

## **Liv International Policies and Procedures**

### **Introduction**

The Liv International (hereafter referred to as “Liv International” or “the Company”) Policies and Procedures are in effect from February 1, 2006. Independent Executives (“IEs”) are required to be familiar with the Policies and Procedures herein and agree to comply with all of them. This document must be read in its entirety. Submission of the IE Application constitutes acknowledgement on the part of the IE that he/she has read and agreed to these Policies and Procedures. IEs are required to regularly review the most recent forms of this document as they are published on [www.livinternational.net](http://www.livinternational.net).

Liv International’s Policies and Procedures govern the manner in which an IE (as defined in Section Two below) does business with Liv International, other IEs and retail customers. The Liv International Compensation Plan (“Compensation Plan”), the Liv International IE Application, and the Policies and Procedures constitute a complete Contract between IEs and Liv International. Failure to comply with the provisions of any of these documents comprising the Contract may result in the loss of an IE’s right to information concerning the IE’s downline, the loss of an IE’s right to receive a bonus check, and/or the termination of an IE. Liv International reserves the right to change any of the Policies and Procedures at its discretion. Liv International also reserves the right to overrule any policy or procedure at its discretion. The Policies and Procedures posted on the Company website will be enforced from the date of posting. It is recommended that IEs check the website for updates each month.

Each IE is responsible for notifying their personally sponsored downline of updated Liv International information. New Liv International Policies, forms and literature replace old Policies, forms, and literature. An IE should destroy outdated or invalid literature and forms. Liv International is not obligated to reimburse any IE for outdated materials in the IE’s possession.

### **Section One: IE Status as Independent Contractor**

A. An IE is not an employee or agent of their Sponsor or of the Company. The Company does not dictate IE hours, expenditures, selling or marketing methods, plans, etc. No printed or verbal representations may be made stating or implying otherwise.

B. As independent contractors, all IEs are responsible for any and all operating expenses required to build or maintain a downline. These include, but are not limited to: required licenses, fees, insurance, liabilities and taxes, including sales, income, Social Security and unemployment taxes.

### **Section Two: Becoming an IE .**

A. To enroll as an IE, an applicant must complete, sign and submit a current IE Application and pay the applicable enrollment fee to the Company. Applicants who have paid the enrollment fee are provisionally authorized as IEs.

B. The Sponsoring IE (Sponsor) has the duty to provide the Company with correct documentation concerning sponsorship of the new IE at the time of enrollment. (For

Sponsor/Placement change, see Section Twenty)

C. The Company reserves the right to reject any application, thus terminating provisional IE authorization, at any time prior to receiving an original, signed application. Internet or telephone applications are generally processed immediately but must be followed by an original, signed application form within 30 days. Failure to provide an original, signed application form within this time period may result in the termination of an IE .. Faxed applications will be processed when they are received by the Company and may be deemed as originals. However, the Company may require that a faxed version be followed with an original signed form. The initial enrollment fee is allocated for services provided to an IE by the Company in support of the sales and marketing of Company products. Other than the initial enrollment fee and the annual renewal fee, no additional charges are required to maintain IE status.

D. The IE authorizes the Company to charge fees, fines and/or penalties to the form of payment provided by the IE for payment of product, or alternatively, to receive such fees, fines and/or penalties from the commissions of the IE ..

E. IE ID Number: Liv International will issue every IE a unique numerical identification number (ID number). All U.S. corporate, partnership, trust, and other group IE entities must provide Liv International with certification of their Employer Identification Number, or an appropriate Trust Identification Number, in addition to the Social Security Number or other government issued ID number of each affiliated individual.

Members in countries other than the United States must provide Liv International with a government identification number, and any other information requested by Liv International.

F. Corporations, Partnerships, Trusts, Sole Proprietors and Other Entities: IE Applications for Corporations, Partnerships, Trusts, and Sole Proprietors must contain the names and appropriate identification of each individual involved in the entity.

1. Corporations: The names of the principal officers (president, vice-president(s), secretary, and treasurer), members of the Board of Directors, and shareholders must be included in the IE Application. A copy of the Corporate Articles of Incorporation and Bylaws must accompany the IE Application. An authorized officer must sign the IE Application and that signature shall legally bind the corporation. IEs may not be involved in an IE corporation and hold an individual account in Liv International.
2. Partnerships: Partnership applications, including those of limited liability companies, must include a copy of the Articles of Organization and Partnership or the Operating Agreement if such exists or is required by law. All partners must sign the IE Application. The IE Application must also contain the name and Social Security Number or government issued ID number of every partner, and a Tax Identification Number to be used to identify the partnership.
3. Trusts: Trust applications must include a signed letter identifying the manager or trustee of the trust. The application must include the trust's Tax Identification Number, the names of all persons having a beneficial interest in the trust, and a certified copy of the trust document. The manager or trustee of the trust must sign the IE Application.
4. Sole Proprietors and Other Entities: Sole proprietors and persons, entities, or organizations operating under an assumed name must be registered with distinct Tax

Identification Numbers and may be required to submit a signed statement or copy of ownership or other appropriate documentation and tax identification information. Should the membership of a Sole Proprietorship or other entity be entered online, the required documents mentioned above must be delivered (via fax, mail, or by hand) to Liv International Customer Service within 72 hours of the online pre-enrollment. If Liv International does not receive the appropriate documentation within 30 days the account will be placed on hold and no commissions will be paid until the appropriate documentation is received.

G. Change of IE Status: An IE who wishes to change his/her status from that of an individual IE to a participant in a corporation, partnership, or trust under the same sponsor may do so under the following conditions:

1. All appropriate corporate or partnership documents must be forwarded to the Company
2. The IEs involved in said partnership may not have any beneficial interest in any other position in the Company
3. Any other positions in the Company will not be transferred to another party, but will be terminated.

### **Section Three: Restrictions on Becoming an IE.**

A. All individual IE applicants under the age of majority (usually 18 years of age) must have a parent or legal guardian's signature approving the IE Application.

