

NewYou

POLICIES AND PROCEDURES v1.0

1.0 INTRODUCTION

1.1 Mutual Commitment Statement

NewYou LLC (hereafter “NewYou” or the “Company”) offers phytocannabinoid infused and nano-amplified Cannabinoids oil in nutritional wellness products (“Products”) sold through a direct sales opportunity afforded to independent business owners (called “Brand Partners”). The NewYou opportunity allows customers (“Customers”) and Brand Partners to make a difference in both the world and their personal lives.

To ensure a long-term and mutually rewarding relationship with its Brand Partners, NewYou and its business owners must acknowledge and respect the true nature of their relationship and pledge combined support towards the service of Customers.

- A. In the spirit of mutual respect and understanding, NewYou is committed to:
 - I. Providing prompt, professional and courteous service and communications to all of its Customers and Brand Partners;
 - II. Providing the highest quality and level of Products at fair and reasonable prices;
 - III. Exchanging or Refunding the purchase price of Products pursuant to the NewYou Return Policy (as defined more fully herein);
 - IV. Delivering orders both promptly and accurately;
 - V. Paying commissions accurately and on a timely basis;
 - VI. Rolling out new Products and programs with solicited Brand Partner input and planning;
 - VII. Supporting, protecting and defending the integrity of the NewYou opportunity;
and
 - VIII. Offering Brand Partners an opportunity to grow with NewYou and make a difference in their own personal lives and the lives of others.
- B. In return, NewYou expects its Brand Partners to:
 - I. Conduct themselves in a professional, honest, and considerate manner;
 - II. Present Corporate and Product information in an accurate and professional manner;

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- III. Present the Compensation Plan and Return Policy in a complete and accurate manner;
- IV. Refrain from making exaggerated income claims;
- V. Make reasonable effort(s) to support Customers and Brand Partners in their downline;
- VI. Refrain from cross-line recruiting, unhealthy competition or unethical business practices;
- VII. Provide positive encouragement, guidance and training to Brand Partners in their downline while exercising caution to avoid interference with those Brand Partner's in another's downline;
- VIII. Support, protect, and defend the integrity of the NewYou opportunity;
- IX. Accurately complete and submit the Brand Partner Agreement and any other requested supporting documentation in a timely manner.

1.2 NewYou Policies and Compensation Plan Incorporated into the Brand Partner Agreement

Throughout these Policies and Procedures when the term "Agreement" is used, it collectively refers to the NewYou Agreement, these Policies and Procedures, and the NewYou Compensation Plan. It is the responsibility of the Sponsoring Brand Partner to provide the most current version of these Policies and Procedures (available on the NewYou website, <http://www.newyoupro.com/new/>) and the NewYou Compensation Plan to each applicant prior to his, her and/or its execution of the Brand Partner Agreement.

1.3 Purpose of Policies

- A. To clearly define the relationship that exists between you and NewYou, and to explicitly set a standard for acceptable business conduct, NewYou has established these Policies and Procedures.
- B. As a Brand Partner, you are required to comply with: (i) all of the terms and conditions set forth in the Brand Partner Agreement, which NewYou may amend from time to time in its sole and absolute discretion; (ii) all federal, state, and/or local laws governing a NewYou business; and (iii) these Policies and Procedures.
- C. Brand Partners must review the information in these Policies and Procedures carefully. Should you have any questions or require any clarification regarding the Policies and

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Procedures, you should contact the NewYou Compliance Department (compliance@NewYou.com).

1.4 Changes, Amendments, and Modifications

- A. Because governing laws and regulations, as well as the business environment, periodically change, NewYou reserves the right to amend the Agreement and the prices in its Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official Company Materials. *Note: This provision does NOT apply to the arbitration clause found in Section 12, which can only be modified via mutual consent.*
- B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
 - I. Posting on the official Company website;
 - II. Electronic mail (e-mail);
 - III. Inclusion in Company newsletters or other Corporate communication channels; or
 - IV. Posting in a Brand Partner's Back Office.

1.5 Delays

The Company shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, and/or weather, curtailment of a source of supply, or government decrees or orders.

1.6 Effective Date

These Policies and Procedures shall become effective as of July 10, 2018 ("Effective Date"). Upon this Effective Date, these Policies and Procedures shall automatically supersede any prior Policies and Procedures (the "Old Policies and Procedures"), and the Old Policies and Procedures shall immediately cease to have any force or effect.

2.0 BASIC PRINCIPLES

2.1 Becoming a Brand Partner of NewYou

- A. To become a Brand Partner, you must comply with the following requirements:
 - I. Be of legal age in the state in which you reside or at least the age of majority;

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- II. Reside or have a valid address in the United States or a U.S. territory;
- III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
- IV. Submit a properly completed Brand Partner Agreement in either hard copy or via electronic signature;
- V. Submit payment of the non-commissionable \$39.00 Brand Partner enrollment fee;
- VI. Not be a NewYou employee, the spouse of a NewYou employee, or related to an employee of NewYou and living in the same household as such NewYou employee; or

2.2 New Brand Partner Registration

- A. A prospective Brand Partner may self-enroll on a Sponsor's website. Under such circumstances, the Company will accept a Brand Partner's web-enrollment by way of submission of his, her or its "electronic signature." This "electronic signature signifies one's acceptance of the terms and conditions of the Brand Partner Agreement. Please note that such electronic signature constitutes a legally binding agreement between you and the Company.
- B. Nonetheless, the Company reserves the right, should it so choose, to require signed paperwork for any account, regardless of origin.
- C. If requested, the signed Brand Partner Agreement must be received by the Company within five (5) business days from enrollment.
- D. Signed documents, including, but not limited to, Brand Partner agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after execution. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document's execution may lead to sanctions, up to and including involuntary termination of the Brand Partner's business.

2.3 Rights Granted

Upon enrollment, the Company thereby grants a Brand Partner the non-exclusive right, based upon the terms and conditions contained in the Brand Partner Agreement and these Policies and Procedures, to:

- I. Purchase NewYou Products;

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- II. Promote and sell NewYou Products in selected markets;
- III. Participate in the Compensation Plan, receiving bonuses and commissions if eligible and earned; and
- IV. Sponsor new Customers and Brand Partners in countries where the Company is established after the Effective Date of these Policies and Procedures.

2.4 Identification Numbers

- A. Each Brand Partner must provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to the Company. NewYou reserves the right to withhold commission payments from any Brand Partner who fails to provide such information or who provides false information.
- B. Upon enrollment, the Company will provide you with a NewYou Identification Number. This number will be used to place orders, structure organizations, and track commissions and bonuses.

