



Pure Haven

STATEMENT OF POLICIES and PROCEDURES

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SECTION 1 – INTRODUCTION

1.1 – Policies and Compensation Plan Incorporated into Consultant Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of Pure Haven Essentials, LLC (hereafter “Pure Haven Essentials”, “PHE” or the “Company”), are incorporated into, and form an integral part of, the PHE Consultant Application Agreement (the “Consultant Agreement”). Throughout these Policies and Procedures, when the term “Agreement” is used, it collectively refers to the Consultant Agreement, these Policies and Procedures, and the PHE Compensation Plan. These documents (all in their current form and as amended by PHE) are incorporated by reference into the Consultant Agreement.

1.2 – Changes to the Agreement

PHE reserves the right to amend the Agreement and its prices and other policies in its sole and absolute discretion. By executing the Consultant Agreement, a Consultant agrees to abide by all amendments or modifications of the Agreement that PHE elects to make. Amendments shall be effective 30 days after publication of notice that the Agreement has been modified. Notification of amendments shall be published by one or more of the following methods: (a) posting on the Company’s official web site; (b) electronic mail (e-mail); (c) inclusion in Company periodicals; (d) posting in Consultant’s back office; or (e) via email. The continuation of a Consultant’s PHE business or a Consultant’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

1.3 – Policies and Provisions Severable

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. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

1.4 – 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 business. No failure of PHE to exercise any right or power under the Agreement or to insist upon strict compliance by a Consultant 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 PHE’s right to demand exact compliance

with the Agreement. The existence of any claim or cause of action of a Consultant against PHE shall not constitute a defense to PHE's enforcement of any term or provision of the Agreement.

SECTION 2 – BECOMING A CONSULTANT

2.1 – Requirements to Become a Consultant

To become an PHE Consultant, each applicant must:

- Be at least 18 years of age;
- Reside in the United States or U.S. Territories or country that PHE has officially announced is open for business;
- Have a valid Social Security or Federal Tax ID number;
- Purchase a PHE Business Kit (optional in North Dakota);
- Submit a properly completed Consultant Agreement to PHE either in hard copy or online format;
- Submit an IRS form W-9. If a valid W-9 is not received by the Company within 30 days from the date of the Applicant's enrollment, the enrollment process will not be finalized and the applicant shall not be permitted to become a Consultant, sell the Company's products, or participate in the PHE Compensation Plan.

PHE has the right to not accept any application and agreement in its sole discretion.

2.2 – Business Kit

No person is required to purchase PHE products to become a Consultant. In order to familiarize new Consultants with PHE products, services, sales techniques, sales aids, and to receive a Consultant online back office, the Company requires that they purchase a Business Kit. PHE will repurchase resalable kits from any Consultant who terminates his or her Consultant Agreement pursuant to the terms of Section 7.2.

2.3 – Consultant Benefits

Once a Consultant Agreement has been accepted by PHE, the benefits of the Compensation Plan and the Agreement are available to the new Consultant. These benefits include the right to:

- Sell PHE products and services;
- Participate in the PHE Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Consultants into the PHE business and thereby, build a marketing organization and progress through the PHE Compensation Plan;
- Receive periodic PHE literature and other PHE communications;
- Participate in PHE-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by PHE for its Consultants.

2.4 – Terms and Renewal

The term of this Agreement is month-to-month (subject to prior cancellation for inactivity pursuant to these Policies and Procedures and satisfaction of the personal sales requirements set forth in the PHE Compensation Plan). There are no annual renewal fees. Monthly fees for your back office will be automatically charged to the credit card you used for your back office enrollment. If you fail to pay your monthly back office fee you will not have access to your back office. If the Consultant then doesn't meet the requirements to stay Active (as defined in Section

10), his or her PHE business will be cancelled and the Consultant will not be eligible to earn compensation.

2.5 – Authorization to Use Name and Likeness

By executing the Consultant Agreement, each Consultant grants to PHE and its affiliates and agents the absolute, perpetual and worldwide right and license to use, to record, photograph, publish, reproduce, advertise, display, edit, and sell in any manner for all purposes, his or her name, photograph, likeness, voice testimony, biographical information, image and other information related to Consultant’s business with PHE (collectively the “Likeness”) in marketing, promotional, advertising and training materials, whether in print, radio or television broadcasts (including cable and satellite transmissions) audio and videotapes on the Internet or in other media (“Publicity Materials”) for an unlimited number of times, without compensation, in perpetuity. Each Consultant waives any right to inspect or approve any Publicity Materials including or accompanying his or her Likeness. Each Consultant further releases PHE from any liability or obligation that may arise as a result of the use of his or her Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). A Consultant may withdraw his or her authorization of any use of his or her Likeness that has not already been publicized by providing written notice to PHE. Consultants agree that any information given by Consultant, including his or her testimonial, is true and accurate.

SECTION 3 – OPERATING A PURE HAVEN BUSINESS

3.1 – Adherence to the PHE Compensation Plan

Consultants must adhere to the terms of the PHE Compensation Plan. Consultants shall not offer the PHE opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official PHE literature. Consultants shall not require or encourage other current or prospective Customers (as defined in Section 10) or Consultants to execute any agreement or contract other than official PHE agreements and contracts in order to become an PHE Consultant. Similarly, Consultants shall not require or encourage other current or prospective Customers or Consultants to make any purchase from, or payment to, any individual or other entity to participate in the PHE Compensation Plan other than those purchases or payments identified as recommended or required in official PHE literature.

3.2 – Advertising

3.2.1 – General

All Consultants shall safeguard and promote the good reputation of PHE and its products. The marketing and promotion of PHE, the PHE opportunity, the Compensation Plan, and PHE products must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. Consultants may use only the sales tools and support materials produced by PHE. The Company has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that they are promoted in fair, truthful manner, that they are substantiated, and the material complies with the legal requirements of federal and state laws. Accordingly, Consultants may not produce their own literature, advertisements (including Social Media (as defined in Section 10) and specifically no Facebook boosts/sponsored pages), sales tools and promotional materials, Internet web pages or shopping carts with any trademarked or registered PHE logos.

3.2.2 – Consultant Web Sites

If a Consultant desires to utilize an Internet web page to promote his or her business, he or she may only do so only with permission and full approval (of all pages and content) from PHE. No custom websites or shopping carts of any kind are allowed that sell PHE products. Consultants can only sell product from their PHE replicated website that includes their shopping cart.