B. If a married couple with a jointly held IE Account divorces, written notification, including the signatures of both parties, must be provided to the Company indicating how the IE Account is to be managed thereafter. Otherwise, the Company shall either consider the principal account holder as the sole continuing IE or restructure the IE Account pursuant to a court order. The Company reserves the right to charge both IEs a fee in connection with such reorganization. These rules shall also be applied to non-married Co-Applicant IEs.

### **Section Four: IE Authorization Renewal**

A. IE authorization extends for one year from the acceptance date. For each subsequent year, an IE authorization renewal is required. The Company assesses a non-refundable Account Renewal Fee of \$25 (USD) per IE for Back Office and sales support. This fee is billed annually to the IE's account on the anniversary of enrollment.

B. IE Accounts that are not renewed by the billing deadline will be placed on a 60-day hold, which prevents the IE from placing orders or sponsoring new IEs until the fee is paid. Once the 60-day hold period ends, the IE Account will be terminated. At that time the IE will forfeit all sponsorship rights, placement rights, positions earned and Company correspondence.

C. It is the responsibility of the IE to maintain a current IE Account status by remitting the renewal fee in a timely manner.

D. The annual \$25 dollar application renewal fee will be waived if the independent IE has had an Auto-Order (see Section Twelve) for ten months during the calendar year.

## **Section Five: IE Compliance**

A. The Company may terminate an IE Account for cause, including, but not limited to, violation of these Policies and Procedures, a breach of any other promise made in the IE Application and Agreement, or any misstatement or misrepresentation made by the IE in the agreement or on any other form as determined at the sole discretion of the Company.

B. The Company will monitor IE compliance with the established and published Policies and Procedures. This may include, but is not limited to, a review of advertising materials, electronic media, training materials, etc. Comments from the Company regarding compliance must not be interpreted or construed as approval, disapproval, or sanctioning by the Company, but must be considered only as a demand and/or warning to an IE to comply with the agreements and Policies and Procedures established by the Company.

C. In accordance with the agreements and established Policies and Procedures, the Company's Compliance Department shall make determinations as to whether an IE has violated the IE Agreement or the established Policies and Procedures. Investigation results shall be maintained as confidential between the accused IE and the Company.

D. Failure to comply with these Policies and Procedures may be cause for discipline, which may include termination.

E. Advice rendered by the Compliance Division shall not be construed as legal advice and the IE should not rely upon the Company or any of its divisions to provide legal advice. IEs in need of legal advice should seek their own legal counsel.

F. IEs will not participate in any unlawful practices.

## **Section Six: Policy Violation and Accountability Procedures**

A. The Company reserves the exclusive right to discipline and/or terminate and/or withhold payment of commissions to any IE who violates any provision of the IE Application and Agreement, the Policies and Procedures, or any amendments thereto. Such termination cancels any and all rights under the IE Agreement and commission plans. It will be effective upon verification by the Company of said violations and notification to the offending IE. Upon cancellation, the Company shall be entitled to seek legal remedy for any damages to which it is entitled by law and is authorized to contact any governmental entity responsible for oversight of any laws, rules, statutes or regulations that the IE may have violated.

B. When the Company becomes aware of a violation or of an alleged violation, any or all of the following procedures may apply:

1. Warning: Notice of violation to IE. Request to cease non-compliant behavior.
2. Notice of violation: Official commencement of disciplinary procedures. The accused IE is informed of alleged violations and is provided fifteen days to respond to the allegations in writing. After fifteen days any response will be considered and a decision will be made as to appropriate discipline.

3. Probation: The IE may not maintain leadership status, is prohibited from holding opportunity meetings, is prohibited from initiating or requesting sponsor/placement changes and is not allowed to make changes to the information in the Back Office of the website. IE has fifteen days to take corrective action and comply with these Policies and Procedures. Note: Probation does not prevent an IE from approving sponsor/placement change requests initiated by IEs in his/her downline organization.
4. Suspension: IE is prohibited from placing orders, from receiving commission checks, from receiving AUTO-ORDER and from sponsoring new IEs. IE has fifteen days to make corrective changes and comply with these Policies and Procedures.
5. Termination: IE Account of violating IE is terminated. Policies pertaining to termination and reapplication apply.

C. The Company reserves the right to charge a fine to a violating IE at any stage of the disciplinary procedures. The fine will be taken from the commission check or billed directly to the IE (payable by any means that the IE has provided to the Company for payment of product). Failure to pay the fine within 60 days may result in the automatic advancement of the IE to the next disciplinary level, including termination.

D. Violations of any policy and procedure, agreement, law, regulation, ordinance, or statute that jeopardizes the Company's position with any regulatory authority, are grounds for immediate termination.

### **Section Seven: Voluntary Resignation**

A. An IE may resign his/her IE Account at any time by providing to the Company a written request to that effect.

B. After an IE has voluntarily resigned or been terminated by the Company, the former IE must immediately cease to represent himself/herself as an IE of the Company. The downline of a resigned or terminated IE will be transferred to his/her upline sponsor/placement.

C. An IE who has resigned all positions with the company is eligible to reapply to be an IE no less than six months after termination. During this six-month period he/she is not permitted to participate in any way or to act as if he/she is an IE of Liv International. The IE who has resigned all positions, upon re-application for IE status, will be treated as if he/she had never been an IE and will be required to follow standard application procedures and to pay the enrollment fee. He/She will not retain prior rights to bonuses, rank, or position in any former line of descent.

### **Section Eight: Special Requests**

A. The Company provides numerous services to its IEs without charge. However, IEs occasionally make requests that require special time and effort to fulfill. Requests in this category would include copies of receipts, paperwork, or in-depth bonus information that must be calculated or extracted, research, banking instructions, stop-payment requests, reissue of payments, etc. These and other special requests are available to the IE for a cost of \$40 (U.S.) per hour plus actual costs, with a minimum charge of \$40 (U.S.) per request. Costs will include banking fees, photocopy expenses, legal fees, accounting fees, etc.