2.5 Business Entities

- A. A corporation, partnership, LLC, or trust (collectively referred to as a “Business Entity”) may apply to be a NewYou Brand Partner. This Brand Partner business and position will remain *temporary* until the proper documents are submitted. For a Business Entity to become a Brand Partner, it must provide the Company with the following:
 - I. A completed Brand Partner application (paper or online) signed by an authorized officer of the Business Entity;
 - II. A copy of the corporate Articles of Organization (Corporation), Articles of Organization or Operating Agreement (LLC), partnership agreement, or trust agreement (as applicable). Articles of Incorporation or Articles of Organization must be stamp-filed by the Secretary of State in the state of formation. Partnerships or trust agreements must be fully executed;
 - III. The full name, address, and Social Security Number of all equity owners and each director, manager, officer, shareholder, unit, or holder who owns the Business Entity;
 - IV. A copy of IRS Form SS-4, which by providing you consent verification of and to;
 - V. A properly executed Form W-9;

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- VI. A copy of the fully signed resolution authorizing the Business Entity to enter into the Agreement; and
- VII. A letter from the Business Entity designating one individual, who must be at least eighteen (18) years of age, as the responsible party for the Business Entity's operations and sales.

NewYou must receive these documents within five (5) business days from the date of the Brand Partner Agreement's execution. A NewYou Brand Partner may change their status under the same Sponsor from an individual to a partnership, LLC, corporation, trust or from one type of business entity to another.

2.6 Independent Business Relationship; Indemnification for Actions

- A. As a Brand Partner, you are independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, your success depends entirely upon your own independent efforts.
- B. The Agreement between NewYou and its Brand Partners does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and its independent distributors.
- C. A Brand Partner of NewYou shall not be treated as an employee of the Company for any purposes, including, without limitation, for federal or state tax purposes. All Brand Partners are responsible for paying local, state, and federal taxes due from all compensation earned through a NewYou business. Any other compensation received by A Brand Partner from NewYou will be governed by applicable U.S. tax laws (or the tax laws of any other applicable jurisdiction). The Brand Partner has no express or implied authority to bind NewYou to any obligation or to make any commitments by or on behalf of the Company. Each Brand Partner, whether acting as management of a Business Entity or represented as an individual, shall establish his or her own goals, hours, and methods of operation and sale, so long as he or she complies with the terms of the Brand Partner Agreement, these Policies and Procedures and applicable state and federal laws.
- D. The NewYou Brand Partner is fully responsible for all of his or her verbal and written communications made regarding the Company's Products and the Compensation Plan that are not expressly contained within official Company materials. Brand Partners shall indemnify and hold harmless NewYou, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by the Company as a result of the Brand Partner's unauthorized representations or actions. This provision shall survive the termination of the Brand Partner Agreement.

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2.7 Errors or Questions

If you have any questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, you must notify the Company in writing within thirty (30) days of the date of the error or incident in question. Any such errors, omissions or problems not reported within 30 days shall be deemed expressly waived.

3.0 A BRAND PARTNER'S RESPONSIBILITIES

3.1 Correct Addresses

- A. Accurate and current contact information on Customers and Brand Partners is essential for timely delivery of Company information, product shipments, issuance of tax documents, and commissions. Therefore, all Brand Partners must keep their contact information (e.g., name, SSN or FEIN, email address, mailing address, telephone number, etc.) current. Any email address or telephone number change can be made in the Brand Partner's Back Office or by contacting the NewYou Support team. A mailing address change can only be made by contacting the NewYou Support team and providing the appropriate documentation for proof of residence.
- B. Any fines, sanctions, or penalties levied upon the Company or its Brand Partners resulting from a Brand Partner's failure to provide accurate and complete contact information in a timely manner shall be deducted from that Brand Partner's commissions.

3.2 Training and Leadership

- A. Any NewYou Brand Partner who Sponsors another into the Company must perform authentic assistance and training function(s) to ensure those Brand Partners in their downline properly operate their NewYou business. Sponsoring Brand Partners should have ongoing contact and communication with those in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voice-mail, e-mail, personal meetings, accompaniment of downline Brand Partners to NewYou meetings, training sessions and any other related functions.
- B. A Sponsoring NewYou Brand Partner should monitor those in their downline organizations to ensure that downline Brand Partners do not make improper product or business claims or engage in any illegal or inappropriate conduct. Upon request, a Brand Partner should be able to provide documented evidence to the Company of ongoing fulfillment of these Sponsor responsibilities.
- C. Upline Brand Partners are encouraged to motivate and train new Brand Partners about NewYou's Products, effective sales techniques, the Company Compensation Plan and compliance with these Policies and Procedures.

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- D. **The marketing and sale of product is a required activity in NewYou and must be emphasized in all recruiting presentations.**
- E. Training and Business Tools. Education, training and motivation are critically important to building a successful NewYou business. To educate Brand Partners in the business and teach them how to train and motivate others, the Company provides support materials, tools, support services, and training events in a joint effort with top NewYou leaders and executives. These materials include training collateral and ticketed events produced and distributed by the Company. Brand Partners are not required to purchase these items or attend these events. As such, these items and events are subject to a no-refund policy. These items may include: books, magazines, charts and other printed materials, audio CDS or DVDs, online materials, training and recognition events, conventions or other ticketed events and websites.

3.3 Constructive Criticism; Ethics

- A. NewYou desires to provide its Brand Partners with the best products and Compensation Plan in the industry. Accordingly, NewYou values constructive criticism and encourages the submission of written comments to its Company Support team.
- B. Negative and disparaging comments made by Brand Partners about NewYou, its Products or Compensation Plan, serve no purpose other than to dampen the enthusiasm of other NewYou business owners. Brand Partners must not belittle NewYou, other NewYou Brand Partners, NewYou Products, the Compensation Plan, or NewYou directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by the Company.
- C. **NewYou endorses the following code of ethics:**
 - I. Brand Partners must show fairness, tolerance, and respect to all people associated with NewYou, regardless of race, gender, social class or religion, fostering a “positive atmosphere” of teamwork, good morale and community spirit.
 - II. Brand Partners shall strive to resolve business issues, including situations with those in their upline and downline, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
 - III. Brand Partners must be honest, responsible, professional and conduct themselves with integrity.
 - IV. Brand Partners shall not make disparaging statements about NewYou, other Brand Partners, NewYou employees, product suppliers or agents, Products,

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services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.

- D. NewYou may take appropriate action against a Brand Partner if it determines, in its sole discretion, that the Brand Partner's conduct is detrimental, disruptive, or injurious to NewYou or to other business owners.

3.4 Reporting Policy Violation

- A. A Brand Partner who observes a policy violation by another business owner should submit a written and signed letter, or email, of the violation directly to the NewYou Corporate office. The letter shall set forth the details of the incident as follows:
 - I. The nature of the violation and specific facts to support the allegations;
 - II. Dates and number of occurrences;
 - III. Persons involved; and
 - IV. Any other supporting documentation
- B. Once the matter has been presented to the Company, it will be researched thoroughly by the Company Compliance Department and appropriate action will be taken if required.
- C. This section refers to the general reporting of policy violations as observed by other Brand Partners for the mutual effort to support, protect, and defend the integrity of the NewYou business and opportunity. If a Brand Partner has a grievance or complaint against another which directly relates to his or her NewYou business, the procedures set forth in these Policies must be followed.

