabel, refill or alter the labels on any LifeVantage products, information, materials or programs in any way. LifeVantage products must be sold only in their original containers and complete packaging. Such relabeling, or repackaging would violate applicable laws, which could result in severe criminal penalties. LifeVantage Distributors should also be aware that civil liability may arise when, as a consequence of the repackaging or relabeling of products, the person(s) using the product(s) may suffer any type of injury or their property is damaged.

## **SECTION 11 – SALES REQUIREMENTS**

### **11.1 – Product Sales**

The LifeVantage Sales Compensation Plan is based upon the sale of LifeVantage products to end consumer customers. LifeVantage Distributors must fulfill personal and Marketing Organisation sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for applicable rebates, bonuses, commissions and advancement to higher levels of achievement.

#### **11.1.1 – Sales Volume**

LifeVantage Distributors must satisfy the Personal Sales Volume ("PV") and Organisational Sales Volume ("OV") requirements to fulfill the requirements associated with a particular rank as specified in the LifeVantage Sales Compensation Plan. OV shall include the total CV of all LifeVantage Distributors in their Marketing Organisation plus the LifeVantage Distributor's PV.

### **11.2 – No Territory Restrictions**

There are no exclusive territories granted to anyone.

### **11.3 – 70% Sales Rule**

The 70% Sales Rule means that upon placing any new product order, each LifeVantage Distributor is deemed to have certified that they have sold or consumed at least 70% of all products purchased in prior orders. Each LifeVantage Distributor that receives rebates, bonuses or commissions and orders additional product agrees to retain documentation that demonstrates compliance with this policy, including evidence of retail sales, for a period of at least four (4) years. A LifeVantage Distributor agrees to make this documentation available to the Company at the Company's request. Failure to comply with this requirement or falsely representing the amount of product sold or consumed in order to advance in the LifeVantage Sales Compensation Plan constitute a breach of the Agreement and is grounds for termination. Furthermore, a breach of this requirement entitles the Company to recover any commissions paid to the LifeVantage Distributor for any period of time during which such documentation is not maintained or for which this provision has been breached.

### **11.4 – Sales Receipts**

LifeVantage Distributors must provide their retail Customers with an official LifeVantage sales receipt at the time of the sale. These receipts set forth consumer protection rights afforded by applicable law. LifeVantage Distributors must maintain all retail sales receipts for a period of four years and furnish them to LifeVantage at the Company's request. Records documenting the purchases of LifeVantage Distributor's Customers will be maintained by LifeVantage.

- 1) The name and address of the Retail Customer;
- 2) LifeVantage's name, business address, telephone number and fax number;
- 3) The LifeVantage Distributor's name;
- 4) The date on which the agreement was made and the address where it was signed;;





- 5) A description of the goods with sufficient detail to identify the goods;
- 6) An itemized price of the goods;
- 7) The total cost of the contract;
- 8) The terms of payment;
- 9) In the case of an agreement for the future delivery of goods, the delivery date for the goods;
- 10) Where applicable, the frequency and dates of all deliveries of goods;
- 11) The signatures of the Retail Customer and the LifeVantage Distributor;
- 12) A statement of the below cancellation rights with a heading in 12 point font and text in 10 point font. Where the statement of cancellation rights is not on the face of the agreement, a notice on the face of the agreement in not less than 12 point bold type, referring to the location of the statement of cancellation rights. "You may cancel this contract from the day you enter into the contract until 10 days after you receive a copy of the contract or statement of cancellation rights. You do not need a reason to cancel. If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel this contract within one year of the contract date. You lose that right if you accept delivery after the 30 days. There are other grounds for extended cancellation. For more information you may contact the provincial/territorial consumer affairs office. If you cancel this contract, the seller has 15 days to refund your money and any trade-in or the cash value of the trade-in. You must then return the goods. To cancel, you must give notice of cancellation to the address below or in the contract. You must give notice of cancellation by a method that will allow you to prove that you gave notice, including fax, mail or personal delivery. Address for Notice: [Include applicable address for notice.]"

#### **In Quebec:**

- 1) The LifeVantage Distributor's itinerant merchant's permit number;
- 2) The name, address and telephone number and, where applicable, the electronic address and fax number of each establishment of the itinerant merchant in Québec, and each representative of the itinerant merchant who signed the contract;
- 3) The name, address and telephone number and, where applicable, the electronic address and fax number of the Retail Customer;
- 4) The date on which the contract is made and the address where it is signed;
- 5) The description and quantity of the goods that are the object of the contract;
- 6) The cash price of each item of goods;
- 7) The amounts of all duties chargeable under any federal or provincial act;
- 8) The total amount the Retail Customer must pay under the contract;
- 9) Where applicable, the terms and conditions of the payment;
- 10) Where applicable, the frequency and dates of all deliveries of goods;
- 11) The right granted to the consumer, in Québec, to cancel the contract at his sole discretion, within 10 days after that on which each of the parties is in possession of a duplicate of the contract; and
- 12) Any other information prescribed by regulation.

#### **11.5 – Cancellation of Sales Contract with End-Consumers**

In Alberta, Newfoundland, Nova Scotia, Manitoba, PEI, and Saskatchewan:

Customers who have purchased goods from the LifeVantage Distributors or from LifeVantage itself may cancel their purchase within ten (10) days following the date on which the customer receives a sales receipt. As well, for a period of one year after entering into a contract, customers may cancel their purchase if the good or services are not supplied within 30 days of the supply date specified in the contract (unless the customer accepts delivery of the good or services after the 30-day period). The customer may exercise this right by giving a written notice of cancellation to LifeVantage or the LifeVantage Distributor. The sale shall be cancelled when the notice is sent. Within fifteen (15) days of the cancellation,



LifeVantage or the LifeVantage Distributor, as applicable, must refund all money received under the contract. In Nova Scotia, in addition to the above, an LifeVantage Distributor that has completed a sales agreement with LifeVantage may cancel its purchase at any time, provided that the LifeVantage Distributor has not sold the goods.