B. IEs may be asked for a signed confirmation of special work requests before they are started. If a special service is requested due to an error caused by the Company, charges for that request may be waived.

### **Section Nine: Privacy Policy**

A. All information provided by an Applicant on the IE Application will be used for the purpose of qualifying that Applicant as an IE and for purposes relative to the activities of that IE Account. No other use of the information will be made.

B. All information held by the Company with reference to downline, genealogy and placement of IEs is the property of the Company. As such, this information is confidential and proprietary. IEs maintain no rights of ownership with reference to this information and/or data. IEs must treat this information as confidential and proprietary to the Company. Improper and unauthorized use of this information by an IE may be cause for termination and/or any other legal remedy available to the Company.

C. The Company will supply data processing information and reports to the IE concerning the IE's downline sales organization (this information does not include personal information such as Tax Identification Numbers). The IE agrees that he/she will not disclose such information to a third party directly or indirectly (including other Liv International IEs), nor use the information to compete with the Company directly or indirectly. The IE agrees that this information is, and remains, the property of the Company. Violation of this confidentiality requirement is grounds for termination.

D. The Company reserves the right to publish any or all photos, videos, and other media containing images of IEs on the website, social media sites, and publications for the purpose of promoting Liv International.

### **Section Ten: Taxation**

A. The Applicant must provide a Government Identification Number with the Application. A Government Identification Number issued by a national or federal taxing authority (Form W-9 or equivalent in the U.S.) is required for individuals and business entities such as partnerships, organizations, corporations, trusts, limited liability companies, etc.

B. Income tax: IEs will not be treated as employees for taxation purposes. They must fulfill their tax obligations as independent contractors. IEs will not have income (or equivalent) tax withheld from commissions, unless the IE fails to provide the Company with information required by law. IEs shall provide to the Company all relevant tax forms required by the jurisdiction in which they live. Failure to provide such information to the Company may result in withholding a portion of the IE's commission, as required by law. The Company will report income or sales information to the appropriate governmental authority as is required by the applicable law. IEs are responsible for contacting proper taxing authorities or an accountant for up-to-date information on tax law. All IEs agree to indemnify and hold harmless the Company for any tax related penalties and charges incurred because of incorrect or incomplete information provided by an IE.

C. Sales tax/value added tax (or applicable tax) and exemption: If an IE has a standing with the

appropriate taxing authority, then collection of sales tax (or similar tax) will be the responsibility of the IE. The identifying information must be provided to the Company in an appropriate form, before the order is submitted.

- Self-employment tax: IEs must individually pay appropriate self-employment taxes unless an adequate amount of tax is being paid as a result of other employment. Forms and instructions may be obtained from the local taxation authority.

### **Section Eleven: Selling or Transferring an Independent Executive Account**

A. An IE may sell, assign or otherwise transfer his or her rights or position only after receiving the express written approval of the Company. The Company reserves the right to approve any such transactions. A sale or transfer occurs whenever one individual or entity with an identified Taxpayer Identification Number transfers ownership or control to another individual or entity with a different Taxpayer Identification Number.

B. To transfer an IE Account, the following must be submitted to the Company:

1. A written dated, signed and notarized (or equivalent) agreement between transferor and transferee.
2. A new IE Application for the person or entity that is acquiring the transferor's position.
3. The IE enrollment fee. (Paid at the time of the Company's acceptance of the transferee's application.)
4. The Company will assess a \$100.00 transfer-processing fee.
5. The IE Account will be assigned a new IE Identification Number, but will maintain the same sponsor/placement position as before the approved transfer.

C. The Company must receive an application for sale or transfer of ownership by the 15th day of the month in order for the change to go into effect for that month. Any requests received after the 15th, will be processed for the following month. Incomplete, incorrect, inappropriate or rejected applications for change of ownership will be assessed a fee of one-half of the transfer-processing fee (\$50.00).

### **Section Twelve: Auto-Order**

A. An IE may choose to participate in Auto-Order. To establish an Auto-Order, an IE must submit a written request to the Company, indicating the amount of product to be shipped each month and the method of payment to be used. An Auto-Order may be established at the time of application by phone or Internet, but must be confirmed in writing no more than 30 days after application is submitted.

B. Payment will be verified with the credit card company prior to processing the orders and Auto-Order. In the event authorization is declined, the Order Entry Department may attempt to contact the IE and may re-attempt to obtain authorization. If authorization is not achieved by the end of the commission period, the order will be considered "unprocessed" and will not be included in the commission period.

C. Changing Auto-Order: In order for the Company to change any detail pertaining to an IE's

Auto-Order, the Company must be informed by the Friday before the Auto-Order is set to run. Such requests might include a change in the product requested, the shipping address, the payment method, etc. Any changes requested for the Auto-Order on the day of or any day after the Auto-Order has been run will not be honored.

D. AUTO-ORDER Cancellation: Notification of Cancellation of Auto-Order order must be made in writing by the Friday before the Auto-Order is set to run. All individuals and entities on the IE Account must sign this document. Written cancellations received after the Auto-Order has run will be effective the following month.

Cancellation notices must be mailed to: Liv International Customer Services 727 North 1550 East, Suite 300, Orem, UT 84097 or emailed to [customerservice@liveinternational.net](mailto:customerservice@liveinternational.net)

### **Section Thirteen: Payment for Product Orders**

A. Product orders must be accompanied by a form of payment acceptable to the Company. Payment must be for the exact amount of the order. By placing a product order an IE certifies that he/she has sold or consumed 70% of all product previously ordered from the Company and that he/she is not stockpiling product or “front-loading”.

B. IEs may pay for orders using any of the following payment forms:

- Cash (accepted at storefronts and Corporate Offices only)
- Liv International Debit Card
- Cashier’s Check or money order
- Personal or business check
- ACH (U.S. only)
- VISA
- MasterCard
- American Express
- Discover
- Bank Debit Card

C. Telephone orders must be paid by credit card, bank debit card or previously established ACH. After taking the order, the Order Entry Agent will read back the order for approval. It is the IE’s responsibility to make corrections at that time. Once the call is completed, the order is released to the shipping center and no corrections or additions can be made. An IE may contact the Order Entry Department regarding cutoff times for same day shipping.