3.5 Sponsorship

- A. A Sponsor is the person who introduces a Customer or Brand Partner to NewYou, helps them complete their enrollment, and supports and trains those in their downline.
- B. NewYou recognizes the Sponsor as the name(s) shown on the first:
 - I. Physically signed NewYou Brand Partner Agreement on file; or
 - II. Electronically signed Brand Partner Agreement from a website or a Brand Partner's replicated website.
- C. A Brand Partner Agreement that contains notations such as "by phone" or the signatures of other individuals (i.e., Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by the Company.

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- D. NewYou recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but NewYou will not allow Brand Partners to engage in unethical sponsoring activities.
- E. All active Brand Partners in good standing have the right to Sponsor and enroll others into NewYou. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Brand Partner will approach the same prospect. It is our policy to accept the first application received via US mail or electronic transmission.
- F. *A Protected Prospect* is a guest of any NewYou Customer or Brand Partner who attended a Company event or conference call. For sixty (60) days following the event, a Protected Prospect cannot be solicited or sponsored by any other NewYou Brand Partner who attended the same event. A Company event can be defined as the following:
 - I. Any NewYou training session;
 - II. Conference call;
 - III. Fly-in meeting; or
 - IV. Presentation, including but not limited to a NewYou at home presentation, whether sponsored by NewYou, a Brand Partner, a Customer, or an agent or agency designated by NewYou.

3.6 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 has a signed Brand Partner Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by NewYou, sanctions up to and including termination of a Brand Partner’s business may be imposed.
- B. The use of a Spouse’s or relative’s name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this policy is not permitted.
- C. This policy does not prohibit the transfer of a NewYou business in accordance with NewYou Sale or Transfer Policy set forth in these Policies.

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3.7 Adherence to the NewYou Compensation Plan

- A. A Brand Partner must adhere to the terms of the NewYou Compensation Plan as set forth in these Policies and Procedures as well as in official Company literature. Deviation from the Compensation Plan is prohibited.
- B. A Brand Partner shall not offer the NewYou opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Company literature.
- C. A Brand Partner shall not require or encourage a current or prospective Customer or Brand Partner to participate in NewYou in any manner that varies from the Compensation Plan as set forth in official Company literature.
- D. A Brand Partner shall not require or encourage a current or prospective Customer or Brand Partner to make a purchase from or payment to any individual or other entity as a condition to participating in the NewYou Compensation Plan, other than such purchases or payments required to naturally build their business.
- E. While presenting or discussing the Compensation Plan, Brand Partners must make it clear to prospective Brand Partners that financial success with the Company requires commitment, effort, and sales skill. Conversely, Brand Partners must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations may include statements such as:
 - I. It's a turnkey system;
 - II. The system will do the work for you;
 - III. Just get in and your downline will come;
 - IV. Just join and I will build your downline for you;
 - V. The Company does all the work for you; and/or
 - VI. You don't have to sell anything.

The above statements are just examples of improper representations about the NewYou Compensation Plan. It is important that Brand Partners do not make these or any other representations that could lead a prospective Brand Partner to believe that he, she or it can be successful without commitment, effort, and sales skills.

3.8 Adherence to Laws and Ordinances

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- A. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Brand Partners because of the nature of the business. However, Brand Partners must check their local laws and obey the laws that do apply to them.
- B. A NewYou Brand Partner shall comply with all federal, state and local laws and regulations in their conduct of a NewYou business.

3.9 Compliance with Applicable Income Tax Laws

- A. NewYou will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US Brand Partner whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of NewYou Products for resale, or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the Brand Partner, and a minimum charge of \$20 may be assessed by NewYou.
- B. A Brand Partner accepts sole responsibility for and agrees to pay all federal, state, and local taxes on any income generated as an independent NewYou business owner, and further agrees to indemnify the Company from any failure to pay such tax amounts when due.
- C. If a Brand Partner's business is tax exempt, the Federal Tax Identification number must be provided to the Company in writing.
- D. NewYou encourages all Brand Partners to consult with a tax advisor for additional information for their business.

3.10 One NewYou Business Per Brand Partner

A Brand Partner may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only **one (1)** NewYou business. No individual may have, operate or receive compensation from more than one NewYou businesses. Individuals of the same family unit may each enter into or have an interest in their own separate NewYou businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A "family unit" is defined as Spouses and dependent children living at or doing business at the same address.

3.11 Actions of Household Members or Affiliated Parties

If any member of your immediate household engages in any activity which, if performed by you, would violate any provision of the Agreement, such activity will be deemed a violation expressly by you and NewYou may take disciplinary action pursuant to these Policies and Procedures. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by

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the Business Entity, and NewYou may take disciplinary action against the Business Entity. Likewise, if a Brand Partner enrolls in NewYou as a Business Entity, each affiliated party of the Business Entity (“Affiliated Party”) shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

3.12 Solicitation for Other Companies or Products

- A. A NewYou Brand Partner may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the term of this Agreement and for one (1) year thereafter, you may not recruit any NewYou Brand Partner or Customer for any other direct sales or network marketing business, unless you personally sponsored said Brand Partner or Customer.
- 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 Customer or Brand Partner to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Brand Partner’s actions are in response to an inquiry made by another Customer or Brand Partner.
- C. During the term of this Agreement and for a period of six (6) months thereafter, you must not sell, or entice others to sell, any competing products, including training materials, to NewYou Customers or Brand Partners. Any product in the same category as a NewYou product(s) is deemed to be competing (i.e., any competing product regardless of differences in cost or quality).
- D. However, a Brand Partner may sell non-competing products to NewYou Customers and Brand Partners that they personally sponsored.
- E. A Brand Partner may not display or bundle NewYou Products in sales literature, on a website or in sales meetings, with any other products to avoid confusing or misleading a prospective Customer or Brand Partner into believing there is a relationship between the NewYou and non-NewYou Products.
- F. You may not offer any non-NewYou opportunity or Products at any NewYou-related meeting, seminar or convention, or immediately following a Company event.
- G. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between NewYou and its Brand Partners and would inflict irreparable harm on NewYou. In such event, NewYou may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Brand Partner or such Brand Partners’ business including termination, or seek immediate injunctive relief without the necessity of posting a bond.