3.2.3 – Domain Names

Consultants may not use or attempt to register any of PHE's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Specifically, Consultants may not use Pure Haven Essentials or Pure Haven Essentials in any domain name.

3.2.4 – Social Media

Social Media may be used by Consultants to share information about PHE. However, Consultants who elect to use Social Media must adhere to the Policies and Procedures in all respects.

Social Media sites may not be used to sell or offer to sell specific PHE products or services. Profiles a Consultant generates in any social community where PHE is discussed or mentioned must clearly identify the Consultant as an PHE Independent Consultant, and when a Consultant participates in those communities, Consultants must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at PHE's sole discretion, and offending Consultants will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the PHE approved library. If a link is provided, it must link to the posting Consultant's replicated website or the Consultant's Company approved external website. If commenting on a not for profit site, Consultants may not market their PHE business or post responses advising Customers to private message them for further information.

Consultants may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Consultants create or leave must be useful, unique, relevant and specific to the blog's article.

3.2.5 – Consultants are Responsible for Postings

Consultants are personally responsible for their postings and all other online activity that relates to PHE. Therefore, even if a Consultant does not own or operate a blog or Social Media site, if a Consultant posts to any such site that relates to PHE or which can be traced to PHE, the Consultant is responsible for the posting. Consultants are also responsible for postings that appear on any blog or Social Media site that the Consultant owns, operates, or controls. Consultants may not post responses to any inquiries for sales, booking or sponsoring from the corporate Pure Haven Essentials Facebook page. These requests and inquiries are managed by the company.

3.2.6 – Identification as an PHE Independent Consultant

A Consultant must disclose his or her full name on all Social Media postings, and conspicuously identify himself or herself as an Independent Consultant for PHE. Anonymous postings or use of an alias is prohibited.

3.2.7 – Social Media as a Sales and Promotion Forum

Some Social Media sites promote commercial use while others prohibit it. It is each Consultant's responsibility to learn and abide by the Social Media site's terms of use and policies.

If the Social Media site does not allow its site to be used for commercial activity, the Consultant must abide by the site's terms of use. Social Media sites are relationship-building sites. Consultants may not boost or create sponsored Facebook pages.

3.2.8 – Sales and Enrollments from Social Media Sites Prohibited

Online sales and/or enrollments may only be generated from a Consultant's PHE replicated website. Likewise, Consultants shall not use any Social Media site to explain the PHE Compensation Plan or any component of the Compensation Plan.

3.2.9 – Deceptive Postings

Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the PHE income opportunity, PHE's products and services, and/or your biographical information and credentials.

3.2.10 – Use of Third Party Intellectual Property

If a Consultant uses the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting, it is his or her responsibility to ensure that he or she has 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 a Consultant must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

3.2.11 – Respecting Privacy

Always respect the privacy of others in a Consultant's postings. Consultants must not engage in gossip or advance rumors about any individual, company, or competitive products or services. Consultants 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.

3.2.12 – Professionalism

A Consultant must ensure that a Consultant's postings are truthful and accurate. This requires that a Consultant fact-check all material a Consultant posts online. A Consultant should also carefully check a Consultant's postings for spelling, punctuation, and grammatical errors. Use of offensive language is prohibited.

3.2.13 – Prohibited Postings

Consultants may not make any postings, or link to any postings or other material that:

- Is sexually explicit, obscene, or pornographic;
- 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);
- Is violent, including any violent video game images;
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity;
- Is in violation of any intellectual property rights of the Company or any third party.
- Is advertising the Consultant's business on a non-profit site.

3.2.14 – Responding to Negative Posts

A Consultant should not converse with one who places a negative post against you, other independent Consultants, or PHE. Report negative posts to the Company at customerservice@purehavenessentials.com. Responding to such negative posts often simply

fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as PHE, and therefore damages the reputation and goodwill of PHE.

3.2.15 – Social Media Sites with Website-like Features

Because some Social Media sites are particularly robust, the distinction between a Social Media site and a website may not be clear-cut. PHE therefore reserves the sole and exclusive right to classify certain Social Media sites as websites and require that Consultants using, or who wish to use, such sites adhere to the Company's policies relating to independent websites.

3.2.16 – Blogs

A Consultant may operate a blog, and may blog about Pure Haven Essentials, however, all blog posts must adhere to the Policies and Procedures. A Consultant may link his or her blog to his or her replicated website, but a Consultant may not link his or her replicated website to any blog. A Consultant may not cross market non PHE products on the Consultant's blog. A Consultant may not set up shopping from individual products (with appearance of a shopping cart) on their blog that will link to a Consultant's replicated website.

3.2.17 – Promotion of Other Direct Selling Businesses through Social Media

In addition to meeting all other requirements specified in these Policies and Procedures, should a Consultant utilize any form of Social Media, including but not limited to Facebook, Twitter, LinkedIn, YouTube, or Pinterest, the Consultant agrees to each of the following:

- No product sales or enrollments may occur on any Social Media site. To generate sales, a Social Media site must link only to the Consultant's PHE replicated website.
- Any Social Media site that is directly or indirectly operated or controlled by a Consultant that is used to discuss or promote PHE's products, or the PHE opportunity may not link to any website, Social Media site, or site of any other nature, other than the Consultant's PHE replicated website.
- During the term of this Agreement and for a period of 12 calendar months thereafter, a Consultant may not use any Social Media site on which he or she discuss or promote, or have discussed or promoted, the PHE business or PHE's products to directly or indirectly solicit PHE Consultants for another direct selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, a Consultant shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Consultants relating to the Consultant's other direct selling business activities. Violation of this provision shall constitute a violation of the nonsolicitation policy in Section 3.7.1.
- A Consultant may post or "pin" photographs of PHE products on a Social Media site, but only photos that are provided by PHE and downloaded from the Consultant's back office may be used.
- If a Consultant creates a business profile page or personal page for PHE on any Social Media site that promotes or relates to PHE, its products, or opportunity, the business/personal profile page must relate exclusively to the Consultant's PHE business and PHE products. It cannot cross market another direct selling company or other products. If the Consultant's PHE business is cancelled for any reason or if the Consultant becomes inactive, the Consultant must deactivate the business/personal profile page relating to her PHE business. A Consultant may not use (or alter) corporate logos on a business profile page or personal page for PHE. Only approved Consultant logos may be used.