D. The only person(s) allowed to pay for an order using a credit card or bank debit card are the authorized signer(s) on the credit or bank account. The Company cannot honor requests to pay for an order using a different person’s credit card, debit card or ACH, unless the authorized signer on the credit or bank account has provided prior written authorization to the Company.

E. Each returned check will incur a fee of \$15.00. It is the responsibility of the IE to use another form of payment to remit the returned check fee and pay for the balance on the order for which the returned check was written

#### **Section Fourteen: Product Back Orders**

A. Out-of-stock items will be back ordered; however, volume credit will be given for the order. Back orders will be cancelled upon an IE's request, and the IE will be refunded in full for that order. Please note that if a full refund is given, the IE will forfeit the volume for that purchase.

#### **Section Fifteen: Initial Purchase Guarantee**

A. All customers and/or IEs have a 30-day, 100% satisfaction guarantee with their initial purchase. The Company will refund the net purchase price less shipping charges or replace product, of any initial product order to customers and/or IEs who are in any way dissatisfied with their product. In order to receive this refund or replacement, customers and/or IEs must call the Customer Service Department within 30 days of purchasing their initial order and request a Returned Merchandise Authorization (RMA) number (see section Seventeen) and other product return details.

#### **Section Sixteen: Return policy**

A. IEs may return "resalable", unused, unencumbered products with current labels and intact seals in good condition within 90 days of purchase.

B. In order to be classified as "resalable," the product must be unopened. This condition will be determined after thorough examination by the Company. At this point the IE will be refunded 90% of the net cost of the product, less any commissions (shipping, rebates, promotions, etc.) previously credited to the IE for purchasing the inventory being returned. Refunds or buybacks will not occur on inventory previously certified as "sold" under the 70% clause required for IE orders. Any bonuses or commissions paid to the IE's upline on the returned merchandise product volume will be deducted from any upline beneficiaries' accounts. A "charge back" transaction will appear as a debit on the upline's end-of-month commission report.

C. Liv International will not honor product refund requests made after 90 days of the billing date of any given order.

D. The Company will not regard inventory as "resalable" if the shelf life or expiration date has passed, if the product seals have been broken or tampered with, if the item has been discontinued, or if a particular item had been originally sold under a clearly defined discontinued, seasonal or special promotion.

#### **Section Seventeen: Return Procedure**

A. In order for an IE to obtain a refund for returned merchandise, the IE must adhere to the following procedure:

1. Contact the Company's Customer Service Department to obtain a Returned Merchandise Authorization (RMA) number for the refund request. The RMA number shall be valid for only 30 days from issuance by the Company.
2. Ship the product (prepaid) to the Company in a protective container or carton, along with a completed "Hassle Free Returns" form (found in the order box) including the

RMA number given by the Customer Service Agent. The IE's return address and RMA number should be printed clearly on the outside of the package. Ship to:

**Liv International**

727 N 1550 E, Suite 300

Orem, UT 84097

**Important Note:** Please do not ship the package back to the warehouse, if you do your return will not be credited to you.

B. Any or all shipping or courier costs for the return of product to a Distribution Center will be borne solely by the IE. Any damage or loss that occurs to returned product during shipping would also be the responsibility of the IE. Should the package containing returned product arrive at the Company damaged (thereby rendering it non-resalable) the Company's Distribution Center will reject the shipment. It is recommended that a reliable, traceable courier service be used for shipping.

C. When the above procedure has been completed and the return process and product have been verified, a refund for up to 90% of the wholesale product value will be issued. Refunds will be made through the method used to pay for the order initially (ACH, credit card or check). The Company will have 30 days to resolve this matter. Local, state or provincial repurchase laws or requirements may cause variance to this procedure.

D. If the Company has given a refund for which an IE has been paid commission on the sale, the IE may be required, at the Company's option, to return any applicable commission received, or the Company will deduct the amount from the refunded amount.

E. Retail return policy: Retail customers may return product following the return procedures outlined for IEs.

### **Section Eighteen: Warranties**

A. The Company extends no product warranties, either expressed or implied, beyond those specifically articulated in Company publications. The Company disclaims and excludes all warranties regarding possible infringement of any United States or foreign patent, trademark, trade name, copyright, or the like, by the IE's operations; and the IE shall not have claim therewith. The IE shall immediately notify the Company as soon as he/she learns of any claim or suit relating to any of the matters discussed in this paragraph.

### **Section Nineteen: Sponsorship and Placement Policy**

A. All currently authorized IEs may sponsor other new IEs in the Company program. An IE may not use the placement function to place a new IE outside of the IE's sponsorship tree.

B. Each IE is solely responsible for the development and success of his/her business. All new IEs may request free, reasonable training and support from their Sponsor with regard to Company products, policies and business practices. Each Sponsor is encouraged to maintain an ongoing positive, professional association with the IEs in his/her organization. When requested by a downline IE, a Sponsor is encouraged to provide reasonable training, sales and business development support.

C. Occasionally, more than one current IE may contact the same prospective IE and a question may arise as to who has sponsoring rights for that prospective IE .. The Company will not mediate such disputes and will recognize as the Sponsor the individual, which a newly enrolled IE officially designates as his/her Sponsor on the IE Application form. The Company reserves the right to consult with the applicant regarding the possibility of error. If a sponsorship is incorrect, the new IE is responsible for following the sponsorship change procedure (see Section Twenty). Once an IE has submitted an application to become an IE, other IEs shall not attempt to convince the applicant to change sponsorship and/or placement to another downline organization.

### **Section Twenty: Sponsor and/or placement change**

A. An existing IE may place a personally sponsored IE anywhere in their organization within 5 days of the month following sponsorship. This placement may only occur one time and is not reversible. All Rapid Pay bonuses are paid on the Sponsorship Tree. All Global Commissions are paid based on the Placement Tree.

