



# POLICIES & PROCEDURES

FOR THE UNITED STATES

Effective January 15, 2010

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The United States Policies and Procedures (the “Policies & Procedures”) are effective and binding upon Distributors of Unicity International, Inc. (which, together with its current subsidiaries, successors, and assigns, are collectively referred to herein as “Unicity”) as of January 15, 2010. Distributors’ activities on and after January 15, 2010, must be in accord with these Policies & Procedures. Unicity may amend the Contract, as defined below, at any time at its discretion, and such changes shall be effective and binding thirty (30) days after appearance on the Unicity corporate website or in an official Unicity publication or in reprints of the Policies & Procedures.

The Policies & Procedures govern the way a United States Distributor conducts business with Unicity, other Distributors, and Customers. The Unicity Award Plan (the “Award Plan”), the Distributorship Franchise Agreement (the “Distributor Agreement”), and these Policies & Procedures constitute a complete contract (the “Contract”) between, respectively, Distributors and Unicity. Any interpretation, clarification, exclusion or exception to this Contract, in order to be effective, must be in writing and signed by an authorized officer of Unicity. Where the context permits, the singular includes the plural and vice versa and one gender includes any gender. A Distributor’s continuation of a Distributorship or acceptance of Awards pursuant to the Award Plan or acceptance of any other benefits under the Contract constitutes acceptance of the Contract and any and all amendments thereto. This Contract supersedes all Contracts between the Distributor and Unicity Network, Inc., Rexall Showcase International, Inc. or The Enrich Corporation, as the case may be.

# Unicity's Code of Ethics

## **As a Distributor of Unicity, I promise and agree that:**

- I will be courteous, respectful, honest, and fair in all of my dealings while acting as a Unicity Distributor, I will perform my Unicity activities in a manner that will enhance the positive reputation of Unicity, and I will not do anything to damage that reputation, including making or encouraging negative and disparaging remarks about Unicity or its associates or Distributors.
- I will honor the terms of the Unicity Customer Product Satisfaction Guarantee with all of my Customers.
- I will fulfill my leadership responsibilities as a Sponsor by performing reasonable efforts to train, assist, and otherwise support the Distributors in my sales organization and Downline.
- I will respect the Sponsor relationship of every Distributor in the Unicity family, and I will neither attempt to interfere with or change these relationships.
- I will follow the Contract to the best of my ability, making an effort to follow the spirit, as well as the letter, of the Contract.
- I will make no claim about any Unicity product that is not contained in and supported by current official Unicity publications; neither will I misrepresent the income potential of the Unicity opportunity or Award Plan.
- I will not misrepresent the Unicity products, the Award Plan or the Unicity opportunity; neither will I engage in any other manipulative, deceptive or illegal practice.

## SECTION 1

# Definitions

### A. Active Distributor

A Distributor in good standing who has accumulated a minimum of 100 Personal Volume (“PV”) in a Volume Month. A person must be an Active Distributor to be eligible to earn Awards in the Award Plan.

### B. Automatic Refill

Automatic Refill (or “Auto-Refill”) is a program in which products are automatically shipped to Distributors or Customers pursuant to the terms of an Automatic Refill Agreement.

### C. Award Plan

The Unicity Award Plan, and any change or amendment thereto, is an incentive program through which a Distributor may earn Awards pursuant to the rules of the Award Plan and may include other incentive programs or plans which are adopted from time to time in writing by Unicity.

### D. Awards

Any gift, award, premium, benefit, payment or incentive given by Unicity to a Distributor pursuant to the Award Plan. Awards are based upon qualifications under the Award Plan. Most Awards take the form of Volume or Points assigned to an account in the name of a Distributor. Points may be converted to cash payments, sometimes called commissions, bonuses, credits or the like. Other Awards may include prizes, product, gifts, trips, incentives, and the like. Cash payment Awards that are not claimed within ninety (90) days are converted back into Points, which are placed on the Distributor’s account. Any unclaimed Awards or Points at the time of the termination of the Distributor’s Contract are forfeited. Payment of Awards is a conditional obligation upon the Distributor meeting all the requirements for redeeming such.

### E. Customer

An end consumer who is either a Preferred Customer or a Retail Customer. A Distributor is not and may not act as a Customer.

### F. Distributor

An independent contractor who has signed and completed the official Unicity Distributor Agreement and whose Distributor Agreement has been accepted by Unicity and whose relationship is not otherwise terminated. A Distributor is given a license to distribute Unicity products through a Unicity Distributorship and may also be referred to as a Franchise Owner or in other common terms such as Associate, Independent Business Owner, IBO, Member or the like. Likewise, a Distributor may be referred to by the name of the Rank that the Distributor has achieved in the Award Plan, such as Manager, Director, Presidential Sapphire, Presidential Ruby, Presidential Diamond, Double Diamond or Triple Diamond. Preferred Customers and Retail Customers are not Distributors. Any person who has obtained a Distributorship through any authorized or unauthorized means, or has acted or represented themselves to be a Distributor or beneficiary of a Distributorship and thereby obtained any beneficial interest or presumption of a beneficial interest in a Unicity Distributorship is a Distributor and is bound by the duties and obligations of the Contract.

### G. Distributor Agreement

The legally binding agreement between the Distributor and Unicity that is also referred to as the Distributorship Franchise Agreement and is part of the Contract. The Distributor Agreement is a license that is to be completed by the person or entity applying to become a Distributor and such Distributor Agreement is subject to acceptance or rejection by Unicity. The terms and conditions found on the reverse side of the Distributor Agreement are attached hereto as Appendix B and are incorporated herein by this reference.

## H. Distributorship

The right and license granted to a Distributor to purchase, sell, distribute, and promote the Unicity products and business opportunity under the terms and conditions of the Contract.

## I. Downline Organization or Downline

A “Downline Organization” consists of all Distributors who are directly or indirectly Sponsored by a Distributor or by Distributors in his or her Downline.

## J. Enroller

The Distributor who recruits an individual may be recognized on the Distributor Agreement as the Enroller. The Enroller may also be the Sponsor.

## K. First Volume Month

The calendar month in which Unicity accepts a Distributor’s Distributor Agreement.

## L. Frontline

A Distributor who is immediately below the Sponsor in the Sponsor’s Downline.

## M. Genealogy

A list of Distributorships that identify the lines of Sponsorship and provides Unicity’s confidential information to Distributors for the sole purpose of helping them build their Unicity Distributorship. A Genealogy is a Unicity List, see Section 3.H and contains proprietary information about Unicity’s business and may include information such as names, contact information etc.

## N. Personal Volume (PV)

The Volume or Points accumulated from the Distributor’s Unicity product purchases and product purchases made by his or her Customer(s) through Unicity during a Volume Month.

## O. Points

The value or Volume assigned to a Unicity product. A Distributorship accrues Points upon the purchase of product by the Distributor or by the Downline pursuant to the Award Plan. Points or Volume have no monetary value unless properly redeemed.

## P. Preferred Customer

An end consumer, who purchases Unicity products from a Distributor, either directly or through Unicity, and who has paid a special Preferred Customer membership fee and is therefore entitled to a Preferred Customer price and to benefits. Distributors are not Preferred Customers and may

not order products as if they were such. Preferred Customers do not participate in the Award Plan, although the Volume generated from the products they purchase will count toward the PV of the Distributor who sold them the products.

## Q. Qualify

To meet the requirements to achieve a given Rank, benefit or Award under the Award Plan in a Volume Month while the Distributorship is in good standing.

## R. Rank

A qualification title in the Award Plan used to describe the level of recognition or Awards that a Distributorship has earned. The Ranks include: Bronze, Silver, Gold, Manager, Senior Manager, Director, Senior Director, Presidential Sapphire, Presidential Ruby, Presidential Diamond and Presidential Double Diamond.

## S. Retail Customer

An end consumer who purchases Unicity products from a Distributor either directly or through Unicity. Distributors are not Retail Customers and may not order products as if they were such. Retail Customers do not participate in either the Award Plan or the benefits of the Preferred Customer program, although the Volume generated from the products they purchase counts toward the PV of the Distributor who sold them the products.

## T. Retail Price

Suggested price for retail sales.

## U. Sponsor

The first Upline position to a Distributor. To “Sponsor” is to be recognized on the Distributor Agreement as the Sponsor and/or to have the Distributor placed on the Sponsor’s Frontline.

## V. Upline

A Distributor’s Sponsor and successive Sponsors of each Upline.

## W. Volume

The value or Points assigned to a Unicity product. A Distributorship accrues Volume upon the purchase of product by the Distributor or by the Downline pursuant to the Award Plan. Volume or Points have no monetary value unless properly redeemed.

## X. Volume Month

The period of time used to calculate Awards and Ranks under the Award Plan.

## SECTION 2

# The Distributor Application Process

### A. Application

A person may become a Unicity Distributor by paying the Distributorship license fee and by doing any of the following: (i) completing, signing, and returning an original Distributor Agreement to Unicity; (ii) signing and faxing a completed Distributor Agreement to Unicity; (iii) signing up with Unicity over the telephone, followed by the submission of a duly completed and signed original Distributor Agreement to Unicity within thirty (30) days thereof; or (iv) submitting an online Distributor Agreement through Unicity's Internet website. No product purchase is required to become a Unicity Distributor. The Distributor Agreement becomes binding upon Unicity when the Distributor Agreement is entered into the Unicity database as a Distributorship in good standing. Unicity reserves the right, at its sole discretion, to reject any Distributor Agreement. Unicity will not accept inaccurate or false information on a Distributor Agreement. Incomplete, inaccurate or unlawful Distributor Agreements are voidable by Unicity. A Distributor is responsible for informing Unicity of any changes affecting the accuracy of the Distributor Agreement.

### B. Territory

Acceptance by Unicity of the Distributor Agreement authorizes the Distributor to conduct business only in the country of their legal residence ("Home Country"). If a Distributor desires to conduct Unicity business outside of their Home Country, the Distributor may do so only pursuant to the Unicity Ambassador Program. The Ambassador Program is explained in more detail in Appendix C to these Policies & Procedures.

### C. Distributor ID Number

Every Distributor must have a unique numerical identification number ("ID Number"). Unicity will assign the ID Number to Distributors. All individuals or entities

(corporations, partnerships, trusts, etc.) must provide Unicity with a Social Security Number or Federal Tax Identification Number for the individual or entity.

### D. Beneficial Interests

A person may not have or hold a legal or beneficial interest in more than one Distributorship without the written consent of Unicity. This includes being listed as an owner, partner or participant in any partnership, corporation, trust, and other entity that may be a Distributorship. With respect to this provision, the following shall apply:

- 1) Without limitation, a Distributor's spouse and/or household members (those persons domiciled with the Distributor) are deemed to have a beneficial interest in the Distributor's Distributorship; and
- 2) A husband or wife or family members domiciled with a Distributor may neither Sponsor each other nor have different Sponsors, unless otherwise permitted by Unicity.

If a member of a Distributor's household engages in any act or activity that would violate the Contract if performed by the Distributor, such act or activities may be imputed to the Distributor. Such act or activities include but are not limited to:

- a) Advancing funds or costs to a third party to acquire an interest in a Distributorship;
- b) Making a loan to a third party to acquire an interest in a Distributorship;
- c) Having a close familial relationship to a third party who acquires an interest in a Distributorship without disclosing the relationship to Unicity;
- d) Financially supporting in any way, a third party in litigation or actions against Unicity (including payment of attorney's fees, payment of costs of travel, payment of expert cost or the like);

- e) Disclosing in any manner any information that is confidential, proprietary or otherwise to a third party or its agents; and
- f) Entering into an agreement or understanding whereby a Distributor shares in any fashion with a third party in the success of any other Distributorship without the written consent of Unicity.

## E. Corporations

Unicity may at its discretion allow a corporation to hold a Distributorship. Applications submitted by corporations must be signed by a duly authorized officer and contain the name and Tax Identification Number of the corporation along with the names of the principal corporate officers, directors, and shareholders and be accompanied by the corresponding Distributor Agreement Supplement. Furthermore, the corporation shall warrant that it is in good standing and that neither the corporation nor any of its shareholders acts on behalf of or holds a beneficial interest in any other Unicity Distributorship. Unicity may require a copy of the Articles of Incorporation, a certificate of good standing or such other information about the corporation as is necessary to protect the interests of Unicity. Any transfer of ownership interest in the corporation is subject to the transfer rules in Section M. The corporate Distributorship that transfers fifty-percent (50%) or more of its ownership without the consent of Unicity may be terminated at the discretion of Unicity.

## F. Partnerships

Unicity may at its discretion allow a partnership to hold a Distributorship. Applications submitted by partnerships must be signed by a duly authorized partner and contain the name and Tax Identification Number for the partnership along with the names of the partners and be accompanied by the corresponding Distributor Agreement Supplement. Furthermore, the partnership shall warrant that neither the partnership nor any of its partners acts on behalf of or holds a beneficial interest in any other Unicity Distributorship. Unicity may require a copy of the partnership agreement or such other information about the partnership that is necessary to protect the interests of Unicity. Any transfer of ownership interest in the partnership is subject to the transfer rules in Section M. The partnership Distributorship that transfers fifty-percent (50%) or more of its ownership without the consent of Unicity may be terminated at the discretion of Unicity.

## G. Trusts

Unicity may at its discretion allow a trust to hold a Distributorship. Applications submitted by trusts must be signed by a duly authorized trustee and contain the name and Tax Identification Number for the trust along with the names of the current beneficiaries of the trust and the trustees

and be accompanied by the corresponding Distributor Agreement Supplement. Furthermore, the trustee shall warrant that the trust is valid and that neither the trust nor any of the current beneficiaries of the trust acts on behalf of or holds beneficial interest in any other Unicity Distributorship. Unicity may require a copy of the trust document or such other information about the trust that is necessary to protect the interests of Unicity. Any transfer of ownership interest in the trust is subject to the transfer rules in Section M. The trust Distributorship that transfers fifty-percent (50%) or more of its ownership without the consent of Unicity may be terminated at the discretion of Unicity.

## H. Sole Proprietorships

Distributorships held by sole proprietorships shall provide Unicity with a Tax Identification Number and statement of ownership or other necessary documentation, including the corresponding Distributor Agreement Supplement. Any transfer of ownership interest in the sole proprietorship Distributorship is subject to the transfer rules in Section M. The sole proprietorship Distributorship that transfers fifty-percent (50%) or more of its ownership without the consent of Unicity may be terminated at the discretion of Unicity.

## I. Other Entities

Distributorships held by limited liability companies, limited liability partnerships, other organizations and unincorporated associations shall provide Unicity with their Tax Identification Number and statement of ownership or other necessary documentation including the corresponding Distributor Agreement Supplement. Any transfer of ownership interest in a Distributorship is subject to the transfer rules in Section M. The limited liability company, limited liability partnership, other organization and unincorporated association Distributorship that transfers fifty-percent (50%) or more of its ownership without the consent of Unicity may be terminated at the discretion of Unicity.

## J. Marriage of Existing Distributors

If two existing Distributors marry, they may maintain their separate, independent Distributorships. However, after marriage the rights of married Distributors to make account or Sponsor changes may be limited at Unicity's discretion.

## K. Distributor Divorce or Business Association Dissolutions

If married Distributors or Distributorships held by corporations, partnerships, trusts, limited liability companies, limited liability partnerships, other organizations and unincorporated associations or other entities or the like (hereinafter "Business Associations") elect to dissolve the marriage or Business Association, Unicity will continue to treat the Distributorship pursuant to the Distributor

Agreement until such time as Unicity receives satisfactory written notice from all parties or a certified court order directing otherwise. The written notice will be subject to Unicity approval. Divorced Distributors or dissolved Business Associations shall submit to Unicity a certified copy of any legal judgment, decree or agreement specifying how future Awards should be issued. Any transfer of ownership interest in a Distributorship is subject to the transfer rules in Section M. Any Distributorship that transfers of fifty-percent (50%) or more of its ownership without the consent of Unicity may be terminated at the discretion of Unicity.

## L. Distributorship Death

In the event of a Distributor's death, Unicity shall allow the Distributorship license of the deceased Distributor to transfer to an immediate family member (the "heir") regardless of whether the heir already holds a separate Distributorship and provided the following: (i) both the Distributorship of the heir and the Distributorship being inherited are in good standing; (ii) the heir maintains the Distributorship(s) in good standing after the inheritance; and (iii) the heir is in full compliance with the Contract. Each such Distributorship must separately Qualify in accordance with the Award Plan in order to be eligible for Awards and recognition.

