

Innov8tive Nutrition, Inc.

**Statement of Policies &
Procedures**

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1.0 **INTRODUCTION**

1.1 **Mutual Commitment Statement**

- a) **INNOV8TIVE NUTRITION, INC**, (hereinafter referred to as “Innov8tive”) strives to develop a long-term and mutually rewarding relationship with its Promoters and Customers. In the spirit of mutual respect and understanding, Innov8tive is committed to:
- (i) Providing prompt, professional, and courteous service to its Promoters and Customers;
 - (ii) Providing the highest level of quality products, at fair and reasonable prices;
 - (iii) Exchanging or refunding the purchase price of any product, service, or membership as provided in Innov8tive’s return policies contained herein;
 - (iv) Delivering orders promptly and accurately;
 - (v) Paying commissions accurately and on a timely basis;
 - (vi) Expediting orders if an error or unreasonable delay occurs;
 - (vii) Maintaining a mutually beneficial Compensation Plan;
 - (viii) Implementing changes to the Compensation Plan or this Statement of Policies and Procedures (the “Policies and Procedures”) with input from Promoters and/or Customers (Note: such changes will be effective thirty (30) days after the date any such changes are published by Innov8tive)
 - (ix) Supporting, protecting, and defending the integrity of the Innov8tive Business Opportunity;
- b) In return, Innov8tive expects that its Promoters will:
- (i) Conduct themselves in a professional, honest, and considerate manner;
 - (ii) Present Innov8tive Corporate and Innov8tive product information in an accurate and professional manner;
 - (iii) Present the Compensation Plan and return and exchange policies in a complete and accurate manner;
 - (iv) Not make exaggerated income or product claims;
 - (v) Make reasonable effort(s) to support and train other Promoters and Customers in their downline;
 - (vi) Not engage in cross-line recruiting, unhealthy competition, or unethical business practices;

- (vii) Provide positive guidance and training to Innov8tive Promoters and Customers in their downline while exercising caution to avoid interference with other downlines. As such, a Promoter is discouraged from providing cross-line training to other Promoters or Customers in a different Organization without first obtaining the consent of the Promoter's or Customer's upline leader;
- (viii) Support, protect, and defend the integrity of the Innov8tive's business opportunity.

1.2 Code of Ethics

- a) Innov8tive desires to provide its Independent Promoters with the best products and Compensation Plan in the industry. Accordingly, Innov8tive values constructive criticism and encourages the submission of written comments addressed to Innov8tive's Compliance Department.
- b) Promoter's negative and disparaging comments about Innov8tive, its products, these Policies, or Compensation Plan, made to Innov8tive, or to the field or at any Innov8tive meeting and/or event, or disruptive behavior at any meeting and/or event, serve no purpose other than to dampen the enthusiasm of other Promoters and Customers. Innov8tive Promoters must not belittle Innov8tive, fellow Innov8tive Promoters, Innov8tive products or services, the Compensation Plan, or any and all Innov8tive directors, officers, or employees, product suppliers, or agents. Such conduct represents a material breach of these Policies and Procedures and may result in suspension or termination of the offending Promoters Account.
- c) Innov8tive endorses the following code of ethics:
 - (i) An Innov8tive Promoter must show fairness, tolerance, and respect to all people associated with Innov8tive, regardless of race, gender, social class, or religion, thereby fostering a "positive atmosphere" of teamwork, good morale, and community spirit.
 - (ii) A Promoter shall strive to resolve business issues, including conflicts or disagreements with Upline and/or downline Organization Promoters with tact, sensitivity, and goodwill, and taking care not to create additional conflict.
 - (iii) Innov8tive Promoters must be honest, responsible, professional, and conduct themselves with integrity.
 - (iv) Innov8tive Promoters shall not (a) make disparaging statements about Innov8tive, other Promoters, Innov8tive employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan.
 - (v) Innov8tive Promoters shall not make statements that unreasonably offend, mislead, or coerce others.
- d) Innov8tive may take appropriate action against a Promoter if it determines, in its sole discretion, that a Promoter's conduct is detrimental, disruptive, or injurious to Innov8tive or other Promoters.

1.3 The Promoter Agreement

- a) Throughout these Policies & Procedures, when the term “Agreement” is used, it collectively refers to the most current version of the following along with any addendums or exhibits thereto: (i) Innov8tive Policies and Procedures; and (ii) Innov8tive Compensation Plan.
- b) It is the responsibility of the Sponsoring Promoter to provide the most current version of these Policies and Procedures (available on the Innov8tive website), the Income Disclosure Statement, the Compensation Plan, and any and all social media guidelines or any other guidelines which may be implemented from time to time and any amendments thereto to their downline Promoters. The Income Disclosure Statement is attached <https://innov8tive.com/pdf/Innov8tive-IncomeDisclosureStatement.pdf> and is incorporated by reference for all purposes.

1.4 Amendments to the Promoter Agreement

- a) Because federal, state, and local laws, as well as the business environment, periodically change, Innov8tive reserves the right to amend the Agreement as set forth on its website in its sole and absolute discretion. Notification of amendments shall appear in official Innov8tive materials, Innov8tive website, social media outlets, and/or Promoters’ back office.
- b) Any such amendment, change, or modification shall be effective thirty (30) days following notice by one of the following methods:
 - (i) Posting on the official Innov8tive website;
 - (ii) Electronic mail (e-mail); or
 - (iii) Any Innov8tive communication channels or social media outlets (i.e., Facebook, Instagram, Twitter, and/or Innov8tive App).

2.0 BASIC PRINCIPLES

2.1 Independent Contractor Status

- a) An Innov8tive Promoter is an independent contractor. An Innov8tive Promoter is not a franchisee, joint venture Partner, business Partner, employee, or agent of Innov8tive, and an Innov8tive Promoter is prohibited from stating or implying, whether orally or in writing, otherwise. An Innov8tive Promoter has no authority to bind Innov8tive to any obligation. Innov8tive is not responsible for payment or co-payment of any employee benefits. An Innov8tive Promoter is responsible for liability, health, disability, and workmen’s compensation insurance. An Innov8tive Promoter is responsible for their own managerial decisions and expenditures including all estimated income and self-employment taxes. An Innov8tive Promoter sets their own hours and determines how to conduct their Innov8tive business, subject to the Promoter Agreement and any guidelines that may be implemented from time to time.

2.2 Becoming an Innov8tive Promoter

- a) To become a Promoter, an applicant must:

- (i) Be of the age of majority (not a minor) in his or her state of residence;
- (ii) Reside or have a valid address in the United States or U.S. territory in which Innov8tive is licensed to operate.
- (iii) Have a valid taxpayer identification number (i.e., Social Security Number, Federal Tax ID Number (EIN));
- (iv) Enter a verified mobile phone number, which is not in use or associated with any other Innov8tive accounts, which will be verified through a verification code sent to the applicant's mobile phone number.
- (v) Acknowledge and agree to all communications sent by Innov8tive Nutrition, (including but not limited to emails, texts, broadcasts, letters, etc.) with the choice to "opt-out" of these communications.

2.3 New Promoter Enrollment

- a) A potential new Promoter may self-enroll on any Promoter/Sponsor's website, subject to acceptance by Innov8tive of the applicant's online enrollment confirming the applicant has agreed to all terms and conditions of the Promoter Agreement.
- b) Electronically submitted and/or signed documents, including, but not limited to, online submissions, automated credit card processing authorization documents, and the Promoter Agreement are legally binding contracts that must not be altered, tampered with, or changed in any manner after they have been signed and/or submitted. False or misleading information, forged signatures, or alterations to any document, including business registration forms, may lead to sanctions, up to and including involuntary termination of the offending Promoter's Account.
- c) An applicant enrolling with Innov8tive must identify a Sponsor in the online enrollment process. IF the applicant later enrolls and identifies a different Sponsor, Innov8tive will not accept the later enrollment. Innov8tive reserves the right, at its sole discretion, to make the final decision with respect to any disputes regarding Promoter enrollments and Sponsors.

3.0 INNOV8TIVE PROMOTER RESPONSIBILITIES

3.1 Correct Address

- a) It is the responsibility of the Promoter or Customer to make sure Innov8tive has the correct shipping address before any orders are shipped.
- b) A Promoter and/or Customer will need to allow up to seventy-two (72) hours for processing after the notice of address change has been received by the Innov8tive Support Team.

3.2 Training and Leadership

- a) Sponsoring Promoters should have ongoing contact and communication with the Promoters in their downline Organizations. Examples of communication may include but are not limited to, newsletters, written correspondence, personal telephone calls, team

conference calls, voicemail, e-mail, personal meetings, training sessions, events, workshops, and any other related functions.

- b) A Sponsoring Innov8tive Promoters should monitor the Promoters in his or her downline Organizations to ensure that downline Promoters do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, a Sponsoring Promoter must provide documented evidence to Innov8tive of his or her ongoing fulfillment of the responsibilities set forth in this Section 3.2.
- c) Up-line Promoters are encouraged to educate and train new Promoters about Innov8tive's products and services, effective sales techniques, the Compensation Plan, along with compliance with these Policies and Procedures, and any and all social media guidelines or any other guidelines issued by Innov8tive. Marketing product is a required activity in Innov8tive and must be emphasized in all Recruiting presentations.
- d) Use of Sales Aids. To promote Innov8tive products and the Innov8tive business opportunity, Promoters are encouraged to use the sales aids and support materials produced or expressly authorized by Innov8tive. Promoters may use and publish marketing materials they design only after such materials have been approved by Innov8tive. A Promoter's unauthorized use of sales aids or promotional materials, including but not limited to Internet advertising, social media marketing on Facebook, Instagram, and like, is a violation of these Policies and Procedures. Additionally, publishing marketing materials that violate any number of statutes or regulatory laws governing how Innov8tive's products or business opportunity may be marketed is a violation of these Policies and Procedures and may result in immediate termination of the publisher's Innov8tive Account. Any such violations could jeopardize the Innov8tive's opportunity for all Promoters. Accordingly, Promoters must submit via email all sales aids, promotional materials, advertisements, websites, training material, flyers, along with any other literature to Innov8tive's Compliance Department for approval prior to use at compliance@innov8tivenutrition.com. Unless the Promoter receives specific written approval to use the material(s), the request shall be deemed denied. All Promoters shall safeguard and promote the good reputation of Innov8tive and its products. The marketing and promotion of Innov8tive, the Innov8tive opportunity, the Compensation Plan, and Innov8tive products and services shall be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices.