For Sponsor Change, submit the following:

1. A completed "Sponsor Signature Page" including the signatures of the IE to be moved and the seven (7) upline sponsors.
2. Processing fee

For Placement Change, after the first month following the signup date, submit the following form:

1. A completed "Placement Signature Page" including the signatures of the IE to be moved and the seven (7) upline placements.
2. Processing fee

B. Processing fee: A fee of \$100 (U.S.) will be charged for each sponsor or placement change request submitted. If additional research is required in order to obtain documentation necessary to make such a change, Liv International reserves the right to make additional charges.

C. Deadline: Any sponsor and/or placement change will take effect after the Compliance Division reviews, approves and processes the request. Change request forms must be completed fully, and must be received by the Company by 5:00 p.m. (MT) on or before the 5th business day of the month, in order to be applied to the current month. Requests received after the deadline will be processed for the following month.

D. Resignation: IEs may also change sponsors by resigning from Liv International, remaining outside the program for six months, and then reapplying under a new sponsor. The IE would lose his/her original position over all previously sponsored downline IEs. In the case of resignation, the sponsored placements of the resigning IE move up to the resigning IE's sponsor position and Compression will be in effect.

**Section Twenty-one: Use of name “Liv International” and product names in business names, web domain names, titles, etc.**

A. An IE will not use the name Liv, Liv International or the name of any of the Liv International products in a business name, email address, website domain name, telephone number, or in any other way other than in advertising texts referring to the Company or to the product. Examples of inappropriate URLs:

Livxinney.com  
Livinternational.com  
Sallylivinternational.com

B. No IE business name will imply that it constitutes a regional or organizational component of the Company. Examples of unacceptable IE business names are as follows:

1. Liv International Corporation of Utah
2. Liv International, Inc. Distributing Company
3. Liv International, Inc. Local Office
4. Liv International, Inc. of Los Angeles
5. East Coast Liv International, Inc.

C. An IE will only use the business title of Independent Executive. Acceptable title: John Smith, Independent Executive, Liv International

**Section Twenty-two: Advertisement**

A. All Independent Executives shall safeguard and promote the good reputation of Liv International and its products. The marketing and promotion of Liv International, the Liv International opportunity, the Empowerment Compensation Plan, and Liv International products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. To promote both the products and the tremendous opportunity Liv International offers, Independent Executives should use the sales aids and support materials produced by Liv International. The rationale behind this requirement is simple. Liv International has carefully designed its products, product labels, Empowerment Compensation Plan, and promotional materials to ensure that each aspect of Liv International is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws.

B. Only Company-issued materials reflect the position of the Company with respect to the uses and benefits of any Company product or service. The Company will not review materials developed by IEs. IEs are solely responsible for any and all media they produce. IEs are informed of Company policy and advised of the potential consequences of developing and using improper materials. IEs agree to abide by these Policies and Procedures when developing advertising materials. Any violation of these Policies and Procedures in IE advertisements will be subject to Disciplinary action, pursuant to these Policies and Procedures. IEs agree to indemnify and hold the Company harmless from any claims made as a result of advertising and promotional materials produced and distributed by the IE.

B. IEs are not authorized to use the Company's marks or proprietary information on advertising material. Any unauthorized usage of the Company's marks or proprietary information may be cause for disciplinary action, pursuant to these Policies and Procedures.

C. The following logo is approved for use by IEs:



The logo should be placed at the top of, or in a prominent place on, any printed or electronic media published and used by an IE in the promotion of their business. This includes, but is not limited to, websites, flyers, ads, brochures, pamphlets, posters, banners, business cards, stationery, envelopes, letterhead, etc. The logo would replace using the actual Company logo on IE-sponsored materials. The Company reserves all rights to revoke or rescind prior approval of the use of the Company's registered marks, and/or usage of its name.

D. Newspaper: All IEs may advertise in newspaper ads that conform to these Policies and Procedures.

E. Phone directory: Any IE may place a listing of his/her name in the white or yellow pages of the telephone directory followed by "Liv International Independent Executive." Graphical and display ads in telephone directories are prohibited.

F. Business correspondence: An IE may develop stationery, letterhead, envelopes, and business cards using the approved Liv International Independent IE logo.

G. Social Media Sites: All IEs may advertise on Social Media Sites, such as Facebook and MySpace, etc., that conform to these Policies and procedures.

H. You confirm that the information you give as a testimonial endorsement, or as represented in a photograph, video or audio is true and accurate to the best of your knowledge. You waive any right you may have to inspect or approve the finished or unfinished product(s), the advertising copy, printed, recorded, photographic or video matter which may be used in connection with it or any use that may be made of it.

I. You agree to release and discharge Liv International and its successors, assigns, employees, and agents, from any and all liability, monetary compensation, claim and/or demand arising out of or in connection with the creation and the use of any photograph, video, audio, or endorsement, including any claim for defamation.

## **Section Twenty-three: Websites and Company Email Service**

A. IEs agree to use the approved Liv International IE Banner at the top of each published website page. IEs must include the words "Independent Executive" in the meta tag and title, as well as an identifying factor, of the website.

B. If the IE's website is linked to a third party website, then such link must follow the "two click rule," which is to link to a neutral website before linking to the referred website.

C. IEs may use "replicating" website information and material that has been approved by the Company. Such authorized information will be published generally to all IEs.

D. Liv International IEs are encouraged to use the Liv International websites provided by the company.

E. Description of Service: Liv International provides users with access to a rich collection of resources, including various communications tools, forums, eLearning tools, personalized content and branded programming through its network of properties which may be accessed through any medium or device now known or hereafter developed. Liv International provides this Service to an IE subject to the following Terms of Service. The IE agrees that the Service may include advertisements and that these advertisements are necessary for Liv International to provide the Service.