3.2.18 – Trademarks and Copyrights

The name of PHE and other names, marks and logos as may be adopted by PHE are owned by and proprietary trade names, trademarks and service marks of PHE. As such, these marks are of great value to PHE and are supplied to Consultants for their use only in an expressly authorized manner. PHE will not allow the use of its trade names, trademarks, designs, or symbols by any person, including PHE Consultants, in any unauthorized manner without its prior, written permission.

The content of all Company sponsored events is copyrighted material. Consultants may not produce for sale or distribution any recorded Company events and speeches without written permission from PHE, nor may Consultants reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

3.2.19 – Independent Consultant Logo

Unless a Consultant receives written authorization from the Company to use a corporate logo, only official Independent Consultant logos provided by the Company (which are available in Consultant's back office) may be used in connection with their independent business, including but not limited to use with Social Media postings. Consultants must place the Independent Consultant logo on any custom made materials.

3.2.20 – Media and Media Inquiries

Consultants must not attempt to respond to media inquiries regarding PHE, its products or services, or their independent PHE business. All inquiries by any type of media must be immediately referred to PHE's Marketing Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.2.21 – Unsolicited Email

PHE does not permit Consultants to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by a Consultant that promotes PHE, the PHE opportunity, or PHE products and services must comply with federal and state laws. PHE may periodically send commercial emails on behalf of Consultants.

3.2.22 – Unsolicited Faxes

Except as provided in this section, Consultants may not use or transmit unsolicited faxes or use any software program, or an automatic telephone dialing system relative to the operation of their PHE businesses. The term "automatic telephone dialing system" means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers. The terms "unsolicited faxes" means the transmission via telephone facsimile of any material or information advertising or promoting PHE, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Consultant has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between a Consultant and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Consultant; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.2.23 – Telephone Directory

Consultants may list themselves as an “Independent PHE Consultant” in the white or yellow pages of the telephone directory, or with online directories, under their own name. No Consultant may place telephone or online directory display ads using PHE’s name or logo. Consultants may not answer the telephone by saying “PHE”, “PHE Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of PHE. If a Consultant wishes to post his/her name in a telephone or online directory, it must be listed in the following format:

Consultant's Name

Independent Pure Haven Essentials Consultant

3.3 – Business Entities

A corporation, limited liability company, partnership or trust may not apply to or be a PHE Consultant.

3.4 – Change of Sponsor

If a Consultant wishes to change his or her sponsor, the Consultant must voluntarily cancel his or her PHE business and remain inactive (*i.e.*, no purchases of PHE products for resale, no sales of PHE products, no sponsoring, no attendance at any PHE functions, participation in any other form of Consultant activity, or operation of any other PHE business, and receive no income from the PHE business) for six full calendar months. Following the six calendar month period of inactivity, the former Consultant may reapply under a new sponsor, however, the former Consultant’s downline will remain in its original line of sponsorship. No sponsorship changes are permitted unless this procedure is followed.

In cases wherein the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by a Consultant, PHE reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under a Consultant that has improperly switched sponsors is often extremely difficult. Therefore, **CONSULTANTS WAIVE ANY AND ALL CLAIMS AGAINST PHE, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM PHE’S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

3.5 – Unauthorized Claims and Actions

3.5.1 – Indemnification

A Consultant is fully responsible for all of his or her verbal and written statements made regarding PHE products, services, and the Compensation Plan which are not expressly contained in Official PHE Materials (as defined in Section 10). Consultants agree to indemnify PHE and PHE’s directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by PHE as a result of the Consultant’s unauthorized representations or actions. This provision shall survive the termination of the Consultant Agreement.

3.5.2 – Product Claims

Consultants may discuss his or her personal experiences with the products so long as he or she only discuss his or her results relating to the intended use of the product. The “intended use” of a product is described on the Company’s official promotional material. No claims (which include personal testimonials) as to therapeutic, curative or disease prevention properties of any products offered by PHE may be made except those contained in official PHE literature. In particular, no Consultant may make any claim that PHE products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases.

3.5.3 – Competing Product Claims

Consultants may not disparage or make negative claims about other products.

3.5.4 – Claims

A Consultant, when presenting or discussing the PHE opportunity or Compensation Plan to a prospective Consultant or in any public forum, may not make income projections, income claims, or disclose his or her PHE income, or the income of any other PHE Consultant (including the showing of checks, copies of checks, bank statements, or tax records). Income claims include statements of average or non-average earnings, statements of earning ranges, income testimonials, lifestyle claims and hypothetical claims. Commission checks may not be used as marketing materials. Consultants may not guarantee commissions or estimate expenses to prospects. Any earnings information or statements regarding income in the Compensation Plan are solely to explain the Compensation Plan and are not representations or guarantees of any earnings or income. PHE does not guarantee or imply any specific earnings or income. Individual income results may vary significantly and are based on many factors, including a Consultant’s individual efforts, business experience and skills. PHE makes no warranty or representation as to the level of success, if any, Consultants may achieve by selling any product or in soliciting Consultants or retail customers.

3.6 – Commercial Outlets and E-Commerce Reseller Sites

Consultants may not sell PHE products from retail stores or operate any kind of retail store front for PHE products. PHE products may be sold from professional offices and salons that operate on an appointment basis like a doctor or massage therapist (as examples). Consultants may not sell PHE products on reseller sites like, but not limited to ebay, Amazon, or Craig’s List. Selling on these sites will result in termination of a Consultant’s Agreement with PHE.

3.7 – Conflicts of Interest

3.7.1 – Nonsolicitation

PHE Consultants are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “network marketing”). However, during the term of this Agreement, Consultants may not directly or indirectly recruit other PHE Consultants or Customers for any other network marketing business. Furthermore, if a Consultant reaches the position of Executive or higher, he or she may not be actively involved in any other direct selling or network marketing company. For the purposes of this Agreement, “actively involved” means having a leadership role in, recruiting for, speaking on behalf of, appearing in company media or conducting any other public activity for a direct selling or network marketing company.

Following the cancellation of a Consultant’s Consultant Agreement, and for a period of one year thereafter, a former Consultant may not recruit any PHE Consultant or Customer for another network marketing business. Consultants and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across

the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Consultants and PHE agree that this non-solicitation provision shall apply to all markets in which PHE conducts business.