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3.13 Presentation of the NewYou Opportunity

- A. In presenting the NewYou opportunity to potential Customers and Brand Partners, you are required to comply with the following provisions:
- I. You shall not misquote or omit any significant material fact about the Compensation Plan.
 - II. You shall make it clear that the Compensation Plan is based upon sales of NewYou Products and upon the sponsoring of other Brand Partners.
 - III. You shall make it clear that success can be achieved only through substantial independent efforts.
 - IV. You shall not make unauthorized income projections, claims, or guarantees while presenting or discussing the NewYou opportunity or Compensation Plan to prospective Brand Partners or Customers.
 - V. You may not make any claims regarding Products except those contained in official Company literature.
 - VI. You may not use official NewYou material to promote the NewYou business opportunity in any country where NewYou has not established a “presence.”
 - VII. In an effort to conduct best business practices, NewYou has developed the Income Disclosure Statement (“IDS”). The NewYou IDS is designed to convey truthful, timely, and comprehensive information regarding the income that NewYou Brand Partners earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective Brand Partners.

A copy of the IDS must be presented to a prospective Brand Partner anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) includes the following: (i) statements of average earnings; (ii) statements of non-average earnings; (iii) statements of earnings ranges; (iv) income testimonials; (v) lifestyle claims; and (vi) hypothetical claims. Examples of “statements of non-average earnings” includes: “Our number one Brand Partner earned over two million dollars last year” or “Our average-ranking Brand Partner makes six thousand per month.” An example of a “statement of earnings ranges” is, “The monthly income for our higher-ranking Brand Partner is twelve thousand dollars on the low end to forty thousand dollars a month on the high end.”

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3.14 Sales Requirements are Governed by the Compensation Plan

- A. NewYou Brand Partners may only sell NewYou Products at the price specified by the Company. There are no exclusive territories granted to anyone. No franchise fees are applicable to a NewYou business.
- B. The NewYou program is built on sales to the ultimate consumer. NewYou encourages its Brand Partners to only purchase inventory that they and their family will personally consume or use as a sales tool. Brand Partners must never attempt to influence any other Brand Partner to buy more products than they can reasonably use or sell to Customers in a given month.

4.0 ORDERING

4.1 General Order Policies

- A. “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes: (i) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (ii) the fraudulent enrollment of an individual or entity as a Customer or Brand Partner; (iii) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Customers or Brand Partners (“phantoms”); (iv) purchasing NewYou Products on behalf of another Customer or Brand Partner, or under another Customer’s or Brand Partner’s ID number, to qualify for commissions or bonuses; (v) purchasing excessive amounts of products that cannot reasonably be used or resold in a month; and/or (vi) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product purchases by end user consumers.

A Brand Partner shall not use another Customer’s or Brand Partner’s credit card or debit checking account to enroll in NewYou or purchase Products without the account holder’s *written permission*. Such documentation must be kept by the Brand Partner indefinitely in case the Company needs to reference this.

- B. Regarding an order with an invalid or incorrect payment, NewYou will attempt to contact the Brand Partner by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after five (5) business days, the order will be canceled.
- C. Product prices are subject to change without notice.
- D. A Brand Partner or Customer who is a recipient of a damaged or incorrect order must notify NewYou within thirty (30) calendar days from receipt of the order and follow the return procedures as set forth in these Policies.

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4.2 Insufficient Funds

- A. All checks returned for insufficient funds will be re-submitted for payment. A \$35 fee will be charged to the account of the Brand Partner or Customer for all returned checks and insufficient funds.
- B. Any outstanding balance owed to NewYou by a Brand Partner or Customer of yours from NSF (non-sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld by the Company from your future bonus and commission checks.
- C. All transactions involving returned checks or insufficient funds through ACH or credit card, which are not resolved in a timely manner by you as a Brand Partner, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the Customer or Brand Partner will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or Brand Partner may be deemed ineligible to purchase NewYou Products.

4.3 Sales Tax Obligation

- A. The Brand Partner shall comply with all state and local taxes and regulations governing the sale of NewYou Products.
- B. NewYou will collect and remit sales tax on Brand Partner orders unless a Brand Partner furnishes NewYou with the appropriate Resale Tax Certificate form. When orders are placed with NewYou, sales tax is prepaid based upon the suggested retail price. NewYou will remit the sales tax to the appropriate state and local jurisdictions. A Brand Partner may recover the sales tax when he or she makes a sale. NewYou Brand Partners are responsible for any additional sales taxes due on Products marked up and sold at a higher price.
- C. NewYou encourages each Brand Partner to consult with a tax advisor for additional information for his or her business.

5.0 PAYMENT OF COMMISSIONS & BONUSES

5.1 Bonus and Commission Qualifications and Discrepancies

- A. A Brand Partner must be active and in compliance with NewYou Policies and Procedures to qualify for bonuses and commissions. So long as the Brand Partner complies with the terms of the Agreement, the Company shall pay commissions to such Brand Partner in accordance with the Compensation Plan.

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- B. NewYou will not issue a payment to a Brand Partner without the receipt of a completed and signed NewYou Brand Partner Agreement or Electronic Authorization.
- C. NewYou reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.
- D. A NewYou Brand Partner must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the 30-day “grace period,” no additional requests will be considered for commission recalculations.
- E. For additional information on payment of commissions, please review the Compensation Plan.

5.2 Adjustments to Bonuses and Commissions for Returned Products

- A. A Brand Partner receives bonuses and commissions based on the actual sales of Products to ultimate users. When a product is returned to NewYou for a refund from the ultimate user, the bonuses and commissions attributable to the returned product will be deducted from the Brand Partner 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 Brand Partner terminates his or her business, and the amounts of the bonuses or commissions attributable to the returned Products have not yet been fully recovered by NewYou, the remainder of the outstanding balance may be offset against any other amounts that may be owed by NewYou to the terminated Brand Partner.

6.0 SATISFACTION GUARANTEED AND RETURN OF SALES AIDS

NewYou offers a one hundred percent (100%) sixty (60) day money back guarantee for all Customers. If a Customer purchased a product and is not satisfied, the Customer may request a refund from their Brand Partner. If you are not 100% satisfied with our Products, you may return the items for a refund if the following conditions are present: (i) neither you nor the Company have terminated the Agreement; (ii) the products were purchased within twelve (12) months; and (iii) the Products remain in resalable condition (“Resalable Condition” as defined in the Glossary of Terms). The refund shall be ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Sales and training tools and items are subject to a no-refund policy. These items may include: books, magazines, charts and other printed materials, audio CDS or DVDs, online materials, training and recognition events, conventions or other ticketed events and websites.

6.1 Return Process

- A. All returns, whether by a Customer or Brand Partner, must be made as follows:

NewYou

- I. Obtain Return Merchandise Authorization (“RMA”) from NewYou;
 - II. Ship items to the address provided by NewYou Customer Service when you are given your RMA.
 - III. Provide a copy of the invoice with the returned Products or service. Such invoice must reference the RMA and include the reason for the return.
 - IV. Ship back product in manufacturer’s box exactly as it was delivered.
- B. All returns must be shipped to NewYou pre-paid, as NewYou does not accept shipping collect packages. NewYou recommends shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer or Brand Partner. If returned product is not received at NewYou Distribution Center, it is the responsibility of the Customer or Brand Partner to trace the shipment and no credit will be applied.
- C. The return of \$500 or more of Products accompanied by a request for a refund within a calendar year by a Brand Partner, may constitute grounds for involuntary termination.