The IE agrees that the Service may include certain communications from Liv International, such as service announcements (commission statements), administrative messages and the Liv International Newsletter, and that these communications are considered part of a Liv International IE Account and that an IE will not be able to opt out of receiving them. Unless explicitly stated otherwise, any new features which augment or enhance the current Service, including the release of new Liv International properties, shall be subject to the Terms of Service.

The IE agrees that the Service is provided "AS-IS" and that Liv International assumes no responsibility for the timeliness, deletion, misdelivery or failure to store any user communications or personalization settings. An IE is responsible for obtaining access to the Service and that access may involve third party fees (such as Internet service provider or airtime charges). An IE is responsible for those fees, including fees IE .d with the display or delivery of advertisements. In addition, an IE must provide and be responsible for all equipment necessary to access the Service.

F. Member Account, Password and Security: An IE will receive a password and account designation upon completing the Service's registration process. They are responsible for maintaining the confidentiality of the password and account, and are fully responsible for all activities that occur under their password or account. An IE agrees to:

1. Immediately notify Liv International of any unauthorized use of their password or account or any other breach of security, and,

2. Ensure that they exit from their account at the end of each session. Liv International cannot and will not be liable for any loss or damage arising from an IE's failure to comply with this Section.

An IE agrees that all information, data, text, software, photographs, graphics, video, messages or other materials ("Content"), whether publicly posted or privately transmitted, are the sole responsibility of the person from which such Content originated. This means that the IE, and not Liv International, is entirely responsible for all Content that they upload, post, email, transmit or otherwise make available via the Service. Liv International does not control the Content posted via the Service and, as such, does not guarantee the accuracy, integrity or quality of such Content. An IE must understand that by using the Service, they may be exposed to Content that is offensive, indecent or objectionable. Under no circumstances will Liv International be liable in any way for any Content, including, but not limited to, any errors or omissions in any Content, or loss or damage of any kind incurred as a result of the use of any Content posted, emailed, transmitted or otherwise made available via the Service.

H. An IE agrees to *not* use the Service to:

1. Upload, post, email, transmit or otherwise make available any Content that is unlawful, harmful, threatening, abusive, harassing, tortuous, defamatory, vulgar, obscene, libelous, invasive of another's privacy, hateful, or racially, ethnically or otherwise objectionable;
2. Harm minors in any way;
3. Impersonate any person or entity, including, but not limited to, a Liv International official, forum leader, guide or host, or falsely state or otherwise misrepresent your affiliation with a person or entity;
4. Forge headers or otherwise manipulate identifiers in order to disguise the origin of any Content transmitted through the Service;
5. Upload, post, email, transmit or otherwise make available any Content that you do not have a right to make available under any law or under contractual or fiduciary relationships (such as inside information, proprietary and confidential information learned or disclosed as part of IE relationships or under nondisclosure agreements);
6. Upload, post, email, transmit or otherwise make available any Content that infringes any patent, trademark, trade secret, copyright or other proprietary rights ("Rights") of any party;
7. Upload, post, email, transmit or otherwise make available any unsolicited or unauthorized advertising, promotional materials, "junk mail," "spam," "chain letters," "pyramid schemes," or any other form of solicitation.
8. Upload, post, email, transmit or otherwise make available any material that contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment;
9. Disrupt the normal flow of dialogue, cause a screen to "scroll" faster than other users of the Service are able to type, or otherwise act in a manner that negatively affects other users' ability to engage in real time exchanges;
10. Interfere with or disrupt the Service or servers or networks connected to the Service, or disobey any requirements, procedures, policies, or regulations of networks connected to the Service;

11. Intentionally or unintentionally violate any applicable local, state, national or international law, including, but not limited to, regulations promulgated by the U.S. Securities and Exchange Commission, any rules of any national or other securities exchange, including, without limitation, the New York Stock Exchange, the American Stock Exchange or the NASDAQ, and any regulations having the force of law;
12. Provide material support or resources (or to conceal or disguise the nature, location, source, or ownership of material support or resources) to any organization(s) designated by the United States government as a foreign terrorist organization pursuant to section 219 of the Immigration and Nationality Act;
13. "Stalk" or otherwise harass another;
14. Collect or store personal data about other users in connection with the prohibited conduct and activities set forth in paragraphs above.

I. An IE acknowledges that Liv International may or may not pre-screen Content, but that Liv International and its partners shall have the right (but not the obligation) in their sole discretion to pre-screen, refuse, or move any Content that is available via the Service. Without limiting the foregoing, Liv International and its partners shall have the right to remove any Content that violates the Terms of Service or is otherwise objectionable. An IE must agree that they must evaluate, and bear all risks associated with the use of any Content, including any reliance on the accuracy, completeness, or usefulness of such Content. In this regard, an IE must acknowledge that they may not rely on any Content created by Liv International or submitted to Liv International, including without limitation information in Liv International eLearning, and in all other parts of the Service.

J. An IE agrees that Liv International may access, preserve, and disclose their account information and Content if required to do so by law or in a good faith belief that such access preservation or disclosure is reasonably necessary to: (a) comply with legal process; (b) enforce the Terms of Service; (c) respond to claims that any Content violates the rights of third-parties ; (d) respond to an IE's requests for customer service; or (e) protect the rights, property, or personal safety of Liv International, its users and the public.

K. An IE must understand that the technical processing and transmission of the Service, including the IE's Content, may involve (a) transmissions over various networks; and (b) changes to conform and adapt to technical requirements of connecting networks or devices.

L. An IE must understand that the Service and software embodied within the Service may include security components that permit digital materials to be protected, and use of these materials is subject to usage rules set by Liv International and/or content providers who provide content to the Service. An IE may not attempt to override or circumvent any of the usage rules embedded into the Service. Any unauthorized reproduction, publication, further distribution or public exhibition of the materials provided on the Service, in whole or in part, is strictly prohibited.

M. *Special Admonitions for International Use:* Recognizing the global nature of the Internet, an IE must agree to comply with all local rules regarding online conduct and acceptable Content. Specifically, an IE must agree to comply with all applicable laws regarding the transmission of technical data exported from the United States or the country in which an IE resides.