3.3 Sponsorship

- a) The Sponsor is the person who introduces a Promoter or Customer to Innov8tive, helps them complete their enrollment, and supports and trains those in their downline.
- b) Innov8tive recognizes the Sponsor as the name shown on an applicant's first enrollment submission to Innov8tive.
- c) An applicant may not enroll with Innov8tive as a Promoter without personally accepting and agreeing to the terms and conditions of the Innov8tive Agreement.
- d) Innov8tive recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but Innov8tive will not allow Promoters to engage in unethical sponsoring activities.

- e) All active Promoters in good standing have the right to Sponsor and enroll others into Innov8tive. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Promoter will approach the same prospect. In this scenario, the new prospect should be Sponsored by the first Promoter who presented a comprehensive introduction to Innov8tive products or business opportunity.
- f) In the event of a dispute regarding Sponsorship, Innov8tive reserves the right to designate a prospect's Sponsor, and all such determinations are final.

3.4 Unethical Sponsoring

- a) Unethical sponsoring activities include but are not limited to, enticing, bidding, or engaging in unhealthy competition by attempting to acquire a prospect or new Promoter away from a fellow Promoter or influencing another Promoter to transfer to a different sponsor.
- b) Allegations of unethical sponsoring must be reported in writing to the Innov8tive Compliance Department within the first 30 days of the new Promoter enrollment in question. If the reports are substantiated, Innov8tive may transfer the Promoter or the Promoter's downline to another Sponsor or Organization without approval from the current up-line Sponsor. Innov8tive remains the final authority in such cases.
- c) Innov8tive prohibits the unauthorized manipulation of the Innov8tive Compensation Plan and/or marketing plan to trigger commissions or cause the promotion of a downline Promoter in an unearned manner (hereinafter, "Stacking."). For example, Stacking occurs when a Sponsor places Promoter(s) under an inactive downline without the Promoter's knowledge in order to trigger unearned qualification for commissioning purposes. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense that may result in immediate termination of Accounts of all Promoters, individuals, and/or entities found to be involved.
- d) Any Promoter who solicits or entices members of another direct sales company to sell or distribute Innov8tive products and services bears the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Promoter alleging that they engaged in inappropriate Recruiting of another company's sales force or customers, Innov8tive will not pay any of Promoter's defense costs or legal fees, nor will Innov8tive indemnify the Promoter for any judgment, award, or settlement.

3.5 Cross Sponsoring Prohibition

- a) "Cross sponsoring" is defined as the enrollment into a different Line of Sponsorship of an individual, or Business Entity, that already previously enrolled as a Promoter. Actual or attempted Cross Sponsoring is strictly prohibited and may result in termination of the offending Promoter's Account.
- b) Enrollment through use of a Spouse or relative's name, trade name, assumed name, Business Entity, or fictitious identification of any kind to evade or circumvent this Cross Sponsoring Policy is strictly prohibited.
- c) This Policy does not prohibit the transfer of an Innov8tive Account and business in accordance with the Transfer of Sale or Transfer Policy set forth in these Policies.

3.6 Solicitation for Other Companies or Products

- a) An Innov8tive Promoter may participate in other direct sales, multilevel, network marketing, or relationship marketing businesses or marketing opportunities, as long as it is not a Competing Product as defined herein. However, during the Term of this Agreement and for six (6) months thereafter, an Innov8tive Promoter may not recruit any fellow Innov8tive Promoter or Customer for any other direct sales or network marketing business, unless that fellow Promoter or Customer was personally sponsored by such Promoter.
- b) The term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Promoter or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Promoter’s actions are in response to an inquiry made by another Promoter or Customer.
- c) During the term of this Agreement, any Innov8tive Promoter must not sell or entice others to sell, any competing products or services, including training materials, to Innov8tive Customers or Promoters. Subject to the definition of Competing Products in the Glossary below, any product or service in the same category as an Innov8tive product or service is deemed to be competing regardless of differences in cost or quality.
- d) A Promoter may sell non-competing products or services to the Innov8tive Customers and Promoters that they personally sponsored.
- e) Unless it is pre-approved by Innov8tive a Promoter may not display or bundle Innov8tive products or services, in sales literature, on a website, or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Promoter into believing there is a relationship between the Innov8tive and non-Innov8tive products and services. Any Promoter seeking authorization to display or bundle Innov8tive products or services with other products or services must submit a written request to compliance@innov8tivenutrition.com.
- f) An Innov8tive Promoter may not offer any non-Innov8tive opportunity, products, or services at any Innov8tive-related meeting, live or virtual, event, seminar, or convention that other Innov8tive Promoters or Customers are known to be attending, or immediately following an Innov8tive event.
- g) A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Innov8tive and its Promoters and would inflict irreparable harm on Innov8tive. In such event, Innov8tive may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Promoter or such Promoter’s positions including termination, or seek immediate injunctive relief without the necessity of posting a bond in addition to any other legal remedies to which Innov8tive may be entitled.

4.0 AGREEMENTS & GENERAL UNDERSTANDINGS

4.1 Rights Granted

- a) Innov8tive hereby grants to the Promoter a non-exclusive right, based upon the terms and conditions contained in the Agreement to:

- (i) Purchase Innov8tive products and services;
 - (ii) Promote and sell Innov8tive products and services; and
 - (iii) Sponsor new Promoters and Customers in countries where Innov8tive is currently authorized to do business or becomes authorized to do business in the future.
- b) No feature of the Compensation Plan constitutes a personal purchase requirement to become a Promoter, move up in rank, or otherwise fully participate in the Compensation Plan. No product purchase is required of anyone at any time to fully participate as a Promoter.

4.2 Innov8tive Account Renewals and Termination of the Promoter's Innov8tive Account Due to Nonpayment of the Annual Membership Renewal Fee.

- a) A Promoter must pay a membership fee upon enrolling with Innov8tive and a membership renewal fee on an annual basis thereafter. If a Promoter fails to pay the annual membership renewal fee within thirty (30) days of when it is due, the Promoter's Account will be terminated and the Promoter will lose any and all rights to the Account downline Organization, and any commissions and/or bonuses associated therewith. The Promoter shall not be eligible to re-enroll with Innov8tive as a Promoter for six (6) months following termination of the Account. Upon termination of the Account, the downline Organization will roll up to the immediate, active Upline Sponsor.
- b) If a Promoter pays the membership renewal fee after it is due but within the thirty (30) day grace period set forth in Section 4.2(a) above, the Promoter will resume the rank and positions held immediately prior to the membership renewal fee due date. However, such Promoter's paid as level will not be restored unless that Promoter qualifies at that level in the new month. The Promoter is not eligible to receive commissions or bonuses for any part of the thirty (30) day grace period that the annual membership renewal fee is unpaid.
- c) Innov8tive will charge your card for the annual membership fee each year on the anniversary of your enrollment. In order to cancel your membership or modify the payment method of your annual membership fee, please contact support@innov8tive.com.

4.3 Effect of Termination

- a) Following voluntary or involuntary termination of a Promoter's Innov8tive Account (collectively, "termination") such Promoter:
- (i) Shall have no right, title, claim, or interest to any commission or bonus from the sales generated by the Promoter's former Organization or any other payments in association with the Promoter's terminated Account;
 - (ii) Effectively waives any and all claims to property rights or any interest in or to the Promoter's former Downline Organization; and
 - (iii) Shall receive commissions and bonuses only for the last full pay period in which the Promoter was active prior to termination, less any amounts withheld during an

investigation preceding an involuntary termination, and less any other amounts owed to Innov8tive.

- (iv) Upon termination or dormancy due to inactivity for one (1) year or more, the Promoter forfeits all funds in its commissions and/or Pay-Out Accounts and authorizes Innov8tive to seize funds and close the Accounts.

4.4 Modifying a Promoter's Innov8tive Account

- a) A Promoter may modify his or her existing Innov8tive Account to add a Spouse or partner to the Promoter's Account or change the form of ownership from an individual to a Business Entity by submitting a written request to Innov8tive's Support Department to make such modification.

4.5 Unauthorized Transfer & Re-Enrollment

- a) In the event a Promoter discovers that a Promoter in their downline has re-enrolled under a different Promoter, the Promoter has thirty (30) days from the date the downline Promoter enrolled under a new Promoter to notify the Innov8tive Compliance department and request the downline Promoter be transferred back to his/her downline. Upon the expiration of the thirty (30) day notice period, the right to re-claim a new Promoter to his or her downline will be waived.