The term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another PHE Consultant or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

3.7.2 – Consultant Participation in Other Direct Selling Programs

If a Consultant is engaged in other non-PHE direct selling programs, it is the responsibility of the Consultant to ensure that his or her PHE business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- Consultants shall not display PHE promotional material, sales aids, products or services with or in the same location as, any non-PHE promotional material or sales aids, products or services. This includes marketing on Consultant operated blogs.
- Consultants shall not offer the PHE opportunity, products or services to prospective or existing Customers or Consultants in conjunction with any non-PHE program, opportunity, product or service.
- Consultants may not offer any non-PHE opportunity, products, services or opportunity at any PHE-related meeting, seminar, convention, webinar, teleconference, or other function.

3.7.3 – Genealogy Information

Genealogy Information, including but not limited to the identities and contact information of a Consultant’s downline Consultants is available for Consultant access and viewing in the Consultant’s online back office. Consultant access to their online back office is password protected. **All Genealogy Information contained in a Consultant’s online back office is confidential and constitutes proprietary information and business trade secrets belonging to PHE.** Genealogy Information is provided to Consultants in strictest confidence and is made available to Consultants for the sole purpose of assisting Consultants in working with their respective downline organizations in the development of their PHE business. Consultants should use their Genealogy Information to assist, motivate, and train their downline Consultants. The Consultant and PHE agree that, but for this agreement of confidentiality and nondisclosure, PHE would not provide Genealogy Information or downline activity reports to the Consultant. A Consultant shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any Genealogy Information to any third party;
- Directly or indirectly disclose the password or other access code to his or her online back office;
- Use Genealogy Information to compete with PHE or for any purpose other than promoting his or her PHE business;
- Recruit or solicit any Consultant or Customer of PHE listed on any report, or in any manner attempt to influence or induce any Consultant or Preferred Customer of PHE to alter their business relationship with PHE; or

- Use or disclose to any person, partnership, association, corporation, or other entity any Genealogy Information.

Upon demand by the Company, any current or former Consultant will return the original and all copies of Genealogy Information or downline activity reports to the Company.

3.8 – Targeting Other Direct Sellers

PHE does not condone Consultants specifically or consciously targeting the sales force of another direct sales company to sell PHE products or to become Consultants for PHE, nor does PHE condone Consultants solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company.

3.9 – Errors or Questions

If a Consultant has questions about or believes any errors have been made regarding commissions, bonuses, downline activity reports, or charges, the Consultant must notify PHE in writing within 60 days of the date of the purported error or incident in question. PHE will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

3.10 – Governmental Approval or Endorsement

Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Consultants shall not represent or imply that PHE or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.11 – Holding Applications or Orders

Consultants must not manipulate enrollments of new applicants and purchases of products. All Consultant Agreements must be submitted to PHE within 72 hours from the time they are signed by a Consultant, and all product orders must be submitted within 72 hours from the time that the sale is made.

3.12 – Income Taxes

Each Consultant is responsible for paying local, state and federal taxes on any income generated as an Independent Consultant. If a PHE business is tax exempt, the Federal tax identification number must be provided to PHE. Every year, PHE will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year or as otherwise required by law; or 2) Made purchases during the previous calendar year in excess of \$5,000 or as otherwise required by law.

3.13 – Independent Contractor Status

Consultants are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between PHE and its Consultants does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Consultant. Consultants shall not be treated as an employee for his or her services or for federal or state tax purposes. All Consultants are responsible for paying local, state, and federal taxes due from all compensation earned as a Consultant of the Company. The Consultant has no authority (expressed or implied), to bind the Company to any obligation. Each Consultant shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Consultant Agreement, these Policies and Procedures, and applicable laws. Consultants shall be solely responsible for their own professional fees and business expenses.

3.14 – Insurance

A Consultant may wish to arrange insurance coverage for his or her business. A Consultant's homeowner's insurance policy does not cover business-related injuries or the theft

of or damage to inventory or business equipment. A Consultant should contact his or her insurance agent to make certain that his or her business property is protected.

3.15 – Excess Inventory and Bonus Buying

Consultants must never purchase more products than they can reasonably use or sell to Customers in a month, and must not influence or attempt to influence any other Consultant to buy more products than he or she can reasonably use or sell to Customers in a month. In addition, bonus buying is strictly prohibited. Bonus buying includes any mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers. Bonus buying includes, but is not limited to, purchasing products through a strawman or other artifice.

3.16 – Adherence to Laws and Ordinance

Consultants shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses.

3.17 – One PHE Business per Consultant and per Household

A Consultant may operate only one PHE business. No individual may have, operate or receive compensation from more than one PHE business. Individuals of the same Immediate Household (as defined in Section 10) may not enter into or have an interest in more than one PHE Business.

In order to maintain the integrity of the Compensation Plan, husbands and wives or common-law couples (collectively “spouses”) who wish to become PHE Consultants can work together as a team. One team member must be designated as the Consultant on the Independent Consultant Agreement with PHE and would be the designated Consultant providing appropriate tax reporting information (SS number or Tax ID). There can only be one individual per agreement. Spouses, regardless of whether one or both are signatories to the Consultant Application and Agreement, may not own or operate any other PHE business, either individually or jointly, nor may they participate directly or indirectly in the ownership or management of another PHE business in any form.

An exception to the one business per CONSULTANT/household rule that would be considered with company approval is for adult children (over the age of 18) operating their own PHE business. Requests for this exception must be submitted in writing to the Consultant Service Department.

3.18 – Actions of Household Members

If any member of a Consultant’s Immediate Household engages in any activity which, if performed by the Consultant, would violate any provision of the Agreement, such activity will be deemed a violation by the Consultant and PHE may take disciplinary action pursuant to the these Policies and Procedures against the Consultant.

3.19 – Compression of Marketing Organization

When a Consultant’s independent PHE business is canceled for any reason, his or her downline is compressed to his or her Upline (based on placement genealogy) filling the gap left by the canceled Consultant *unless* the cancelled Consultant was paid-as an Executive (as defined in the Compensation Plan) or higher in the last four periods. For example, Sarah had three legs: Joseph, Emma, and John. Sarah failed to meet the requirements to maintain her status as a Consultant and was therefore canceled. Because Sarah was canceled, Joseph, Emma, and John,

and their respective downlines, were compressed up to Sarah's upline, Harry. Joseph, Emma, and John are now each considered legs to Harry (i.e. they now reside on his first Level).