7.0 PRIVACY POLICY

7.1 Introduction

This Privacy Policy is to ensure that all Customers and Brand Partners understand and adhere to the basic principles of confidentiality.

7.2 Expectation of Privacy

- A. NewYou recognizes and respects the importance its Customers and Brand Partners place on the privacy of their financial and personal information. NewYou will make reasonable efforts to safeguard the privacy of and maintain the confidentiality of its Customers’ and Brand Partners’ financial and account information and nonpublic personal information.
- B. By entering into the Brand Partner Agreement, you authorize the Company to disclose your name and contact information to upline Brand Partners solely for activities related to the furtherance of the NewYou business. A Brand Partner hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing your downline organization and conducting the NewYou business.

NewYou

7.3 Employee Access to Information

NewYou limits the number of employees who have access to Customer's and Brand Partner's nonpublic personal information.

7.4 Restrictions on the Disclosure of Account Information

NewYou will not share non-public personal information or financial information about current or former Customers or Brand Partners with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers' or Brand Partners' interests or to enforce its rights or obligations under these Policies and Procedures the Brand Partner Agreement or with written permission from the accountholder on file.

8.0 PROPRIETARY INFORMATION AND TRADE SECRETS

8.1 Business Reports, Lists, and Proprietary Information

By completing and signing the NewYou Brand Partner Agreement, the Brand Partner acknowledges that Business Reports, lists of Customer and Brand Partner names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by NewYou pertaining to the business of NewYou (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to NewYou.

8.2 Obligation of Confidentiality

During the Term of the NewYou Brand Partner Agreement and for a period of five (5) years after the termination or expiration of the Brand Partner Agreement between the you and the Company, you shall not:

- I. Use the information in the Reports to compete with NewYou or for any purpose other than promoting your NewYou business;
- II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

8.3 Breach and Remedies

The Brand Partner acknowledges that such 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 NewYou and to independent NewYou businesses. NewYou and its Brand Partners will be entitled to injunctive relief or to recover damages against any Brand Partner who violates this provision 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.

NewYou

8.4 Return of Materials

Upon demand by NewYou, any current or former Brand Partner will return the original and all copies of all “Reports” to the Company together with any NewYou confidential information in such person’s possession.

9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS

9.1 Labeling, Packaging, and Displaying Products

- A. A Brand Partner may not re-label, re-package, refill, or alter labels of any NewYou product, product information, materials or program(s) in any way. NewYou Products must only be sold in their original containers from NewYou. Such re-labeling or re-packaging violates federal and state laws, which may result in criminal or civil penalties or liability.
- B. A Brand Partner shall not cause any NewYou product or any NewYou trade name to be sold or displayed in retail establishments.
- D. A Brand Partner may only sell NewYou Products and display the NewYou trade name at any appropriate display booth (such as trade shows) if he or she receives *prior written approval* from the NewYou Compliance Department.
- E. NewYou 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, or the NewYou opportunity.

9.2 Use of Company Names and Protected Materials

- A. A NewYou Brand Partner must safeguard and promote the good reputation of the Company and the Products it markets. The marketing and promotion of NewYou, the NewYou opportunity, the Compensation Plan, and NewYou Products 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 NewYou must be used in their original form and cannot be changed, amended or altered except with prior written approval from the NewYou Compliance Department.
- C. The name of NewYou, each of its product names and other names that have been adopted by NewYou in connection with its business are proprietary trade names, trademarks and service marks of NewYou. As such, these marks are of great value to NewYou and are supplied to Brand Partners for their use only in an expressly authorized manner.

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- D. A NewYou Brand Partner's use of the name "NewYou" is restricted to protect NewYou proprietary rights, ensuring that the NewYou protected names will not be lost or compromised by unauthorized use. Use of the NewYou name on any item not produced by NewYou is prohibited except as follows:
 - I. [Brand Partner's name] Independent Brand Partner of NewYou Business;
 - II. [Brand Partner's name] Brand Partner of NewYou Products.
- E. Further procedures relating to the use of the NewYou name are as follows:
 - I. All stationary (i.e., letterhead, envelopes, and business cards) bearing the NewYou name or logo intended for use by the Brand Partner must be approved in writing by the NewYou Compliance Department.
 - II. NewYou Brand Partners may list "Brand Partner of NewYou" or "NewYou Brand Partner" in the white pages of the telephone directory under his or her own name.
 - III. NewYou Brand Partner's may not use the name NewYou, NewYou LLC, or NewYou Corporate 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, "Brand Partner of NewYou."
- F. Certain photos and graphic images used by NewYou in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Brand Partners. If a Brand Partner wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- G. A NewYou Brand Partner shall not appear on or make use of television or radio, or make use of any other media to promote or discuss NewYou or its programs or Products without prior written permission from the NewYou Compliance Department.
- H. A Brand Partner may not produce for sale or distribution any Company event or speech, nor may a Brand Partner reproduce NewYou audio or video clips for sale or for personal use without prior written permission from the NewYou Compliance Department.
- I. NewYou reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Brand Partner.

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- J. A Brand Partner shall not promote non-NewYou Products in conjunction with NewYou Products on the same websites or same advertisement without prior approval from NewYou Compliance Department.
- K. **Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any Products offered by NewYou may not be made except those contained in official NewYou literature. In particular, no Brand Partner may make any claim that NewYou 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 NewYou policies, but also may potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.**

9.3 Email Limitations

- A. Except as provided in this section, a Brand Partner may not use or transmit unsolicited email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her NewYou business. The exceptions are:
 - I. E-mailing any person who has given prior permission or invitation;
 - II. E-mailing any person with whom the Brand Partner has established a prior business or personal relationship.
- B. In all states where prohibited by law, a Brand Partner 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 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 e-mail messages from the sender;

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- 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, valid senders e-mail address, and a valid sender physical address;
 - VII. The date and time of the transmission;
 - VIII. Upon notification by recipient of his or her request not to receive further e-mailed documents, a NewYou Brand Partner 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;
 - II. Sexually explicit materials.

9.4 Internet and Third-Party Website Restrictions

- A. A Brand Partner may not use or attempt to register any of NewYou's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company's 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. Other than through a Personal Replicated Website ("PRW"), a Brand Partner is prohibited from using Internet sponsored links to take orders or solicit leads.
- B. A NewYou Brand Partner may not sell NewYou Products, services or offer the NewYou opportunity using "online auctions," such as eBay®, or through "online marketplaces," such as Amazon.
- C. If you as a Brand Partner desires to utilize an Internet web page to promote your NewYou business, you may do so through the Personal Replicated Website ("PRW") provided by the Company. These websites are seamlessly link to the official NewYou corporate website, giving the Brand Partner a professional and Company-approved presence on the Internet. Brand Partners may enroll both new Customers and Brand Partners on their PRW. All Company website addresses and sub-domains of the Company websites are wholly owned by NewYou.