#### **In Quebec:**

Québec residents having purchased goods from the LifeVantage Distributors or from LifeVantage itself may cancel their purchase within ten (10) days following that on which each of the parties are in possession of a duplicate of the sales contract. The customer may exercise this right of cancellation by (1) returning the goods to the itinerant merchant, in this case, the LifeVantage Distributor, or his representative; (2) returning the written contract to the merchant or his representative; or (3) a notice in writing for that purpose to the itinerant merchant or his representative. The sales contract shall be cancelled right from the return of the goods and sending of the form or notice. Within fifteen (15) days of the cancellation (the “15-day return period”), the parties shall restore what they have received from one another, except if the customer, as a result of an act or a fault for which he is liable, is unable to restore such goods in the condition in which he received them. The itinerant merchant shall assume the costs of restitution. LifeVantage Distributors that sell goods to Québec residents assume the risk of loss or deterioration of any goods until the expiry of 15-day return period.

## **SECTION 12 – REBATES, BONUSES AND COMMISSIONS**

### **12.1 – Rebates, Bonuses and Commission Qualifications**

A LifeVantage Distributor must be active and in compliance with the Agreement to qualify for rebates, bonuses and commissions (“Financial Distributions”). So long as a LifeVantage Distributor complies with the terms of the Agreement, LifeVantage shall pay Financial Distributions to such LifeVantage Distributor in accordance with the LifeVantage Sales Compensation Plan.

#### **12.1.1 – Adjustment to Rebates, Bonuses and Commissions**

When a product is returned to LifeVantage for a refund, the Financial Distributions attributable to the returned product(s) will be deducted in the month in which the refund is given and continuing every pay period thereafter until the commission is recovered, from the LifeVantage Distributors who received the Financial Distributions on the sales or purchase of the refunded products.

#### **12.1.2 – Commissions Payout Fees**

LifeVantage uses various third parties to facilitate payments to its Distributors and Distributors will be assessed a nominal fee or transaction fee charged by such third party to access and/or withdraw their earnings.

#### **12.1.3 – Cancellation Within the First 30 Days**

If a LifeVantage Distributor chooses to cancel the Agreement within the first thirty (30) days of enrolment and also chooses to return the product that they have ordered, a refund will be issued for the full amount paid less any shipping, handling, rebates, bonuses or commissions that were issued and in accordance with this Manual.

### **12.2 – Unclaimed Commissions and Credits**

LifeVantage Distributors must deposit or cash rebate, commission and bonus payments within six months from their date of issuance. A payment that remains uncollected after six (6) months will be void. After a payment has been voided, LifeVantage will attempt to notify the LifeVantage Distributor who has a void payment by sending a monthly written notice to their last known address or email identifying the amount of the payment and advising that the LifeVantage Distributor can request that the payment be reissued. There is a nominal fee charged for any re-issued payments.

### **12.3 – Incentive Trips and Awards**

From time to time, the Company may provide incentive trips and other awards to qualified LifeVantage Distributors. These awards or trips may be based on title and/or meritorious LifeVantage Distributor sales performance and are provided only to the person(s) listed on a qualifying LifeVantage Distributor Agreement, up to airfare for two such persons and hotel accommodations of one room. Incentive trips or awards may not be deferred for future acceptance and have no cash value. No payment or credit will be given to those who cannot or choose not to attend trips or to accept awards.



Notwithstanding anything to the contrary herein, and although the Company may pay some or all of the costs of such incentive trips, the LifeVantage Distributor agrees to indemnify and hold harmless the Company from any claim, injury, loss or other damage sustained in association with the trip by the LifeVantage Distributor and/or its guests to include visits and/or trips to LifeVantage offices. The LifeVantage Distributor cannot make claim upon, or rely upon, any insurance policy of the Company to cover the costs and expenses of any injury, loss or other damage to the LifeVantage Distributor and/or the LifeVantage Distributor's guests. The Company may be required by local law to include the fair market value of any incentive awards, trips, etc. on the LifeVantage Distributor's end of the year tax report. The LifeVantage Distributor is liable for all applicable taxes and agrees to hold the Company harmless from claims of tax liability relating to these incentive trips and awards. If it is discovered that the LifeVantage Distributor has made any misrepresentations or has violated the Agreement in becoming eligible for these incentive trips and awards, the Company may charge the LifeVantage Distributor for any costs incurred by the Company or for any benefits or awards received by the LifeVantage Distributor. The Company reserves the right at its sole and absolute discretion to disallow participation for any reason it deems necessary.

## **12.4 – Reports**

Solely for the purposes of this Section 12.4, "LifeVantage" means the entity, its affiliates and all of its employees, officers, directors, LifeVantage contractors, LifeVantage Distributors, Customers and agents.

### **12.4.1 – Marketing Organisation Reports**

LifeVantage Distributor understands that LifeVantage regularly provides information to each of its LifeVantage Distributors. This includes, but is not limited to, reports of online or telephonic Marketing Organisation Downline activity, such as personal and group sales volume, and downline sponsoring activity (the "Information").

### **12.4.2 – Report Indemnification**

Each LifeVantage Distributor agrees never to assert any claim of any nature against LifeVantage, including its officers, directors, employees and LifeVantage contractors, that arises out of or which is in any way connected with the presentation, compilation, development, publication and dissemination by LifeVantage of the Information including, but not limited to, a claim for lost profits, bonuses, commissions and loss of opportunity. This agreement on the part of each LifeVantage Distributor extends to any act or omission to act by LifeVantage such as, but not limited to, the inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the Information. However, this Section 12.4.2 does not apply to claims that may arise as a result of intentional misconduct or reckless disregard of the rights of LifeVantage Distributors on the part of LifeVantage.