4.6 Change of Sponsors for Promoters

- a) Sponsor changes/corrections may be requested within a period of 72 hours from the time of enrollment. Such adjustments require written permission directed to the Support Department submitted from the personal back office of the Sponsor as well as the Promoter to be moved and in some cases the Upline Promoter.
- b) At the discretion of Innov8tive, Promoters who have not ordered products or services for at least six (6) months, and whose Account has not been terminated, are eligible to re-enroll in Innov8tive under the Sponsor of their choice.
- c) When a former Promoter re-enrolls with Innov8tive, Innov8tive will "compress" (close) the Promoter's original Account, and a new Innov8tive User ID number will be issued to the Promoter. In this scenario, a Promoter does not retain former rank, downline Organization, or rights to commissions from the Promoter's former Innov8tive business or Account.
- d) Innov8tive reserves the right to correct Sponsor errors at any time and in whatever manner it deems necessary in its sole discretion.

4.7 Change Organizations

- a) If a Promoter wishes to change Organizations within Innov8tive, he or she must submit a notice of voluntary termination to the Innov8tive Customer Support Department in accordance with Section 4.8 (below), and remain inactive (place no orders or be on an auto-ship) with or in Innov8tive for six (6) months from the receipt of the notice before being eligible to re-enroll under a different Sponsor.

- b) Innov8tive retains the right to approve or deny any request to re-enroll after a Promoter's termination. Promoters within the same downline Organization simultaneously submitting notices of voluntary termination to transfer Organization in accordance with Section 4.7(a) will be deemed an abuse of these Policies.
- c) If re-enrollment is approved, the former Promoter will be issued a new Innov8tive User ID after accepting and agreeing to the terms of the Promoter Agreement in effect at that time. The re-enrolled Promoter will not be entitled to keep any former rank, downline, or rights to commissions associated with the Promoter's prior Innov8tive User ID/Account.

4.8 Voluntary Termination

- a) A Promoter may immediately terminate his or her Account and Innov8tive business associate therewith by submitting a written notice via email to the Innov8tive Support Department at support@innov8tivenutrition.com. The written notice must include the following:
 - (i) Statement of the Promoter's intent to terminate the Account;
 - (ii) Date of termination;
 - (iii) Promoter's Innov8tive User ID;
 - (iv) Reason(s) for terminating the Account, and
 - (v) Promoter's signature.
- b) A Promoter may not use voluntary termination as a way to immediately change Sponsors. A Promoter who has voluntarily terminated an Account is not eligible to re-enroll with Innov8tive or have any financial interest in a or any Innov8tive business for six (6) months from the receipt of the written notice of termination. A terminated Promoter who promotes Innov8tive products or services during the six (6) month waiting period by using another Promoter's or Customer's referral code is in violation of the provision and shall not be permitted to re-enroll until six (6) months following any such offending conduct has ceased.

4.9 Involuntary Termination

- a) Innov8tive reserves the right to terminate a Promoter's position for, but not limited to, the following reasons:
 - (i) Violation of any provision of the Promoter Agreement;
 - (ii) Violation of any applicable law, ordinance, or regulation related to the Promoter's Innov8tive business;
 - (iii) Engaging in unethical business practices or violating standards of fair dealing; or
 - (iv) Returning over \$500 worth of Innov8tive products, services, and/or sales tools for a refund within a twelve (12) month period.

- (v) Promoter initiates, joins, or otherwise voluntarily participates in a lawsuit against Innov8tive, its directors, officers, employees, and/or agents.
- b) Innov8tive will notify the Promoter in writing via email and certified mail, return receipt requested, or overnight documented mail, at the Promoter's last known address of Innov8tive's intent to terminate the Promoter's position and the reasons for termination. The involuntary termination will be effective date as of the written notice.
- c) The former Promoter shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Innov8tive products or services. Innov8tive will notify the active Upline Sponsor within ten (10) days after termination. The Organization of the terminated Promoter will "roll-up" to the active Upline Sponsor on record.
- d) The Promoter who is involuntarily terminated by Innov8tive may not re-enroll as a Promoter, either under his or her present name or any other name or Business Entity, without the express written consent of an officer of Innov8tive, following a review by the Innov8tive Compliance Committee. If such consent is granted, the Promoter may not re-enroll as a Promoter for twelve (12) months following the date of termination.

5.0 BUSINESS ENTITIES

5.1 Definition

- a) A corporation, partnership, limited liability company, or trust (collectively, a "Business Entity") may apply to be an Innov8tive Promoter.
- b) An Innov8tive Promoter may change their status under the same Sponsor from an individual to a Business Entity in accordance with Section 4.4 of these Policies.

5.2 Indemnification for Actions

- a) A Promoter is fully responsible for all of his or her verbal and written communications made regarding Innov8tive products, services, and the Compensation Plan that are not expressly contained within official Innov8tive materials. Promoters shall indemnify and hold harmless Innov8tive, its directors, officers, employees, product suppliers, and agents from any and against all liability including judgments, civil penalties, refunds, lawyer fees, and court costs incurred by Innov8tive as a result of the Promoter's unauthorized representations or actions. This provision shall survive the termination of the Innov8tive Promoter Agreement and an Innov8tive Account.

5.3 Insurance

- a) Innov8tive encourages Promoters to obtain insurance coverage for their Innov8tive business. A homeowner's insurance policy does not cover business-related injuries, or the theft of, or damage to, inventory or business equipment. Promoters should contact their insurance agent to make certain their business property is protected. In many instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

6.0 POLICY VIOLATIONS

6.1 Reporting Policy Violation

- a) A Promoter who observes a violation of these Policies and Procedures by another Promoter or Customer should submit any such violation(s) to the Innov8tive Compliance Department via email to compliance@innov8tivenutrition.com. The email should include:
 - (i) The nature of the violation(s);
 - (ii) Specific facts to support the allegations;
 - (iii) Dates;
 - (iv) Number of occurrences;
 - (v) Persons involved; and
 - (vi) Supporting documentation.
- b) The Compliance Department will investigate the reported violations(s) and Innov8tive will take appropriate action if warranted.

6.2 Adherence to the Innov8tive Compensation Plan

- a) A Promoter must adhere to the terms of the Innov8tive Compensation Plan.
- b) A Promoter shall not offer the Innov8tive opportunity through or in combination with, any other system, program, or method of marketing other than that specifically set forth in Official Innov8tive Literature.
- c) A Promoter shall not require or encourage a current or prospective Promoter to participate in Innov8tive in any manner that varies from the Compensation Plan as set forth in official Innov8tive literature.
- d) A Promoter shall not require or encourage a current or prospective Promoter to make a purchase from or payment to any individual or other entity as a condition to participating in the Innov8tive Compensation Plan.

6.3 Adherence to Laws and Ordinances

- a) Many cities, counties, and townships have laws regulating certain home-based businesses. Promoters and Customers shall comply with all federal, state, and local laws, ordinances, and regulations in conducting his or her Innov8tive business.
- b) A Promoter understands and agrees that he/she/it is solely responsible for any and all fines and liabilities incurred as a result of the Promoter's or Customer's violation(s) of applicable laws, regulations, and/or ordinances.

6.4 Compliance with Applicable Income Tax Laws

- a) A Promoter accepts sole responsibility for and agrees to pay all federal, state, provincial, and local taxes on any income generated as a Promoter, and further agrees to indemnify Innov8tive from any failure to pay such taxes when due. Innov8tive encourages Promoters to consult with his/her/its tax advisor(s) to ensure they are compliant with all applicable laws and understand your tax consequences as an independent contractor. At the end of each calendar year, Innov8tive will issue to each Innov8tive Promoter IRS Form 1099, or other applicable documentation required by law, for non-employee compensation of an Innov8tive Promoter.
- b) If a Promoter's business is tax-exempt, the Federal Tax-ID (EIN) must be provided to Innov8tive in writing along with any additional documentation requested reflecting such status.
- c) Innov8tive is required to charge and remit sales tax to the various states or provinces based on the retail price, including receipt of trips, prizes, or awards in the amount of \$600.00 or more.

6.5 One Innov8tive Account Per Promoter

- a) A Promoter may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Innov8tive Account. No individual (together with their spouse) may have, operate, or receive compensation from more than one Innov8tive Account and business associate therewith. Individuals of the same Family Unit, excluding spouses, may each enter into or have an interest in their own separate Innov8tive Account, only if each subsequent family position is placed frontline to the first family member enrolled. Each position must build their position separate and independent of the other or the position will be deemed to be stacking.

6.6 Actions of Household Members or Affiliated Parties

- a) If any member of a Promoter's immediate household engages in any activity which, if performed by the Promoter, would violate any provision of the Promoter Agreement, such activity will be deemed a violation by the Promoter and Innov8tive may take disciplinary action pursuant to these Policies and Procedures against the Promoter. Likewise, if a Promoter is a Business Entity, any owner, member, officer, and/or affiliate of that Business Entity shall be personally and individually bound to, and must comply with the Promoter Agreement.

6.7 Identification Numbers and Pay-Out

- a) Each Promoter is required to provide a Social Security Number or Federal Tax-ID if located in the United States or any of its territories to Innov8tive at the time Promoter initiates a transfer of funds or earnings accumulated in the Promoter's Wallet. The transferring and disbursement of commission payments or bonuses acquired is known as a "Pay-Out" and Innov8tive reserves the right to withhold Pay-Out from any Promoter who fails to provide a valid Social Security Number or Federal Tax-ID (EIN) or who provides false information.

- b) Upon enrollment, Innov8tive will provide an Innov8tive User ID to the Promoter. This number will be used to place orders, structure Organizations, and track commissions and bonuses.