If a Consultant that was paid-as a Bronze Executive (as defined in the Compensation Plan) or higher in the last four periods is canceled for any reason, his or her downline will only be compressed up under the following conditions:

- If his or her Sponsor has been paid-as a Bronze Executive or higher at least once in the last four periods, then the downline will immediately be compressed up.
- If his or her Sponsor has not been paid-as a Bronze Executive or higher at least once in the last four periods, then he or she will be given the subsequent six periods to be paid-as a Bronze Executive or higher at least twice. If the Consultant promotes to Bronze Executive in the last of the six-month period, then he or she will be given the following period to qualify as a Bronze Executive again (to meet the 2 periods of being paid-as Bronze Executive or higher).
 - o If the Sponsor qualifies under these conditions, then the downline of the canceled Consultant will be compressed up upon the completion of the qualifications.
 - o If the Sponsor does not qualify under these conditions, then the position of the canceled Consultant will remain permanently vacant.

PHE reserves the right to suppress or stop compression should cancellation be disputed, if the upline Consultant is not in good standing with the Company, or is under investigation for any policy violation.

3.20 – Sale, Transfer or Assignment of PHE Business

The sale, transfer or assignment of an PHE business is only permitted in certain circumstances and then requires the consent of PHE, which can be withheld in its sole discretion. In the case of a legal guardianship, when the child turns 18, it may be considered to allow the business to transfer to his or her name. No changes in line of sponsorship can result from the sale or transfer of an PHE business.

3.21 – Separation of an PHE Business

PHE Consultants sometimes operate their PHE businesses as husband and wife. If a marriage ends in divorce arrangements must be made to assure that any separation or division of the PHE business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship.

Under no circumstances will the downline organization of divorcing spouses be divided. Similarly, under no circumstances will PHE split commission and bonus checks between divorcing spouses. PHE will recognize only one downline organization and will issue only one commission check per PHE business per commission cycle. Commission checks shall always be issued to the same individual.

PHE will continue to pay commission checks in the same manner as before the divorce until it receives written notice signed by both parties or a court decree which specifies how future commission checks should be paid.

If a former spouse has completely relinquished all rights in the original PHE business pursuant to a divorce, he or she is thereafter free to enroll under any Sponsor of his or her

choosing without waiting six calendar months. The former spouse shall have no rights to any Consultants in his or her former organization or to any former Customer. He or she must develop the new business in the same manner as would any other new Consultant.

3.22 – Sponsoring Online

When sponsoring a new Consultant through the online enrollment process, the Sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online Consultant Agreement, PHE's Policies and Procedures, and the PHE Compensation Plan. The Sponsor may not fill out the online Consultant Agreement on behalf of the applicant or agree to these materials on behalf of the applicant.

3.23 – Succession

Upon the death or incapacitation of a Consultant, his or her business may be passed to an individual family member who meets the qualifications set forth below and will conduct the business in the same manner and with the same energy and integrity as the Consultant had previously conducted his or her business and is required by the Agreement. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Consultant should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a PHE business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Consultant's marketing organization provided the following qualifications are met by the beneficiary. The beneficiary must, within the time specified by PHE:

- Provide the Company with the appropriate legal documentation showing the succession;
- Be 18 years of age or older;
- Not be a current Consultant and meet the other qualifications to be a Consultant;
- Execute a Consultant Agreement;
- Comply with the terms and provisions of the Consultant Agreement;
- Meet all of the qualifications for the deceased Consultant's status and be able to conduct the business in the same manner and level of activity and integrity as the deceased Consultant conducted his or her business;
- The devisee must provide PHE with an "address of record" to which all bonus and commission checks will be sent;
- Obtain the prior written consent of the Company.

3.23.1 – Transfer Upon Death of a Consultant

To effect a testamentary transfer of an PHE business, the executor of the estate must provide the following to PHE: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; and (3) written instructions from the authorized executor to PHE specifying to whom the business and income should be transferred.

3.23.2 – Transfer Upon Incapacitation of a Consultant

To effectuate a transfer of an PHE business because of incapacity, the successor must provide the following to PHE: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the PHE business; and (3) a completed Consultant Agreement executed by the trustee.

3.24 – Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states)

have “do not call” regulations as part of their telemarketing laws. Consultants must abide by those laws.

Consultants must not engage in telemarketing in the operation of their PHE businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a PHE product or service, or to recruit them for the PHE opportunity. “Cold calls” made to prospective customers or Consultants that promote either PHE’s products or services or the PHE opportunity constitute telemarketing and are prohibited.

- Consultants shall not use automatic telephone dialing systems relative to the operation of their PHE businesses. The term “automatic telephone dialing system” means equipment that has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.
- Consultants shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a “robo call”) regarding the PHE products, services or opportunity.

3.25 – Online Office Access

PHE makes online offices (the back office) available to its Consultants. The back office provides Consultants access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Consultant’s PHE business and to increase sales of PHE products. However, access to the online back office is a privilege, and not a right. PHE reserves the right to deny Consultants’ access to the online back office, or any part of the Consultant’s online back office, at its sole discretion.

SECTION 4 – RESPONSIBILITIES OF CONSULTANTS

4.1 – Change of Address, Telephone, and E-Mail Addresses

If a Consultant moves or changes his or her contact information, the Consultant must amend his or her contact information through his or her Consultant online back office.

4.2 – Continuing Development Obligations

4.2.1 – Ongoing Training

Any Consultant who sponsors another Consultant into PHE must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her PHE business. Consultants must have ongoing contact and communication with the Consultants in their downline organizations. 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 downline Consultants to PHE meetings, training sessions, and other functions. Upline Consultants are also responsible to motivate and train new Consultants in PHE product knowledge, effective sales techniques, the PHE Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline Consultants must not, however, violate Section 3.2 (regarding the development of Consultant-produced sales aids and promotional materials) and 3.5 (unauthorized claims or actions).

Consultants should monitor the Consultants in their downline organizations to guard against downline Consultants making improper product or business claims, or engaging in any illegal or inappropriate conduct.

4.2.2 – Increased Training Responsibilities

As Consultants progress through the various Levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the PHE program. They will be called upon to share this knowledge with lesser experienced Consultants within their organization.

4.2.3 – Ongoing Sales Responsibilities

Regardless of their Level of achievement, Consultants have an ongoing obligation to continue to personally promote sales through the generation of new Customers and through servicing their existing Customers.