## **SECTION 13 – PRODUCT GUARANTEE, RETURNS AND INVENTORY REPURCHASE**

### **13.1 – Product Guarantee**

Opened and unopened product and marketing materials returned within thirty (30) days of purchase shall receive a 100% refund. All returns must have a Return Merchandise Authorization ("RMA"), issued through Distributor Support. Product must be received by the Company within ten (10) business days of receipt of the RMA or the product will not be eligible for return.

### **13.2 – Inventory Repurchase**

Unopened product with at least 6 months remaining before its expiration date may be returned within twelve (12) months of purchase and shall receive a 100% refund, less a 10% handling and restocking fee, conditioned upon the receipt of a Return Merchandise Authorization ("RMA"), issued through Distributor Support, and in accordance to 12.2 – Adjustment to Rebates, Bonuses and Commissions, above. Please allow for up to twenty (20) days from the time that the product is received for the refund to be processed.

**13.2.1** – If a shipment is refused whether it is a Subscription order or a spot order that has just been placed, LifeVantage will charge a reasonable shipment refusal fee to the form of payment on file.



### 13.3 – Exceptions to the Refund Policies

Previously paid Financial Distributions may be reversed or adjusted as a result of the returned product and at the sole discretion of the Company. Any Commissions paid to the LifeVantage Distributor and their upline for the product returned by the LifeVantage Distributor or Customer may be debited from the respective upline LifeVantage Distributor accounts or withheld from present or future commission payments. A LifeVantage Distributor agrees that they will not rely on existing Marketing Organisation volume at the close of a commission period, as returns may cause changes to volume, title, rank and/or commissions payout.

## SECTION 14 – DISPUTE RESOLUTION AND REMEDIES

### 14.1 – Limitation of Remedies

To the fullest extent permissible under applicable law, neither LifeVantage nor any of its officers, directors, managers, employees, agents, or affiliates shall be liable to any LifeVantage Distributor or anyone else for any indirect, consequential, incidental, special, or punitive damages that arise out of or relate to the Agreement, including but not limited to: alleged damages relating to delays or failures with regard to the ordering, delivery and quality of LifeVantage products; the payment or nonpayment of compensation under the LifeVantage Sales Compensation Plan; and any information provided by LifeVantage to LifeVantage Distributors, including information relating to Marketing Organisation, uplines, LifeVantage Distributor lists and earnings, and other similar information. Neither LifeVantage nor any of its officers, directors, managers, employees, agents, or affiliates shall be liable under any theory for any condition or circumstance caused by force majeure, including but not limited to strikes, labor difficulties, riots, war, fire, natural disasters, death, curtailment or interruption of a source of supply, or government decrees or orders.

### 14.2 – Stages of Dispute Resolution and General Dispute Resolution Procedure

Disputes between the Company and a LifeVantage Distributor that arise from or relate to the Agreement, the business operated by the LifeVantage Distributor or the opportunity offered by the Company shall be resolved according to the three-step procedure of (a) informal negotiation; (b) non-binding mediation; and (c) trial before a court for claims under \$25,000.00 United States Dollars or local currency equivalent so long as equitable relief is not also sought (except as set forth below), or binding confidential arbitration if the claim is for \$25,000.00 or more and/or if equitable relief is sought. **IF A CLAIM SEEKS DAMAGES FOR \$25,000.00 UNITED STATES DOLLARS OR LOCAL CURRENCY EQUIVALENT OR MORE OR SEEKS EQUITABLE RELIEF (EXCEPT AS SET FORTH BELOW), THE PARTIES AGREE TO RESOLVE THE DISPUTE THROUGH BINDING ARBITRATION AND WAIVE CLAIMS TO A TRIAL BEFORE ANY COURT OR JURY.** The following shall apply to all proceedings under this Dispute Resolution policy:

- Any claim a party has against the other must be brought within one year from the date on which the act or omission giving rise to the claim occurred. In cases in which informal negotiation is required, once informal negotiation is requested in writing the one-year limitation of actions provisions in this policy shall be tolled until the completion of the mediation phase of this policy and for ten calendar days thereafter.
- At no time prior to completion of the negotiation and mediation procedures below shall either party initiate arbitration or litigation related to this Agreement or the business except as may be specified otherwise in this

#### Dispute Resolution policy.

- All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation and/or mediation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in any court trial, arbitration, or in any other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation and/or mediation.
- Informal negotiations and mediation shall take place in Salt Lake County, Utah in the United States of America unless the parties mutually agree on another forum. Informal negotiations and mediation shall take place telephonically if either party requests such and it is practicable to do so.
- Each party shall be responsible for its own attorney's fees, expert, professional and witness fees incurred in pursuing any claim, regardless of the forum.
- If litigation is filed in court, the action may be brought in the jurisdiction in which either party resides or has its principal place of business.



- If arbitration is filed, the arbitration proceedings shall be held in Salt Lake County, Utah in the United States of America unless the LifeVantage Distributor requests that the arbitration proceedings be held in his or her hometown in which case the arbitration proceedings shall be held in LifeVantage Distributor's hometown.

#### 14.2.1 – Informal Negotiation

The parties shall attempt in good faith to resolve any dispute arising out of or relating to the Agreement or the Company's business promptly by negotiation between the aggrieved LifeVantage Distributor and executives of the Company who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of the Agreement. A party may, at its election, choose to be accompanied in such negotiation by an attorney. If one party elects to have its attorney present, the other party must also agree to have its attorney present if that party has retained counsel. To institute the negotiation process, either party may give the other party written notice of any dispute not resolved in the normal course of business. Within 10 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive and attorney who will accompany that party (if applicable), or the name of the LifeVantage Distributor and their attorney (if applicable) who will accompany them in the negotiation. Within 20 days after delivery of the notice, the parties and the attorneys (as applicable) of both parties shall meet at a mutually acceptable time and place. Such meeting may occur telephonically if one party requests that the meeting be held telephonically. Unless otherwise agreed in writing by the negotiating parties, mediation may be initiated one business day following the close of the negotiation phase. The negotiation phase is "closed" when one party notifies the other in writing that it considers the negotiations "closed". Such closure shall not preclude continuing or later negotiations if desired by both parties.