6.8 Sell, Assign, or Transfer Ownership

- a) In order to preserve the integrity of the hierarchical structure, it is necessary for Innov8tive to place restrictions on the transfer, assignment, or sale of a Promoter's Innov8tive Account and business associated therewith.
- b) A Promoter may not sell, assign, or transfer his or her rights or delegate his or her Account as a Promoter without Innov8tive's prior written approval, which will not be unreasonably withheld. All parties involved in any transaction described in Section 6.8 must be in good standing with Innov8tive to be eligible for any proposed sale, assignment, or transfer. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Innov8tive.
- c) Any approved buyer/assignee/transferee shall assume the position of the Promoter at the current qualified title but at the current "paid as" rank, at the time of the sale and acquires the Promoter's downline Organization.
- d) To the sale, transfer, or assignment of an Innov8tive position, a Promoter must request a "Sale/Transfer of Position Form" from Innov8tive's Support Department and submit the following items to the Innov8tive Compliance Department:
 - (i) a fully executed, dated, and properly completed Innov8tive Sale/Transfer of Position Form;
 - (ii) a fully executed, dated, and notarized agreement between the Promoter and the proposed buyer/transferee/assignee; and.
 - (iii) any additional supporting documentation requested by Innov8tive.
- e) Any debt obligations that any party involved in the proposed transaction may have with Innov8tive must be satisfied in full prior to the approval of the sale, transfer, or assignment
- f) A Promoter who sells, transfers, or assigns his/her/ Innov8tive's position is not eligible to re-enroll as an Innov8tive Promoter in any organization for six (6) full calendar months following the date of the sale, transfer, or assignment except as otherwise expressly permitted by these Policies and Procedures.

6.9 Separating an Innov8tive Business

- a) Pending a divorce or dissolution of a Business Entity, the parties must adopt one of the following methods of operation:
 - (i) One of the parties may, with the written consent of the other(s), operate the Innov8tive business whereby the relinquishing Spouse, shareholder, partner, member, or trustee ("Relinquishing Party") authorize Innov8tive to deal directly and solely with the non-Relinquishing Party.

- (ii) The parties may continue to operate the Innov8tive business jointly on a “business as usual” basis. All compensation paid by Innov8tive will be paid into the Individual(s) or Business Entity named as the Promoter on the Account and the Promoter shall indemnify Innov8tive from any and all claims of any other party with respect to the Innov8tive business and Account and any payment(s) made in connection therewith.
- b) Innov8tive recognizes only one downline Organization and will issue only one commission payment transfer per Innov8tive Account per commission cycle. Under no circumstances will the downline of an Organization be divided, nor will Innov8tive split commissions and/or bonuses.
- c) If a Relinquishing Party, has completely relinquished, in writing, all rights to the original Innov8tive business and Account, the Relinquishing Party may immediately thereafter re-enroll under the Sponsor of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Promoter or active Customer in the former Organization, and must develop a new business in the same manner as any other new Innov8tive Promoter. A Promoter in the Relinquishing Party’s former Downline who wishes to transfer to the Relinquishing Party’s new Organization or to any other Organization must comply with the requirements in Section 4.0.

6.10 Succession

- a) The Promoter Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
- b) Upon the death or incapacity of a Promoter, the Promoter’s business may be passed on to his or her legal successors in interest (“Successor”). Whenever an Innov8tive business is transferred by a will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Promoter’s Sales Organization. The Successor must:
 - (i) Accept and agree to all the terms of the Promoter Agreement;
 - (ii) Comply with the terms and provisions of the Promoter Agreement; and
 - (iii) Meet all of the qualifications for the last rank achieved by the former Promoter.
- c) Any bonus and commissions transferred pursuant to this section will be paid in a single transfer to the successor. The successor must provide Innov8tive with an “address of record” to which all bonus and commission Pay-Out will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.
- d) If the business is bequeathed to joint devisees, they must form a Business Entity and acquire a Federal Tax ID (EIN). Innov8tive will issue all bonus and commission payments to the managing Business Entity only.
- e) Appropriate legal documentation must be submitted to the Innov8tive Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of an Innov8tive business, the Successor must provide the following to the Innov8tive Compliance Department:

- (i) A certified copy of the death certificate; and
 - (ii) A notarized copy of the will or other appropriate legal documentation establishing the successor's right to the Innov8tive business.
- f) To complete a transfer of the Innov8tive business because of incapacity, the Successor must provide the following to the Innov8tive Compliance Department:
 - (i) A notarized copy of an appointment as trustee;
 - (ii) A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the Innov8tive business; and
 - (iii) A Promoter Agreement accepted and agreed to by the trustee in writing.
- g) If the Successor is already an existing Promoter, Innov8tive will allow such Promoter to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the six (6) month period, the Promoter must have compressed (if applicable), sold, or otherwise transferred either the existing position or the inherited position.
- h) If the Successor wishes to terminate the Innov8tive position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- i) Upon written request, Innov8tive may grant a one (1) month bereavement waiver and payout at the last "paid as" rank.

7.0 DISCIPLINARY ACTIONS

7.1 Imposition of Disciplinary Action – Purpose

- a) It is the spirit of Innov8tive that integrity and fairness should pervade among its Promoters, thereby providing everyone with an equal opportunity to build a successful business. Therefore, Innov8tive reserves the right to impose disciplinary sanctions at any time, when it has determined that a Promoter has violated the Promoter Agreement, as may be amended from time to time by Innov8tive in accordance herewith.

7.2 Consequences and Remedies of Breach

- a) Disciplinary actions may include one or more of the following:
 - (i) Monitoring a Promoter's conduct over a specified period of time to assure compliance;
 - (ii) Alerting the Promoter's Upline so that the Upline may further educate Promoter and/or take proactive action to protect the Innov8tive community from cross-Recruiting, disparagement, etc.;

- (iii) Issuance of a written warning or requiring the Promoter to take immediate corrective action;
- (iv) Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments (“Commission Hold”) until the matter causing the Commission Hold is resolved or until Innov8tive receives adequate additional assurances from the Promoter to ensure future compliance;
- (v) Suspension from participation in Innov8tive or Promoter events, rewards, or recognition;
- (vi) Suspension of the Promoter’s Account and position for one or more pay periods;
- (vii) Involuntary termination of the Promoter’s Account and position;
- (viii) Any other measure which Innov8tive deems feasible and appropriate to justly resolve injuries caused by the Promoter’s violation(s); or
- (ix) Legal proceedings for monetary or equitable relief.

7.3 Suspension Procedures

- a) First Violation: Counseling and initial warning letter. A first violation usually occurs because the Promoter is not familiar with the Policies and Procedures or the law. Counseling and the initial warning provide an opportunity for Compliance to bring to the attention of the Promoter the Policies and Procedures and the specific violation, and to provide counseling on complying with the Policies and Procedures and applicable laws. Compliance Department will also describe expectations and steps the Promoter must take to resolve the violation including, but not limited to, either removing or revising the non-compliant claim or how to remedy other policy violations. Within three (3) days of this notice, Compliance will determine if the non-compliant material or other policy violation has been remediated. If so, Compliance will close the file. If not, Compliance will proceed to the 2nd Violation notice described below.
- b) Second Violation: Second warning letter and temporary suspension. Although it is hoped that the Promoter will promptly correct the violation(s), Innov8tive recognizes that this may not always occur. The second written warning indicates the seriousness of repeated violations and will prompt a suspension of the Promoter’s account. During the suspension period, the Promoter waives any and all rights to Pay-Out of any bonuses or commissions and must submit a signed reinstatement letter wherein the Promoter acknowledges the violation(s) and describes the steps taken to correct the violation(s). Once the reinstatement letter is accepted by Innov8tive, the suspension will be lifted and the Promoter will be able to request a Pay-Out. The Promoter may be subject to additional discipline up to and including termination if the violation is not cured or further violation(s) occur.
- c) Third Violation: Suspension and final written warning. Repeated violation(s) of the Policies and Procedures is very problematic and potentially harmful. Therefore, the most effective and prudent action is suspension of the Promoter and forfeiture of commissions and bonuses associated with the offending Promoter’s Account. The final written warning letter

will include notification of such suspension, action needed to cure the violations(s), and an indication that if the Promoter violates the Policies and Procedures again, the Promoter will be terminated immediately.

- d) Fourth Violation: Termination. As described above, Innov8tive will try to exercise the progressive nature of the Discipline Policy by first providing warnings, a final written warning, and suspension and commission forfeiture before proceeding to termination of the Promoter's Account. Innov8tive will notify the Promoter in writing if/when the Account is terminated.
- e) Innov8tive reserves the right to combine and omit steps depending on the circumstances of each situation and the nature of the violation. Furthermore, the Promoter may be terminated without prior notice or disciplinary action, as authorized by the Policies and Procedures.

8.0 DISPUTE RESOLUTION

8.1 Grievances Against Another Promoter

- a) If an Innov8tive Promoter has a grievance or complaint against another Promoter regarding any practice or conduct relating to their respective Innov8tive businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the Innov8tive Compliance Department as outlined below in this Section.
- b) The Innov8tive Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Promoters involved.
- c) Innov8tive will confine its involvement to disputes regarding Innov8tive business matters only. Innov8tive will not decide issues that involve personality conflicts or unprofessional conduct by or between Promoters outside the context of an Innov8tive business. These issues go beyond the scope of Innov8tive and may not be used to justify a Sponsor change or a transfer to another Innov8tive Organization.
- d) Innov8tive does not consider, enforce, or mediate third-party agreements between Promoters, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- e) Process for Grievances:
 - (i) The Promoter should submit a letter of complaint via email directly to the Innov8tive Compliance Department at compliance@innov8tivenutrition.com. The letter shall set forth the details of the incident as follows:
 - A. The nature of the violation;
 - B. Specific facts to support the allegations;
 - C. Dates;
 - D. Number of occurrences;

- E. Persons involved; and
 - F. Supporting documentation.
- (ii) Upon receipt of the written complaint, Innov8tive will conduct an investigation according to the following procedures:
- A. The Compliance Department will send an acknowledgment of receipt to the complaining Promoter;
 - B. The Compliance Department will provide a verbal or written notice of the allegation to the Promoter under investigation. If a written notice is sent to the Promoter, he or she will have ten (10) business days from the date of the notification letter to present all information relating to the incident for review by Innov8tive.
 - C. The Innov8tive Compliance Department will thoroughly investigate the complaint, and consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case-by-case basis, and the length of time to reach a resolution will vary.
 - D. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Promoter calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- f) Innov8tive will make a final decision and timely notify the Innov8tive Promoters involved.