Brand Partners MAY NOT independently design a website that uses the Company trademarks, trade names, logos or copyrighted materials. Nor may a Brand Partner use "blind" ads on the Internet that makes claims or representations that are ultimately associated with Products or the NewYou opportunity. If you have any questions regarding PRWs, you may contact the NewYou Compliance Department.

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- D. Social Media sites may not be used to sell or offer to sell NewYou Products. **PROFILES A BRAND PARTNER GENERATES IN ANY SOCIAL COMMUNITY WHERE NEWYOU IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE BRAND PARTNER AS A NEWYOU BRAND PARTNER.** Further, when a Brand Partner participates in those communities, he, she or it 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 the Company's sole discretion, and offending Brand Partners will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the NewYou approved library. If a link is provided, it must link to the posting Brand Partner's PRW.
- E. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Brand Partners will be subject to disciplinary action.
- F. Brand Partners may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Brand Partners create or leave must be useful, unique, relevant and specific to the blog's article.
- G. Brand Partners must disclose their full name on all Social Media postings, and conspicuously identify themselves as a Brand Partner of NewYou. Anonymous postings or use of an alias is prohibited.
- H. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the NewYou income opportunity, NewYou's Products, and/or your biographical information and credentials.
- I. Brand Partners are personally responsible for their postings and all other online activity that relates to NewYou. Therefore, even if a Brand Partner does not own or operate a blog or Social Media site, if a Brand Partner posts to any such site that relates to NewYou or which can be traced to NewYou, the Brand Partner is responsible for the posting. Brand Partners are also responsible for postings which occur on any blog or Social Media site that the Brand Partners owns, operates, or controls.
- J. As a NewYou Brand Partner, it is important to not converse with any person who places a negative post against you, other Brand Partners, or NewYou. Report negative posts to the NewYou Compliance Department. 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 NewYou, and therefore damages the reputation and goodwill of the Company.
- K. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, NewYou therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require

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that Brand Partners using, or who wish to use, such sites adhere to the NewYou's policies relating to third-party websites.

- L. If your NewYou business is cancelled for any reason, you must discontinue using the NewYou name, and all of NewYou'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 a Brand Partner of NewYou, you must conspicuously disclose that you are no longer are a Brand Partner of the Company.
- M. Failure to comply with these policies for conducting business online may result in the Brand Partner losing their right to advertise and market NewYou Products and the NewYou business opportunity online in addition to any other disciplinary action available herein.

9.5 Advertising and Promotional Materials

- A. You may not advertise any NewYou Products at a price LESS than the highest company published and established retail price, plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free Products, a free NewYou business, free shipping, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications 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 NewYou Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the NewYou Compliance Department.
- E. NewYou approval is not required to place blind ads that do not mention NewYou, its employees, any of its Products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. NewYou 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 Brand Partner.

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9.6 Testimonial Permission

By signing the NewYou Brand Partner Agreement, you give the Company permission to use your 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 NewYou opportunity, you waive any right to be compensated for the use of your testimonial or image and likeness even though NewYou may be paid for items or sales materials containing such image and likeness. In some cases, a Brand Partner's testimonial may appear in another Brand Partner's advertising materials. If a Brand Partner does not wish to participate in NewYou sales and marketing materials, he or she should provide a written notice to the NewYou 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.

9.7 Telemarketing Limitations

- A. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have laws that restrict telemarketing practices. Both federal agencies, as well as a number of states have "do not call" regulations as part of their telemarketing laws.
- B. While a Brand Partner may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "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 Brand Partner to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).
- C. "Cold calls" or "state-to-state calls" made to prospective Customers or Brand Partners that promote either NewYou Products or the NewYou opportunity is considered telemarketing and is prohibited.
- D. Exceptions to Telemarketing Regulations

A NewYou Brand Partner may place telephone calls to prospective Customers or Brand Partners under the following limited situations:

- I. If the Brand Partner has an established business relationship with the prospect;
- II. In response to the prospect's personal inquiry or application regarding a product offered by the NewYou Brand Partner, within three (3) months immediately before the date of such a call;
- III. If the Brand Partner receives written and signed permission from the prospect authorizing the Brand Partner to call;

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- IV. If the call is to family members, personal friends, and acquaintances. However, if a Brand Partner makes a habit of collecting business cards from everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption;
- V. NewYou Brand Partner engaged in calling “acquaintances,” must make such calls on an occasional basis only and not as a routine practice.
- E. A Brand Partner shall not use automatic telephone dialing systems in the operation of his or her NewYou businesses.
- F. Failure to abide by NewYou policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Brand Partner’s business, up to and including termination of the Brand Partner’s position.
- G. By signing the Brand Partner Agreement, or by accepting commission checks, other payments or awards from NewYou, a Brand Partner gives permission to NewYou and other Brand Partners to contact them as permitted under the Federal Do Not Call regulations.
- H. In the event a Brand Partner violates this section, NewYou reserves the right to institute legal proceedings to obtain monetary or equitable relief.

10.0 CHANGES TO A BRAND PARTNER’S BUSINESS

10.1 Modification of the Brand Partner Agreement

A NewYou Brand Partner may modify his or her existing Agreement (i.e., change a social security number to a Federal ID number, add a Spouse or partner to the account, or change the form of ownership from an individual to a Business Entity owned by the Brand Partner) by submitting a written request, accompanied by a new Brand Partner Agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a “crossed out” or “white-out” version of the first Agreement), and any appropriate supporting documentation.

10.2 Change Sponsor or Placement for Active Brand Partners

- A. Maintaining the integrity of the organizational structure is mandatory for the success of NewYou and our Brand Partners. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first 30 days of initial enrollment as a Brand Partner. Furthermore, such changes may only occur within the same organization.
- B. Sponsors may make “Placement changes” from one Brand Partner to another for personally Sponsored (frontline) Brand Partner during the first 30 days of enrollment.

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- C. New Brand Partners or their original Sponsor may request a change of Sponsor or Placement within the first 30 days of enrollment for the purpose of structuring an organization. The new Brand Partner Agreement must be received within the calendar month for commission calculations to be effective with the requested change.
- D. To change or correct the Sponsor, a Brand Partner must comply with following procedures:
 - I. Submit a Sponsor Placement Transfer Form;
 - II. Submit a NewYou Brand Partner Agreement showing the correct Sponsor and Placement, and any appropriate supporting documentation;
 - III. The Brand Partner Agreement must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first Agreement.
- E. Upon approval, the Brand Partners’ downline, if any, will transfer with the Brand Partner.
- F. If one transfer has already been made, a \$20 fee will be assessed for the second and for each transfer thereafter.
- G. After the first 30 days from initial enrollment, NewYou will honor the Sponsor/Placement as shown:
 - I. On the most recently signed Brand Partner Agreement on file; or
 - II. Self-enrolled on the website (i.e., electronically signed Web Agreement).
- H. NewYou retains the right to approve or deny any requests to change Sponsor or Placement, and to correct any errors related thereto at any time and in whatever manner it deems necessary.