In order to transfer a Distributorship after the death of a Distributor, the authorized representative of the estate must provide satisfactory proof of the death to Unicity which may include a certified death certificate, court order or any other documents Unicity deems necessary, and an amended Distributor Agreement in the name of the Distributor receiving the Distributorship must be submitted. Any such assignment or transfer must take place before the annual renewal date of the Distributorship. In the case of intestacy, Unicity will deem the Distributorship nontransferable if Unicity is not contacted by an authorized representative of the estate within six (6) months of the Distributor's death.

## M. Distributorship Transfers

Unicity discourages the transfer of a Distributorship or an interest in a Distributorship. However, to convey, sell, assign or otherwise transfer a Distributorship or any interest therein, a Distributor must follow the Unicity procedures for doing so. Transfers must be approved by Unicity as outlined below:

- 1) The transfer of a Distributorship or an interest therein is subject to the approval of Unicity and a right of first offer of Unicity, followed by a right of first offer of the transferring Distributor's then-first Upline Sponsor who is in good standing and is qualified to earn Awards.
  - a) A Unicity Distributor who receives a Bona Fide Third Party Offer (as hereinafter defined) to purchase a Distributorship (or a fifty-percent [50%] or more interest of a Business Association

holding a Distributorship) shall first offer to sell such Distributorship (or interest) to Unicity on the same terms and conditions contained in the Bona Fide Third Party Offer. Either the transferring Distributor or the proposed buyer shall deliver the Bona Fide Third Party Offer in writing to Unicity and Unicity shall have ten (10) business days after its receipt or final court order in which to accept the offer. A "Bona Fide Third Party Offer" is an arm's length written offer or a final non-appealable court order (a copy of which has been served on Unicity's counsel) to purchase the Distributorship or any interest therein by an individual or entity that is not a Unicity Distributor, which Unicity, at its sole discretion, determines to be a legitimate offer. Evidence of a legitimate offer may include but is not limited to cash or securities deposited into an escrow account, evidence of a loan commitment, and other substantial steps taken for the sole purpose of purchasing such Distributorship.

- b) If Unicity fails to exercise its right of first offer within the ten (10) day time period, the Distributor requesting a transfer shall offer to sell the Distributorship or any interest therein to the then-first Upline Sponsor on the same terms and conditions as those contained in the Bona Fide Third Party Offer. Unicity shall convey the Bona Fide Third Party Offer by providing written notice of the same to the then-first Upline Sponsor. The then-first Upline Sponsor shall have ten (10) business days in which to accept or reject such offer. If the then-first Upline Sponsor accepts the offer, he or she must provide written notice to Unicity upon acceptance.
- c) If the then-first Upline Sponsor fails to exercise his or her right of first offer within the time allotted, the Distributor requesting a transfer may transfer the Distributorship or any interest therein to the third party according to the same terms and conditions contained in the Bona Fide Third Party Offer, provided that the transferring Distributor complies with all other transferring procedures contained in this section and as may be established from time to time by Unicity.
- d) The right of first offer shall apply to each new Bona Fide Third Party Offer received by the transferring Distributor.
- e) Should the transferring Distributor sell the Distributorship to the first Upline Sponsor, the Distributorship will be merged into the Sponsor's existing Distributorship in accordance with Unicity's Distributorship transfer procedures.

- f) The right of first offer procedures herein do not apply to the transfer of a Distributorship or any interest herein, as described below:
  - i) A transfer between husband and wife wherein the transferring spouse continues to hold a beneficial interest; or
  - ii) An authorized transfer from an individual Distributor to a Business Association, so long as his/her spouse owns all interest in the Business Association.
- g) A transfer of any interest requires the prior written approval of Unicity and the submission of an amended Distributor Agreement and supporting documentation.
- 2) Unicity reserves the right at its sole discretion to reject any transferee or buyer in the same manner in which it could reject any submitted Distributor Agreement.
- 3) When a transfer of a Distributorship or any interest therein is allowed, Unicity may require any or all of the following, together with any other documents or information Unicity may request:
  - a) A newly signed Distributor Agreement from the receiving Distributor with payment of the appropriate application fee and a written statement explaining the reason(s) for the transfer.
  - b) A copy of the Sales Agreement. The Sales Agreement must be executed by the transferring Distributor and a notarized copy must be submitted to Unicity. The Sales Agreement must include the following:
    - i) A covenant from the transferring Distributor promising that he or she will not raid, cross-sponsor or recruit any of the Distributorship's Downline into any other direct selling, multilevel or network marketing organization; and
    - ii) A liquidated damages provision requiring the transferring Distributor to pay the receiving Distributor the sum of \$10,000.00 for each instance in which the transferring Distributor violates or attempts to violate the covenant against raiding, cross-sponsoring or recruiting the Downline.
  - c) A termination notification from the transferring Distributor.
  - d) A transaction fee of \$100.00.

## N. Account Changes to Distributorships

Account changes or corrections to the Distributor Agreement may be accomplished by submitting a new Distributor Agreement form with the word "Amendment" written at the top to the Unicity Distributor Compliance Department. All amended forms must be completed in their entirety and signed by all parties of the Distributorship. Name changes require appropriate legal proof of the change.

## O. Legal Age

Distributor applicants must be at least 18 years of age at the time of application.

## SECTION 3

# Distributor Responsibilities

### A. General

Unicity honors all applicable federal, state, and local laws and regulations governing good business practices as well as the standards set by the Direct Selling Association (DSA). Unicity expects and insists that its Distributors adhere to these same ethical business practices. A Distributor agrees to comply with the Unicity Code of Ethics, the Policies & Procedures, the Distributor Agreement, the Award Plan, all contractual obligations, and applicable federal, state, and local laws and regulations. Unicity will not tolerate unethical Distributor activity and may intercede when unethical behavior is discovered or reported. Unicity reserves the right to use its judgment and discretion in determining whether Distributor activities are unethical. Any breach or violation of the Contract may be deemed unethical and grounds for disciplinary action, including termination. Any action that may cause Unicity or its Distributors the loss of good reputation or that is detrimental to the Unicity business will be considered an unethical business practice and may be grounds for disciplinary action. Examples of unethical behavior include but are not limited to the following:

- 1) Causing Unicity product(s), either directly or indirectly, to be sold in retail establishments;
- 2) Selling Unicity products to other Distributors but not arranging PV credit for them;
- 3) Cross-sponsoring;
- 4) Downline Raiding;
- 5) Writing checks on insufficient funds to either Unicity or another Distributor;
- 6) Placing orders on another Distributor's account;
- 7) Using another person's credit card in any unauthorized manner whatsoever;
- 8) Initiating credit-card chargebacks;
- 9) Misrepresenting Unicity's products or Award Plan;

- 10) Engaging in any deceptive or unlawful trade practice or other illegal or unlawful activity;
- 11) Using advertising material without required prior approval;
- 12) Using Unicity's name(s), trademark(s) or logo(s) in any unauthorized manner whatsoever;
- 13) Using any third party name or logo (including but not limited to the unauthorized use of the names or trademarks of Royal Numico, Rexall, and Enrich) in any unauthorized manner whatsoever; and
- 14) Otherwise manipulating the Award Plan by among other things, violating the 70% Rule, holding an unauthorized beneficial interest in another Distributorship, acquiring or transferring an interest in another Distributorship or any other violation of the Contract.

### B. Independent Contractor Status

A Distributor is an independent contractor and is not an agent, employee, partner or party in a joint venture with Unicity; a Distributor may not represent that such an arrangement exists. A Distributor is responsible for the Distributor's own business decisions and expenditures and for satisfying all federal, state, and local laws and regulations applicable in the residence of the Distributor. Since Unicity Distributors are independent contractors, Distributors are not eligible to claim unemployment compensation or other benefits as a result of having been a Unicity Distributor.

### C. Unfair Competition and "Cross-Sponsoring"

A Distributor may not Sponsor or solicit or attempt to Sponsor or solicit another Unicity Distributor into any other network-marketing or direct-selling company, with the exception of those individuals the Distributor has personally Sponsored and who are positioned on the Distributor's Frontline in the Distributor's Downline. Furthermore, a Distributor may not solicit the participation of any Unicity

Distributor, not on the Distributor's Frontline, to purchase any non-Unicity product or to participate in any other direct-sales, network-marketing or multilevel-marketing company or opportunity through direct solicitation by telephone, mail, in person or any other means of communication without the express written consent of Unicity. Also, a Distributor may not engage in indiscriminate advertising that solicits purchasing of non-Unicity products or that promotes participation in another network-marketing or direct-selling company without the written consent of Unicity. Unless otherwise stated herein, any consent granted from Unicity may be revoked upon proper notice at the discretion of Unicity. The foregoing prohibited activities constitute unfair competition with Unicity and are also known as "Cross-Sponsoring." Cross-Sponsoring may be grounds for termination.

#### **D. Distributorship Renewal**

To be in good standing, a Distributor must renew the Distributor Agreement and status annually. Unicity at its sole discretion may reject any application for renewal. Annual renewal includes paying an annual Distributorship renewal fee, remaining in good standing, and, when requested, completing and submitting a renewal form. Payment of the renewal fee is due on the anniversary of the day the Distributor Agreement was entered into the Unicity computer database. Responsibility for renewal rests on each Distributor. Ordering product, sponsoring other Distributors, accepting Awards or other verbal or written authorization shall constitute action on the part of a Distributor that Unicity may accept as intent to renew and shall constitute authorization by the Distributor to debit the Distributor's account in the amount of the renewal fee. At the election of Unicity, a Distributor who does not renew his or her Distributor Agreement within thirty (30) days following the anniversary of the day the Distributor Agreement was entered into the Unicity computer database may be terminated without notice by Unicity. If a Distributorship is terminated by failing to renew or by voluntary resignation, a Distributorship may not be reinstated or regain its Rank or Downline organization existing at the time of termination without the express written consent of Unicity and may not reapply for a new Distributorship for six (6) months.

#### **E. Reporting Unethical Behavior**

A Distributor who has a specific complaint about another Distributor or is aware of any violation of these Policies & Procedures by another Distributor should direct such complaint together with supporting evidence in writing to the Unicity Distributor Compliance Department by fax at 1-801-226-6637 or e-mail at [dc@unicity.net](mailto:dc@unicity.net).

#### **F. Consent**

Unicity may contact a Distributor by telephone number, fax number or e-mail address concerning his or her Distributorship and Unicity business. A Distributor hereby consents to Unicity's use of the Distributor's image and for Unicity to contact the Distributor. A Distributor may withdraw such consent by notifying Unicity in writing.

A Distributor's image may include but is not limited to the Distributor's name, professional name(s), photographs, testimonials, likeness, title, positions, voice(s), biography, and any film footage, videotapes, audiotapes, recordings, articles, and interviews of the Distributor, in any form and medium whatsoever, when created in connection with any Unicity products or opportunity or any events, promotions, and conventions to advertise, promote, and publicize Unicity products or the Unicity opportunity. Once a Distributor image is used, Unicity may continue to use such image even if the Distributor ceases to be associated with Unicity.

#### **G. Policy Enforcement**

Each Distributor Agreement is a separate and enforceable contract between the Distributor and Unicity. Either party may waive the performance obligations of the other or any provisions of the Contract. Unicity is not bound to treat all Distributors equally and may waive certain provisions as to one Distributor versus another. Unicity reserves the right to make exception to or waive any policy or provision of the Contract with respect to any Distributor. The failure of Unicity to enforce any provision(s) of the Contract with one Distributor does not waive the right of Unicity to enforce any such provision(s) with that same Distributor or any other Distributor.

#### **H. Unicity Lists**

Unicity desires to protect itself and its Distributors from inappropriate and unfair competition. Lists of Unicity Distributors, activity reports, Genealogy reports, Customer reports, and other information about Distributors (hereinafter "Lists"), whether partial or complete, provided by or originating from Unicity or any Distributor, may not be published, disseminated or reproduced in any form or way or in any part by a Distributor. The Lists are the confidential and proprietary property of Unicity regardless of whether such Lists are marked confidential or proprietary. Unicity currently maintains and has derived, compiled, and configured Lists through the expenditure of considerable time, effort, and monetary resources. Lists, in present and future forms and as amended from time to time, constitute commercially advantageous proprietary assets and trade secrets of Unicity which Unicity Distributors shall hold confidential. Without Unicity's prior written consent, such Lists shall not be disclosed by Distributors to any third party.

or used for purposes other than in the performance of their obligations under the Contract and for the benefit of Unicity.

- 1) Unicity may provide uniquely tailored portions of Lists to Distributors for a fee. Each portion of the provided Lists contains information specific to the Distributor who requests the List and to the Distributor's Downline Organization. Lists may be provided by various media, including but not limited to mail order, fax, and Unicity's Internet website. Unicity may at its sole discretion refuse to provide Lists to any Distributor.
- 2) A Genealogy is a part of the Distributor Lists and is the confidential information and trade secret of Unicity.
- 3) Lists are provided for the exclusive and limited use of the Distributor to facilitate the training, support, and service of the Distributor's Downline and to further the Distributor's Unicity business only. Each Distributor agrees that the use of Unicity Lists within the intended scope constitutes a separate, exclusive license agreement between the Distributor and Unicity.
- 4) Lists remain, at all times, the confidential and exclusive property of Unicity and must be returned to Unicity after use or upon request by Unicity. The publication of Distributor or Customer names or a portion of the List by Unicity does not authorize a Distributor to publish such information again. A Distributor requesting a List agrees to the following:
  - a) To limit the use of a List to the intended scope of the List and to exclusively advance a Distributor's Unicity-related business;
  - b) To hold confidential and not disclose any List or portion thereof to any third party, including, but not limited to, existing Distributors, competitors, and the general public. Any unauthorized

use or disclosure of Lists constitutes misuse, misappropriation, and a violation of the Distributor Agreement and may cause irreparable harm to Unicity;

- c) That upon any violation under this section, the Distributor will stipulate to injunctive relief, enjoining such use under applicable federal, state and local laws, and retrieve and return to Unicity all existing Lists previously provided to the Distributor;
  - d) That intended or unintended misuse of a List may be cause for termination of a Distributorship, whether or not such misuse causes irreparable harm to Unicity or one of its Distributors; and
  - e) That the obligations under this section will survive the termination of the Distributor Agreement and the Contract.
- 5) Unicity reserves the right to pursue all appropriate remedies under applicable national or local laws to protect its rights to the Lists as proprietary and trade secrets of Unicity; any failure to pursue such remedies will not constitute a waiver of those rights.

## **I. Distributor Gifts to Unicity Employees**

Unicity employees may not accept any favors, cash or the like from a Distributor. Furthermore, a Distributor may not enter into a business relationship of any form with any Unicity employee, affiliate or vendor without the express written consent of Unicity's President and General Counsel. Unicity employees appreciate the kindness of Distributors and may accept small tokens or gifts of appreciation (not to exceed thirty dollars [\$30.00] in value annually) upon notifying and receiving approval from their department head.

## SECTION 4

# Sponsoring

### A. Sponsoring

Sponsoring is an important part of being a Unicity Distributor and carries with it many benefits and responsibilities. A Distributor may act as the Sponsor for a Distributor applicant so long as the Sponsor is in good standing with Unicity. Consideration for assuming the obligations set forth in this section on Sponsoring shall be the Awards from the Award Plan. If more than one Distributor claims Sponsorship of the same person, Unicity will at its sole discretion determine the Sponsor.

### B. Prospective Distributor Information

A Sponsor must clearly state in all presentations to prospective Distributors that no product purchase is required to become a Distributor and that there is no compensation or Awards granted to any Distributor solely for sponsoring new Distributors.

### C. Duties of a Sponsor

A Sponsor has various duties and responsibilities toward his or her Downline which include the following:

- 1) To offer reasonable support, information, and assistance as well as bona fide supervisory, marketing, selling, and training support;
- 2) To reasonably ensure that all Downline Distributors understand and comply with the most current terms and conditions of the Distributor Agreement, the Policies & Procedures, and the Award Plan; and
- 3) To reasonably attempt to resolve disputes arising between persons related to his or her organization, including Preferred Customers, Retail Customers, and any Downline Distributors, promptly and amicably, without discussing negative information with other Downline Distributors or any other persons.

### D. Change of Sponsorship

Unicity strongly discourages changes of Sponsorship. A Distributor may not attempt to persuade other Distributors to change Sponsors. This is known as "Downline Raiding," and a Distributor who engages in Downline Raiding may be subject to disciplinary action by Unicity, including termination of the Distributor Agreement.