#### 14.2.2 – Mediation

If the parties are unsuccessful in resolving their dispute through good faith negotiation, the next step in the Dispute Resolution process is mediation. If a party elects to pursue mediation, the party shall serve a written notice requesting mediation ("Notice of Mediation") on the other party within 10 calendar days after the informal negotiation phase is completed. Notice of Mediation shall be personally delivered or sent by prepaid registered airmail or overnight courier and shall be effective on receipt by the party to whom it is addressed. Notice to LifeVantage must be addressed and delivered to the General Counsel at the LifeVantage primary corporate offices in the United States. The Notice of Mediation shall be dated and shall specify the claims or issues that will be subjected to mediation, including the requested remedies sought in the mediation. The parties shall have 10 days following the service of the Notice of Mediation to select a mutually acceptable mediator. The mediator shall be selected from the panel of mediators that the parties mutually agree in writing is appropriate. If the parties cannot agree on a mutually acceptable mediator, they shall apply to JAMS ([www.jamsadr.com](http://www.jamsadr.com)) to have a neutral mediator appointed. If neither party timely requests mediation following the completion of the negotiation phase, the dispute shall be deemed resolved and no further action either via mediation, arbitration or litigation may be commenced without the agreement of both parties. Mediation shall be conducted within 20 calendar days from the date on which the mediator is selected or appointed or as otherwise agreed upon by the parties and the mediator. Unless otherwise agreed upon by the parties, the mediation shall be closed no later than 30 calendar days following the completion of the meeting between the mediator and the parties. The parties agree to share equally the costs of the mediator's fees and any other costs charged by mediator in connection with the mediation. Each party shall individually bear their own other costs associated with the mediation, including but not limited to attorneys' fees, costs and travel expenses. The mediation shall be kept confidential and shall not be admissible for any purpose in any legal proceeding.

#### 14.2.3 – Arbitration or Litigation

If the dispute has not been resolved through informal negotiation and mediation as provided above, the next step in the Dispute Resolution process is either arbitration or litigation as provided below:

- Disputes Subject to Litigation: Claims under \$25,000 United States Dollars or local currency equivalent with no claim for equitable relief. If a claim seeks less than \$25,000 United States Dollars or local currency equivalent and equitable relief is NOT sought, an action may be brought pursuant to the arbitration policy if the parties agree. If the parties do not agree to resolve the dispute through arbitration, a claim may be brought before the small claims court or the court of general jurisdiction in the local court system in which either party resides or has its principal place of business.
- Disputes Subject to Arbitration: Claims for \$25,000 United States Dollars or local currency equivalent or more or claims seeking equitable relief - Confidential Binding Arbitration. If a claim seeks \$25,000 United States



Dollars or local currency equivalent or more, or seeks equitable relief, and the parties do not successfully resolve their dispute through the negotiation and mediation procedures above, the dispute shall be resolved through binding confidential arbitration as set forth below.

### **14.3 – Arbitration Administered by JAMS.**

The arbitration shall be filed with, and administered by JAMS in accordance with its Comprehensive Rules and Procedures, which are available on JAMS' website at [www.jamsadr.com/rules-comprehensive-arbitration/](http://www.jamsadr.com/rules-comprehensive-arbitration/). Copies of JAMS Rules and Procedures will also be emailed to LifeVantage Distributor upon request to the LifeVantage Compliance Department ([compliance@lifevantage.com](mailto:compliance@lifevantage.com)). Notwithstanding the rules of JAMS, unless otherwise stipulated by the parties, the following shall apply to all Arbitration actions:

- The United States Federal Rules of Evidence shall apply in all cases.
- The parties shall be entitled to all discovery rights permitted by the United States Federal Rules of Civil Procedure.
- The parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure.
- The arbitration hearing shall commence no later than 365 days from the date on which the arbitrator is appointed and shall last no more than five business days.
- The parties shall be allotted equal time to present their respective cases.
- The Arbitrator's Award will consist of a written statement stating the disposition of each claim. The award will also provide a concise written statement of the essential findings and conclusions on which the award is based.
- Any dispute relating to whether the dispute is subject to arbitration shall be decided through arbitration.
- LifeVantage Distributor shall pay no more than \$250 United States Dollars or local currency equivalent in arbitration filing fees. LifeVantage shall pay all other arbitration filing fees as well as the arbitrator's fee and any arbitration administrative fees.
- Each party shall have the right to be represented by an attorney in arbitration.
- The arbitrator's authority shall be limited to deciding the dispute submitted by the parties to the arbitration. Therefore, no decision by any arbitrator shall serve as precedent in other arbitrations except in a dispute between the same parties, in which case it could be used to preclude the same claim from being re-arbitrated.
- The parties may settle a dispute between them following the filing of the arbitration without the approval of or involvement of the arbitrator assigned to the dispute.

### **14.4 – Confidentiality of Dispute Resolution Proceedings**

With the exception of discussing the claims with bona fide witnesses to the dispute, neither party (nor any of its attorneys, agents, employees, or proxies) shall verbally or in writing discuss, publish, or otherwise disseminate the claims, allegations, merits, evidence, positions, pleadings, testimony, rulings, awards, orders, issues, or any other aspect of the dispute to any third party, including but not limited to disclosure on the internet or on any social media or blog platform, prior to, during, or after any phase of the three steps of the Dispute Resolution process unless a specific exemption contained in this Dispute Resolution policy applies.