4.3 – Nondisparagement

PHE wants to provide its independent Consultants with the best products, compensation plan, and service in the industry. Accordingly, it values Consultant's constructive criticisms and comments. All such comments should be submitted in writing to the Consultant Services Department. Remember, to best serve each Consultant, the Company must hear from Consultants. While PHE welcomes constructive input, negative comments and remarks made in the field by Consultants about the Company, its products, or Compensation Plan serve no purpose other than to sour the enthusiasm of other PHE Consultants. For this reason, and to set the proper example for their downline, Consultants must not disparage, demean, or make negative remarks about PHE, other PHE Consultants, PHE's products, the Compensation Plan, or PHE's directors, officers, or employees.

4.4 – Providing Documentation to Applicants

Consultants must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Consultants before the applicant signs a Consultant Agreement, or ensure that the applicant has online access to these materials.

4.5 – Confidentiality Agreement

During the term of the Agreement, PHE may supply to Consultants confidential information (the "Confidential Information"), including, but not limited to Genealogical Information, downline activity reports, customer lists and information, Consultant lists, and information, trade secrets, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which PHE deems as confidential. All such Confidential Information (whether oral or in written or electronic form) is proprietary and confidential to PHE and is transmitted to Consultants in strictest confidence for use solely in Consultants' business with PHE. Consultants must use their best efforts to keep such information confidential and may not disclose any such information to any third party, directly, or indirectly except in strict accordance with the Agreement and these Policies and Procedures. Consultants may not use Confidential Information to sell products or services other than the Company's products and services or in connection with any other business during the term of and after termination of the Consultant Agreement. Upon nonrenewal or termination of the Consultant Agreement, Consultants must immediately discontinue all use of the Confidential Information and if requested by PHE promptly return all materials in their possession to PHE within five business days of request at their own expense.

4.6 – Privacy

Consultants must comply with all applicable privacy and data security laws, including security breach notification laws. Consultants must take appropriate steps to safeguard and

protect all private information, including, without limitation, credit card and social security numbers, provided by a retail customer, prospective retail customer or other Consultants. Consultants must hold such information in strict confidence. Consultants are responsible for the secure handling and storage of all documents that may contain such private information. Consultants must adopt, implement, and maintain appropriate administrative, technical, and physical safeguards to protect against anticipated threats or hazards to the security of confidential information and customer data. Appropriate safeguards may include, but are not limited to: (i) encrypting data before electronically transmitting it; (ii) storing records in a secure location; (iii) password-protecting computer files, or (iv) shredding paper files containing confidential information or customer data. Consultants should retain documents containing such information for only as long as necessary to complete the transaction. Consultants should dispose of any paper or electronic record containing customer data and other confidential information after use by taking all reasonable steps to destroy the information by: (A) shredding; (B) permanently erasing and deleting; or (C) otherwise modifying the customer data and other confidential information in those records to make it unreadable, unreconstructible, and indecipherable through any means.

SECTION 5 – SALES REQUIREMENTS

5.1 – Product Sales

Consultants must satisfy the Personal Sales Volume and Group Sales Volume requirements to fulfill the requirements associated with their rank as specified in the PHE Compensation Plan. “Personal Sales Volume” includes purchases made by the Consultant and purchases made by the Consultant’s personal Customers. Group Sales Volume is the Qualified Volume (as defined in Section 10) from the Consultant himself or herself and his or her entire downline, down to but not including, the next Executive or higher (career title). In the period that a Consultant promotes to an Executive for the first time, his or her Group Sales Volume will be included in their upline’s Group Sales Volume for qualification purposes only, in that period. Beginning with the following period, the grace period applies and their Group Sales Volume is not included in their upline’s Group Sales Volume.

5.2 – No Territory Restrictions

There are no exclusive territories granted to anyone.

5.3 – Sales Receipts

Consultants who sell product from his or her inventory must provide his or her Customers with two copies of an official PHE sales receipt at the time of the sale. For an online order from a Consultant replicated website, the order confirmation issued emailed to the Customer serves as appropriate document of a sales receipt (including appropriate cooling off period language). These receipts set forth the consumer protection rights afforded by federal or state law. Consultants must maintain all retail sales receipts for a period of two years and furnish them to PHE at the Company’s request. Remember that Customers must receive two copies of the sales receipt. In addition, Consultants must orally inform the Customer of his or her cancellation rights.

5.4 – Sales Taxes

PHE is required to charge sales taxes on all purchases made by Consultants and Customers, and remit the taxes charged to the respective states. Accordingly, PHE will collect and remit sales taxes on behalf of Consultants, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If a Consultant has submitted, and PHE has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and

the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Consultant. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by PHE is not retroactive.

5.5 – Sales Presentations

At sales presentations, Consultants shall truthfully identify themselves, their products, and the purpose of their business to prospective customers. Consultants may not use any misleading, deceptive, or unfair sales practices. Explanation and demonstration of products offered shall be accurate and complete including, but not limited to, with regard to price, terms of payment, refund rights, guarantees, and after-sales services and delivery. Personal or telephone contacts shall be made in a reasonable manner and during reasonable hours to avoid intrusiveness and in accordance with applicable laws. Consultants must immediately discontinue a demonstration or sales presentation upon the request of the retail customer. Consultants shall not directly or by implication, denigrate any other company or product. Consultants shall refrain from using comparisons which are likely to mislead and which are incompatible to the principles of fair competition. Points of comparison shall not be unfairly selected and shall be based on facts which can be substantiated. Consultants shall not abuse the trust of retail customers, shall respect the lack of commercial experience of retail customers and shall not exploit a retail customer's age, illness, lack of understanding or lack of language expertise.

5.6 – Purchase for Others

A Consultant shall not use another person's credit card when placing orders (without the cardholder's consent) or place an order for a retail customer using the Consultant's credit card, unless the Consultant has received payment by cash or check from the retail customer. The purchase of products on behalf of another Consultant or retail customer or through another Consultant's or retail customer's ID number is prohibited. No Consultant may advance money or promise reimbursement to a prospect in order to solicit them to purchase products. A Consultant may not purchase or sell a retail customer from or to any other Consultant for any reason.

SECTION 6 – BONUSSES AND COMMISSIONS

6.1 – Bonus and Commission Accruals

A Consultant must be Active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Consultant complies with the terms of the Agreement, PHE shall pay commissions to such Consultant in accordance with the Compensation Plan. The minimum amount for which PHE will issue a commission is \$20.00. If a Consultant's bonuses and commissions do not equal or exceed \$20.00, the Company will accrue the commissions and bonuses until they total \$20.00. Payment will be issued once \$20.00 has been accrued.

Notwithstanding the foregoing, all commissions owed a Consultant, regardless of the amount accrued, will be paid at the end of each fiscal year and when a Consultant's independent business is cancelled.