Unless otherwise approved by Unicity in writing, a Distributor wishing to change his or her Sponsor must resign and may not reapply for a new Distributorship for six (6) months, at which time the Distributor may sign up under another Sponsor. Unicity may, at its discretion, allow a Distributor to change Sponsors.

- 1) The Distributor desiring the change may be required to submit the following items to the Distributor Compliance Department:
  - a) If the requesting Distributor's Rank is below Manager and the Distributor has never achieved the Rank of Manager or higher, a Sponsor Change request that includes the signature of the first three (3) Active Distributors in good standing that are in the Upline of the requesting Distributor; or from any Distributor adversely affected by the move
  - b) If the requesting Distributor's Rank is Manager or higher or the Distributor has previously achieved the Rank of Manager or higher, a Sponsor Change request that includes the signature of the first eight (8) Active Distributors in good standing that are in the Upline of the requesting Distributor; or from any Distributor adversely affected by the move
  - c) An acceptance letter from the prospective Sponsor;
  - d) An amended Distributor Agreement with the new Sponsor information listed; and
  - e) The payment of the required \$100.00 fee.

- 2) If the Distributor is seeking to move Upline, regardless of his or her current or previous Rank, he or she must also obtain approval from the affected Upline.
- 3) Under all but exceptional circumstances and only at Unicity's discretion, a Distributor's Downline organization may not move with a Distributor in the Sponsor change process.

### **E. Sponsoring Unicity Employees**

The responsibility of Unicity employees is to reasonably support and assist Distributors. To avoid conflicts of interest, and to further a Distributor's respect of the confidentiality and neutrality of Unicity employees, a Distributor shall not solicit or Sponsor employees of Unicity or members of the employee's household to be Unicity Distributors. During the term of employment, no Unicity corporate officer, director, employee, product supplier, agent, representative or consultant or household member of such employee is allowed to be a Distributor or build a Downline within Unicity or any other network-marketing or direct-selling company without the written consent of Unicity's President and Unicity's General Counsel. For the purposes of this paragraph, "Household" includes any person currently

domiciled in the same home as an officer, director, employee, product supplier, agent, representative or consultant.

### **F. International Sponsoring**

Unicity allows Distributors the unique opportunity to Sponsor other Distributors in approved countries. This is accomplished through the Unicity Ambassador Program (the "Ambassador Program"). Distributors who participate in the Ambassador Program are known as "Ambassadors." Distributors may become Ambassadors only to countries that are officially "Opened" by Unicity. A country is Opened when Unicity publishes notice of such opening in an official Unicity publication from the corporate headquarters of Unicity in the United States or on Unicity's Internet website. For guidelines on sponsoring internationally, please see the Ambassador Program in Appendix C. No pre-marketing activity is allowed in any country that Unicity has not yet formally Opened. Violation of this rule is grounds for termination of the Distributorship by Unicity. In addition, such Distributor shall compensate Unicity for any loss suffered, including, but not limited to, loss of profit, loss of good will, damages, and reasonable attorney's fees.

## SECTION 5

# Ordering Products and Sales Materials

### A. Ordering, Receiving, and Payment Guidelines

- 1) A Distributor may order products by placing an order with Unicity and making proper payment. Funds must be available at the time of ordering. Orders may be held until the availability of funds is verified. The PV for any order will be credited to the Volume Month in which funds are received.
- 2) Orders will be shipped within ten (10) working days after funds are received. If Unicity is temporarily out of stock on ordered merchandise, a Distributor will receive a back-order notice with the shipment. Shipments will be complete and in marketable condition at the time they leave the Unicity distribution center.
- 3) Upon receipt of an order, Distributors should immediately inspect the order to determine whether it is complete and undamaged.
  - a) If an order is incomplete, the Distributor should immediately call the Unicity Customer Service Department;
  - b) If an order is damaged upon receipt, Distributors should file a claim with the carrier for goods damaged in transit.
- 4) Before assuming a shipment is lost or missing, a Distributor should wait at least fifteen (15) working days from the placing of a mail order and ten (10) working days from the placing of a telephone, facsimile or Internet order. If a shipment is lost or missing, the Distributor should then notify Unicity's Customer Service Department. Lost shipments, if later found and/or delivered, must be reported to the Unicity Customer Service Department within seven (7) days of delivery.
- 5) A Distributor who signs a delivery release with a common carrier authorizing the carrier to deliver an order without a signature agrees to release the common carrier and all parties from responsibility for such delivery.
- 6) All Unicity products should be stored in a cool, dry, and hygienically safe area or as otherwise directed by the label. As a general rule, the products should be kept at least four inches (4") above the floor. Unicity is not responsible for product that is damaged due to improper storage.
- 7) A Distributor who has had at least one check or bank draft returned for "insufficient funds" or "closed account" may lose ordering privileges until the sufficiency of funds is resolved. In some cases, a Distributor may lose check or bank-draft privileges. A Distributor agrees that Unicity may assess a handling fee of twenty dollars (\$20.00) for each rejected check or bank draft and for each credit-card chargeback.
- 8) A Distributor understands that he or she is not entitled to a money refund for product purchased, nor is he or she entitled to the Customer Product Satisfaction Guarantee. A Distributor may exchange product for like product or for product of equal value within sixty (60) days of purchase and in compliance with the 70% Rule (see Paragraph E.2 below). A terminating Distributor may return product pursuant to Section 8.G of these Policies & Procedures.
- 9) Prepaid orders received before the close of business at Unicity on the last working day of the month are included in that calendar month's business.
- 10) Unicity may, at its discretion, reject an order for any reason, including but not limited to:
  - a) Production and supply difficulties;
  - b) Distributor cannot, at the request of Unicity, show compliance with the 70% Rule; or
  - c) The order manipulates the Award Plan.

## B. Preferred Customer Program

Customers of a Distributor may enroll in the Unicity Preferred Customer Program and receive special benefits for becoming a “Preferred Customer.” To be a Preferred Customer, a Customer must pay an annual Preferred Customer membership fee. Thereafter, the Preferred Customer will receive preferred pricing on all Unicity products. A Preferred Customer may order products directly from Unicity pursuant to the ordering guidelines above and the following policies of the Preferred Customer Program:

- 1) Upon calling the Unicity order line for the first time, the Preferred Customer shall provide the referring Distributor’s ID number. At that time, a unique Customer ID number will be provided exclusively for that Preferred Customer;
- 2) The responsibility for the proper crediting of Volume generated on any Preferred Customer order lies with the referring Distributor and not with Unicity or its employees;
- 3) The Distributor is responsible for paying Unicity the expenses of a product return or credit-card chargeback associated with an order from a Preferred Customer. Should the Preferred Customer initiate a product return or credit-card chargeback, the Distributor agrees that Unicity may debit from the Distributor’s Awards all reasonable expenses incurred. Unicity may also suspend the Distributor’s ordering privileges and assess a chargeback handling fee of twenty dollars (\$20.00);
- 4) The difference between the wholesale price and the preferred price on certain products is awarded to the Distributor whose ID Number is linked to the Preferred Customer ID number that was given for that order, provided that the Distributor has at least the minimum qualifying PV in that Volume Month. A Distributor earns PV points for Preferred Customer products ordered in the Volume Month in which the orders are received and paid; and
- 5) The Distributor may pay the annual Preferred Customer fee for the Preferred Customer.

## C. Retail Purchasing Program

A Retail Customer may order products directly from Unicity pursuant to the ordering guidelines above and the following policies of the Retail Purchasing Program:

- 1) The Retail Customer may register online to purchase products or may call the Unicity retail order line. Upon calling Unicity Customer Service for the first time, the Retail Customer shall give a referring Distributor’s ID number to the Customer Service agent upon placing an order. At that time, a unique Customer ID number will be provided exclusively for that Retail Customer;

- 2) The responsibility for the proper crediting of Volume generated on any Retail Customer order lies with the referring Distributor and not with Unicity or its employees;
- 3) The Distributor is responsible for paying Unicity the expenses of a product return or credit-card chargeback. Should the Retail Customer initiate a product return or credit-card chargeback, the Distributor agrees that Unicity may debit from the Distributor’s Award checks all reasonable expenses incurred. Unicity may also suspend the Distributor’s ordering privileges and assess a chargeback handling fee of twenty dollars (\$20.00); and,
- 4) The difference between the wholesale price and the retail price is awarded to the Distributor whose ID Number is linked to the Retail Customer ID number that was given for that order, provided that the Distributor has at least the minimum qualifying PV in that Volume Month. A Distributor earns PV points for Retail Customer orders in the Volume Month in which the orders are received and paid.

## D. Customer Product Satisfaction Guarantee

Upon the sale of any product, a Distributor must notify each Customer about the Unicity Customer Product Satisfaction Guarantee (the “Guarantee”) and must provide the Customer with an official Unicity sales receipt signed by the Customer. The back of the receipt must contain the following written notice:

### **Customer Product Satisfaction Guarantee**

The Unicity Distributor selling you the product(s) listed on the reverse side of this sales receipt extends to you as a Customer a personal 100% money-back Customer Product Satisfaction Guarantee. If, for any reason during the next sixty (60) days, you are dissatisfied with your Unicity product purchase, the Unicity Distributor making this sale to you will, upon your written request, issue to you a full purchase-price refund. To receive this refund, you must provide the Distributor with a signed letter stating your reason for dissatisfaction and return all unused portions of the product, as well as the container. Thereafter you must provide a statement that you have received a full refund. This Guarantee applies to Customers only and is not extended to Unicity Distributors. Except as provided above, the product listed on the reverse side of this sales receipt is sold without warranty of any kind, including the implied warranties of merchantability and fitness for a particular purpose. In no event will Unicity or the Distributor selling you this product be liable for any direct, indirect, consequential or incidental damages arising out of the use of or inability to use Unicity product(s), even where Unicity has been advised of the possibility of such

damages. Some jurisdictions may restrict or not allow the limitation of liability for consequential or incidental damages, so the above limitation may be limited. If you do not receive a complete refund within thirty (30) days of your written request, please contact the Unicity Distributor Compliance Department by fax at 1-801-226-6637 or e-mail at dc@unicity.net.

The front of the sales receipt should specify the name of the customer, the name of the Distributor, the date of the purchase, the name, amount and price of the product purchased and the following language: "BY USING OR OPENING THE PRODUCT LISTED ON THIS RECEIPT, THE NAMED CUSTOMER AGREES TO THE WARRANTY AND LIMITATIONS SET FORTH ON THE REVERSE SIDE OF THIS FORM."

### E. Customer Refund Policy

Unicity requires that Distributors provide Customers a 100% money-back Guarantee for sixty (60) days from the date of purchase, regardless of whether the product(s) were purchased directly from Unicity. Unicity will promptly replace appropriately returned product(s) to any Distributor who has issued a refund pursuant to this policy. Distributors may not submit to Unicity any product(s) for exchange, except as provided herein. Distributors are responsible for prompt delivery of product(s) to their Customers. If a Distributor fails to honor the Guarantee and refund policy of Unicity and thereby requires Unicity to make a refund to a Customer, the Distributor will be held responsible to repay Unicity for any amount refunded as well as a handling fee. A Distributor submitting returned product(s) for exchange pursuant to this refund policy must do each of the following:

- 1) Obtain a Return Merchandise Authorization ("RMA") form and /or number from the Unicity Customer Service Department by calling 1-800-UNICITY (864-2489);
- 2) Return the unused portion of the product to Unicity with the RMA number printed boldly on the outside of the shipping box near the return address. Any package that does not have an RMA number on the outside of the package will not be accepted by Unicity and will be returned to the sender at the Distributor's expense. Included in the returned package shall be a completed RMA form issued to the Distributor from the Unicity Customer Service Department;
- 3) Shipping costs for returned packages and related correspondence are the Distributor's responsibility;
- 4) After the returned product and all appropriate information and documentation is received by Unicity, the Distributor will be sent the replacement product(s) of the Distributor's choice in an amount equal to 100% of the Volume of the product(s) returned; and
- 5) Any returned product may affect a Distributor's Personal Volume or that of its Upline Distributors and

may reduce a Distributor's PV amount reflected in a Distributor's account for the Volume Month in which the product is returned. Although Unicity may notify a Distributor that returned product or the returned product of its Downline may affect its qualification for awards, it is the Distributor's ultimate responsibility to ensure that it meets its monthly qualification requirements for awards. A Distributor shall only receive their Qualified net benefits or net out awards after returned product PV has been deducted.

### F. Order Guidelines, Retail Sales, Purchasing, and the 70% Rule

A "retail sale" is defined as the sale to a Retail Customer who is purchasing the product for his or her own use.

- 1) A Distributor and those in the Distributor's Downlines may not order inventory for the sole purpose of participating in the Award Plan or "Qualifying" itself or others to earn Awards, nor may they encourage others to do so;
- 2) When placing any product order, the Distributor certifies that the Distributor has sold or consumed a minimum of seventy percent (70%) of all previous orders (the "70% Rule"). A Distributor may purchase Unicity products for resale to consumers as well as for personal consumption;
- 3) Distributors should carefully document all sales. Distributors must maintain all Customer sales receipts for a period of two (2) years and must furnish them to Unicity upon request. Unicity may audit a Distributor's compliance with this provision and may take disciplinary action against Distributors who fail to comply with these terms; and
- 4) The use of official Unicity Customer sales receipts is mandatory. All sales receipts should include the Distributor's name, address, and phone number.

### G. Mail Orders

A Distributor may order product by mail. The Product Order Form is required for all product mail orders and must be fully completed and submitted to Unicity. Two or more Distributors may not combine orders on the same order form. Orders must conform to each of the following requirements:

- 1) Orders submitted without payment in full may be returned to the Distributor by mail. Orders submitted with insufficient funds may be fulfilled with products in the dollar amount that does not exceed the funds submitted with the order, minus shipping, handling, and applicable tax. If payment for an order is insufficient, Unicity reserves the right, at its discretion, to withhold products from the order. Any liability arising out of the return or partial fulfillment of an incomplete order lies with the Distributor who placed the order;

- 2) Payment must accompany all orders. Payment for orders should be by personal check, certified check, money order, bank draft, credit card or credits on the Distributorship account. Unicity will not accept COD (cash on delivery) orders. If payment is less than the order amount, Unicity may debit the Distributor's credit card or the Distributor's account if the underpayment is within ten percent (10%) of the correct order amount; and
- 3) Unicity is not responsible for orders that are delayed in transit or for orders that do not arrive at the appropriate Unicity office complete with a valid form of payment. Mail Orders must be received by Unicity on or before the last business day of the month to be included with that month's Personal Volume.

## H. Telephone, Facsimile, Internet, and Other Electronic Means

Credit card orders may be placed by telephone, facsimile, Unicity's Internet website or other electronic means. If an order is made by one of these methods, it is not necessary to mail in the original order form. Double shipments occurring due to a Distributor's placing of an incorrect order is the financial responsibility of the Distributor. Orders placed via telephone, facsimile, Unicity's Internet website, and other means are subject to each of the following provisions:

- 1) The funds for any purchase must be approved prior to a sale. If Unicity is informed that a Distributor's credit card is declined or not approved, the product order will be deleted unless the Distributor has an alternate payment method. A Distributor assumes full responsibility for any and all consequences that may result when Unicity receives notice that the credit card transaction is declined or not approved, including failing to qualify in the Award Plan in the Volume Month;
- 2) A Distributor who initiates credit-card chargebacks is deemed to have disputed balances (hereinafter "Disputed Balances"). The Distributor receiving credit for the order in question will have Awards suspended and applied toward the Disputed Balance until the dispute is resolved to the satisfaction of Unicity (see Section 5.B.3 and Section 5.C.3); and
- 3) Orders by facsimile must be received by Unicity on or before the close of business on the last business day of the month to be counted toward that month's Personal Volume.