### **14.5 – Liquidated Damages for Breach of the Confidentiality Obligation**

If a party violates its confidentiality obligations under this Dispute Resolution policy, the non-breaching party shall incur significant damages to its reputation and goodwill that shall not be readily calculable. Therefore, if a party, its attorneys, agents, or a proxy of a party breaches the confidentiality provisions of this Dispute Resolution policy, the following shall apply:

- The non-breaching party shall be entitled to liquidated damages in the amount of \$10,000.00 United States Dollars or local currency equivalent per violation, or \$25,000.00 United States Dollars or local currency equivalent per violation if the disclosure is published on the internet, including but not limited to disclosure on any website or on any social media forum. Every disclosure of each claim, allegation, pleading, or other prohibited disclosure shall



constitute a separate violation. Notwithstanding this confidentiality and liquidated damage provision, nothing herein shall limit the right or ability of a party to disclose evidence, claims, or allegations relating to the dispute to any individual who is, or who may be, a bona fide witness to the dispute. The parties agree that this liquidated damage amount is reasonable and waive all claims and defenses that it constitutes a penalty; AND

- Breach of the confidentiality provision by disseminating or publishing information described in the preceding paragraph above through any form of mass media (including but not limited to posting on the Internet or on any social media platform) by a party, a party's agent, or a party's proxy shall constitute an act of wanton and gross bad faith, and shall constitute a waiver of the breaching party's right to pursue the claim(s) and/or defense(s) against the non-breaching party, and shall entitle the non-breaching party to a default judgment against the breaching party

#### **14.6 – Emergency and Injunctive Relief**

Either party may bring an action before JAMS seeking emergency and/or injunctive relief to protect its intellectual property rights and interests, including but not limited to protecting its rights pursuant to the non-solicitation provisions of the LifeVantage Policies and Procedures. A claim or cause of action seeking emergency relief shall be brought pursuant to the Emergency Relief Procedures in JAMS Comprehensive Rules and Procedures (available at <https://www.jamsadr.com/rules-comprehensive-arbitration/#Rule%202>, or by contacting the LifeVantage Compliance Department (compliance@lifevantage.com)). The parties agree that any violation of Sections 6.1 (Non-Solicitation), 7.1 (Marketing Organisation Activity Reports), 8.5.12 (Online Auctions and Online Retailing), and 8.5.13 (Diversion and Sale to Unauthorised Resellers) of this Manual shall entitle LifeVantage to emergency and permanent equitable relief because: (a) there shall be no adequate remedy at law; (b) LifeVantage shall suffer immediate and irreparable harm should such policies be breached; and (c) if emergency and permanent equitable relief is not granted, the injury to LifeVantage shall outweigh the potential harm to the LifeVantage Distributor breaching these policies if emergency and/or permanent equitable relief is granted.

#### **14.7 – Disputes Not Subject to the Three-Step Dispute Resolution Process**

The following disputes are exempt from the strict adherence to the three steps of the Dispute Resolution process as follows.

##### **14.7.1 – Action to Enforce Arbitration Award or Order**

Either party may bring an action in a court properly vested with jurisdiction to enforce an Arbitration award or order, including but not limited to an order for emergency relief.

##### **14.7.2 – Petitions for Emergency Relief**

If a party deems it necessary to seek emergency relief to protect its interests, it may seek emergency relief as set forth in this Dispute Resolution policy without engaging in the negotiation or mediation process set forth above. Notwithstanding the foregoing, the parties are encouraged, but not required, to engage in negotiation and or mediation concurrently with any pending request for emergency relief.

##### **14.7.3 – Disciplinary Sanctions**

LifeVantage shall not be required to engage in the three-step Dispute Resolution process prior to imposing disciplinary sanctions for violation of the Agreement pursuant to Section 14.12 below.

#### **14.8 – Remedies**

Remedies available to LifeVantage Distributors under federal laws and local laws of a LifeVantage Distributor's residence shall remain available to the LifeVantage Distributor in any arbitration proceeding.

#### **14.9 – Class Action Waiver**

All disputes, whether pursued through arbitration or before the courts, that arise from or relate to the Agreement, that arise from or relate to the LifeVantage business, or that arise from or relate to the relationship between the parties, shall be brought and proceed on an individual basis. The parties waive their rights to pursue any action against the other party and/or their respective owners, officers, directors and agents, on a class or consolidated basis. A LifeVantage Distributor may opt out of this class action waiver by submitting written notice of LifeVantage Distributor's desire to opt out to the Company's Compliance Department (compliance@lifevantage.com) within 30 days from the date on which they enrol as a LifeVantage Distributor.



#### **14.10 – Governing Law**

The United States Federal Arbitration Act shall govern all matters relating to arbitration. Except as otherwise specifically referenced in this Manual, the internal laws of the State of Utah, without giving effect to conflicts of interests' principles, shall govern all other matters relating to or arising from the Agreement, the LifeVantage business, the relationship between the parties, or any other claim between the parties. Notwithstanding the foregoing, if a dispute is brought in a small claims court properly vested with jurisdiction, the laws in which the small claims court resides shall apply.

#### **14.11 – Attorney's Fees and Costs**

Each party shall bear its own attorney's fees and any other costs and expenses incurred in the resolution of any dispute without regard to the outcome. Notwithstanding the foregoing, or anything else to the contrary in this Agreement, in any legal action commenced to address the unauthorised diversion of products (as set forth in Paragraphs 8.5.12, 8.5.13, 8.5.13(a), 8.5.13(b), and 8.5.13(c) of this Agreement), the prevailing party shall be entitled to recover the attorneys' fees, costs and expenses it incurs in investigating and prosecuting or defending such action.