6.2 – Adjustment to Bonuses and Commissions

Consultants receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to PHE for a refund or is repurchased by

the Company, the Company reserves the right to recapture all or part of the bonuses and commissions attributable to the returned or repurchased 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 upline Consultants who received bonuses and commissions on the sales of the refunded product.

6.3 – Reports

All information provided by PHE in online or telephonic downline activity reports, including but not limited to Personal Sales Volume and Group Sales Volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, digital, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by PHE or any persons creating or transmitting the information.

ALL PERSONAL SALES VOLUME AND GROUP SALES VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, PHE AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY CONSULTANT OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND/OR GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF PHE OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, PHE OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO ANY CONSULTANT OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of PHE'S online and telephone reporting services and a Consultant's reliance upon such information is at his or her own risk. All such information is provided to Consultants "as is". If a Consultant is dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to PHE'S online and telephone reporting services and your reliance upon the information.

6.4 – 70% Rule

In order to receive bonuses and commissions a Consultant must certify with each product order that the Consultant has sold or consumed at least 70% of the products previously purchased.

SECTION 7 – PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

7.1 – Product Guarantee/Customer Refunds

If, for any reason, a Customer or Consultant is not satisfied with any Pure Haven Essentials product, the Customer or Consultant may return the unused portion of the product to the company within 30 days from the date of purchase for a replacement, exchange or a full refund of the purchase price less shipping. For return procedures, go to the PHE online back office.

7.2 – Return of Inventory and Sales Aids by Consultants upon Cancellation

Upon cancellation of a Consultant's Agreement, the Consultant may return Business Kits (full/complete and unused), products and sales aids that he or she personally purchased from PHE (purchases from other Consultants or third parties are not subject to refund) and which are in Resalable (see Definition of "Resalable" below) condition and which have been purchased within one year prior to the date of cancellation. Upon receipt of a Resalable Business Kit and/or Resalable products and sales aids, the Consultant will be reimbursed 90% of the net cost of the original purchase price(s). Shipping charges incurred by a Consultant when the Business Kit, products or sales aids were purchased will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If a Consultant was paid a commission based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on that product purchase will be deducted from the amount of the refund.

Products and sales aids shall be deemed "Resalable" 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) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to PHE within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

Where any state may require a different buy back policy than PHE's, that state's buyback policy will apply.

7.2.1 – Montana Residents

A Montana resident may cancel his or her Consultant Agreement within 15 days from the date of enrollment, and may return his or her Business Kit for a full refund within such time period.

SECTION 8 – DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 – Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Consultant that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Consultant's PHE business), may result, at PHE's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Consultant to take immediate corrective measures;
- PHE may withhold from a Consultant all or part of the Consultant's bonuses and commissions during the period that PHE is investigating any conduct allegedly in violation of the Agreement.
- Suspension of the individual's Consultant Agreement for one or more pay periods;
- Involuntary termination of the offender's Consultant Agreement;
- Suspension and/or termination of the offending Consultant's PHE website or website access;
- Any other measure expressly allowed within any provision of the Agreement or which PHE deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Consultant's policy violation or contractual breach; and/or
- In situations deemed appropriate by PHE, the Company may institute legal proceedings for monetary and/or equitable relief.

8.2 – Grievances and Complaints

When a Consultant has a grievance or complaint with another Consultant regarding any practice or conduct in relationship to their respective PHE businesses, the complaining Consultant should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Consultant Services Department at the Company. The Consultant Services Department will review the facts and resolve it.

8.3 – Mediation

Prior to instituting an arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the City of Providence, Rhode Island and shall last no more than two business days.

8.4 – Governing Law, Jurisdiction and Venue

If the parties are unsuccessful in resolving their dispute through mediation, parties consent to exclusive jurisdiction and venue before the U.S. District Court for the District of Rhode Island, or state court residing in Bristol County, State of Rhode Island. The law of the State of Rhode Island shall govern all disputes arising from or relating to the Agreement.

8.4.1 – Louisiana Residents

Notwithstanding the foregoing, residents of the State of Louisiana shall be entitled to bring an action against PHE in their home forum and pursuant to Louisiana law.

8.5 – Damage Limitation

In any action arising from or relating to the Agreement, the parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The parties further waive all claims to exemplary and punitive damages. Notwithstanding the foregoing, this damage limitation shall not apply to claims alleging the breach of the nonsolicitation or confidentiality provisions contained in these Policies and Procedures.

8.6 – Injunctive Relief

Consultant agrees that upon breach of the Agreement that PHE will be immediately and irreparably harmed and cannot be made whole solely by monetary damages. Consultant agrees that the remedy at law for any breach of any provision of the Agreement shall be inadequate and that, in addition to any other remedies, in law or in equity, it may have, PHE shall be entitled, without the necessity of proving actual damages, to temporary and permanent injunctive relief to prevent the breach of any provision of the Agreement and/or to compel specific performance of the Agreement.

SECTION 9 – INACTIVITY AND CANCELLATION

9.1 – Effect of Cancellation

So long as a Consultant remains Active and complies with the terms of the Consultant Agreement and these Policies and Procedures, PHE shall pay commissions to such Consultant in accordance with the Compensation Plan. A Consultant's bonuses and commissions constitute the entire consideration for the Consultant's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a Consultant's non-renewal of his or her Consultant Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Consultant Agreement (all of these methods are collectively referred to as "cancellation"), the former Consultant shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **A Consultant whose business is cancelled will lose all rights as a Consultant. This includes the right to sell PHE products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Consultant's former downline sales organization. In the event of cancellation, Consultants agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former downline organization.**

Following a Consultant's cancellation of his or her Consultant Agreement, the former Consultant shall not hold himself or herself out as a PHE Consultant and shall not have the right to sell PHE products or services. A Consultant whose Consultant Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

9.2 – Cancellation Due to Inactivity

Consultants must have a minimum of \$500 Personal Sales Volume in a minimum 6-month period to remain a Consultant and keep their downline. If they fail to meet this requirement in any six month period, they will be cancelled which causes them to be removed from the Company downline organization. His or her downline and Customers will be compressed to the next upline Consultant who is in good standing. Cancellations are assessed twice per year on January 1st and July 1st. The enroll date plus six months will determine which date a Consultant is assessed on.