10.3 Change Sponsor or Placement for Inactive Brand Partners

- A. At the discretion of NewYou, Brand Partners who did not participate either by ordering or selling Products within the last twelve (12) months, and who have not tendered a letter of resignation, are eligible to re-enroll in NewYou under the Sponsor/Placement of their choice.
- B. Upon written notice to NewYou that a former Brand Partner wishes to re-enroll, the Company will “compress” (i.e., close) the original account. A new NewYou ID number will then be issued to the former Brand Partner. Such Brand Partner does not retain

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former rank, downline, or rights to commission checks from his or her former organizations.

- C. NewYou reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

10.4 Change Organizations

- A. If a NewYou Brand Partner wishes to transfer organizations, he or she must submit a letter of resignation to the NewYou Customer Service Department and remain inactive (place no orders nor sell any product) with or in the Company for at least six (6) months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. NewYou retains the right to approve or deny any request to re-enroll after a Brand Partner's resignation.
- C. If re-enrollment is approved, the former Brand Partner will be issued a new NewYou ID number and will be required to submit a new Brand Partner Agreement. The Brand Partner will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.
- D. Transfers may not be done outside of the original organization.

10.5 Unethical Sponsoring

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Brand Partner from another Brand Partner or influencing another Brand Partner to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported in writing to the NewYou Compliance Department within the first 90 days of enrollment. If the reports are substantiated, NewYou may transfer the Brand Partner or the Brand Partners' downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Brand Partners. NewYou remains the final authority in such cases.
- C. NewYou prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the NewYou compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Brand Partner in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and

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as such, it is a punishable offense with measures up to and including the termination of the business of all individuals and/or entities found to be directly involved.

- D. Should Brand Partners engage in solicitation and/or enticement of members of another direct sales company to sell or distribute NewYou Products to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Brand Partner alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, NewYou will not pay any of Brand Partner's defense costs or legal fees, nor will NewYou indemnify the Brand Partner for any judgment, award, or settlement.

10.6 Sell, Assign or Delegate Ownership

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for NewYou to place restrictions on the transfer, assignment, or sale of a position.
- B. A NewYou Brand Partner may not sell or assign his or her rights or delegate his or her business without *prior written approval* by NewYou, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of NewYou.
- C. Should the sale be approved by NewYou, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.
- D. To request corporate authorization for a sale or transfer of a NewYou position, the following items must be submitted to the NewYou Compliance Department:
 - I. A Sale/Transfer of position Form properly completed, with the requisite signatures.
 - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
 - III. A NewYou Brand Partner Agreement completed and signed by the Buyer;
 - IV. Payment of the \$250 administration fee;
 - V. Any additional supporting documentation requested by NewYou.
- E. Any debt obligations that either Seller or Buyer may have with NewYou must be satisfied prior to the approval of the sale or transfer by NewYou.
- F. A NewYou Brand Partner who sells his or her business is not eligible to re-enroll as a NewYou Brand Partner in any organization for six (6) full calendar months following

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the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

10.7 Separating a NewYou Business

- A. Pending a divorce or dissolution of a partnership or other 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 NewYou business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize NewYou to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee;
 - II. The parties may continue to operate the NewYou business jointly on a “business as usual” basis, whereupon all compensation paid by NewYou will be paid in the name designated as the Brand Partner or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, NewYou will pay compensation to the name on record and in such event, the Brand Partner named on the account shall indemnify NewYou from any claims from the other business owner(s) or the other Spouse with respect to such payment.
- B. NewYou recognizes only one Downline organization and will issue only one commission check per NewYou business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will NewYou split commission and/or bonus checks.
- C. If a relinquishing Spouse, partner or owner of the business has completely relinquished (“Relinquishing Party”), in writing, all rights to the original NewYou business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Brand Partner or active Customer in the former organization, and must develop a new business in the same manner as any other new NewYou Brand Partner. A Brand Partner 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 12.5.

10.8 Succession

- A. Upon the death or incapacity of a Brand Partner, the Brand Partner’s business may be passed on to his or her legal successors in interest (successor). Whenever a NewYou business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Brand Partner’s sales organization. The successor must:

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- I. Complete and sign a new NewYou Brand Partner Agreement;
 - II. Comply with the terms and provisions of the Brand Partner Agreement; and
 - III. Meet all of the qualifications for the last rank achieved by the former Brand Partner.
- B. Bonus and commission checks of a NewYou business transferred based on this section will be paid in a single check to the successor. The successor must provide NewYou with an “address of record” to which all bonus and commission payments will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.
- C. If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a Federal taxpayer identification number. NewYou will issue all bonus and commission payments and one 1099 Miscellaneous Income Tax form to the managing business entity only.
- D. Appropriate legal documentation must be submitted to NewYou Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a NewYou business, the successor must provide the following to NewYou 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 NewYou business.
- E. To complete a transfer of the NewYou business because of incapacity, the successor must provide the following to the NewYou 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 NewYou business; and
 - III. A completed Brand Partner Agreement executed by the trustee.
- F. If the successor is already an existing Brand Partner, NewYou will allow such Brand Partner to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the 6-month period, the Brand Partner must have compressed (if applicable), sold or otherwise transferred either the existing position or the inherited position.

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- G. If the successor wishes to terminate the NewYou business and position, he or she must submit a notarized statement stating the desire to terminate, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, NewYou may grant a one (1) month bereavement waiver and pay out at the last “paid as” rank.

10.9 Resignation/Voluntary Termination

- A. A Brand Partner may immediately terminate his or her position by submitting a written notice or email to the NewYou Compliance Department. The written notice must include the following:
 - I. The Brand Partner’s intent to resign;
 - II. Date of resignation;
 - III. NewYou Identification Number;
 - IV. Reason for resigning; and
 - V. Signature.
- B. A NewYou Brand Partner may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Brand Partner who has voluntarily resigned is not eligible to reapply for a position or have any financial interest in a or any NewYou business for six (6) months from the receipt of the written notice of resignation.