8.2 Mediating Disputes Between a Promoter and Innov8tive

- a) Promoter and Innov8tive (collectively “the Parties”) recognize disputes and differences may arise between the Parties and therefore agree it is in their best interest to appoint an impartial mediator to resolve such disputes as they arise. Mediation of a dispute may allow the parties to avoid the cost and inconvenience of litigation in court.
- b) The Parties should exchange all documents pertinent to the relief requested. The mediator may request the exchange of memoranda and other information; items that a party wishes to keep confidential may be sent to the mediator in a separate communication.
- c) The mediator shall not be a legal representative of any party.
- d) Unless otherwise agreed to by the Parties, the mediation shall take place in Collin County, Texas, on a date that is mutually agreeable among the Parties and mediator. Participation in the mediation by telephone will be permitted to prevent inconvenience to a party.
- e) The mediator shall allow the Parties to be represented by their respective advocates, who have the authority to consummate a settlement. Any party may participate without representation (pro se).

- f) Mediation sessions and related mediation communications are private proceedings. For this reason, only the Parties and their legal representatives may attend mediation sessions. Other persons may attend only with the permission of the Parties and with the consent of the mediator.
- g) Each Party will pay its own costs and expenses of the mediation unless the Parties agree otherwise.
- h) The Parties agree that all mediation communications are privileged and not subject to discovery or admissible in evidence in a proceeding unless waived or precluded by both Parties or unless the evidence would otherwise be admissible or subject to discovery if it were not by reason of its disclosure or use in mediation.
- i) Jurisdiction and venue of any controversy or claim brought under this mediation provision shall be in Collin County, Texas. The Parties further agree that the laws of the State of Texas shall govern all matters, claims, or controversy submitted to mediation pursuant to the Agreement.

8.3 Severability

- a) If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

8.4 Waiver

- a) Only an officer of Innov8tive can, in writing, affect a waiver of these Policies and Procedures. Innov8tive's waiver of any particular breach by a Promoter shall not affect Innov8tive's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Promoter.
- b) The existence of any claim or cause of action of a Promoter against Innov8tive shall not constitute a defense to Innov8tive's enforcement of any term or provision of these Policies and Procedures.

8.5 Governing Law

- a) The Parties agree that jurisdiction and venue of any controversy or claim arising from the Promoter Agreement or between Innov8tive and Promoter shall be in Collin County, Texas. The law of the State of Texas shall govern all matters relating to or arising from the Promoter Agreement or between Innov8tive and Promoter, without regard for any provisions regarding choice of law.

8.6 Class Action Waiver

- a) The parties expressly intend and agree that:
 - (i) Class action and representative action procedures are hereby waived and shall not be asserted, nor will they apply, in any court or arbitration; and
 - (ii) The parties will only submit their own, individual claims in any court or arbitration and will not seek to represent the interests of any other person.

- b) The court or arbitrator is not empowered to consolidate claims of different individuals into one proceeding, to hear any litigation or arbitration as a class action.
- c) As an Innov8tive Promoter and/or Customer, I agree that I will not assert class or collective action claims against Innov8tive in arbitration, court, or otherwise, nor will I join or serve as a member of a class or collective action in arbitration, court or otherwise.
- d) As a Promoter and/or Customer, I understand that this means that there will be no right or authority for any dispute to be brought, heard, or arbitrated as a class or collective action by me or the Innov8tive.

9.0 PAYMENT OF COMMISSIONS & BONUSES

9.1 Bonus and Commission Qualifications

- a) A Promoter must be active and in compliance with the Promoter Agreement and all Innov8tive-issued guidelines and policies implemented to qualify for bonuses and commissions. So long as a Promoter complies with the terms and conditions set forth in the Promoter Agreement, Innov8tive shall pay commissions to such Promoters in accordance with the Compensation Plan and any amendments thereto.
- b) Innov8tive will not issue a payment in any form to a Promoter without the receipt of the Promoter's annual membership and renewal membership fee and completed electronic enrollment as an Innov8tive Promoter, including the Promoter's acceptance and agreement to the Promoter Agreement.
- c) Innov8tive reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.00.

9.2 Computation of Commissions and Discrepancies

- a) In order to qualify to receive commissions and/or bonuses, a Promoter must be in good standing and comply with the terms of the Promoter Agreement. Commission, bonuses, overrides, and achievement levels are calculated on a daily, monthly, or yearly basis.
- b) An Innov8tive Promoter must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the thirty (30) day "grace period" no additional requests will be considered for commission recalculations.
- c) For additional information on payment of commissions, please review the Compensation Plan.
- d) Innov8tive reserves the right, in its sole discretion, to modify or amend the terms or conditions of any Bonus or Bonus Pool. Furthermore, Innov8tive may amortize the payment of proceeds from a Bonus or Bonus Pool.

9.3 Adjustments to Bonuses and Commissions for Returned Products or Promoter Memberships

- a) A Promoter receives bonuses and commissions based on the actual sales of Innov8tive products and services to end consumers and to Promoters through product and service purchases. When a product or service is returned to Innov8tive for a refund from the end consumer or by a Promoter, the bonuses and commissions attributable to the returned product or service will be deducted from the Promoter who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.
- b) In the event that a Promoter terminates his or her Innov8tive Account, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Innov8tive, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Innov8tive to the terminated Promoter.

10.0 ORDERING PRODUCT

10.1 General Product Ordering Policies

- a) “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or Business Entity as a Promoter or Customer without their knowledge or consent; (b) the fraudulent enrollment of an individual or Business Entity as a Promoter or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Promoters or Customers (“phantoms”); (d) purchasing Innov8tive products or services on behalf of another Promoter or Customer, or under another Promoter’s or Customer’s ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products, services or SmartShips that cannot reasonably be used or resold in a month; and/or (f) any other 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 consumers.
- b) Innov8tive requires that Promoters use their own credit cards and not allow others to use them. A Promoter shall not use another Promoter’s or Customer’s credit card or debit account to enroll in Innov8tive or purchase products, services, or SmartShip.
- c) Regarding an order with an invalid or incorrect payment, Innov8tive will attempt to contact the Promoter by phone, mail, and/or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after the expiration of ten (10) business days, the order will be canceled.
- d) Prices are subject to change without notice.
- e) A Promoter or Customer who is a recipient of a damaged or incorrect order must notify Innov8tive within thirty (30) calendar days from receipt of the order and follow the steps as set forth in these Policies and Procedures, along with the Return/Exchange Policies and any other guidelines pertaining to product returns and exchanges.

10.2 Sales to Customers

- a) Sales to retail Customers may be done directly through a Promoter's replicated website or directly using product that Innov8tive has in inventory.
- b) Promoters will comply with applicable consumer protection laws and regulations (including any consumer rights to receive specific notices and any rights to return product) afforded to consumers under applicable consumer protection legislation.
- c) When making a sale to an end Customer, a Promoter must provide him/her with an official Innov8tive retail receipt at or prior to the time of the initial sale and every sale thereafter. Promoter will need to customize the template with his/her personal information. If the customer exercises the right to cancel the sale, Promoter shall follow the refund procedures described in this section.
- d) The Customer should return all unused product to Innov8tive. These sales receipts set forth the consumer protection rights afforded by applicable law for direct sales, including the right to cancel (without any reason) the sales receipt up to ten (10) days after the end Customer receives a copy of the receipt or invoice.

10.3 Insufficient Funds

- a) All electronic payments that are declined for insufficient funds will be automatically resubmitted for payment.
- b) Any outstanding balance owed to Innov8tive by a Promoter or Customer of a Promoter from NSF (non-sufficient funds) or insufficient fund ("ACH") fees, will be withheld by Innov8tive from that Promoter's future bonus and commission funds.
- c) All transactions involving insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Promoter, constitute grounds for disciplinary sanctions or termination of the account.
- d) If a credit card order or automatic debit is declined the first time, the Customer or Promoter will be contacted directly and a request for an alternate form of payment will be made before any product will be shipped. If payment is declined a second time, the Customer or Promoter may be deemed ineligible to purchase Innov8tive products or services or participate in the monthly SmartShip. **Note: Participation by Promoters in Innov8tive's monthly auto-ship, which is a recurring product order program, is entirely optional, and is not required in order to become a Promoter, move up in rank, or otherwise, fully participate in the Rewards Program.**

10.4 Credit Card Purchases

- a) Credit card purchases may only be made by the individual or Business Entity whose name and address are on the credit card. A Promoter or Customer may not use another individual's or Business Entity's credit card to purchase Innov8tive products (regardless of whether that Promoter/Customer has permission from that individual/entity to do so). Innov8tive considers such transactions fraudulent and will report them to the proper authorities for settlement.