## I. Automatic Refill

A Distributor and its Customers may have the products they regularly use shipped to them automatically no later than the 20th of each month by entering into an Automatic Refill Agreement. The Automatic Refill Agreement ("Automatic

Refill" or "Auto-Refill") helps ensure that the Distributor qualifies for monthly Awards. Automatic Refill allows a Distributor to automatically receive a product order every month. This guarantees that a Distributor will qualify for Awards under the Award Plan if the Automatic Refill order is at least the minimum qualifying amount. Each of the following applies:

- 1) A Distributor may revise its Automatic Refill Agreement monthly by submitting an Automatic Refill Agreement form with the word "Modify" written at the top or by modifying the agreement online at [www.unicity.net](http://www.unicity.net). The Customer Service Department must have revisions no later than ten (10) business days prior to the Distributor's next Automatic Refill shipment date. If the revision is received less than ten (10) business days prior to shipment, there will be no guarantee that the revision will be effective for that shipment. There will be no exchanges allowed for Automatic Refill orders that have been shipped. Revised Automatic Refill Agreements will take effect on the next shipment date;
- 2) A Distributor may not cancel its Automatic Refill Agreement during the first 90-days of the agreement. Thereafter, a Distributor may cancel its Automatic Refill Agreement by submitting in writing to the Customer Service Department a notice that includes the Distributor's ID Number or Federal Tax ID Number and signature or by modifying the agreement online at [www.unicity.net](http://www.unicity.net). The cancellation will be effective in the calendar month in which it is received by Unicity, provided it is received more than ten (10) business days prior to the next shipment date. If the cancellation is received less than ten (10) business days prior to shipment, there will be no guarantee that the order will be cancelled. A Distributor will not be allowed to return any Automatic Refill orders to Unicity if he or she remains a Distributor, unless the Distributor can provide evidence to show that the cancellation had been received more than ten (10) business days before the order was shipped; and
- 3) When placing any product order, the Distributor certifies that the Distributor has sold or consumed a minimum of seventy percent (70%) of all previous orders (the "70% Rule").

## J. PV Transfers

The transfer of Personal Volume from one Distributorship to another is generally not permitted.

## K. Neutral Lead Distribution

Customer or prospective Distributor leads that come to Unicity may be referred to Distributors. Unicity makes reasonable efforts to determine how a prospect became interested in Unicity, and such leads may be given to the Distributor who created that interest. Unicity reserves the

right to refer leads to any Distributor, based upon activity within Unicity, Distributor Rank and/or geographic location. The distribution of neutral leads is made at the sole option and discretion of Unicity.

## **L. Ordering Restrictions**

A Distributor may not submit orders in the name or on the account of another Distributor. Only orders made on behalf of the Distributor's own Distributorship will be honored by Unicity. A Distributor may not use Unicity's Internet website or other electronic means to place orders for the Distributor's account using another Distributor's credit card. If the use of another Distributor's credit card is needed, both Distributors must call the Unicity Customer Service Department and speak with an operator. Both Distributors must be on the line so that they may each give approval for the transaction.

## **M. Sales Tax and Other Taxes**

Unicity products may be subject to sales and use tax in some jurisdictions. If Unicity collects and remits tax in any jurisdiction, Unicity may advise Distributors that such taxes are required to be collected on their behalf. The collection and remission of taxes by Unicity does not relieve a Distributor of his or her responsibility and duty to comply with any and all tax regulations applicable to a Distributor. Due to the fact that all Distributors are independent contractors, Unicity does not withhold any taxes from Awards. As required by the IRS, Unicity will issue a Form 1099 or equivalent at the end of each calendar year, which reports all cash payments or awards to Distributors by Unicity.

## SECTION 6

# Promotion of Unicity Products and Opportunity

### A. Advertising

Unicity encourages Distributors to promote Unicity products and the Unicity marketing opportunity pursuant to appropriate guidelines issued by Unicity from time to time. These guidelines are required in order for Unicity to ensure compliance by Distributors, as well as by Unicity, with the myriad of laws that govern the advertising of Unicity products and the Unicity opportunity. The failure to follow these guidelines may result in violations of federal, state, and local laws, which may result in damage to the reputation of Unicity as well as the imposition of restrictions upon Unicity, Distributors, and Unicity products that could trigger undesirable publicity and possible legal action.

- 1) **Promotional Material.** A Distributor agrees to send any self-produced promotional items to the Unicity Distributor Compliance and Marketing Departments for written approval prior to any use by the Distributor. However, a Distributor need not receive approval for the use of any unaltered materials that are currently approved by Unicity. Although Distributors are free to determine for themselves the prices they charge for Unicity products, Distributors may only advertise the Suggested Retail Price (SRP) of the products as may be suggested by Unicity from time to time. Any reference to Suggested Retail Price of Unicity products must mention the term "Suggested Retail Price." (See Paragraph L below for procedures on the use of the Internet.)
- 2) **Training Material.** Only those Distributors who qualify at the Rank of Presidential Sapphire or higher for six (6) consecutive months are eligible to submit their own training materials for approval and may distribute such approved materials to their Downline. Training materials may be in the form of audio, video, electronic or print. These materials may be produced for six (6) months following the period of qualification and must meet the following criteria:

- a) A hard copy of the script, labels, and packaging must be submitted for approval;
  - b) The hard copy must be approved in writing by the Unicity Distributor Compliance and Marketing Departments prior to release;
  - c) The labels must bear the name of the Distributor;
  - d) The maximum charge for audiotapes and compact discs (CDs) is two dollars (\$2.00) per tape or CD, since the tapes, CDs, and all other material are to be used for training purposes only and not for profit;
  - e) The introduction to audio/visual material must bear a clear statement of who the Distributor is and that he or she is a Unicity Distributor; and
  - f) All audio and video duplication may only be conducted through a Unicity approved source.
- 3) Unicity encourages its Distributors to promote the Unicity business in any legal and ethical manner. Unicity may allow a Distributor to use Unicity names, logos or trademarks provided the Distributor has obtained written permission from Unicity. Permitted advertisements are found within the Unicity Franchise Office website for Distributors. Any advertising misrepresentation contained in a "blind" ad (one in which neither Unicity nor its products is mentioned) may be a violation of these policies.

### B. Copyrighted Materials

All Unicity literature, audiotapes, videotapes, compact discs, DVDs, Internet website material, and programs are copyrighted by Unicity and may be duplicated only by obtaining the prior written consent of Unicity.

### C. Proprietary Names

A Distributor may not use Unicity's employee names, trademarks, names, logos, trade dress or trade names or any distinctive phrases used by Unicity to promote the

Distributor's business prior to receiving written permission from Unicity. To protect the proprietary rights of Unicity, a Distributor may not obtain, through filing for a patent, trademark, Internet domain name or copyright, any right, title or interest in or to the names, trademarks, logos or trade names of Unicity and its products, whether such products or services have been formally released or are pending for release. If Unicity changes or abandons any of its trademarks, trade names or service marks, a Distributor agrees to also change or abandon such trademarks, trade names or service marks. A Distributor may request the right to use the name of Unicity or one of the Unicity trademarks, trade names or service marks on independently produced and non-competitive promotional items (the "Promotional Items") that include, but are not limited to, the following: clothing, jewelry, printed material, posters, audiotapes, videotapes, CDs, DVDs, and the like. Unicity may at its discretion allow a Distributor to offer for sale approved Promotional Items and charge the Distributor a royalty fee for the right to sell such Promotional Items. More information regarding the use and sale of Promotional Items may be obtained by calling the Unicity Distributor Compliance Department at 1-801-226-2600, extension 1350.

#### **D. Product Claims**

A Distributor may not make medicinal and/or therapeutic claims for any Unicity products or specifically prescribe Unicity products as suitable for the treatment of any disease. Unicity does not endorse the use of diagnostic or medical devices in connection with the sale of Unicity products because such devices tend to have as their principle purpose the diagnosis of health conditions and the prescribing of remedies. No representation or sales offers may be made relating to Unicity products that are not accurate or truthful as to grade, quality, performance, and availability. Appropriate product information is contained in authorized Unicity literature and is subject to periodic review and revision by Unicity. It is the Distributor's responsibility to obtain and use only current literature. All product representations made by a Distributor must be the same as those found in current Unicity literature.

#### **E. Unicity Product Sales**

A Distributor may sell or promote only the Unicity opportunity and Unicity products and materials at Unicity functions or to prospective Unicity Distributors or Customers, subject to Section 6.F below. Promotion in violation of this provision may constitute unfair competition against Unicity.

#### **F. Sale or Promotion of Non-Unicity Products, Opportunities, or Materials**

A Distributor shall not sell, promote or advertise non-Unicity products, opportunities or materials that are competitive with Unicity products, opportunities or materials at Unicity functions or to Unicity Distributors or Customers. A Unicity function is a convention, meeting, seminar or similar event prepared by a Distributor or Unicity for Unicity Distributors, prospective Unicity Distributors or employees of Unicity. To build and promote his or her Unicity business, a Distributor may be authorized to sell, promote or advertise noncompetitive, non-Unicity audiotapes, videotapes, CDs, DVDs, books, and pamphlets to Unicity Distributors within his or her own Downline or to Distributors attending a Unicity function sponsored by a Distributor consenting to such sales.

#### **G. Income and Opportunity Claims**

No unreasonable or misleading claims or intentional misrepresentation of earnings or potential income may be made by a Distributor. Income guarantees of any kind are prohibited, as is the exhibition of actual or copies of Award checks or earnings statements. Income representations must be honest. In addition, income representations must include the disclaimers that Awards may vary depending on the degree of effort employed, no Awards are guaranteed, and a Distributor is not guaranteed to reach a certain Rank.

#### **H. Future Growth Claims**

A Distributor shall not imply or assert that additional products or services will be added to the products and services currently offered by Unicity or that enhancements to the Award Plan are forthcoming or that specific territories or areas are about to be opened or added to territories or areas of Unicity operation unless or until the change or event has been officially announced by Unicity in writing.

#### **I. Governmental Claims**

A Distributor may not represent that the Award Plan or any Unicity product has been approved or endorsed by any governmental agency.

#### **J. International Sales**

A Distributor may sell Unicity products only in the United States and its possessions and territories. A Distributor may sell products to a Preferred Customer or Retail Customer in a country which has been Opened by Unicity as referenced in Section 4.F. A Distributor may earn income from Downline in other countries according to the Ambassador Program in Section 4.F and Appendix C.

#### **K. Media Advertising**

A Distributor may not utilize media advertising or the advertising of Unicity or its products on television, radio or

on an Internet website that is not wholly owned without prior written approval from Unicity.

## L. Internet Use

A Distributor may use the World Wide Web or the Internet to promote the Unicity business by creating a personal website through the Unicity Franchise Office. Such websites and all other websites used by a Distributor must adhere to the following rules:

- 1) All Distributors' websites are subject to review and approval by the Unicity Distributor Compliance Department.
- 2) A Distributor may not register or use any Unicity name(s), trademark(s), logo(s) or product name(s) in any URL address or Domain name, and Unicity reserves the right, at its discretion, to change its name(s), trademark(s), logo(s) or product name(s). The website shall not contain any meta data which is violative of this Contract or which would violate any federal, state or local laws. Furthermore, the website shall not contain any hyperlinks to websites of competitors or competitors' products.
- 3) A Distributor's website may display only the suggested retail price of the products as may be suggested by Unicity from time to time. Any reference to Suggested Retail Price of Unicity products must mention the term "Suggested Retail Price."
- 4) A Distributor's website may display Unicity product information as long as the information and website are approved in advance by the Unicity Distributor Compliance Department. The product information shall not make prescriptive, disease, medicinal or therapeutic claims.
- 5) A Distributor's website may contain certain personal and opportunity testimonials as well as motivational information under the following rules:
  - a) The material reflects the honest and balanced expression of the true experience of the provider of the testimonial or motivational information;
  - b) The material does not represent that all people will have the same experience; and
  - c) The material is accompanied by a disclaimer acceptable to Unicity.
- 6) Product testimonials shall not be displayed on a Distributor's website without approval by the Unicity Distributor Compliance Department.
- 7) A Distributor's website may not contain claims that the products or programs are for sale in any country other than the countries in which the products or programs have been approved by Unicity.
- 8) A Distributor's website shall not infringe on any third-party trademarks or copyrights. The Distributor agrees to indemnify and hold Unicity, its affiliates, and subsidiary organizations and their directors, officers, employees, and agents harmless against any action or claim for infringement on a third party's intellectual property rights arising from the Distributor's website.
- 9) A Distributor's website may offer Unicity products to Customers, subject to the following limitations:
  - a) The Distributor may display on the website his or her telephone number, fax number, e-mail address or the Unicity telephone number with instructions to obtain and use a Customer ID Number.
  - b) The website may use shopping carts, but the shopping carts
    - i) may offer only Unicity products; and
    - ii) must include language giving the Distributor the right to refuse a transaction for any reason.
- 10) The website must include the Customer refund policy as found in Section 5.E.
- 11) The Distributor may not advertise on the Internet by purchasing space on instrumentalities such as a search engine, "banner," or commercial website without the express written permission of Unicity.
- 12) A Distributor may not advertise any other business opportunity, including but not limited to multi-level, direct selling or network marketing opportunities on any website that displays Unicity products. A Distributor may not display any products other than Unicity products, regardless of the method of distribution, on any Distributor website.
- 13) The Distributor may not use mass e-mailings (except to those on "opt-in" lists) and may not use e-mail spamming to promote the Unicity opportunity or products. Distributors are encouraged to follow all Internet etiquette and to be good Internet citizens.
- 14) If a Distributor has subscribed for the Unicity Franchise Office services and is delinquent in paying his or her monthly fees, the Distributor consents to Unicity offsetting the Distributor's Awards in order to recoup the delinquent fees.

## M. Company Recordings

A Distributor may reproduce for sale, distribution or personal use any recording of Unicity-produced audio or video presentations only after obtaining the written consent of Unicity. A Distributor may not make or offer for sale any audio, video or other recording of Unicity-sponsored events, speeches or meetings, without the prior written approval of Unicity.

## N. Media Inquiries

In order to ensure accuracy and consistency of information, a Distributor who receives any inquiry from the press or other media regarding any aspect of Unicity, its products or its Independent Distributorships should refer such inquiry to the Unicity Distributor Compliance Department as soon as possible after receiving the inquiry by calling 1-801-226-2600 extension 1350.

## O. Unicity Distributor Organizations, Meetings, General Fees, and Training Fees

A Distributor may not charge a for-profit fee for any general material, newsletters, services, training seminars or materials about Unicity, its business opportunity, its products or marketing materials, services or training on Unicity products or marketing materials. A Distributor may not charge other Unicity Distributors a membership fee for participation in any other program or organization. A Distributor may not offer to pay or actually pay Awards, rebates or compensation to other Unicity Distributors for the purchase of Unicity products or non-Unicity products, opportunities or other materials. A Distributor may not preclude or stop any other Distributor from attending Unicity-sponsored events.

## P. Telephone Book Listing

Telephone book advertising is allowed only by a Distributor who has achieved the Rank of Director or higher. The advertisement may be placed in the yellow pages in the categories of: 1) Health, Herbs, Fitness or Nutrition and 2) Skin Care or Beauty. All listings for telephone publications should state: "Unicity Independent Associate," "Unicity Independent Distributor," "Unicity Independent Business Owner," "Unicity Franchise Owner," or "Unicity Personal Business Owner," followed by the Distributor's name, address, and telephone number. A Distributor may not display advertisements that use the Unicity name(s), logo(s), image(s) or product name(s) in a telephone directory.

## Q. Toll-Free Telephone Numbers

A Distributor who lists a toll-free telephone number may not use the Unicity name(s), logo(s) or product name(s) for such listing but may list the number as "Unicity Independent Associate, [name of Distributor]," "Unicity Independent Distributor, [name of Distributor]," "Unicity Independent Business Owner, [name of Distributor]," "Unicity Franchise Owner, [name of Distributor]," or "Unicity Personal Business Owner, [name of Distributor]."

## R. Surcharge Telephone Numbers

A Distributor agrees not to use 900 numbers, surcharge numbers or other similar toll numbers for the purpose of marketing either the Unicity opportunity or its products.

## S. Telephone Answering and Recorded Messages

A Distributor may not answer the telephone in any manner that would give callers a reason to believe that they have reached the corporate or any other offices of Unicity. Specifically, a Distributor shall not answer the telephone by saying, "Unicity," but shall answer indicating his or her status as an Independent Distributor of Unicity. Answering machines and voice mail must also comply with this policy.

## T. Automatic Calling Devices

A Distributor agrees not to use any automatic outbound calling device for promoting or soliciting the sale of the Unicity products or opportunity.

## U. Revised Company Literature

Distributors and Unicity shall work together to notify their organizations of new Unicity information. New Unicity policies, forms, and literature replace old policies, forms, and literature. A Distributor shall destroy outdated or invalid literature and forms. Unicity shall not reimburse any Distributor for outdated materials in the Distributor's possession.

## V. Repackaging

A Distributor agrees not to alter, repackage, distribute unauthorized samples of, re-label or otherwise change any Unicity product or sell any such product under any name or label other than that authorized by Unicity.

## W. Retail Establishment Displays

A Distributor shall not market Unicity products through retail outlets. A "retail outlet" is any establishment that sells consumer goods to the general public without a prior appointment, as typified by a retail store.