*N. General Practices Regarding Use and Storage:* An IE acknowledges and agrees that Liv International may establish general practices and limits concerning use of the Service, including without limitation the maximum number of days that email messages, message board postings or other uploaded Content will be retained by the Service, the maximum number of email messages that may be sent from or received by an account on the Service, the maximum size of any email message that may be sent from or received by an account on the Service, the maximum disk space that will be allotted on Liv International's servers on an IE's behalf, and the maximum number of times (and the maximum duration for which) an IE may access the Service in a given period of time. An IE must agree that Liv International has no responsibility or liability for the deletion or failure to store any messages and other communications or other Content maintained or transmitted by the Service. An IE must acknowledge that Liv International reserves the right to log off accounts that are inactive for an extended period of time. An IE must further acknowledge that Liv International reserves the right to modify these general practices and limits from time to time.

#### **Section Twenty-four: Retail sales**

A. Retail establishments: The Company has chosen a network marketing business model instead of other possible retail models. The Company therefore encourages its IEs to rely on networking to sell product and recruit new IEs. The Company has established the following policies relative to the sale of Liv International in retail establishments: No IE shall engage in retail sales where:

- The sale constitutes part or all of the regular business of the retail establishment (IE where the transaction is displayed together with other retail products and is processed through the cash register in a fashion similar to products offered for retail sale through the retail establishment. Such retail establishments may include, but are not limited to, health food stores, permanent flea markets, grocery stores, drug stores, pharmacies, etc.)
- No IE shall encourage IEs in his/her downline organization to retail product in violation of the foregoing restrictions. Such encouragement is grounds for disciplinary action pursuant to these Policies and Procedures. The display of IE information within the premises of a retail establishment is acceptable provided it complies with the foregoing restrictions.

B. Displays/Advertisements in Retail Establishments: The display of IE information within the premises of a retail establishment is acceptable if it complies with the restrictions in this and other sections of the Policies and Procedures. It is permissible to incorporate one or several bottles or an image of the bottle into a display for the sole purpose of advertising. The bottle(s) on display may not be for sale. No retail establishment shall advertise Company product or opportunity in a manner that is visible from outside the store.

C. Private Offices: Company product may be displayed and sold in private or restricted access offices, businesses or private associations. Such establishments are those where the general public does not have ready access, unless through appointment and/or where the primary function of the business on the premises is the rendering of professional services.

D. Restaurants: Sale by the bottle of Company product in restaurants is prohibited without prior

written Company approval. Sale by the drink or in a mixture with other juices is acceptable. Cafés and juice bars are included in the general category of restaurants.

E. Auctioning Product: IEs may not sell or facilitate the sale of Company product(s) on websites where an auction is the mode of selling/buying. This policy does not prohibit the sale of Liv International on the Internet. This policy includes the following points:

1. An IE may not personally list product(s) for sale on any auction-style website (i.e., eBay, etc.)
2. For the purpose of this policy, a husband and wife, living in the same household, will be considered a single entity, even if only one has signed on as an IE. This means that both individuals, even if one or the other's name does not actually appear on the IE Account, will be held to this policy (IE a husband, whose wife is an IE, may not sell Liv International product on such a site).
3. An IE may not employ, or provide product to, any non-IE third party (such as a family member, friend, neighbor, coworker, etc.) for the purpose of selling product on their behalf on any auction-style website. This will be found as an equal violation of this policy.
4. An auction listing will be considered a violation even if the price is equal to or greater than the wholesale value of the product. IEs found in violation of this policy may be terminated or be subject to a fine issued of \$25 per bottle, or both. The prohibition of auction-style sales remains in effect even after a IE chooses to resign his/her IE Account. Resignation does not bring exemption to this policy.

F. Expos and Trade Shows: The display and sale of Company products and services at expos and trade shows must receive prior written approval from the Compliance Division. To ensure timely response, all proposals to participate in such events should be submitted in writing to the Compliance Division at least two business days before the deadline for application to the expo or trade show.

### **Section Twenty-five: 70% Rule**

A. Each IE must certify that he/she has sold or consumed, or intends to consume at least 70% of all products purchased at any given time by the IE from the Company. Each IE that receives commissions agrees to retain documentation that demonstrates compliance with this policy, including evidence of retail sales, for a period of at least four years. IEs agree to make this documentation available to the Company at the Company's request. Failure to comply with this requirement constitutes a breach of the contract and agreements between the IE and the Company and entitles the Company to recoup any commissions for any period of time during which such documentation is not maintained.

B. Sales Receipt: IEs shall provide to all customers an official Sales Receipt which includes the IE's name, date, address, phone number, a complete list of products sold, their prices, and the Cancellation Notice information where applicable. The Sales Receipt shall conform to all governmental requirements.

## **Section Twenty-six: Prohibited Behavior Constituting Grounds for Termination**

A. Unfair Competition, “Cross-Sponsoring,” and “Downline Raiding”: An IE shall not sponsor or solicit another IE into any other network-marketing or direct-selling company with the exception of those individuals the IE has personally sponsored and placed on the IE’s downline in the Compensation Plan. Such prohibited solicitation is known as “Cross-Sponsoring.”

In addition, no IE shall participate directly or indirectly in any action or solicitation that causes another IE to be sponsored through someone else into any other network-marketing or direct-selling company. Advertising that solicits participation in another network-marketing or direct-selling company is considered Cross-Sponsoring. These activities constitute grounds for termination.

B. An IE may not attempt to persuade other IEs to change Sponsors or position in the tree within Liv International (i.e., “Downline Raiding”). IEs determined to be participating in such activities will be terminated.

C. Marketing and Product Sales Claims: An IE shall not make any unauthorized representation or sales offers of Liv International, its Marketing Plan or any of the Liv International products including membership fees, medicinal claims, therapeutic claims, or any other representation contrary to that provided by Liv International.