- b) Under no circumstance will any Promoter or Customer chargeback any credit card purchases. The Promoter Account associated with any credit card chargeback request will be terminated immediately without notice to the Promoter or Customer.
- c) All Promoter or Customer requests for refunds or returns must be done in accordance with these Policies.

10.5 Sales Tax Obligation

- a) Promoters shall comply with all federal and local taxes and regulations governing the sale of Innov8tive products and services.
- b) Innov8tive will collect and remit sales tax on all Promoter and Customer orders. When orders are placed with Innov8tive, sales tax is prepaid based upon the suggested retail price and remitted to the appropriate state and local jurisdictions. Promoters may recover the sales tax when he or she makes a sale. Promoters are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- c) Innov8tive encourages each Promoter to consult with a tax advisor for additional information for his or her business.

10.6 Refund Policy

- a) Innov8tive Customers:
 - (i) If within the first thirty (30) days you are not satisfied with the product you must contact support@innov8tivenutrition.com to return the unused portion of the product for a full refund of the product purchase amount, minus shipping and handling charges incurred. After thirty (30) days and up to ninety (90) days post-purchase, you must contact support@innovativenutrition.com to return the remaining sellable portion of the product for a full refund, minus shipping and handling charges incurred. Because Innov8tive cannot guarantee the quality of Innov8tive products that are sold to Customers by non-Promoters, Innov8tive's Refund Policy is not available for products that Customers purchase from anyone other than a Promoter or Innov8tive directly or that are purchased in any unauthorized channel.
- b) Innov8tive Promoters:
 - (i) If within the first thirty (30) days of the original purchase, you are not satisfied with the product, you must contact support@innov8tivenutrition.com to return the unused portion of the product for a full refund, minus shipping and handling charges. Anytime an order is refunded, all commissions paid on the returned product will be deducted.
- c) Terminated Promoters. If a terminated Promoter has purchased Innov8tive products, Innov8tive will issue a refund or credit for any products purchased by the Promoter if: (i) the product is in Resalable condition; (ii) the Resalable product is returned to Innov8tive within twenty (20) days from the date of termination; and (iii) the Promoter provides proof the product was purchased within twelve (12) months preceding the date of termination. [Note: the twelve (12) month requirements not applicable to residents of Maryland, Wyoming, Massachusetts, and Puerto Rico]. Refunds are subject to a ten percent (10%) handling fee. Shipping costs are not refundable.

- d) Montana Residents: Promoter Pack and Cancellation Returns A new Promoter has up to 15 days to cancel their agreement with Innov8tive. The Promoter is entitled to a full refund of the Promoter Pack as long as all of the items from their Promoter Pack are returned and the items are still sealed and have not been used in any way. Neither shipping and handling charges incurred by a Promoter when the Promoter Pack was purchased, nor return shipping fees, will be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account used when purchasing. Per Innov8tive's return policy, if a Promoter was paid a commission based on a product(s) 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 or a future commission payout. Additionally, if a Promoter cancels after 15 days, but within 12 months, and has not received any financial benefit by purchasing a Promoter Pack, they can receive a 90% refund on any currently marketable products sold that have not been resold or consumed. Products are not considered currently marketable if the products have been consumed or are seasonal, discontinued, or special promotional items.
- e) Problems with Shipments: If within thirty (30) days of the reported expected product delivery date, a Promoter does not notify support@innov8tivenutrition.com of a problem with the receipt of the Promoter's order, including but not limited to, failure to receive the product, improper sealing, damage to the container, quality of the internal product, and/or receipt of wrong product, refunds or exchanges will not be given.
- f) All purchases are charged and refunded in U.S. Dollars. All returns, refunds, and exchanges will also be refunded or exchanged in U.S. Dollars. Innov8tive is not responsible for fluctuating exchange rates.

10.7 Return Process

- a) All returns, whether by a Customer or Promoter, must be made as follows:
 - (i) Obtain a Return Merchandise Authorization ("RMA") from Innov8tive by contacting support@innov8tive.com and submit a request.
 - (ii) Ship items to the address provided by Innov8tive customer service when you receive your RMA.
 - (iii) Provide a copy of the sales receipt or invoice with the returned product. Such invoice must reference the RMA and include the reason for the return.
 - (iv) Ship product back in the original manufacturer's packaging exactly as it was delivered.
 - (v) All returns must be shipped to Innov8tive pre-paid, as Innov8tive does not accept shipping collect packages. Innov8tive recommends shipping returned product by UPS or FedEx which includes tracking information and insurance, as risk of loss or damage in the shipping process of the returned product shall be borne solely by the Customer or Promoter. If the returned product is not received at the address provided on the RMA, it is the responsibility of the Customer or Promoter to trace the shipment of the product wherein no credit will be applied.

- (vi) The return of \$500 or more of products accompanied by a request for a refund within one (1) calendar year by a Promoter, may constitute grounds for involuntary termination.

11.0 INNOV8TIVE OPPORTUNITY

11.1 Presentation of Compensation Plan

- a) In presenting the Innov8tive business opportunity, a Promoter is required to:
 - (i) present a copy of the Innov8tive Income Disclosure Statement <https://innov8tive.com/pdf/Innov8tive-IncomeDisclosureStatement.pdf>;
 - (ii) refrain from misquoting or omitting any material fact about the Compensation Plan;
 - (iii) clearly explain that the Compensation Plan is based upon sales of Innov8tive products and services;
 - (iv) not make income projections, claims, or guarantees while presenting or discussing the Innov8tive opportunity or Compensation Plan to prospective Promoters or Customers;
 - (v) inform all prospective Promoters that success requires substantial work;
 - (vi) not make any claims regarding products or services of any products offered by Innov8tive, except those contained in official Innov8tive literature.
 - (vii) not use official Innov8tive material to promote the Innov8tive business opportunity in any country where Innov8tive is not duly authorized to conduct business.

11.2 Sales Requirements Are Governed by the Compensation Plan

- a) The Innov8tive program is built on sales to the ultimate consumer or end-user. Innov8tive encourages its Promoters to only purchase inventory, in reasonable quantities, that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Promoters must never attempt to influence any other Promoter to buy more products than they can reasonably use or sell to retail Customers in a month.
- b) Each Innov8tive Promoter commits to personally use, sell, or use in business building at least seventy percent (70%) of every order placed with Innov8tive prior to placing another order and must be able to certify as much if demanded by Innov8tive or by any regulatory agency. Purchasing product solely for the purpose of collecting bonuses or achieving rank is strictly prohibited. Innov8tive retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

12.0 PROPRIETARY INFORMATION & TRADE SECRETS

12.1 Reports

- a) By agreeing to the Innov8tive Promoter Agreement, the Promoter acknowledges that business reports, lists of Customer and Promoter names and contact information, and any

other information, which contain financial, scientific, or other information both written or otherwise circulated by Innov8tive or pertaining to the business of Innov8tive (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to Innov8tive.

12.2 Obligation of Confidentiality

- a) During the term of the Innov8tive Promoter Agreement and for a period of two (2) years after the termination or expiration of the Promoter Agreement between the Promoter and Innov8tive, the Promoter shall not:
 - (i) Use the information in the Reports to compete with Innov8tive or for any purpose other than promoting his or her Innov8tive business;
 - (ii) Use or disclose to any person or entity any confidential information contained in the reports, including disclosure or use to replicate or attempt to replicate the Promoter's Upline and/or downline Organization genealogy in another network marketing company.

12.3 Breach and Remedies

- a) The Promoter acknowledges that the Reports and other confidential and proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Innov8tive and to independent Innov8tive businesses. Innov8tive and its Promoters will be entitled to injunctive relief and/or to recover damages against any Promoter who violates his or her obligations in section 12.2 in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees, court costs, and expenses in addition to any award of damages.

12.4 Return of Materials

- a) Upon demand by Innov8tive, any current or former Promoter will return the original and all copies of all Reports to Innov8tive together with any Innov8tive confidential information in such person's possession.

13.0 PRIVACY POLICY

13.1 Introduction

- a) This Privacy Policy is to ensure that all Customers and Promoters understand and adhere to the basic principles of confidentiality. Without limiting the terms of this section, all Promoters must comply with applicable privacy laws governing the collection, use, and disclosure of Customer and fellow Promoter information.

13.2 Expectation of Privacy

- a) Innov8tive recognizes and respects the importance its Customers and Promoters place on the privacy of their financial and personal information. Innov8tive will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers', and Promoters' financial and account information and nonpublic personal information.

- b) By entering into the Promoter Agreement, a Promoter or Customer authorizes Innov8tive to disclose his or her name and contact information to Upline Promoters solely for activities related to the furtherance of the Innov8tive business. A Promoter hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline Organization and conducting the Innov8tive business.

13.3 Employee Access to Information

- a) Innov8tive limits the number of employees who have access to Customers' and Promoters' nonpublic personal information.

13.4 Restrictions on the Disclosure of Account Information

- a) Innov8tive will not share non-public personal information or financial information about current or former Customers or Promoters with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers', or Promoters' interests or to enforce its rights or obligations under the Promoters Agreement or with written permission from the account holder on file.