## X. Service Establishment Displays

A Distributor who owns or is employed by a service-related establishment may, upon receipt of prior written approval of Unicity, provide Unicity products and services to Unicity customers through this establishment as long as the Distributor is providing proper support to customers. A Distributor who wishes to display products in a service-related establishment must receive written permission from the Unicity Distributor Compliance Department. A "Service-Related Establishment" is one that receives revenue primarily by providing personal service rather than by selling products. Such establishments include offices of doctors, dentists, chiropractors, and other health professionals, health clubs, gymnasiums, barber shops, beauty shops, nail boutiques, counseling services, tanning centers, and

other such businesses where the customers' use of the establishment is controlled by membership or appointment. In such establishments, Unicity products or banners may not be displayed in the general lobby or outside the office or building where such products or materials are visible to the general public.

## **Y. Fairs and Special Events**

A Distributor agrees not to display or advertise Unicity products at swap meets, flea markets, garage sales or any other similar events. A Distributor may display Unicity products in a booth at annual state or county fairs, trade shows or exhibits but may not display or offer for sale competing products or products from any other direct-selling company.

## SECTION 7

# Distributor Awards and Fees

### A. Distributor Awards and Fees

A Distributor may qualify to earn Awards pursuant to the Award Plan and other Unicity programs or promotions. The Award Plan is set forth more fully in Appendix A of these Policies & Procedures. The following policies outline the guidelines for earning Awards within Unicity and applicable fees charged to Distributors.

### B. Rank Attainment

A Distributor is wholly responsible for meeting the Distributor's monthly: 1) Volume requirements; 2) Rank; and 3) any other program qualifications or requirements. Unicity has no obligation to guarantee or assure that a Distributor meets any qualification requirements of the Award Plan.

### C. Earnings Guarantees

A Distributor is not guaranteed any specific Award, income or assured level of profit or success through Unicity. A Distributor's profit and success can only come through the successful customer sale, use, and consumption of Unicity products and the sales, use, and consumption of Unicity products by other Distributors within the Distributor's Downline. Distributors are encouraged to continuously recruit, train, support, and build their own Distributor sales organization and create their own success.

### D. Minimum Award Check

Unless otherwise stipulated by Unicity and in order to minimize processing and handling costs, Unicity will not generate an Award check for any amount under ten dollars (\$10.00). Should a Distributor be eligible for an Award payment of less than ten dollars (\$10.00), the equivalent Volume will be credited to the Distributor's Unicity account.

### E. Processing Fee

A Distributor will have deducted from the Distributor's monthly Award check a reasonable processing fee for computer processing and other customer services.

### F. Payment of Award Checks

Award checks will be mailed or direct deposited monthly on or before the twentieth (20th) day following the month in which the Award was earned. However, if the 20th day falls on a weekend or a holiday, the Award checks or direct deposits will be sent out on the first business day thereafter. Award checks issued to joint applicants in a Distributorship will be issued in the names of the first two applicants listed on the Distributor Agreement. Without prejudice to Unicity's right of termination, the payment of a Distributor's Award may be suspended if the Distributor is in breach of any term or condition of the Contract.

### G. Debiting of Award Checks

A Distributor agrees that Unicity may debit or place a hold on a Distributor's Award check(s) for any amount the Distributor owes Unicity.

### H. Replacement Awards

Upon timely request, Unicity will issue a replacement Award check for an Award that has not been properly redeemed, such as a lost or stolen check; however, if an Award check has been redeemed or cashed, Unicity will not reissue an Award check, and a service fee of ten percent (10%) of the value of the check but not more than thirty dollars (\$30.00) will be assessed. Replacement and stop-payment requests will not be honored until ten (10) business days after the Award check was issued.

## **I. Returned or Unclaimed Awards**

Unicity makes every effort to ensure that Unicity Distributors receive their Awards. However, when a Unicity Award check is not negotiated within the bankable period (ninety days) or has been sent to the last known address but returned to Unicity because a Distributor has moved without a forwarding address or the Award check is returned or not presented for payment for some other reason beyond Unicity's control, the Award check shall be voided and the equivalent Volume shall be credited to the Distributorship account ninety (90) days after its date of issue. The credit balance is subject to a monthly maintenance fee.

## **J. Foreign Market Instability**

The ability to make Award payments pursuant to the Ambassador Program as a result of the sale of Unicity products in countries outside the United States is dependent upon the receipt by Unicity of U.S. dollars in

connection with such sales. Consequently, Unicity may restrict, delay or modify Award payments pursuant to the Ambassador Program during such time as conditions in a foreign country limit or restrict the conversion or repatriation of money to Unicity. Award payments to Distributors on Volume arising out of foreign markets may also be subject to fees attendant to international tax and / or banking costs associated with such payments.

## **K. Service Fees**

Although Unicity provides most Distributor services to Distributors free of charge, from time to time a Distributor will request or require extraordinary services that warrant additional time and expense to research and resolve. Unicity charges a fee of fifty dollars (\$50.00) per hour, with a minimum of one hour assessed for each such case.

## SECTION 8

# Distributor Termination

### A. Voluntary Resignation

In addition to other rights of termination attendant to the nature of a Distributorship, a Distributor may, at any time, voluntarily resign as a Unicity Distributor. A Distributor who resigns loses all rights to any legal and beneficial interests in the Distributorship and to any Unicity Lists, Distributor privileges, and Distributor Rank. A Distributor who voluntarily resigns may not reapply for a new Distributorship or apply to hold a beneficial interest in an existing Distributorship until six (6) months after Unicity has finalized the termination. A Distributor may resign voluntarily by:

- 1) Submitting to Unicity a resignation letter signed by all Distributors in the Distributorship and listing the Distributor name(s) and ID Number(s); or
- 2) Failing to renew the Distributor Agreement for an additional annual term (see Section 3.D).

### B. Involuntary Termination

A Distributor may be terminated by Unicity for cause. A Distributor agrees that Unicity has the right to take quick and decisive action in limiting or terminating a Distributorship that is found in violation of the Contract or any federal, state or local laws, statutes, and / or regulations that pertain to the business of Unicity. Unicity also reserves the right to pursue any legal recourse for such violations, as well as reimbursement from the Distributor for any expenses arising from the violation, including court costs and attorney's fees.

### C. Disciplinary Process

The failure to abide by the Contract may lead to appropriate disciplinary action. After a disciplinary action is complete, Unicity may announce details of such disciplinary action. Policy violations may involve any or all of the following disciplinary processes:

- 1) Informal warning. The Distributor may be notified either personally or by mass communication and either verbally or in writing that certain conduct is in violation of the Contract.
- 2) Formal warning. A formal written warning may be sent to the Distributor stating that failure to discontinue the stated violation(s) may result in further disciplinary action.
- 3) Probation. A Distributor may be notified in writing that it has been placed on probation for violating the Contract. The length and conditions of the probation may vary at Unicity's sole and absolute discretion. A Distributor placed on probation may appeal the probation using the procedures for appealing suspensions as described below.
- 4) Suspension. Suspension is the temporary withdrawal of a Distributor's license. A Distributor may be suspended for serious violations or breaches of the Contract, and a suspension may last for a period of days or months, depending on each case. In the event of a suspension, a suspension letter will be sent to the Distributor. The suspension letter may list actions that the Distributor must take in order for Unicity to revoke the suspension. These actions may include any of the following:
  - a) The immediate cessation of all violations;
  - b) The submission of a written statement to Unicity responding to the violations;
  - c) Payment of any damages caused by such violations; and
  - d) Such other action as may be requested by Unicity.
- 5) Termination. A Distributor who fails to respond to a suspension letter or other request of Unicity may be terminated. A Distributor may appeal a suspension by responding in writing within the specified time period outlined in the suspension letter. Suspended Distributors are not eligible to: receive Unicity Awards, earned

or otherwise, participate in any Unicity functions or programs or buy or sell Unicity products. The Awards of a suspended Distributor are forfeited to Unicity. Since suspended Distributors may not place product orders, they may not Qualify for Awards during their term of Suspension. Unicity may, at its absolute discretion, Qualify a Distributorship during the suspension and retain all earned Awards.

#### D. Notification of Termination for Cause

When a decision is made to terminate a Distributor for cause, Unicity will send notification to the terminated Distributor at the most recent address on file. Upon receipt of notice from Unicity, the Distributor shall immediately cease all Distributor activities. Notice will be deemed received upon delivery, but no later than ten (10) days after mailing.

#### E. Appeal of Termination

A Distributor who has been terminated involuntarily may appeal the termination by submitting in writing an explanation, including any extenuating or mitigating circumstances. The Distributor must submit the written appeal within the time period specified in the termination letter, but within at least fifteen (15) days of receipt of notice of the termination. Unicity will review the timely appeal and notify the Distributor of its decision. If the appeal is not received within the specified time period, the termination will be final.

#### F. Results of Termination

When a Distributorship is terminated through voluntary resignation or through involuntary termination by Unicity, that Distributor's licenses, rights, and privileges are revoked, and the Distributor is no longer entitled to sell Unicity products, Sponsor other prospective Unicity Distributors or represent himself or herself as an independent contractor or Distributor of Unicity. In addition, a terminated Distributor loses all rights to the existing Downline and is no longer entitled to receive any Awards whatsoever, already earned or otherwise, from Unicity, nor is the Distributor entitled to any other claim for indemnification with regard to the loss of his or her Customer base or any investments made. A Distributor also loses any rights to Unicity Lists. A terminated Distributor must immediately return to Unicity all existing Unicity Lists and all other documents and materials made available to him or her. Terminated Distributorships are the property of Unicity and may remain in the current Unicity Genealogical Distributorship position and will be managed, maintained, sold or disposed of by Unicity, at its sole discretion. A Distributor who has been terminated for cause may not re-apply for a Unicity Distributorship for eighteen (18) months following the termination. If a Distributor is at the rank of Presidential Sapphire or higher and is terminated

for cause, then he or she agrees that he or she will not compete in any direct selling channel of distribution in any market that Unicity has officially opened for a period of six (6) months following the termination of his or her Distributorship. The provision proscribing Cross-Sponsoring in Section 3.C shall survive the termination of the Contract.

#### G. Product Buy-Back

A Distributor who voluntarily terminates his or her Distributorship may return with his or her resignation letter all "Currently Marketable," unencumbered, re-usable, unopened, and otherwise re-salable inventory in the Distributor's possession. Unicity will refund ninety percent (90%) of the net cost to the Distributor, less the value of any Awards received by the Distributor for purchase of the goods. Unicity will also re-purchase any initial mandatory sales materials that are returned, shipping pre-paid, in re-usable and re-salable condition for one hundred percent (100%) of the cost to the Distributor. Unicity will not issue any refunds on products previously certified as sold under the 70% Rule. Distributorships that are terminated for cause are not eligible for the 90% product buy-back or the 100% sales material buy-back.

- 1) For purposes of this policy, products shall not be considered "Currently Marketable" if returned after the products' commercially reasonable, usable or shelf-life period has passed; nor shall products be considered "Currently Marketable" if Unicity clearly discloses to Distributors, prior to purchase, that the products are seasonal, discontinued or special promotional products.
- 2) If Awards were paid to a terminating Distributor's Upline on Volume represented by returned products, the Awards paid on such Volume will be debited from the Upline beneficiaries' accounts. Although certain requirements may vary by law in some jurisdictions, Distributors seeking a refund must do the following:
  - a) Call the Unicity Customer Service Department and request a Return Merchandise Authorization ("RMA") form and / or number;
  - b) Request a refund in writing from Unicity. This document must be accompanied by copies of the original product invoice(s) and the RMA form and / or number; and
  - c) Return the package with the RMA number clearly marked near the return address on the outside of the package.

Shipping costs to return the products must be paid by the Distributor. The Distributor is responsible for any damage or loss in the shipping process. Goods damaged en route, and therefore not marketable, will be rejected. After full verification of all submitted paperwork and returned items,

Unicity will issue the terminating Distributor a refund in the form of the original method of payment.

## **H. Governing Law and Jurisdiction**

This Contract shall be governed by the laws of the State of Utah, as those laws apply to contracts made and performed wholly within the State of Utah. Unicity and the Distributor irrevocably consent to the jurisdiction of the courts of the State of Utah and of any federal courts in the State of Utah in connection with any suit, action or proceeding arising out of or relating to the Contract. Venue shall be in the state and federal courts situated in Utah and Salt Lake Counties, Utah, exclusively. In the event of a dispute, the prevailing party shall be reimbursed attorney's fees and reasonable travel and accommodation costs by the other party.

## **I. Force Majeure**

Neither party to the Contract shall be liable to the other party for failure or delay in the performance of any of the obligations under this Agreement for the time and to the extent such failure or delay is caused by reason of

acts of God or other cause beyond its reasonable control, including, but not limited to, acts of government, riots, war, interruption of transportation, strikes or other labor trouble, shortage of labor, fire, storm, flood, earthquake (each a "Force Majeure Event"). The performance of obligations hereunder shall be suspended during the existence of any Force Majeure Event and, upon cessation of such Force Majeure Event, shall again be required to be resumed immediately, provided, however, that the parties hereto shall use their reasonable commercial efforts to minimize the consequences of such Force Majeure.

## **J. Limitation of Liability**

Regardless of the form of claim, whether in tort, contract or other, Unicity and its officers, employees, and agents shall not be liable for any consequential, incidental, special or punitive damages, including lost profits, for any claims by any Distributor. No legal action may be brought by either party to this Contract more than one year after the event giving rise to the cause of action has occurred.

APPENDIX A

# The Unicity Compensation Plan

## Selling Unicity Products

Unicity Distributors are authorized to purchase Unicity Products at a wholesale price and earn a retail profit on such sales. These earnings are not part of the Award Plan but provide a tremendous income to many Distributors throughout the world. In addition, Distributors may register their Customers as Preferred Customers which allows these Customers to receive preferred pricing and other benefits.

Distributors may refer their Customers (either Preferred Customers or Retail Customers) to place their orders directly with Unicity. These orders may be placed through the various methods available within Unicity. Unicity issues each Customer a unique Customer identification number and automatically credits Customer purchases to the account of the referring Distributor. Unicity manages the distribution of the profit on these Customer orders. To Qualify for the service of receiving Preferred Customer Profits or Retail Profits in this manner, a Distributor must be Active in the Volume Month in which the Customer order is placed.

## Personal Rebate Award

For every Distributor or Customer purchase, a Distributor qualifies to earn a Personal Rebate Award based on the Personal Volume (“PV”) that the Distributor accumulated in the current Volume Month. The Personal Rebate is essentially a discount on the price the Distributor pays for the product and is remitted back to the Distributor depending upon qualification. The percentage of Rebate that a Distributor may earn is set forth in Table 1.

Table 1

GV*	Personal Rebate	Rank
5,000 or greater	30%	
1,000-4999	20%	Manager**
750-999	15%	Gold
500-749	10%	Silver
100-499	5%	Bronze
0-99	0%	Distributor

\*During the first month that a Distributor has PV greater than zero (0), the Distributor may only earn Personal Rebates on PV over 1,000.

\*\* See Unicity Manager Leadership for Rank requirements.

## Personal Group Award

When not participating in the Fast Start Program, Distributors may earn Personal Group Awards based on the PV of Distributors that they recruit or are recruited under them in their Downline and are in their Personal Group. Downline members that are in a Distributor’s Personal Group have the following Ranks: Distributor, Bronze, Silver and Gold. Table 2 below shows the maximum percentage the Distributor may earn for Personal Group Awards. Personal Group Awards are based on the Distributor’s monthly PV. The amount will be reduced by deducting any Rebates and Personal Group Awards that were already paid on a non-Manager Downline’s PV. Provided a Distributor has at least 100 PV in the current Volume Month, a Distributor may Qualify to earn the following Personal Group Awards as set forth in Table 2:

Table 2

PV (in current month)	Maximum Personal Group Award
1,000 or greater	20%
750-999	15%
500-749	10%
100-499	5%

### Manager Guarantee Award

Managers are guaranteed a 5% Personal Group Award on their GV. This guarantee only applies to the first 1000 GV for each active non-Manager Frontline.

### Personal Group Awards for New Distributors

For the first month after a person becomes a Unicity Distributor and when the new Distributor has PV greater than 0, the Distributor will only earn Personal Rebates on PV that is over 1,000. The Personal Group Awards for the first month in which a Distributor has PV, and up to the first 1,000 PV is awarded to the Upline of the new Distributor. If the new Distributor's first active Upline is a non-Manager, then the Upline will be paid according to the Personal Group Awards rules. Payout on a new Distributor's PV will continue to be made Upline up to the first Active Manager who will be paid 20% less what has already been paid to qualified parties. If the first Active Upline of a new Distributor is a Manager, then that Manager will be paid 20% of the new Distributor's PV.