Enroll: January 1 - June 30th (current year) - assessed on January 1 (following year)

Enroll: July 1 - December 31st (current year) - assessed on July 1st (following year)

If a Consultant has not earned a commission for six consecutive months (and thus become “inactive”), his or her Consultant Agreement shall be canceled for inactivity.

9.3 – Involuntary Cancellation

A Consultant’s violation of any of the terms of the Agreement, including any amendments that may be made by PHE in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the involuntary cancellation of his or her Consultant Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Consultant’s last known address, email address, or fax number, or to his/her attorney, or when the Consultant receives actual notice of cancellation, whichever occurs first.

PHE reserves the right to terminate all Consultant Agreements upon 30 days written notice in the event that it elects to: (a) cease business operations; (b) dissolve as a corporate entity; or (c) terminate distribution of its products via direct selling.

9.4 – Voluntary Cancellation

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Consultant’s signature, printed name, address, and Consultant I.D. Number.

9.5 – Non-Renewal

If a Consultant does not pay his or her back office monthly fee and does not meet the requirements for activity (section 9.2), then the Consultant agreement is voluntarily cancelled.

SECTION 10 – MISCELLANEOUS

10.1 – Price Changes

Prices for the Company’s products, services and literature are subject to change without prior notice.

10.2 – Recordkeeping

PHE encourages all its Consultants to keep complete and accurate records of all their business dealings.

10.3 – Force Majeure

PHE shall not be responsible for delays or failure in performance caused by circumstances beyond a party’s control, such as acts of terrorism, natural disasters, strikes, labor difficulties, fire, war, acts or omissions of third parties, disruptions in communication systems, government decrees or orders or curtailment of a party’s usual source of supply.

10.4 – Notice

Any communication, notice or demand of any kind whatsoever, which either the Consultant or PHE may be required or may desire to give or to serve upon the other shall be in writing and delivered either (i) by electronic communication (whether by email or telecopy) (if confirmed in writing sent by registered or certified mail, postage pre-paid, return receipt requested or by personal service), (ii) personally or by same day local courier services or overnight express delivery services; or (iii) by registered or certified mail, postage pre-paid, return receipt requested, or by personal service or overnight courier service. Notices delivered

personally, by overnight express delivery service or by local courier service shall be deemed given as of actual receipt. Mailed notices shall be deemed given three Business Days after mailing. "Business Day" means any Monday through Friday other than any such day which, in the State of Rhode Island, is a legal holiday or a day on which banking institutions are authorized or required by law or regulation to close. Any such communication, notice or demand shall be deemed to have been given or served on the date personally received by personal service or overnight courier service, on the date of confirmed dispatch if by electronic communication, or on the date shown on the return receipt or the other evidence if delivery is by mail. Any party may change its address for notice by giving written notice to the other in the manner provided in this Section.

10.5 – Survival

Any provisions of the Policies and Procedures, which, by its terms, is intended to survive termination or expiration of the Consultant Agreement shall so survive, including, without limitation, non-solicitation and confidential information covenants contained in the Policies and Procedures.

SECTION 11 – DEFINITIONS

Active - A Consultant who generates \$300 in Personal Sales Volume to be considered Active for that period (a period is a month). If a Consultant is not Active in the period, he or she receives no commissions from his or her downline. However, he or she will receive personal retail commissions from his or her Customer purchases even if he or she is not Active. A Consultant's Customer purchases will accrue to the Consultant's Personal Sales Volume and count toward Active status.

Agreement - The contract between the Company and each Consultant includes the Consultant Agreement, the PHE Policies and Procedures, and the PHE Compensation Plan, all in their current form and as amended by PHE in its sole discretion. These documents are collectively referred to as the "Agreement."

Cancel - The termination of a Consultant's business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

Career Title – A Consultant's Career Title is his or her recognition title or the highest title he or she has achieved.

Commissionable Volume - Commissionable Volume (CV) is the value associated with a product on which commissions are paid.

Customer – An individual that purchases PHE product or services who is not a Consultant.

Group Sales Volume (also "Group Volume" or "GV") - The Qualifying Volume ("QV") from a Consultant and his or her entire downline, down to but not including, the next Executive or higher (Career Title) in each leg. In the period that a Consultant promotes to an Executive for the first time, his or her GV will be included in his or her upline's GV for qualification purposes only, in that

period. Beginning with the following period, the Grace Period applies and their GV is not included in their upline's GV.

Immediate Household - Heads of household (spouses or partners) and dependent family members residing in the same house.

Level - The layers of downline Customers and Consultants in a particular Consultant's Marketing Organization. This term refers to the relationship of a Consultant relative to a particular upline Consultant, determined by the number of Consultants between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A's fourth level.

Official PHE Material - Literature, audio or video tapes, websites, and other materials developed, printed, published and/or distributed by PHE to Consultants.

Paid As Title - Each Consultant is paid at the title for which they qualify during the period. If in any period they fail to achieve their Career Title level, they are paid at the lower title to which they actually qualify for during the period. They retain their Career Title but are paid as the title they actually qualify for.

Personal Sales Volume (also "Personal Volume" or "PV") - The total Qualifying Volume (QV) of a single Consultant from orders placed personally and by his or her personally sponsored Customers (orders placed directly with the company by Customers).

Preferred Customer - A Customer that is signed up on the AutoShip continuity program.

Qualified Volume ("QV") – A point value assigned to each commissionable product that is used for QV, PV, GV, and Downline Sales calculations and is used to determine if the Consultant is qualified based on the terms of their respective title. The Top Seller Bonus is the only bonus that is paid based on the Qualifying Volume instead of the Commissionable Volume. All other commissions and bonuses (other than Retail Profit) are paid based on Commissionable Volume.

Recruit - For purposes of PHE's Conflict of Interest Policy (Section 3.7), the term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another PHE Consultant or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity

Retail Sales – Sales to a Customer.

Social Media - Any type of media that invites, expedites or permits conversation, comment, rating, and/or user generated content, as opposed to traditional media, which delivers content but does not allow readers/viewers/listeners to participate in the creation or development of content, to rate or the comment or response to content. Examples of Social Media include, but are not limited to, blogs, FaceBook, Instagram, Twitter, LinkedIn, Delicious, Pinterest, and YouTube.

Sponsor - A Consultant who enrolls a Customer or another Consultant into the Company, and is listed as the Sponsor on the Consultant Agreement. The act of enrolling others and training them to become Consultants is called “sponsoring.”

Upline - This term refers to the Consultant or Consultants above a particular Consultant in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Consultant to the Company.