14.0 PRODUCT INSPECTION, QUALITY CONTROLS, ADVERTISING, PROMOTIONAL MATERIAL, USE OF INNOV8TIVE NAMES AND TRADEMARKS

14.1 Inspection, Product Care, and Quality Controls

- (a) Promptly upon receipt, Promoters shall inspect Innov8tive products and their packaging for damage, broken seals, evidence of tampering, or other product defects. If a product is defective or damaged, Promoters shall not sell the product and must report the defect or damage to Innov8tive. Promoters may return products that are damaged or otherwise defective within thirty (30) days of receipt for a full refund or replacement.
- (b) Promoters must comply with all instructions provided by Innov8tive regarding the proper care, storage, and handling of Innov8tive products. Additionally, Promoters shall store all Innov8tive products in a dry place at room temperature, away from direct sunlight. Members shall also regularly inspect inventory for products that are expired or that will expire within sixty (60) days, and shall not sell any such products.
- (c) If Innov8tive discovers that a Promoter is not properly inspecting products upon receipt, not properly storing and caring for Innov8tive products, and/or selling products that are damaged or otherwise defective, Innov8tive will investigate the Promoter and take remedial and disciplinary action up to and including involuntary termination of the offending Promoter's Innov8tive Account.

14.2 Labeling, Packaging, and Displaying Products

- a) An Innov8tive Promoter and/or Customer may not re-label, re-package, refill, or alter labels of any Innov8tive product, or service, information, materials, or program(s) in any way. Innov8tive products must only be sold in their original containers from Innov8tive. Such re-labeling or re-packaging violates federal law, which may result in criminal or civil penalties or liability.

- b) An Innov8tive Promoter shall not cause any Innov8tive product or service or any Innov8tive trade name to be sold or displayed in retail establishments except:
 - (i) Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas, and beauty salons);
 - (ii) Where the retail establishment is owned or managed by the Innov8tive Promoter and the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.
- c) A Promoter may sell Innov8tive products and services and display the Innov8tive trade name at any appropriate display booth (such as trade shows, expositions, conferences, etc.) so long as any such display is compliant with Innov8tive's policies and procedures.
- d) A Promoter or Customer is prohibited to sell Innov8tive products and services and display the Innov8tive trade name, trademark, or service mark at any kiosk or booth located in any retail establishment, such as a mall or retail facility.
- e) Innov8tive reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the Innov8tive opportunity.

14.3 Use of Innov8tive Names and Protected Materials

- a) An Innov8tive Promoter must safeguard and promote the good reputation of Innov8tive and the products and services it markets. The marketing and promotion of Innov8tive, the Innov8tive business opportunity, the Compensation Plan, and Innov8tive products and services will be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct and practices.
- b) All promotional materials supplied or created by Innov8tive must be used in their original form and cannot be changed, amended, or altered, except with prior written approval from the Innov8tive Compliance Department.
- c) The name of Innov8tive, each of its product and service names, and other names that have been adopted by Innov8tive, in connection with its business are proprietary trade names, trademarks, and service marks of Innov8tive. As such, these marks are of great value to Innov8tive and are supplied to Promoters for their use only in an expressly authorized manner.
- d) An Innov8tive Promoter's use of the name "Innov8tive" is restricted to protect Innov8tive proprietary rights, ensuring that the Innov8tive protected names will not be lost or compromised by unauthorized use. Use of the Innov8tive name on any item not produced by Innov8tive is prohibited except as follows:
 - (i) [Promoter's name] Independent Innov8tive Promoter.
 - (ii) [Promoter's name] Independent Promoter of Innov8tive products and services.

- e) Further procedures relating to the use of the Innov8tive name are as follows:
- (i) All stationary (i.e., letterhead, envelopes, and business cards) bearing the Innov8tive name or logo intended for use by the Innov8tive Promoter must be submitted via email to the Innov8tive Compliance Department for approval. Submit to; compliance@innova8tivenutrition.com.
 - (ii) Innov8tive Promoters may list "Independent Innov8tive Promoter" in the white pages of the telephone directory under his or her own name.
 - (iii) Innov8tive Promoters may not use the name Innov8tive in answering his or her telephone, creating a voice message, or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent Innov8tive Promoter."
- f) Certain photos and graphic images used by Innov8tive in its advertising, packaging, and websites are the results of paid contracts with outside vendors that do not extend to Promoters. If a Promoter wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- g) An Innov8tive Promoter shall not appear on or make use of television or radio or make use of any other media to promote or discuss Innov8tive or its programs, products, or services without prior written permission from the Innov8tive Compliance Department.
- h) A Promoter may not produce for sale or distribution any Innov8tive event or speech, nor may a Promoter reproduce Innov8tive audio or video clips for sale or for personal use without prior written permission from the Innov8tive Compliance Department.
- i) Innov8tive reserves the right to rescind its prior approval of any sales aid or promotional materials to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Promoter.
- j) A Promoter shall not promote non-Innov8tive products or services in conjunction with Innov8tive products or services on the same social media site or same advertisement without prior approval from the Innov8tive Compliance Department.
- k) Claims (which include personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by Innov8tive may not be made except those contained in official Innov8tive literature. In particular, no Promoter may make any claim that Innov8tive products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate Innov8tive policies, but they also potentially violate federal and provincial laws and regulations.
- l) A Promoter shall not state or imply that Innov8tive products can be taken as part of a weight-loss strategy.
- m) A Promoter and/or Customer may not make any claims regarding products or services of any products offered by Innov8tive, except those contained in official Innov8tive literature.

14.4 Faxes and E-mail - Limitations

- a) Except as provided in this section, a Promoter may not use or transmit unsolicited email, mass email distribution, other commercial electronic messages, or “spamming” that advertises or promotes the operation of his or her Innov8tive business. The exceptions are:
 - (i) E-mailing any person who has given prior permission or invitation;
 - (ii) E-mailing any person with whom the Promoter has established a current business or personal relationship.
- b) In all states or the U.S. or International territories where prohibited by law, a Promoter may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer, or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.
- c) All e-mail or computer-broadcasted documents subject to this provision shall include each of the following:
 - (i) A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
 - (ii) A clear return path or routing information;
 - (iii) The use of legal and proper domain name;
 - (iv) A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
 - (v) Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
 - (vi) The true and correct name of the sender, a valid sender’s fax or e-mail address, and a valid sender physical address;
 - (vii) The date and time of the transmission; and
 - (viii) Upon notification by the recipient of his or her request not to receive further faxed or e-mailed documents, an Innov8tive Promoter shall not transmit any further documents to that recipient.
- d) All e-mail or computer-broadcasted documents subject to this provision shall not include any of the following:
 - (i) Use of any third-party domain name without permission; and
 - (ii) Sexually explicit materials.

14.5 Internet and Third-Party Website Restrictions

- a) A Promoter and/or Customer is prohibited from creating or registering any third-party website in order to promote, sell, or advertise their Innov8tive business without Innov8tive's express written approval. A Promoter and/or Customer is prohibited to use or attempt to register any of Innov8tive's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Innov8tive name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- b) An Innov8tive Promoter and/or Customer may not (directly or indirectly through any intermediary or instrumentality) advertise, offer for sale, or facilitate the offering for sale of any Innov8tive products or services or offer the Business Opportunity on any online auction websites, internet retailer sites, or online marketplace websites. Examples of such sites include but are not limited to, eBay®, Amazon, Facebook Marketplace, Sears.com, Jet.com, Walmart.com, and Etsy. This obligation survives the termination of a Promoter's Promoter Agreement with Innov8tive.
- c) Social Media sites may be used to sell or offer to sell Innov8tive products or services. PROFILES A PROMOTER OR CUSTOMER GENERATES IN ANY SOCIAL COMMUNITY WHERE INNOV8TIVE IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE PROMOTER AS AN INDEPENDENT INNOV8TIVE PROMOTER, and when a Promoter and/or Customer participates in those communities, Promoters and/or Customers 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 Innov8tive's sole discretion, and offending Promoter and/or Customer will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Innov8tive-approved library, official Innov8tive website, or social media outlet. If a link is provided, it must link to the posting Promoter's Replicated website. Promoters may not direct social media followers to any other website where Innov8tive products are sold on the Internet unless the website has been specifically approved in writing by Innov8tive as a third-party website where the Promoter may offer Innov8tive products for sale.
- d) Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Promoters will be subject to disciplinary action.
- e) Promoters and/or Customers may not use blog spam, spamdexing, or any other mass-replicated methods to leave blog comments. Comments Promoters or Customers create or leave must be useful, unique, relevant, and specific to the blog's article.
- f) Promoters and/or Customers must disclose their full name on all Social Media postings and conspicuously identify themselves as an Independent Innov8tive Promoter for Innov8tive. Anonymous postings or use of an alias is prohibited.
- g) Postings that are false, misleading, or deceptive are prohibited. This includes but is not limited to, false or deceptive postings relating to the Innov8tive business opportunity or income therewith, Innov8tive's products and services, and/or your biographic information and credentials.

- h) Promoter and/or Customer are personally responsible for their postings and all other online activity that relates to Innov8tive. Therefore, even if a Promoter does not own or operate a blog or Social Media site if a Promoter and/or Customer posts to any such site that relates to Innov8tive or which can be traced to Innov8tive, the Promoter is responsible for the posting. Promoter and/or Customer are also responsible for postings that occur on any blog or Social Media site that the Promoter and/or Customer owns, operates, or controls.
- i) As an Innov8tive Promoter, it is important to not converse with any person who places a negative post against you, other Promoters, or Innov8tive. Report negative posts to Innov8tive at support@innov8tivenutrition.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 Innov8tive, and therefore damages the reputation and goodwill of Innov8tive.
- j) The distinction between a Social Media site and a website may not be clear-cut because some Social Media sites are particularly robust, Innov8tive, therefore, reserves the sole and exclusive right to classify certain Social Media sites as third-party websites which are herein prohibited.
- k) If your Innov8tive business is canceled for any reason, you must discontinue using the Innov8tive name, and all of Innov8tive's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an Independent Innov8tive Promoter, you must conspicuously disclose that you are no longer an Independent Innov8tive Promoter.
- l) Failure to comply with these Policies for conducting business online may result in the Promoter losing their right to advertise and market Innov8tive products, services, and Innov8tive's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.
- m) Promoters are prohibited from selling Innov8tive products to individuals or entities that they know or should know, intend to resell the products. Promoters must sell Innov8tive products only to end-user customers, and Promoters shall not sell to any person any quantity of Innov8tive products greater than that generally purchased by an individual for personal use. Promoters must take reasonable steps to ensure that they do not violate these prohibitions.