## FAST START PROGRAM

An exciting element of the Unicity Award Plan is that a new Distributor and their Sponsor may earn significant Awards for starting their business FAST. These Awards are part of the Fast Start Program. A Distributor must first Qualify for Fast Start Awards under the Fast Start Program by achieving at least 250 PV during the new Distributor's first 30 days. There are two (2) qualification levels in the Fast Start Program, the **Standard Fast Start** and **Manager Fast Start**.

### Standard Fast Start

The Standard Fast Start program allows a new Distributor to earn a 20% commission Award on all persons they sponsor as Distributors, provided they meet the qualifications.

### Qualification (first 30 days)

To Qualify for the Standard Fast Start Award, a new Distributor must accumulate 250 PV within their first 30 days as a Distributor.

### Extended Qualification (day 31-90)

To continue to Qualify for the 20% Standard Fast Start commission Award for up to 90 days a new Distributor must have an Auto-Refill order and agreement of at least 100 PV per month and achieve 250 PV in the first 30 days.

### Standard Fast Start Award

New Distributors who Qualify for the Standard Fast Start Award, earn up to 20% on the PV of all persons sponsored Frontline by the new Distributor in the new person's first Volume Month. The Standard Fast Start Award is only paid out on the first 1,000 PV of each new person sponsored.

### Upline Awards

For Volume paid through the Standard Fast Start Program, if the Upline Sponsor of the new Distributor is a Manager, that Manager will be paid 20% of the PV that is paid through the Standard Fast Start Program. If the Upline Sponsor of the new Distributor is not a Manager, then the Sponsor will be paid 10% of the PV that is paid through the Standard Fast Start Program, and the first Active Upline Manager above the Sponsor will be paid 10%. Furthermore, the Franchise Royalty Awards on Volume paid through the Standard Fast Start Program are paid as follows: Shares 1 and 2 are 5%; Shares 3 and 4 are 3%; and Shares 5 and 6 are 1%.

### Manager Fast Start

The Manager Fast Start Program allows a new Distributor to earn a 30% commission Award on all persons they sponsor as Distributors, provided they meet the qualifications.

### Qualification (first 30 days)

To Qualify for the Manager Fast Start Award, a new Distributor must accumulate 1,000 PV within their first 30 days as a Distributor.

### Extended Qualification (day 31-90)

To continue to Qualify for the 30% Standard Fast Start commission Award for up to 90 days, a new Distributor must have an Auto-Refill order and agreement of at least 100 PV per month and achieve 1,000 PV in the first 30 days.

### Manager Fast Start Award

Distributors who Qualify for the Manager Fast Start Award, earn 30% on the PV of all persons sponsored Frontline by the Distributor in the new Frontline person's first month. The

Manager Fast Start Award is only paid out on the first 1,000 PV of each new person sponsored.

## Upline Awards

For Volume paid through the Manager Fast Start Program, the next Distributor that is a Senior Manager or higher, will be paid Share 1 of the Franchise Royalty Awards at 20% of the PV that is paid through the Manager Fast Start Program. (This is 15% greater than the normal 5% that the Senior Manager would have normally earned.) Furthermore, the Franchise Royalty Awards on Volume paid through the Manager Fast Start Program are paid as follows: Share 2 is 5%; Shares 3 and 4 are 3%; and Shares 5 and 6 are 1%.

## All Fast Start Award Payments

The Fast Start Award that is paid to the Upline is determined by the Sponsor's eligibility. If the Sponsor is eligible for the Manager Fast Start, then the entire Upline is paid according to the Manager Fast Start rules. If the Sponsor is eligible for the Standard Fast Start, then the entire Upline is paid according to the Standard Fast Start rules. If the Sponsor is not eligible for any Fast Start Award on Distributors that they sponsor, then the payout to the Upline follows the normal Award Plan rules.

If during the first Volume Month, a new Distributor has Frontline Volume, but is not eligible for the Fast Start Award, that Distributor Volume will be paid to the Upline according to the normal Award Plan rules. If within their first 30 days, a new Distributor meets the Fast Start requirements, any Volume that was awarded in the previous month may not be awarded in the subsequent month.

## UNICITY MANAGER LEADERSHIP

### Becoming a Manager and "Breaking Away" from the Personal Group

A Distributor who is serious about establishing a Unicity Distributorship Franchise becomes a Manager and earns even greater rewards. When a Distributorship achieves the Rank of Manager, a Distributorship "breaks away" from the Personal Group of its Sponsor and is no longer considered a part of the Sponsor's Personal Group. The PV of a Manager that has "broken away" will no longer count as part of the Sponsor's GV. However, after the "break away" has taken place a Manager's PV that is derived from the Auto Refill Program will continue to be included in the Sponsor's GV for qualification purposes only. The PV derived from the Auto Refill orders of a Manager's Customers will not be included in the Sponsor's GV. A Sponsor has a stronger partner in a Manager that has "broken away" and is developing a stronger Unicity Franchise Business.

To become a Manager, a Distributor must accumulate 1,000 GV in one Volume Month, at least 100 of which is PV. Managers are eligible to earn Franchise Royalty Awards and are recognized at Unicity events for their Rank achievement. A new Manager who does not accumulate 1,000 PV within the next twelve (12) months and each twelve (12) month period thereafter, of becoming a Manager, will lose the Rank of Manager and will be required to re-qualify to receive Manager benefits in the future.

Provided that the Sponsor has an Auto-Refill Agreement of 100 PV or more, the Sponsor may earn Franchise Royalties on the new Manager's GV that exceeds 1,000. In the month a Distributor achieves the Rank of Manager, the GV of the Distributor is also considered the GV of the Sponsor. The Sponsor, therefore, will have automatically met his Senior Manager GV requirement for that month.

In the month that a Distributor becomes a Manager, the Distributor is eligible for Personal Group Awards on the first 1,000 GV as a non-Manager and the Distributor is then paid as a Manager on all GV above 1,000.

## Leadership Ranks

Once a Distributorship achieves the Rank of Manager, it is on the way to building a true Unicity Franchise and becomes eligible to earn Franchise Royalty Awards based on Rank and qualifications. There are seven (7) different Ranks that a Manager may obtain in the Award Plan, they are: **Active Manager, Senior Manager, Director, Senior Director, Presidential Sapphire, Presidential Ruby, and Presidential Diamond.**

To achieve these Ranks a Manager must develop a Downline beneath him and increase the number of Legs and the Organization Volume ("OV") of those Legs. The qualification requirements for each Rank are as follows:

- Active Manager:
  - Have at least 100 PV; and
  - Attained the Rank of Manager in a prior or the current month.
- Senior Manager:
  - Have at least 100 PV through a personal Auto-Refill order agreement; and
  - 1,000 GV.
- Director:
  - Have at least 100 PV through a personal Auto-Refill order agreement;
  - 1,000 GV; and
  - 3 Legs with each Leg having at least 1,000 OV.
- Senior Director:
  - Have at least 100 PV through a personal Auto-Refill order agreement;

- o 1,000 GV; and
- o 5 Legs with each Leg having at least 1,000 OV.
- Presidential Sapphire:
  - o Have least 100 PV through a personal Auto-Refill order agreement;
  - o 1,000 GV; and
  - o 5 Legs with each Leg having at least 5,000 OV
- Presidential Ruby:
  - o Have at least 100 PV through a personal Auto-Refill order agreement; and
  - o 1,000 GV; and
  - o 5 Legs with each Leg having at least 10,000 OV
- Presidential Diamond:
  - o Have at least 100 PV through a personal Auto-Refill order agreement; and
  - o 1,000 GV; and
  - o 5 Legs with each Leg having at least 15,000 OV

## Franchise Royalty Awards

The Franchise Royalty Awards are calculated and based a process called “Multi-Share Compression”. This is a process in which six different Shares are Awarded to the Upline based upon the Upline’s Rank. In this compression model, the first Share of an Active Manager’s GV is Awarded to the first Upline Distributor that is at least a Senior Manager. The second Share is Awarded to the first Distributor above the Senior Manager that is at least a Director. The third Share is Awarded to the first Distributor above the Director that is at least a Senior Director. The fourth Share is Awarded to the Distributor above the Senior Director that is at least a Presidential Sapphire. The fifth Share is Awarded to the Distributor above the Presidential Sapphire that is at least a Presidential Ruby. The sixth Share is Awarded to the Distributor above the Presidential Ruby that is at least a Presidential Diamond. The GV of a non-Active Manager is included in the GV of the first Upline Active Manager for Share calculations.

Each Rank determines the number of Shares upon which a Manager is eligible to receive Awards.

For each Rank, the Share value and Award are as follows:

- Active Manager: An Active Manager earns Awards as follows:
  - o Retail Profit as set forth above;
  - o Personal Rebates as set forth above;
  - o Personal Group Awards as set forth above;
- Senior Manager (1 Share): A Senior Manger earns Franchise Royalty Awards and other Awards as follows:
  - o Retail Profit as set forth above;

- o Personal Rebates as set forth above;
- o Personal Group Awards as set forth above;
- o 5% on the Volume in its first Share.
- Director (2 Shares): A Director earns Franchise Royalty Awards and other Awards as follows:
  - o Retail Profit as set forth above;
  - o Personal Rebates as set forth above;
  - o Personal Group Awards as set forth above;
  - o 5% on the Volume in its first Share.
  - o 5% on the Volume in its second Share.
- Senior Director (3 Shares): A Senior Director earns Franchise Royalty Awards and other Awards as follows:
  - o Retail Profit as set forth above;
  - o Personal Rebates as set forth above;
  - o Personal Group Awards as set forth above;
  - o 5% on the Volume in its first Share.
  - o 5% on the Volume in its second Share.
  - o 5% on the Volume in its third Share.
- Presidential Sapphire (4 Shares): A Presidential Sapphire earns Franchise Royalty Awards and other Awards as follows:
  - o Retail Profit as set forth above;
  - o Personal Rebates as set forth above;
  - o Personal Group Awards as set forth above;
  - o 5% on the Volume in its first Share.
  - o 5% on the Volume in its second Share.
  - o 5% on the Volume in its third Share.
  - o 5% on the Volume in its fourth Share.
- Presidential Ruby (5 Shares): A Presidential Ruby earns Franchise Royalty Awards and other Awards as follows:
  - o Retail Profit as set forth above;
  - o Personal Rebates as set forth above;
  - o Personal Group Awards as set forth above;
  - o 5% on the Volume in its first Share.
  - o 5% on the Volume in its second Share.
  - o 5% on the Volume in its third Share.
  - o 5% on the Volume in its fourth Share.
  - o 5% on the Volume in its fifth Share.
- Presidential Diamond (6 Shares): A Presidential Diamond earns Franchise Royalty Awards and other Awards as follows:
  - o Retail Profit as set forth above;
  - o Personal Rebates as set forth above;
  - o Personal Group Awards as set forth above;

- o 5% on the Volume in its first Share.
- o 5% on the Volume in its second Share.
- o 5% on the Volume in its third Share.
- o 5% on the Volume in its fourth Share.
- o 5% on the Volume in its fifth Share.
- o 5% on the Volume in its sixth Share.

Table 3 below summarizes the Shares and percentage payment that a Manager will be awarded based on achieving the Ranks stated.

### Horizontal Compression

Horizontal Compression is a means by which a Distributor may more readily achieve Leg OV qualifications for the Ranks of Director through Presidential Diamond. Horizontal Compression is Unicity’s proprietary process of summing up the OV of the Organizational Legs of a Distributor to meet the minimum qualification requirements while excluding the four largest Legs, to create a single Leg that may be used to Qualify for a Rank. (For the Rank of Director only the two largest Legs are excluded from Horizontal Compression.) A Distributor’s own PV is also included in the Horizontally Compressed Leg OV.

### Director Bonus Pools

Distributors who reach the Ranks of Director and Senior Director may Qualify for the generous Director Bonus Pools which are announced by Unicity from time to time.

### UNICITY’S PRESIDENTIAL CLUB

Unicity has established a Presidential Club for Presidential Sapphires, Presidential Rubies, and Presidential Diamonds who meet membership qualifications. Members of the Unicity Presidential Club may earn additional Awards, recognition and benefits. To Qualify for membership in the Presidential Club, a Distributor must achieve the Rank of Presidential Sapphire or greater for three (3) consecutive Volume Months. Once a Distributor has earned membership in Unicity’s Presidential Club, the membership is valid for twelve (12) months from the date of last qualification.

### Presidential Club Awards

Distributors who have achieved membership in the Presidential Club as Presidential Sapphire, Presidential Ruby, Presidential Diamond, Double Diamond, Triple Diamond or Crown Diamond, may also become eligible to receive special Presidential Club Awards, these include: Presidential Bonus Shares, and the Presidential Bonus Program for Presidential Sapphires, Presidential Rubies, Presidential Diamonds,

Table 3

	Manager	Senior Manager	Director	Senior Director	Presidential Sapphire	Presidential Ruby	Presidential Diamond
<b>Qualifications</b>							
PV	100	100	100	100	100	100	100
including Automatic Revill PV		100	100	100	100	100	100
GV	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Legs			3	5	5	5	5
Leg OV			1,000	1,000	5,000	10,000	15,000
<b>Number of Shares</b>							
Share 1		1 5%	2 5%	3 5%	4 5%	5 5%	6 5%
Share 2			5%	5%	5%	5%	5%
Share 3				5%	5%	5%	5%
Share 4					5%	5%	5%
Share 5						5%	5%
Share 6							5%

Double Diamonds, Triple Diamonds and Crown Diamonds. The requirements for achieving the Presidential Club Awards are as follows:

### Presidential Bonus Share Awards

Presidential Bonus Shares are additional Shares that may be awarded to members of the Presidential Club based on the ability of Presidential Club members to continue growing their Unicity businesses. To Qualify for the Presidential Bonus Shares a Distributor must:

- Be in good standing with Unicity
- Be a member of the Presidential Club
- Achieve the Rank of Presidential Sapphire, Presidential Ruby, Presidential Diamond, Double Diamond, Triple Diamond or Crown Diamond for three (3) consecutive months

Upon qualifying for a Presidential Bonus Share Award at any of the above stated Ranks, a Distributor will be paid the Presidential Bonus Share Awards as outlined below:

- Presidential Sapphire – for twelve (12) months from the date of qualification, each time the Distributor attains the Rank Presidential Sapphire or higher, the Distributor will receive:
  - 3% on Share 4 Volume where the Manager Share on Share 4 totals 5%;
  - 2% on Share 4 Volume where the Manager Share on Share 4 totals 10%;
  - 1% on Share 4 Volume where the Manager Share on Share 4 totals 15%; and
  - 0% on Share 4 Volume where the Manager Share on Share 4 totals 20% or more
- Presidential Ruby– for twelve (12) months from the date of qualification, each time the Distributor attains the Rank Presidential Ruby or higher, the Distributor will receive:
  - 3% on Share 4 Volume where the Manager Share on Share 4 totals 5%;
  - 2% on Share 4 Volume where the Manager Share on Share 4 totals 10%;
  - 1% on Share 4 Volume where the Manager Share on Share 4 totals 15%; and
  - 0% on Share 4 Volume where the Manager Share on Share 4 totals 20% or more
  - 4% on Share 5 Volume where the Manager Share on Share 5 totals 5%;
  - 3% on Share 5 Volume where the Manager Share on Share 5 totals 10%;
  - 2% on Share 5 Volume where the Manager Share on Share 5 totals 15%; and
- Presidential Diamond – for twenty-four (24) months from the date of qualification, each time the Distributor attains the Rank Presidential Diamond or higher, the Distributor will receive:
  - 3% on Share 4 Volume where the Manager Share on Share 4 totals 5%;
  - 2% on Share 4 Volume where the Manager Share on Share 4 totals 10%;
  - 1% on Share 4 Volume where the Manager Share on Share 4 totals 15%; and
  - 0% on Share 4 Volume where the Manager Share on Share 4 totals 20% or more
  - 4% on Share 5 Volume where the Manager Share on Share 5 totals 5%;
  - 3% on Share 5 Volume where the Manager Share on Share 5 totals 10%;
  - 2% on Share 5 Volume where the Manager Share on Share 5 totals 15%; and
  - 0% on Share 5 Volume where the Manager Share on Share 5 totals 20% or more
  - 5% on Share 6 Volume where the Manager Share on Share 6 totals 5%;
  - 4% on Share 6 Volume where the Manager Share on Share 6 totals 10%;
  - 2% on Share 6 Volume where the Manager Share on Share 6 totals 15%; and
  - 0% on Share 6 Volume where the Manager Share on Share 6 totals 20% or more
- Double Diamond – for thirty-six (36) months from the date of qualification, each time the Distributor attains the Rank of Double Diamond or higher, the Distributor will receive:
  - 3% on Share 4 Volume where the Manager Share on Share 4 totals 5%;
  - 2% on Share 4 Volume where the Manager Share on Share 4 totals 10%;
  - 1% on Share 4 Volume where the Manager Share on Share 4 totals 15%; and
  - 0% on Share 4 Volume where the Manager Share on Share 4 totals 20% or more
  - 4% on Share 5 Volume where the Manager Share on Share 5 totals 5%;
  - 3% on Share 5 Volume where the Manager Share on Share 5 totals 10%;
  - 2% on Share 5 Volume where the Manager Share on Share 5 totals 15%; and