All Marketing and Product Sales representations must be complete, accurate, and truthful as to grade, quality, performance and availability. An IE can never prescribe Liv International products as suitable for the treatment of any ailment. Appropriate Marketing Plan and product information is contained in approved Company literature from Liv International.

D. Income and Opportunity Claims: An IE may make no unreasonable, false, misleading claims or other misrepresentation of earnings or potential income. Income guarantees or expectations of any kind are prohibited, as is disclosure or exhibition of actual or copies of bonus checks or similar evidence.

Specific dollar claims or “average” earnings claims must not be used. Members determined to be participating in these activities will be terminated.

E. Future Growth Claims: An IE must not imply or assert that additional products or services will be added to the products and services currently offered or that enhancements to the Compensation Plan are forthcoming or that specific countries, territories,, or areas are about to be added to countries, territories, or regions of Liv International operation unless, or until, that fact has been officially announced by Liv International to all IEs.

F. Future Market Policy: Liv International will perform all tasks related to the opening of new country markets. Liv International will seek the help of unaffiliated consultants and local professionals to provide additional expertise in the development process. Liv International does not give any IE sole or exclusive access to any market. All claims to that effect in any country in the world are made without Liv International’s permission and are false. If an IE makes such a claim, he/she will be disciplined. Until Liv International has issued an official announcement about the opening of a specific country, IE meetings are prohibited in that country. A meeting is

defined as any gathering attended by five or more people where Liv International's marketing opportunity and/or its products are discussed.

IEs in violation of this policy will be subject to discipline. Anyone who becomes aware of a meeting that violates this policy should notify the Compliance Department and submit written or other evidence of the violation, including the date, time, place, number of attendees, and the IE who held the meeting. Liv International meetings will be allowed in unopened countries only after an official Liv International opening date has been announced.

IEs holding these pre-opening meetings will be obligated to carefully follow the published "Meeting Guidelines" for that country. These guidelines will be published within the official country-opening announcement. Prior to this announcement, Liv International meetings are not allowed under any circumstance. Liv International reserves and will protect all rights to importation around the world. Liv International DOES NOT authorize any IE or non-IE to obtain importation rights and/or product approval in any country without the express written consent of Liv International's Executive Board. Liv International reserves these rights exclusively for itself and its designated agents. Any IE who violates this policy will be subject to immediate discipline and possible termination.

G. International Sales: An IE may not sell any Liv International products in countries, territories, or areas where Liv International does not authorize the sale of such products.

H. Governmental Endorsement Claims Prohibited: An IE shall not represent that the Liv International Compensation Plan or that any of its products have been approved, sponsored, or endorsed by any governmental agency.

I. Reporting Unethical Behavior: While complaints should generally be directed to and through the IE's Upline Sponsors, an IE who has a specific complaint about another IE, or is aware of any violation of these Policies and Procedures by another IE, should direct such complaint in writing to the Liv International Compliance Department in order to minimize the negative aspects accompanying such complaints.

J. No Waiver of Policy Enforcement: Liv International's failure to enforce any of these Policies and Procedures with one IE does not waive Liv International's right to enforce any such provision(s) with that same IE or any other IE.

K. Sponsoring Liv International Employees: An IE shall not solicit or sponsor employees of Liv International or their immediate family members to be IEs.

No Liv International corporate officer, employee, product supplier, agent, IE or consultant or member of their immediate family will be allowed to be an IE, or build a downline within Liv International or any other network-marketing or direct-selling company. For purposes of this paragraph, "immediate family" includes any person currently residing with the officer, employee, product supplier, agent, IE, or consultant.

## **Section Twenty-seven: Compensation Policies**

**A. IE Compensation and Fees:** A IE is compensated pursuant to the Liv Compensation Plan applicable to the country of residence of the individuals owning the Distributorship.

The policies outlined in the Compensation Plan brochure (or on Liv's Website) are the guidelines for payment of earnings under the Compensation Plan and the fees charged to IEs.

An IE is neither guaranteed a specific income nor assured any level of sales, profit, or success.

An IE is wholly responsible for meeting the IE's qualification requirements.

Although Liv provides most IE services to IEs free of charge, from time to time An IE will request or require services that warrant additional time and expense to research or address. The IE requesting services will be charged at Liv's discretion.

**B. Commission Period:** The commissions are distributed pursuant to the commission schedule outlined in the Compensation Plan brochure.

**C. Bonus Payments:** The Independent IE has the option of receiving commission payments either via the Liv Debit Card or a Liv check. Electronic statements will be emailed to the IE each month.

Liv reserves the right to debit or place a hold on An IE's bonus payment for any amount the IE owes Liv.

Liv reserves the right to pursue legal action against IEs owing Liv money.

## **Section Twenty-eight: Liv Code of Ethics**

As an independent contractor and IE of Liv, I promise and agree that:

A. I will be courteous, respectful, honest, and fair in all of my dealings while acting as a Liv IE; furthermore, I will perform my professional activities in a manner that will enhance my reputation and the positive reputation of Liv.

B. I will fulfill my leadership responsibilities as a Sponsor by training, assisting, and otherwise supporting the IEs in my sales organization. I will respect the sponsor relationship of every IE in the Liv family and I will not attempt to interfere with or change these relationships. I will not make disparaging or untrue claims about other Liv IEs.

C. I will follow the P&P to the best of my ability, using my best efforts to follow the spirit, as well as the letter of these P&P.

D. I will abide by the terms and conditions I committed to upon signing my IE agreement.

E. I will not diagnose or prescribe treatment for disease, nor will I make any claims. I will never recommend to anyone that he/she discontinue the services, recommendations, or medications of any doctor or other healthcare professional.

F. I will not misrepresent or make representations regarding the income potential of the Compensation Plan.

G. I will not misrepresent the Liv products or the Compensation Plan; nor will I engage in disparaging, misleading, deceptive, or illegal practices.

H. I will promptly honor the terms of the Liv Retail Customer Product Guarantee with all of my customers.

I agree as a Liv International Distributor to adhere to these Policies and Procedures.

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Printed Name

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Signature

Date