14.6 Advertising and Promotional Materials

- a) You may not advertise any Innov8tive products or services at a price LESS than the highest Innov8tive published, established retail price of ONE offering of the Innov8tive product or service plus shipping, handling, and applicable taxes. No special enticement advertising is allowed. This includes but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Innov8tive.
- b) Advertising and all forms of communication must adhere to principles of honesty and propriety.

- c) All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Innov8tive Compliance Department.
- d) All requests for approvals with respect to advertising must be directed in writing to the Innov8tive Compliance Department.
- e) Innov8tive reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations and may require the removal of such advertisements from the marketplace without obligation to the affected Promoter.

14.7 Testimonial Permission

- a) By agreeing to the Innov8tive Promoter Agreement, a Promoter gives Innov8tive permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio, and video. In consideration of being allowed to participate in the Innov8tive business opportunity, a Promoter waives any right to be compensated for the use of his or her testimonial or image and likeness even though Innov8tive may be paid for items or sales materials containing such image and likeness and represents that any testimonial represents Promoter's current, original, honest opinion, thoughts, beliefs, findings or experiences, based on Promoter's actual experience with Innov8tive and any stated use of Innov8tive products and/or services, and agrees to notify Promoter immediately of any changes in the views expressed in the testimonial. In some cases, a Promoter's testimonial may appear in another Promoter's advertising materials. If a Promoter does not wish to participate in Innov8tive sales and marketing materials, he or she should provide a written notice to the Innov8tive Compliance Department to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

14.8 Telemarketing - Limitations

- a) An Innov8tive Promoter must not engage in telemarketing in relation to the operation of the Promoter's Innov8tive business. The term "telemarketing" means the placing of one or more telephone calls, text messages, emails, or facsimile transmissions to an individual or entity to induce the purchase of Innov8tive products or services or to recruit them for the Innov8tive opportunity.
- b) The federal government administers the Unsolicited Telecommunication Rules and operates a national Do-Not-Call registry that requires businesses to refrain from calling phone numbers listed on the national "Do-Not-Call" list (DNCL) and or people who tell the caller directly not to call/fax in the future.
- c) While a Promoter may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the terms "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Promoter to violate the law. These regulations must not be taken lightly, as they carry significant penalties.

- d) “Cold calls” or unsolicited calls/texts/emails/faxes made to prospective Customers or Promoters in order to promote Innov8tive products, services, or the Innov8tive business opportunity is considered telemarketing and is prohibited.
- e) Exceptions to Telemarketing Regulations. An Innov8tive Promoter may place telephone calls or faxes to prospective Customers, or Promoters under the following limited situations:
 - (i) If the Promoter has an established current business relationship with the prospect;
 - (ii) In response to the prospect’s personal inquiry or application regarding a product or service offered by the Innov8tive Promoter, within 3 months immediately before the date of such a call/fax;
 - (iii) If the Promoter receives written and signed permission from the prospect authorizing the Promoter to call/fax;
 - (iv) If the call/fax is to family members, personal friends, and acquaintances. However, if a Promoter makes a habit of collecting business cards from everyone, he/she meets and subsequently calls/faxes them, the federal government may consider this a form of telemarketing that is not subject to this exemption; and
 - (v) Innov8tive Promoters engaged in calling “acquaintances,” must make such calls/faxes on an occasional basis only and not as a routine practice.
- f) A Promoter shall not use automatic telephone dialing systems in the operation of his or her Innov8tive businesses.
- g) Failure to abide by Innov8tive’s policies or federal regulations regarding telemarketing may lead to sanctions against the Promoter, up to and including termination of the Promoter’s Innov8tive Account.
- h) By enrolling as a Promoter, or by accepting commissions, other payments, or awards from Innov8tive, a Promoter gives permission to Innov8tive and other Promoters to contact them as permitted under the Federal Do Not Call regulations.
- i) In the event, a Promoter violates this section, Innov8tive reserves the right to institute legal proceedings to obtain monetary or equitable relief.

15.0 INTERNATIONAL MARKETING

15.1 International Marketing Policy

- a) An Innov8tive Promoter is authorized to sell Innov8tive products and services, to Customers and Promoters only in the countries in which Innov8tive is authorized to conduct business, according to the Policies and Procedures of each country. Innov8tive Promoters may not sell products or services in any country where Innov8tive products and services have not received applicable government authorization or approval.
- b) A Promoter may not, in any unauthorized country, conduct sales, enrollment, or training meetings, enroll or attempt to enroll potential Customers or Promoters, nor conduct any other activity for the purpose of selling Innov8tive products and services, establishing a sales organization, or promoting the Innov8tive business opportunity.

16.0 **SMARTSHIP CANCELLATION**

- a) To cancel or modify your SmartShip at any time you may email support@innov8tivenutrition.com. You can also modify or cancel your order at any time through your portal at cloud.innov8tivenutrition.com. By selecting the “SmartShip” option on the website, you are giving Innov8tive authorization to enroll you in the automatic shipping program. Innov8tive will ship your product directly to you. You are also authorizing Innov8tive to charge your credit card for the products you have ordered on a monthly basis without further warning or notification from Innov8tive. You may cancel at any time without penalty by emailing support@innov8tivenutrition.com. All SmartShip cancellations must be performed or delivered to Innov8tive within five (5) business days prior to your next shipment to guarantee cancellation of that shipment.

17.0 **SHIPPING POLICY**

- a) All orders are processed within 2-3 business days.
- b) Orders are not shipped or delivered on weekends or holidays.
- c) If Innov8tive is experiencing a high volume of orders, shipments may be delayed by a few days. Please allow additional days in transit for delivery. If there will be a significant delay in shipment of your order, we will contact you via email or telephone.
- d) Shipping charges for your order will be calculated and displayed at checkout. Delivery delays can occasionally occur.
- e) Innov8tive is not liable for any products damaged or lost during shipping. If you received your order damaged, please contact the shipment carrier to file a claim.
- f) Please save all packaging material and damaged goods before filing a claim.

18.0 **GLOSSARY OF TERMS**

The terms listed below shall have the following meaning throughout these Policies and Procedures regardless of whether they are capitalized.

ACCOUNT: The secure and proprietary back-office associated with each Promoter’s Innov8tive business and unique User ID where a Promoter can access the Promoter Agreement, the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

ACTIVE PROMOTER: A Promoter who is in good standing with respect to the Promoter Agreement and who satisfies the minimum sales volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

COMPENSATION PLAN: The guidelines and referenced literature for describing how Promoters can generate commissions and bonuses.

COMPETING PRODUCT(S): Any program, product, or service offered by another network marketing/direct sales Innov8tive with characteristics, functions, benefits, or ingredients similar to those offered by Innov8tive, regardless of differences in cost, quality, or other distinguishing factors.

CUSTOMER: Any person who purchases Innov8tive products and does not enroll as an Innov8tive Promoter.

PROMOTER AGREEMENT: The most current version of the following along with any addendums or exhibits thereto: (i) Innov8tive Policies and Procedures; and (ii) Innov8tive Compensation Plan.

PROMOTER: An individual or entity who actively promotes, markets, and sells Innov8tive products for profit and who actively seeks and Recruits others to do the same in accordance with the Promoter Agreement.

FAMILY UNIT: Parents or dependent children living at or doing business at the same address as a Promoter.

LINE OF SPONSORSHIP (LOS): A report generated by Innov8tive that provides critical data relating to the identities of Promoters, sales information, and enrollment activity of each Promoter's Organization. This report contains propriety, confidential, and trade secret information.

ORGANIZATION OR DOWNLINE: The Customers and Promoters placed below a particular Promoter.

OFFICIAL INNOV8TIVE MATERIAL: Literature, audio or video recordings, photographs, intellectual property, and/or any other materials developed, printed, published, or distributed by Innov8tive to Promoter and/or Customers.

PLACEMENT: A Promoter's position inside his or her Sponsor's organization.

RECRUIT, RECRUITMENT & RECRUITING: Actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Promoter or Customer to enroll or participate in any direct sales or network marketing opportunity. Recruitment includes but is not limited to messaging, posting, friending, or otherwise contacting known Promoters and/or Customers of Innov8tive on social media (e.g., Facebook, Instagram, etc.) to discuss another direct sales or network marketing opportunity. The conduct described in this paragraph is Recruitment even if the Promoter's actions are in response to an inquiry made by another Promoter or Customer

RESALABLE: Products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labeling have 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, and 4) the product contains current Innov8tive labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

SALE OF POSITION FORM: Innov8tive's Sale/Transfer Position Form in its current version is available from support@innov8tivenutrition.com.

SPONSOR: A Promoter who enrolls a Customer or other Promoter into Innov8tive and is listed as the Sponsor.

SPOUSE: An individual that is legally married to a Promoter or an individual that is a party to a legally recognized common-law relationship with a Promoter.

UPLINE: This term refers to the Promoter(s) above a particular Promoter in a Sponsorship line up to the company. It is the line of Sponsors that link any particular Promoter to the company.

WALLET: A secure feature in the back-office software that maintains a Promoter's commissions and bonuses.