- o 0% on Share 5 Volume where the Manager Share on Share 5 totals 20% or more
- o 5% on Share 6 Volume where the Manager Share on Share 6 totals 5%;
- o 4% on Share 6 Volume where the Manager Share on Share 6 totals 10%;
- o 2% on Share 6 Volume where the Manager Share on Share 6 totals 15%; and
- o 0% on Share 6 Volume where the Manager Share on Share 6 totals 20% or more
- Triple Diamond – for forty-eight (48) months from the date of qualification, each time the Distributor attains the Rank of Triple Diamond or higher, the Distributor will receive:
  - o 3% on Share 4 Volume where the Manager Share on Share 4 totals 5%;
  - o 2% on Share 4 Volume where the Manager Share on Share 4 totals 10%;
  - o 1% on Share 4 Volume where the Manager Share on Share 4 totals 15%; and
  - o 0% on Share 4 Volume where the Manager Share on Share 4 totals 20% or more
  - o 4% on Share 5 Volume where the Manager Share on Share 5 totals 5%;
  - o 3% on Share 5 Volume where the Manager Share on Share 5 totals 10%;
  - o 2% on Share 5 Volume where the Manager Share on Share 5 totals 15%; and
  - o 0% on Share 5 Volume where the Manager Share on Share 5 totals 20% or more
  - o 5% on Share 6 Volume where the Manager Share on Share 6 totals 5%;
  - o 4% on Share 6 Volume where the Manager Share on Share 6 totals 10%;
  - o 2% on Share 6 Volume where the Manager Share on Share 6 totals 15%; and
  - o 0% on Share 6 Volume where the Manager Share on Share 6 totals 20% or more
- Crown Diamond – from the date of qualification, each time the Distributor attains the Crown Diamond, the Distributor will receive:
  - o 3% on Share 4 Volume where the Manager Share on Share 4 totals 5%;
  - o 2% on Share 4 Volume where the Manager Share on Share 4 totals 10%;
  - o 1% on Share 4 Volume where the Manager Share on Share 4 totals 15%; and
  - o 0% on Share 4 Volume where the Manager Share on Share 4 totals 20% or more
- o 4% on Share 5 Volume where the Manager Share on Share 5 totals 5%;
- o 3% on Share 5 Volume where the Manager Share on Share 5 totals 10%;
- o 2% on Share 5 Volume where the Manager Share on Share 5 totals 15%; and
- o 0% on Share 5 Volume where the Manager Share on Share 5 totals 20% or more
- o 5% on Share 6 Volume where the Manager Share on Share 6 totals 5%;
- o 4% on Share 6 Volume where the Manager Share on Share 6 totals 10%;
- o 2% on Share 6 Volume where the Manager Share on Share 6 totals 15%; and
- o 0% on Share 6 Volume where the Manager Share on Share 6 totals 20% or more

## CHAIRMAN'S CLUB

Distributors who achieve the Rank Presidential Diamond in the Presidential Club, become members of the Chairman's Club and are eligible to Qualify for the most lucrative and exciting Awards within Unicity. The Chairman's Club Awards include the Achievers Bonus Award, The Presidential Diamond AFP Award, the Double Diamond AFP Award, Triple Diamond AFP Award and the Crown Diamond AFP Award. To Qualify for these Awards a Presidential Diamond must do the following:

### Presidential Diamond AFP Award

Members of the Chairman's Club have the unique and exciting opportunity to create a Presidential Diamond Additional Franchise Position ("AFP"). An AFP is a type of new Distributorship that is placed on the Presidential Diamond's Frontline. To Qualify for the Presidential Diamond AFP Award a Presidential Diamond must do the following:

- Remain at all times as a Distributor in good standing with Unicity;
- Be a member of the Chairman's Club;
- Qualify as a Presidential Diamond in each Volume Month; and
- Submit a Presidential Diamond AFP Application/ Agreement Form.

Once a Presidential Diamond qualifies for the Presidential Diamond AFP Award, The Presidential Diamond may move existing Legs, other than the four (4) largest Legs measured in terms of OV, under the new Presidential Diamond AFP. The Presidential Diamond AFP will then be paid at the Rank of

Presidential Diamond provided the original Distributorship continues to Qualify at the Rank of Presidential Diamond. A qualifying Presidential Diamond therefore earns up to two times commission Awards on the Volume of the Presidential Diamond AFP.

Any time a Presidential Diamond with a Presidential Diamond AFP does not Qualify his original position as a Presidential Diamond in a Volume Month, the Presidential Diamond AFP is considered non-qualified for that Volume Month and will earn no Presidential Diamond AFP Award. Any time a Presidential Diamond, over a twelve (12) month period of time, is unable to achieve the Rank of Presidential Diamond for three (3) consecutive months; the Presidential Diamond AFP Agreement will be terminated.

## Double Diamond Award

The Double Diamond Award is the right of a Presidential Diamond to create a second AFP that would be placed Frontline to the Presidential Diamond AFP. This AFP is called the Double Diamond AFP. To Qualify as a DOUBLE DIAMOND and for a Double Diamond AFP, a Presidential Diamond must do the following:

- Remain at all times as a Distributor in good standing with Unicity;
- Be a member of the Chairman's Club;
- Qualify as a Presidential Diamond in each Volume Month;
- Maintain at least 100,000 OV in the Presidential Diamond AFP for three (3) consecutive Volume Months;
- Maintain an OV of 250,000 in the Distributor's organization; and
- Submit a Double Diamond AFP Application/Agreement Form.

A qualified Double Diamond may move all Frontline Legs of their Presidential Diamond AFP into the Double Diamond AFP; provided however, that the Presidential Diamond AFP maintains at least 100,000 OV. A qualifying Double Diamond is then eligible to earn up to three times commission Awards on the Volume of the Double Diamond AFP.

Any time a Double Diamond does not Qualify as a Double Diamond (i.e., the Presidential Diamond AFP does not have 100,000 OV in a Volume Month, excluding the Double Diamond AFP volume), the Double Diamond AFP is considered non-qualified for that Volume Month and will earn no Double Diamond AFP Award. Any time a Double Diamond, over a twelve (12) month period of time, is unable to achieve the Rank of Double Diamond for three (3) consecutive months; the Double Diamond AFP Agreement will be terminated.

## Triple Diamond Award

The Triple Diamond Award is the right of a Double Diamond to create a third AFP that would be placed Frontline to the Double Diamond AFP. This AFP is called the Triple Diamond AFP. To Qualify as a TRIPLE DIAMOND and for a Triple Diamond AFP, a Double Diamond must do the following:

- Remain at all times as a Distributor in good standing with Unicity;
- Be a member of the Chairman's Club;
- Qualify as a Presidential Diamond in each Volume Month;
- Maintain at least 100,000 OV in the Presidential Diamond AFP for three (3) consecutive Volume Months, exclusive of the Double Diamond AFP;
- Maintain at least 100,000 OV in the Double Diamond AFP; and
- Maintain an OV of 500,000 in the Distributor's organization; and
- Submit a Triple Diamond AFP Application/Agreement Form.

A qualified Triple Diamond may move all Frontline Legs of their Double Diamond AFP into the Triple Diamond AFP; provided however, that the Double Diamond AFP maintains at least 100,000 OV. A qualifying Triple Diamond is then eligible to earn up to four times the commission Awards on the Volume of the Triple Diamond AFP.

Any time a Triple Diamond does not Qualify as a Triple Diamond (i.e., the Double Diamond AFP does not have 100,000 OV in a Volume Month, excluding the Triple Diamond AFP Volume), the Triple Diamond AFP is considered non-qualified for that Volume Month and will earn no Triple Diamond AFP Award. Any time a Triple Diamond, over a twelve (12) month period of time, is unable to achieve the Rank of Triple Diamond for three (3) consecutive months; the Triple Diamond AFP Agreement will be terminated.

## Crown Diamond Award

The Crown Diamond Position is the highest position within the Unicity Distributor organization. The Crown Diamond Award is the right for a Triple Diamond to create a fourth AFP that would be placed Frontline to the Triple Diamond AFP. This AFP is called the Crown Diamond AFP. To Qualify as a CROWN DIAMOND and for a Crown Diamond AFP, a Triple Diamond must do the following:

- Remain at all times as a Distributor in good standing with Unicity;
- Be a member of the Chairman's Club;
- Qualify as a Presidential Diamond in each Volume Month;

- Maintain at least 100,000 OV in the Presidential Diamond AFP for three (3) consecutive Volume Months, exclusive of the Double Diamond AFP;
- Maintain at least 100,000 OV in the Double Diamond AFP;
- Maintain at least 100,000 OV in the Triple Diamond AFP;
- Maintain an OV of 1,000,000 in the Distributor's organization; and
- Submit a Crown Diamond AFP Application/ Agreement Form.

A qualified Crown Diamond may move all Frontline Legs of their Triple Diamond AFP into the Crown Diamond AFP; provided however, that the Triple Diamond AFP maintains at least 100,000 OV. A Qualifying Crown Diamond is then eligible to earn up to five times the commission Awards on the Volume of the Crown Diamond AFP.

Any time a Crown Diamond does not Qualify as a Crown Diamond (i.e., the Triple Diamond AFP does not have 100,000 OV in a Volume Month, excluding the Triple Diamond AFP Volume), the Crown Diamond AFP is considered non-qualified for that Volume Month and will earn no Crown Diamond AFP Award. Any time a Crown Diamond, over a twelve (12) month period of time, is unable to achieve the Rank of Crown Diamond for three (3) consecutive months; the Crown Diamond AFP Agreement will be terminated.

## GLOSSARY OF TERMS

### A. Active Distributor

A Distributor in good standing who has accumulated a minimum of 100 Personal Volume ("PV") in a Volume Month. A person must be an Active Distributor to be eligible to earn Awards in the Award Plan.

### B. Automatic Refill

Automatic Refill (or "Auto-Refill") is a program in which products are automatically shipped to Distributors or Customers pursuant to the terms of an Automatic Refill agreement.

### C. Award Plan

The Unicity Award Plan and any change or amendment thereto is an incentive program through which a Distributor may earn Awards pursuant to the rules of the Award Plan and may include other incentive programs or plans which are adopted from time to time in writing by Unicity.

### D. Awards

Any gift, Award, premium, benefit, payment or incentive given by Unicity to a Distributor pursuant to the Award Plan. Awards are based upon qualifications under the

Award Plan. Most Awards take the form of Volume or Points assigned to an account in the name of a Distributor. Points may be converted to cash payments, sometimes called commissions, bonuses, credits or the like. Other Awards may include prizes, product, gifts, trips, incentives, and the like. Cash payment Awards that are not claimed within ninety (90) days are converted back into Points, which are placed on the Distributor's account. Any unclaimed Awards or Points at the time of the termination of the Distributor's Contract are forfeited. The obligation of Unicity to pay Awards is conditioned upon the Distributor meeting all the requirements for redeeming such.

### E. Customer

An end consumer who is either a Preferred Customer or a Retail Customer. A Distributor is not and may not act as a Customer.

### F. Distributor

An independent contractor who has signed and completed the official Unicity Distributor Agreement and whose Distributor Agreement has been accepted by Unicity and whose relationship is not otherwise terminated. A Distributor is given a license to distribute Unicity products through a Unicity Distributorship and may also be referred to as a Franchise Owner or by other common terms such as Associate, Independent Business Owner, IBO, Member or the like. Likewise, a Distributor may be referred to by the name of the Rank that the Distributor has achieved in the Award Plan, such as Manager, Director, Presidential Sapphire, Presidential Ruby, Presidential Diamond, Double Diamond, Triple Diamond or Crown Diamond. Preferred Customers and Retail Customers are not Distributors. Any person who has obtained through any other means any beneficial interest or presumption of a beneficial interest in a Unicity Distributorship is a Distributor and is bound by the duties and obligations of the Contract.

### G. Distributorship

The right and license granted to a Distributor to purchase, sell, distribute, and promote the Unicity products and business opportunity under the terms and conditions of the Contract.

### H. Downline Organization or Downline

A "Downline Organization" consists of all Distributors who are directly or indirectly Sponsored by a Distributor or by Distributors in his or her Downline.

### I. First Full Month

The First Full Month is the next calendar month after Unicity accepts a Distributor's Agreement.

## **J. Frontline**

A Distributor who is immediately below the Sponsor in the Sponsor's Downline.

## **K. Group Volume (GV)**

The sum of a Distributor's Personal Volume and the Volume of his or her Downline who have not yet achieved the Rank of Manager down to the next Distributor who has achieved the Rank of Manager (but not including such Manager) during a Volume Month.

## **L. Horizontal Compression**

Unicity's proprietary process of summing a Distributor's Leg OV, while excluding the four largest Legs, to create a single Leg that may be used to Qualify for a Rank. For the Rank of Director only the two largest Legs are excluded from Horizontal Compression. A Distributor's own PV is also included in the Horizontal Compressed OV.

## **M. Leg**

An entire Downline Organization beginning with a Frontline Distributor.

## **N. Leg Volume**

The total Organization Volume of a Leg.

## **O. Level**

A position in a Distributor's Downline based on Sponsorship without compression.

## **P. Multi-Share Compression**

The process in which Shares are Awarded to the Upline. The first Share of an Active Manager's GV is Awarded to the first Upline Distributor that is at least a Senior Manager. The second Share is Awarded to the first Distributor above the Senior Manager that is at least a Director. The third Share is Awarded to the first Distributor above the Director that is at least a Senior Director. The fourth Share is Awarded to the Distributor above the Senior Director that is at least a Presidential Sapphire. The fifth Share is Awarded to the Distributor above the Presidential Sapphire that is at least a Presidential Ruby. The sixth Share is Awarded to the Distributor above the Presidential Ruby that is at least a Presidential Diamond. The GV of a non-Active Manager is included in the GV of the first Upline Active Manager for Share calculations.

## **Q. Organization Volume (OV)**

The sum total of all Volume in a Distributor's organization, including the Distributor's PV and the PV of all his or her Downline Distributors.

## **R. Personal Rebates**

Awards given to a Distributor based on his or her PV, which is based on the Distributor's personal product purchases and product purchases made by his or her Customers.

## **S. Personal Volume (PV)**

The Volume or Points accumulated from a Distributor's Unicity product purchases and the product purchases made by his or her Customer(s) through Unicity during a Volume Month.

## **T. Preferred Customer**

An end consumer who purchases Unicity products from a Distributor, either directly or through Unicity, and who has paid a special Preferred Customer membership fee and therefore is entitled to a Preferred Customer price and benefits. Distributors are not Preferred Customers and may not order products as if they were such. Preferred Customers do not participate in the Award Plan, although the Volume generated from the products they purchase will count toward the PV of the Distributor who sold them the products.

## **U. Preferred Customer Profit**

The difference between the wholesale price and the Preferred Price paid by a Preferred Customer on select products.

## **V. Preferred Price**

Price for products sold to Preferred Customers.

## **W. Presidential Bonus Shares**

Presidential Bonus Shares are additional Shares that may be awarded to members of the Presidential Club based on meeting the qualifications set forth in the Awards Program.

## **X. Qualify**

To meet the requirements to achieve a given Rank, benefit or Award under the Award Plan in a Volume Month while the Distributorship is in good standing.

## **Y. Rank**

A qualification title in the Award Plan used to describe the level of recognition or Awards that a Distributorship has earned. The Ranks include: Bronze, Silver, Gold, Manager, Senior Manager, Director, Senior Director, Presidential

Sapphire, Presidential Ruby, Presidential Diamond, Double Diamond, Triple Diamond and Crown Diamond.

## **Z. Rebates**

See "Personal Rebates."