10.10 Involuntary Termination

- A. NewYou reserves the right to terminate a Brand Partner’s position for, but not limited to, the following reasons:
 - I. Violation of any terms or conditions of the Brand Partner Agreement;
 - II. Violation of any provision in these Policies and Procedures;
 - III. Violation of any provision in the Compensation Plan;
 - IV. Violation of any applicable law, ordinance, or regulation regarding the NewYou business;
 - V. Engaging in unethical business practices or violating standards of fair dealing;
or

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- VI. Returning over \$500 worth of Products for a refund within a twelve (12) month period.
- B. NewYou will notify the Brand Partner in writing at his or her last known address or e-mail address of its intent to terminate the Brand Partner's business and position and the reasons for termination. The Brand Partner will have three (3) calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice.
- C. If the Brand Partner does file a timely appeal of termination, NewYou will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the Brand Partner of its decision. The decision of NewYou is then considered final and not subject to further review.
- E. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by NewYou. The former Brand Partner shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to anything NewYou. NewYou will notify the active Upline Sponsor within ten (10) days after termination. The organization of the terminated Brand Partner will "roll up" to the active Upline Sponsor on record.
- F. The NewYou Brand Partner who is involuntarily terminated by NewYou may not reapply for a position, either under his or her present name or any other name or entity, without the *express written consent of an officer of NewYou*, following a review by the *NewYou Compliance Department*. In any event, such Brand Partner may not re-apply for a position for twelve (12) months from the date of termination.

10.11 Effect of Cancellation

- A. Following a Brand Partner's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Brand Partner:
 - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Brand Partner's former organization or any other payments in association with the Brand Partner's former independent position;
 - II. Effectively waives any and all claims to property rights or any interest in or to the Brand Partner's former Downline organization;
 - III. Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, and less any other amounts owed to NewYou.

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11.0 DISCIPLINARY SANCTIONS

11.1 Imposition of Disciplinary Action - Purpose

It is the spirit of NewYou that integrity and fairness should pervade among its Brand Partners, thereby providing everyone with an equal opportunity to build a successful business. Therefore, NewYou reserves the right to impose disciplinary sanctions at any time, when it has determined that a Brand Partner has violated the Agreement or any of these Policies and Procedures or the Compensation Plan as they may be amended from time to time by NewYou.

11.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following:
 - I. Monitoring a Brand Partner's conduct over a specified period of time to assure compliance;
 - II. Issuance of a written warning or requiring the Brand Partner to take immediate corrective action;
 - III. 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 NewYou receives adequate additional assurances from the Brand Partner to ensure future compliance;
 - IV. Suspension from participation in Company or Brand Partner events, rewards, or recognition;
 - V. Suspension of the NewYou Brand Partner Agreement and position for one or more pay periods;
 - VI. Involuntary termination of the Brand Partner's Agreement and position;
 - VII. Any other measure which NewYou deems feasible and appropriate to justly resolve injuries caused by the Brand Partner's policy violation(s) or contractual breach(es); OR
 - VIII. Legal proceedings for monetary or equitable relief.

12.0 DISPUTE RESOLUTION

12.1 Grievances

- A. If a NewYou Brand Partner has a grievance or complaint against another Brand Partner regarding any practice or conduct relating to their respective NewYou businesses, he or

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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 NewYou Compliance Department as outlined below in this Section.

- B. The NewYou Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Brand Partners involved.
- C. NewYou will confine its involvement to disputes regarding NewYou business matters only. NewYou will not decide issues that involve personality conflicts or unprofessional conduct by or between Brand Partners outside the context of a NewYou business. These issues go beyond the scope of NewYou and may not be used to justify a Sponsor or Placement change or a transfer to another NewYou organization.
- D. NewYou does not consider, enforce, or mediate third party agreements between Brand Partners, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:
 - I. The NewYou Brand Partner should submit a written letter of complaint (via email is acceptable) directly to the NewYou Compliance Department. 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, NewYou will conduct an investigation according to the following procedures:
 - a. The Compliance Department will send an acknowledgment of receipt to the complaining Brand Partner;
 - b. The Compliance Department will provide a verbal or written notice of the allegation to the Brand Partner under investigation;
 - c. The Compliance Department will thoroughly investigate the complaint, 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

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ongoing. No other information will be released during this time. Brand Partner calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.

- E. NewYou will make a final decision and timely notify the Brand Partner involved.

12.2 Arbitration

- A. **Any controversy or claim arising out of or relating to the NewYou Brand Partner Agreement, these Policies and Procedures, or the breach thereof, the Brand Partner’s business or any dispute between NewYou and the Brand Partner, shall be settled by binding and confidential arbitration administered by the American Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Any such arbitration shall be held in San Diego, California. There shall be one arbitrator, who shall have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the American Arbitration Association.
- B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including reasonable attorney’s fees and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.
- C. This agreement to arbitration shall survive any termination or expiration of the Brand Partner Agreement.
- D. Nothing in these Policies and Procedures shall prevent NewYou from applying for or obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect NewYou interests or its Confidential Information prior to, during or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.
- E. **NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.**
- F. These Policies and Procedures and any arbitration involving a Brand Partner and NewYou shall be governed by and construed in accordance with the laws of the state of California, without reference to its principles of conflict of laws.

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12.3 Severability

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.

12.4 Waiver

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

12.5 Successors and Claims

The agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13.0 GOVERNING LAW

These Policies and Procedures shall be governed by and construed in accordance with the Laws of the State of California and the exclusive jurisdiction of the United States courts.

14.0 NEWYOU GLOSSARY OF TERMS

ACTIVE BRAND PARTNER: A Brand Partner who satisfies the minimum volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

AGREEMENT: The contract between the Company and each Brand Partner, which includes: (i) the Brand Partner Agreement; (ii) the NewYou Policies and Procedures; and (iii) and the NewYou Compensation Plan, all in their current form and as amended by NewYou in its sole discretion. These documents are collectively referred to as the "Agreement."

CANCEL: The termination of a Brand Partner's business. Cancellation may be either voluntary, involuntary, or through non-renewal.

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

CUSTOMER: A Customer who purchases NewYou Products and does not engage in building a business or retailing product.

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BRAND PARTNER: An individual who purchases product, generates retail sales and business building commissions.

LINE OF SPONSORSHIP (LOS): A report generated by NewYou that provides critical data relating to the identities of Brand Partners, sales information, and enrollment activity of each Brand Partner's organization. This report contains confidential and trade secret information which is proprietary to NewYou.

ORGANIZATION: The Customers and Brand Partners placed below a particular Brand Partner.

OFFICIAL NEWYOU MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by NewYou to Brand Partners.

PLACEMENT: Your position inside your Sponsor's organization.

RECRUIT: For purposes of NewYou's Conflict of Interest Policy, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another NewYou Brand Partner or Customer to enrol or participate in another multilevel marketing, network marketing, or direct sales opportunity.

RESALABLE CONDITION: Products shall be deemed in "resalable condition" if each of the following elements is satisfied: (i) the Products are unopened and unused; (ii) the product's original packaging and labelling has not been altered or damaged; (iii) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and (iv) the product contains current NewYou labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

SPONSOR: A Brand Partner who enrolls a Customer or another Brand Partner into the Company, and is listed as the Sponsor on the Brand Partner Agreement. The act of enrolling others and training them to become Brand Partners is called "sponsoring."

UPLINE: This term refers to the Brand Partner or Brand Partners above a particular Brand Partner in a sponsorship line up to the Company. It is the line of sponsors that links any particular Brand Partner to the Company.