#### **14.12 – Disciplinary Sanctions, Breach and Remedies**

Any breach of the Agreement and disciplinary sanctions, including in this Manual, or any illegal, fraudulent, deceptive or unethical business conduct by a LifeVantage Distributor may result, at the Company's sole discretion, in one or more of the following corrective actions:

- Issuance of a written warning or admonition;
- Issuance of a writing that directs the LifeVantage Distributor to take immediate corrective measures;
- Loss of right to one or more bonus and commission payments; in whole or in part;
- The withholding of Financial Distributions during the period that LifeVantage is investigating any conduct that allegedly violates the Agreement;
- Suspension of the Agreement for one or more pay periods;
- Cancellation of the Agreement;
- Cancellation of the Agreement of any other of the LifeVantage Distributor's Immediate Household or of an Affiliated individual who is in association with the breaching LifeVantage Distributor; and/or
- Any other measure expressly allowed by the Agreement of which LifeVantage deems necessary to implement and appropriate in order to provide a remedy for injuries caused partially or exclusively by the LifeVantage Distributor's breach

#### **14.13 – Modifications and Amendments to the Dispute Resolution Policies.**

Notwithstanding the provisions of this Manual and the LifeVantage Distributor Agreement, the LifeVantage Distributor understands and agrees that LifeVantage may change, amend, or terminate any of the foregoing Dispute Resolution provisions in this Section 14 after giving the LifeVantage Distributor at least 90 days written or electronic notice. Such notice shall be given by one of the methods specified in the Agreement. Any such change, amendment, or termination will not apply to a pending Dispute Resolution proceeding that was initiated prior to the giving of such notice by LifeVantage.

#### **14.14 – Quebec Residents**

Notwithstanding the foregoing, for LifeVantage Distributors who are residents of the Province of Quebec, the interpretation and enforcement shall be governed by the internal laws of the Province of Quebec, without giving effect to conflict of laws principles





## SECTION 15 – ORDERING

### 15.1 – Customers

LifeVantage Distributors are encouraged to promote the LifeVantage Customer Program to their customers. The LifeVantage Customer Program allows customers to purchase their LifeVantage products directly from LifeVantage through either subscription orders or spot orders. Customers may order online at the LifeVantage internet site or simply call the LifeVantage tollfree order number to place their orders, which they may charge to their credit card. LifeVantage will then send the ordered products directly to the customer and give the referenced LifeVantage Distributor credit for such orders.

### 15.2 – Purchasing LifeVantage Products

Each LifeVantage Distributor should purchase their products directly from LifeVantage under their LifeVantage Distributor Number. If a LifeVantage Distributor purchases products from another LifeVantage Distributor or any other source, the purchasing LifeVantage Distributor will not receive the Personal Sales Volume, and/or any possible commissions associated with that purchase.

### 15.3 – General Order Policies

When receiving mail orders with invalid or incorrect payment, LifeVantage will attempt to contact the LifeVantage Distributor or Customer by phone and/or email to try to obtain another payment. If these attempts are unsuccessful after five (5) working days, the order will be returned unprocessed. No charge-on-delivery or C.O.D. orders will be accepted. LifeVantage maintains no minimum order requirements. Orders for products and sales aids may be combined.

### 15.4 – Shipping and Back Order Policy

LifeVantage will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out of stock, it will be placed on back order and sent when LifeVantage receives additional inventory. LifeVantage Distributors will be charged and given Personal Sales Volume on back ordered items unless notified on the invoice that the product has been discontinued. LifeVantage will notify LifeVantage Distributors and Customers if items are backordered and are not expected to ship within thirty (30) days from the date of the order. An estimated shipping date will also be provided. Back ordered items may be cancelled upon a Customer's or LifeVantage Distributor's request. Customers and LifeVantage Distributors may request a refund, credit on account, or replacement merchandise for cancelled back orders. If a refund is requested, the LifeVantage Distributor's Personal Sales Volume will be decreased by the amount of the refund in the month in which the refund is issued.

### 15.5 – Confirmation of Order

A LifeVantage Distributor and/or recipient of an order must confirm that the product received matches the product listed on the shipping invoice and is free of damage. Failure to notify LifeVantage of any shipping discrepancy or damage within thirty (30) days of shipment waives a LifeVantage Distributor's right to request a correction.

### 15.6 – Product Abandonment

An order transaction is considered complete only when the order has been paid for and delivery method has been satisfied. If these conditions are not met within ninety (90) days from the date of order, LifeVantage reserves the right to determine the final outcome of the order and LifeVantage Distributors release the Company from any further obligation or liability.

## SECTION 16 – PAYMENT AND SHIPPING

### 16.1 – Deposits

No monies should be paid to or accepted by a LifeVantage Distributor for a sale to one of their personal Retail Customers except at the time of product delivery. LifeVantage Distributors should not accept monies from their Retail Customers to be held for deposit in anticipation of future deliveries.



## 16.2 – Insufficient Funds

It is the responsibility of each LifeVantage Distributor to ensure that there are sufficient funds or credit available in their account to cover any monthly subscription orders or any other order. LifeVantage is not obligated to contact LifeVantage Distributors in regard to orders cancelled due to insufficient funds or credit. This type of order cancellation may result in failure to receive product or to meet the LifeVantage Distributors' Personal Sales Volume requirements for the month.

## 16.3 – Restrictions on Third-Party Use of Credit Cards

LifeVantage Distributors shall not permit other LifeVantage Distributors or Customers to use their credit cards or to use the credit cards of any other third party.

## 16.4 – Sales, Value-Added, Turnover or Equivalent Taxes

By virtue of its business operations, LifeVantage is required to charge sales taxes and any and all other taxes of whatever nature, whether value-added, turnover or equivalent taxes, as is required of it by any and all applicable laws, and whether levied on a Federal, national, Provincial, or local (municipality, communal or otherwise) level. Such tax authorities with jurisdiction to require LifeVantage to charge or collect taxes shall further charge, assess or otherwise add to the amounts invoiced or to be invoiced to distributors and customers on all purchases made by LifeVantage Distributors and Customers and remit the taxes charged to the respective tax authorities. Accordingly, LifeVantage will collect and remit sales taxes and any and all other taxes of whatever nature, whether value-added, turnover or equivalent taxes, as is required on behalf of LifeVantage Distributors, based on the suggested retail price of the products, according to applicable tax rates of the tax authorities to which the shipment is destined. If a LifeVantage Distributor has submitted, and LifeVantage has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License or any other applicable tax "or VAT" Registration License or any other applicable tax exemption certificate or proof of turnover or equivalent tax registration, sales taxes or any and all other applicable value-added, turnover or equivalent tax will not be added to the invoice, if and to the extent allowed by applicable law or regulation, and in that case, the responsibility for collecting and remitting such taxes to the appropriate authorities shall be on the LifeVantage Distributor. Exemption from the payment of sales tax or any and all other equivalent taxes as described above is applicable only to orders which are shipped to a jurisdiction for which the proper tax exemption papers or proof of turnover or equivalent tax registration have been filed and accepted. Applicable sales taxes or any and all other equivalent taxes as described above will be charged on orders that are drop shipped to another tax authority jurisdiction, as the case may be. Any sales tax exemption or other equivalent tax exemption as described above which is accepted by LifeVantage shall not, however, be retroactive in nature or effect.