## **AA. Retail Customer**

An end consumer who purchases Unicity products from a Distributor either directly or through Unicity. Distributors are not Retail Customers and may not order products as if they were such. Retail Customers do not participate in either the Award Plan or the benefits of the Preferred Customer program, although the Volume generated from the products they purchase counts toward the PV of the Distributor who sold them the products.

## **BB. Retail Price**

Suggested price for retail sales.

## **CC. Retail Profit**

The difference between wholesale price and the Retail Price paid by a Customer.

## **DD. Shares**

The portion of a Manager's GV that is paid to qualifying Upline Senior Manager's and higher.

## **EE. Sponsor**

The first Upline position to a Distributor. To "Sponsor" is to be recognized on the Distributor Agreement as the Sponsor and / or to have the Distributor placed on the Sponsor's Frontline.

## **FF. Upline**

A Distributor's Sponsor and successive Sponsors of each Upline.

## **GG. Volume**

The value or Points assigned to a Unicity product. A Distributorship accrues Volume upon the purchase of product by the Distributor or by the Downline pursuant to the Award Plan. Volume or Points have no monetary value unless properly redeemed.

## **HH. Volume Month**

The period of time used to calculate Awards and Ranks under the Award Plan.

## APPENDIX B

# The Distributorship Franchise Agreement

### Terms and Conditions

1. I am 18 years of age or older and legally competent to enter into a contract.
2. Upon acceptance of this Distributor Agreement by Unicity International, Inc. (“Unicity”), I will be an independent contractor and licensed distributor (hereinafter “Distributor”) of Unicity, which status gives me the right to sell Unicity products (the “Products”) in accordance with the Unicity Award Plan (the “Award Plan”). This Distributor Agreement will be deemed accepted by Unicity at its sole discretion when it is entered into the Unicity database, so long as there have been no violations with respect to this application and the Policies and Procedures. Distributor Agreements submitted by telephone will be temporarily accepted; however, the original Distributor Agreement or a facsimile thereof must be received by Unicity within thirty (30) days of entry into the Unicity database for it to be considered for acceptance. Distributor Agreements appropriately entered online will be considered for acceptance. The acceptance by Unicity of this Distributor Agreement may be rescinded if Unicity has determined there has been any misrepresentation or violation of the Distributor Agreement.
3. I have read the Award Plan and the Policies and Procedures for Unicity independent Distributors (the “Policies & Procedures”). I agree to be bound by and abide by the terms and conditions of each of these documents and the terms and conditions of the Award Plan and the Policies & Procedures. I agree to be bound by all revisions, supplements, and amendments thereto and further agree that they are incorporated herein by this reference. This is an integrated Contract (the “Contract”) that also includes the Award Plan and the Policies & Procedures. With the exception of these referenced documents, no promises, representations, guarantees or agreements of any kind shall be valid unless in writing and signed by both an authorized officer of Unicity and me. I acknowledge that any violation of the Contract or any other agreements or obligations I may have with Unicity or any of its affiliated entities may result in the termination of my Distributorship or other disciplinary action, as deemed appropriate by Unicity, at its sole and absolute discretion. Should any inconsistency be found between the Policies & Procedures, the Award Plan, and any amendment hereto, and any other publication of Unicity, the current Policies & Procedures shall govern.
4. I understand that no product purchases are necessary to become a Distributor. The only payment required to become a Distributor is the annual Franchise License fee referenced on the front of the Distributor Agreement form, the payment fee which authorizes me to act as a Distributor under the Contract and to receive all of the benefits of such Distributorship.
5. Automatic Refill Agreement. If I elect to enter into an Automatic Refill Agreement, I authorize Unicity to ship my order to me no later than the 20th of each month, after processing the payment method that I have indicated. Unicity is under no obligation to ship any products until full payment has been received. Shipment will take place approximately two days after payment confirmation. Any new Automatic Refill Agreement received will cause an order to be shipped within two days of receipt of said agreement. Each month thereafter, my Automatic Refill order will be sent. Each Automatic Refill order will be shipped within three to five days after the date of receipt or as specified in the order. Shipping and handling charges will be applied to each Automatic Refill order.
  - a. Automatic Refill. This program allows me to automatically receive my product order each month and guarantees that, as a Distributor in good standing, I will meet the PV qualification

requirement to be eligible for Awards under the Award Plan in that month, if my Automatic Refill order total at least the minimum qualifying amount required by the Award Plan.

- b. Revision. I may revise my Automatic Refill Agreement according to the Policies & Procedures.
  - c. Cancellation. I may not cancel my Automatic Refill Agreement for the first 90-days after it becomes effective. Thereafter, I may cancel my Automatic Refill Agreement by submitting a new Automatic Refill Agreement with "Stop Automatic Refill" written at the top. The Customer Service Department must receive the cancellation notice no fewer than 10 business days prior to my next Automatic Refill shipment date. If the cancellation is received fewer than 10 business days prior to shipment, there will be no guarantee that the last order will be cancelled. I will not be allowed to return any Automatic Refill orders to Unicity if I remain a Distributor unless I can provide evidence to show that the cancellation had been received more than 10 business days before the order was shipped, such as a fax transmittal sheet.
  - d. "70% Rule." When placing any product order, I certify that I have sold or consumed a minimum of seventy percent (70%) of all previous orders (the "70% Rule").
6. This Distributor Agreement shall be valid for one (1) year from the date of acceptance and is subject to a required annual renewal. Unicity is not obligated to renew this Distributor Agreement. I acknowledge that this Distributor Agreement and the Distributorship created hereunder may be terminated by Unicity if the Distributor Agreement is not renewed for any reason. The Distributorship created hereunder is a licensed right that is revocable, and the position this Distributorship creates in the Unicity Distributor Organization and/or database is the property of Unicity.
  7. If I wish to terminate this Distributor Agreement, I will deliver written notification of my intent to terminate to Unicity. My voluntary termination will be effective as of the date such notice is received and accepted by Unicity.
  8. As a Distributor, I am an independent contractor. I am not an employee, partner, agent, joint venturer or legal representative of Unicity. I agree that I am solely responsible for my compliance with any and all laws or regulations related to my business in any jurisdiction exercising authority over me, including but not limited to the duty to license my business and to collect and pay sales or use tax on sales and on products I consume unless Unicity otherwise agrees to collect and remit such taxes. I will obey any and all federal and local laws, statutes, and regulations applicable to my business and me.
  9. Although Unicity or any of its affiliated entities may assist me in becoming aware of applicable laws, rules, and requirements, the sole responsibility to lawfully conduct my independent Unicity business in any jurisdiction rests with me. Therefore, I release Unicity and any of its affiliated entities and their officers, agents, and employees from all liability for any of my actions or omissions. I also waive any claims or causes of action that either I or others acting in my interest may have occasion to assert respecting my status or conduct as an independent Distributor or Sponsor of Unicity arising out of any of my acts or omissions. I agree to indemnify and hold harmless Unicity, its officers, employees, successors, Distributors, and any of its affiliated organizations for any claim, action or liability asserted or arising out of my actions, omissions, admissions or representations in sponsoring or conducting my independent Unicity business.
  10. This Distributor Agreement allows me to recruit prospective Distributors of Unicity in my Home Country. I may only sponsor Distributors in other countries pursuant to the conditions of the Unicity Ambassador Program, which is included in the Policies & Procedures.
  11. I understand that only Distributors considered by Unicity to be in good standing may Sponsor new Distributors. Unicity, at its sole discretion, may reject this Distributor Agreement without disclosing any reason therefore. If this Distributor Agreement or any renewal hereof is not accepted or approved, I release Unicity and its officers, agents, affiliates, advisors, and employees from any and all liability, claims, damages or cause of action.
  12. I understand that I am responsible for training and supporting any Distributors I Sponsor and/or recruit under the Award Plan. I will perform a best effort bona fide supervisory, soliciting, distributing, and/or selling function in connection with the sale of Unicity products to the ultimate consumer. I also agree to reasonably train any Distributor whom I may Sponsor or recruit in the performance of these functions. I will maintain continuing communication with and supervision over my Unicity Distributor organization.
  13. I understand and agree that any Awards I receive from Unicity are granted under the rules of the Award Plan or the rules of a Unicity program as may be established from time to time.
  14. I agree that I may not alter, re-package, re-label or otherwise change any Unicity product, nor will I sell any such product under any name or label other than that authorized by Unicity. I further agree that I will refrain from producing, selling, and using any compensation

- plan, program, writing, recording or any other materials that have not been previously approved or provided by Unicity.
15. I understand and agree that I may not convey, assign or otherwise transfer any rights arising hereunder without the prior written consent of Unicity. Unicity may assign the Contract without my consent.
  16. I agree not to use proprietary trade names, trademarks or other property of Unicity without the prior written consent of Unicity.
  17. I will make no claims of therapeutic or curative properties regarding Unicity products or claims involving the Award Plan that are not contained in official Unicity literature that is produced and distributed by Unicity.
  18. Unicity and its affiliated entities have proprietary rights to Unicity's Distributors and lists of Distributor names. I will not use any Unicity Distributor Lists or other Unicity contacts to promote the sale or use of any products, programs or services other than those offered through Unicity, to any Unicity Distributor whom I do not personally Sponsor. I further agree that I may not hold a beneficial interest in more than one Unicity Distributorship except as expressly allowed in the Award Plan. I will return all existing Unicity Lists upon request by Unicity or upon my termination.
  19. In the event I choose to purchase Unicity Products on my credit card or banking debit card, my signature on this Distributor Agreement hereby constitutes my authorization to process any order I place to those accounts and to use this authorization as my "signature on file."
  20. If any provision of this Contract is found to be unenforceable or invalid, the validity of the remaining provisions shall not be affected.
  21. This Contract shall be governed under the laws of the State of Utah. I agree that proper jurisdiction and venue shall be in the state and federal courts in Salt Lake County or Utah County, Utah. In the event of a dispute, the prevailing party shall be reimbursed attorney's fees and reasonable travel and accommodation costs by the other party.
  22. I agree that regardless of the form of claim, whether in tort, contract or other, Unicity, its subsidiaries, and affiliated companies and their officers, employees, and agents shall not be liable for any consequential, incidental, special or punitive damages, including lost profits or any claims against Unicity. No legal action may be brought by either party to this Distributor Agreement more than one year after the event giving rise to the cause of action has occurred.
  23. I certify the accuracy of all information provided by me in this Distributor Agreement and agree that the providing of false or misleading information authorizes Unicity, at its election, to declare this Distributor Agreement void from its inception.
  24. If you are a United States person (including a resident alien), you must provide Unicity with your correct Taxpayer Identification Number ("TIN"), which for individuals is either your Social Security Number ("SSN") or, if you are a resident alien and you do not have and are not eligible to get an SSN, your Individual Taxpayer Identification Number ("ITIN"). For a Distributorship that is a partnership, corporation, company or association organized in the United States or under the laws of the United States, you must provide Unicity with your Federal Tax Identification Number. If you provide Unicity with an incorrect taxpayer number, Unicity will withhold and pay to the IRS 28 percent of your income. By signing this Agreement, you certify that the TIN you have provided to Unicity is correct.

## APPENDIX C

# The Ambassador Program

### A. International Sponsoring

Unicity allows Distributors the opportunity to Sponsor Distributors and Customers in approved foreign countries. This is accomplished through the Unicity Ambassador Program (the "Ambassador Program"). Distributors who participate in the Ambassador Program may be referred to as "Ambassadors." Distributors may become Ambassadors only to countries that are officially "Opened" by Unicity ("Target Countries"). A country is Opened when Unicity publishes notice of such opening in an official Unicity publication from the corporate headquarters of Unicity in the United States.

### B. Ambassador Qualifications

To qualify for and participate in the Ambassador Program, a Distributor must:

- 1) Be a Distributor in good standing in his or her country of residence ("Home Country");
- 2) Achieve the Rank of Senior Manager under the Award Plan;
- 3) Request a Basic Literature Packet from the Target Country; and
- 4) Read and understand all aspects of the Ambassador Program, including the Award Plan for the Target Country in which the Distributor wishes to Sponsor.

### C. Ambassador Policies

The following policies have been established to protect Unicity and its Ambassadors. The violation of these policies may lead to not only Unicity disciplinary action but also to governmental regulatory action, which may include severe fines, confiscation of property, closure of business operations or even imprisonment. Ambassadors must comply with the following policies:

- 1) An Ambassador may not engage in blind prospecting without prior written approval from Unicity. Many countries have strict privacy laws that forbid blind solicitations. Also, many local laws forbid advertising for leads. An Ambassador may not advertise for leads without the prior written consent of the General Manager of the Target Country;
- 2) An Ambassador may not import or export any Unicity products into a market in which that product is not approved. Even though Unicity products with the same name may be offered by Unicity in two different countries, the products themselves may be different;
- 3) An Ambassador may not use Unicity literature or promotional statements from one country in any other country. Promotional statements from one country's literature may not be appropriate for use or legal in another country;
- 4) An Ambassador does not have the right to sell Unicity products in the Target Country. That right is reserved for individuals who are Distributors that reside in the Target Country. To avoid adverse tax consequences and restitution requirements, an Ambassador should refer product sales to his or her Downline Distributors in the Target Country;
- 5) An Ambassador may not send any unauthorized Unicity products to any country. Products to be sold in the Target Country must be obtained directly from the Target Country's Unicity office or warehouse;
- 6) An Ambassador may not seek or participate in media coverage of any kind in the Target Country without prior written approval from the Unicity office;
- 7) An Ambassador may not misrepresent Unicity products or the Unicity opportunity in the Target Country;
- 8) An Ambassador may not make claims or guarantees of specific earnings potential in the Target Country;

- 9) An Ambassador may not make therapeutic or medicinal claims about Unicity products in the Target Country; and
- 10) An Ambassador must comply with the Unicity Policies & Procedures of both the Home and Target Country.
- 11) An Ambassador may encourage friends in foreign countries to purchase product under the Unicity Global purchase program on the web at [www.unicityglobal.com](http://www.unicityglobal.com) and nothing herein prohibits a Distributor from directing people to the Unicity Global program.

#### **D. Awards Under the Ambassador Program**

Ambassadors are compensated for Volume generated by their Downline in the Target Country pursuant to the Target Country's Award Plan (the "Target Country Award Plan"). The Awards and requirements for Ambassadors may differ for each Target Country. An Ambassador will be compensated at a Rank no less than the Rank attained in the Home Country. Although Volume generated by Downline in a Target Country may be used to qualify for a Rank in the Home Country, Awards for the Volume generated by Downline in a Target Country will be calculated according to the Target Country Award Plan.

#### **E. The Basic Literature Packet and Award Plan**

The award plan for a Target Country is included with the Basic Literature Packet for the Target Country that the Ambassador requests from the Target Country before beginning any Ambassador activity.

#### **F. Ambassador Awards**

Ambassador Awards or earnings are based on the rules of the Award Plan of the Target Country. Ambassadors are paid from the Ambassador's Home Country in the Home Country

currency. Ambassadors are not paid any Phase I Awards under the Award Plan of the Target Country. Ambassadors may be subject to income-tax-withholding requirements in the Target Country. When applicable, withholdings will be deducted from the Ambassador's Awards. All other rules related to Awards apply to Ambassador Awards.

#### **G. Foreign Market Instability**

The ability to make payments to Ambassadors as a result of the sale of Unicity products in countries outside the United States is dependent on the receipt by Unicity of U.S. dollars in connection with such sales. Consequently, Unicity may restrict, delay or modify Awards or payments to Ambassadors during such time as conditions in a foreign country limit or restrict the conversion or repatriation of money.

#### **H. Monthly Processing Fee**

A monthly processing fee may be charged for each country in which the Distributor is an Ambassador. If an Ambassador does not Qualify for Awards one month, the Ambassador will not be charged the processing fee(s) for that month.

#### **I. Downline Lists**

An Ambassador may obtain the Ambassador's Downline List in a Target Country online or by contacting the Distributor Relations or Customer Service department in the Ambassador's Home Country's office.

#### **J. Ambassador Renewal**

No annual renewal (other than the Home Country renewal requirement) is required to maintain a Distributor's Ambassador status.

## Unicity Corporate Headquarters

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Mail: 1201 North 800 East, Orem, UT 84097

Website: [www.unity.net](http://www.unity.net)  
[www.unityinternational.com](http://www.unityinternational.com)  
[www.makelifebetter.com](http://www.makelifebetter.com)

## Customer Service Center

Phone: 1-800-UNICITY (864-2489)  
1-888-BIOSLIFE (246-7543)

Fax: 1-800-226-6232  
1-801-226-8232

E-mail: [customerservice@unity.net](mailto:customerservice@unity.net)