## SECTION 17 – INACTIVITY AND CANCELLATION

### 17.1 – Effect of Cancellation

So long as a LifeVantage Distributor remains Active and complies with the terms of the Agreement, LifeVantage shall pay Financial Distributions to such LifeVantage Distributor in accordance with the LifeVantage Sales Compensation Plan. A LifeVantage Distributor's Financial Distributions constitute the entire consideration for the LifeVantage Distributor's efforts and activities related to generating sales (including building a Marketing Organisation). Following a LifeVantage Distributor's non-renewal of their Agreement (all of these methods are collectively referred to as "Cancellation"), the former LifeVantage Distributor shall have no right, title, claim or interest to the Marketing Organisation which they operated, or any commission or bonus from the sales generated by the Marketing Organisation. A LifeVantage Distributor whose LifeVantage distributorship is cancelled will permanently lose all rights as a LifeVantage Distributor. This includes cancelled rights to sell LifeVantage products and cancelled rights to receive future commissions, bonuses or other income resulting from the sales and other activities of the LifeVantage Distributor's former Marketing Organisation. In the event of cancellation, LifeVantage Distributors agree to waive all rights they may have including, but not limited to, property rights, to their former Marketing Organisation and to any bonuses, commissions or other remuneration derived from the sales and other activities of their former Marketing Organisation. Following a LifeVantage Distributor's cancellation of their Agreement, the former LifeVantage Distributor shall not hold themselves out as a LifeVantage Distributor and shall not have the right to sell LifeVantage products. A LifeVantage Distributor whose Agreement is cancelled shall receive commissions and bonuses only for the last full commission period they were active and qualified in prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation). LifeVantage Distributors may reapply as a new LifeVantage Distributor in accordance with the Agreement.



## 17.2 – Cancellation Due to Inactivity

A LifeVantage Distributor has the responsibility to lead their Marketing Organisation with the proper example in personal production of sales to end consumer customers. Without this proper example and leadership, the LifeVantage Distributor will lose their right to receive commissions from sales generated through their Marketing Organisation when the LifeVantage Distributors personally generates less than 100 in Product Volume for any commission period. If a LifeVantage Distributor has not fulfilled their Product Volume for a period of twelve (12) consecutive calendar months, the Agreement may be cancelled for inactivity. The Cancellation will become effective on the day following the last day of the twelfth month of inactivity. If the LifeVantage Distributor has a valid monthly subscription order at the time of Cancellation, the LifeVantage Distributor will be reclassified as a LifeVantage Customer and their subscription order will not be interrupted and they may continue to purchase as a customer at subscription prices. LifeVantage will notify LifeVantage Distributors that they are being reclassified at least 30 days prior to the reclassification. LifeVantage Distributors may reapply as a new LifeVantage Distributor in accordance the Agreement.

## 17.3 – Involuntary Cancellation

A LifeVantage Distributor's breach of any of the terms of the Agreement may result in any of the sanctions and/or actions in the Agreement, including the involuntary Cancellation of their Agreement. Unless otherwise provided for in the Cancellation notice, Cancellation shall be effective on the date on which written notice is mailed, faxed or delivered to an express courier to the LifeVantage Distributor's last known address; email or fax number, or their attorney, or when the LifeVantage Distributor receives actual notice of Cancellation, whichever occurs first. Entry into any other Agreement after Cancellation, if ever granted, must be initiated by and in the sole discretion of the Company.

## 17.4 – Voluntary Cancellation

A LifeVantage Distributor has the right to cancel the Agreement at any time. Cancellation must be submitted in writing to the Company at its principal business address by submitting a request via email to [Compliance@lifevantage.com](mailto:Compliance@lifevantage.com). The written notice must include the LifeVantage Distributor's signature, printed name, address and LifeVantage Distributor DIN. However, if a LifeVantage Distributor is not in good standing with the Company at the time LifeVantage receives notice of cancellation, the consequences of an involuntary cancellation may take effect per the Agreement. LifeVantage Distributors may reapply as a new LifeVantage Distributor in accordance with the Agreement.

## 17.5 – Non-Renewal

A LifeVantage Distributor may voluntarily cancel their Agreement by sending written notice within thirty (30) days of the anniversary date. The Company may also elect not to renew the Agreement upon the Agreement's anniversary date.

## SECTION 18 – DEFINITIONS

**Acceptance** – means the acceptance of the application to become a LifeVantage Distributor by completing a LifeVantage Distributor Agreement and delivering it to LifeVantage. "Acceptance" shall be deemed to occur when LifeVantage accepts a valid LifeVantage Distributor Application and Agreement from a person who has decided to become a LifeVantage Distributor.

**Active or Active LifeVantage Distributor** – means a LifeVantage Distributor who satisfies the minimum monthly Personal Sales Volume requirements, as set forth in the LifeVantage Sales Compensation Plan, to ensure that they are eligible to receive rebates, bonuses and commissions.

**Active Rank** – means the current rank of a LifeVantage Distributor, as determined by the LifeVantage Sales Compensation Plan, for any calendar month. To be considered "Active" relative to a particular rank, a LifeVantage Distributor must meet the criteria set forth in the LifeVantage Sales Compensation Plan for their respective rank.

**Agreement** – means the contract between the Company and each LifeVantage Distributor which includes the LifeVantage Distributor Application and Agreement, the LifeVantage Policies and Procedures, the LifeVantage Sales Compensation Plan, and any subscription agreement and/or business entity forms (where appropriate), all in their current form or as amended by LifeVantage from time to time in its sole discretion. These documents are collectively referred to as and comprise the "Agreement."



**Breach** – “Breach,” “Default” and “Violation” mean an actual or alleged transgression or violation of any part of the Agreement.

**Business Center(s)** – means additional distributor positions placed under the original LifeVantage Distributorship as allowed in the LifeVantage Sales Compensation Plan.

**Cancellation** – means the termination of a LifeVantage Distributorship. Cancellation may be either voluntary or involuntary, through non-compliance, non-renewal or inactivity.

**Company** – means LifeVantage New Zealand Limited. and any parent, affiliates and/or subsidiary entities.

**Customer** – means any legal person whose LifeVantage Customer Agreement has been accepted by Company. LifeVantage Customers may obtain lower prices through a subscription enrolment where they receive chosen products each month paid in recurring monthly charges. A Customer is not a LifeVantage Distributor and is not entitled to any commissions or to retail the product.

**Enroled** – means the LifeVantage Distributors and Customers who have been signed up as LifeVantage Distributors or Customers by another LifeVantage Distributor, who is their Enroler.

**Enroler** – means the LifeVantage Distributor who enrolls a new LifeVantage Distributor or Customer. The Enroler may Sponsor or Place the new Distributor or Customer under their position or under any other position within their Marketing Organisation. The position under which the new Distributor or Customer is placed is the “Placement Sponsor”. The same LifeVantage Distributor may be both the Enroler and the Placement Sponsor.

**Immediate Household** – means heads of household and dependent family members residing at the same house.

**LifeVantage Distributor** – means an independent contractor who has signed and completed the official LifeVantage Distributor Application and Agreement and whose LifeVantage Distributor Agreement has been accepted by LifeVantage. A LifeVantage Distributor is required to meet certain qualifications and is responsible for the motivation, support and development of the LifeVantage Distributors in their respective Marketing Organisation. LifeVantage Distributors are entitled to purchase LifeVantage products at list or subscription prices, enrol Customers and new LifeVantage Distributors, and participate in the LifeVantage Sales Compensation Plan.

**Marketing Organisation** – means the network of LifeVantage Distributors and Customers who exist under a LifeVantage Distributorship and is also called "downline". Each LifeVantage Distributor understands that (1) LifeVantage Distributor does not have any ownership or possessory right, title or interest in any Marketing Organisation(s) individual, entity, organisation or in any materials generated by LifeVantage or created by LifeVantage Distributor or any other individual or entity to the extent that it consists, in whole or in part, of any information about LifeVantage Marketing Organisation(s) or any part of the Agreement; (2) the sole property interest of a LifeVantage Distributor with respect to Marketing Organisation(s) is the contractual right to receive commissions as set forth in the Agreement; and (3) that LifeVantage is the sole owner of any and all Marketing Organisation(s) rights, titles, interests and materials.

**Marketing Organisation(s) Activity Report** – means a monthly report generated by LifeVantage that provides critical data relating to the identities of LifeVantage Distributors, Customers, sales information and enrolment activity of each LifeVantage Distributor’s Marketing Organisation. This report contains confidential and trade secret information which is proprietary to LifeVantage. It is owned solely by LifeVantage.

**Official LifeVantage Material** – means literature, audio or digital recordings and other materials developed, printed, published and distributed by LifeVantage to LifeVantage Distributors and Customers.

**Placement Sponsor** – means the LifeVantage Distributor under whom the Enroler places a new Distributor or Customer.

**Rank** – means the “title” that a LifeVantage Distributor has achieved pursuant to the LifeVantage Sales Compensation Plan and its definitions.

**Recruit** – means, for purposes of the LifeVantage Conflict of Interest Policy, actual or attempted solicitation, enrolment, encouragement or effort to influence in any other way, either directly or through a third party, another LifeVantage Distributor or Customer, to enrol or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the LifeVantage Distributor’s actions are in response to an inquiry made by another LifeVantage Distributor or Customer.



**Restockable and Resalable** – means products and sales aids if each of the following elements is satisfied: (1) they are unopened and unused; (2) packaging and labeling has not been altered or damaged; (3) the product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; (4) products are returned to LifeVantage within thirty (30) days from the date of purchase; (5) the product expiration date has not elapsed; and (6) the product contains current LifeVantage labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued or as a seasonal item, shall not be resalable.

**Retail Profit** – means the difference between the Subscription Price or List Price of products and the retail price a LifeVantage Distributor elects to charge for products when they are resold to their end consumer retail customers.

**Roll-Up** – means the method by which a vacancy is filled in a Marketing Organisation left by a LifeVantage Distributor whose respective Agreement has been cancelled.

**Start Kit** – means a selection of LifeVantage training materials and business support materials that each new LifeVantage Distributor is required to purchase. This purchase may be optional in some jurisdictions.

**Subscription Price** – means the price of the products that is paid to the Company by LifeVantage Distributors or Customers who have chosen to enter into subscription agreement. All commissions and bonuses are paid on commissionable volume of LifeVantage products.

**Subscription Agreement** – means the optional LifeVantage program that automatically ships product to Distributors and Customers each month. The Subscription Agreement is incorporated into the LifeVantage Distributor Agreement and LifeVantage Customer Agreement.

**Upline** – means the LifeVantage Distributor position(s) above a particular LifeVantage Distributor in a sponsorship line or enrolment line up to the Company. Conversely stated, it is the line of sponsors or enrolers that links any particular LifeVantage Distributor or Customer to the Company.

