

PURE ACAI NETWORK  
INDEPENDENT DISTRIBUTOR AGREEMENT TERMS & CONDITIONS-1.10-EN

I understand that as a Pure Acai Network (hereinafter " PAN ") (BP Brand Partner) Distributor:

- a. I have the right to purchase products from PAN at the price for which I am eligible.
- b. I have the right to sponsor qualified persons in PAN.
- c. I will assist, train, and motivate the Distributors in my downline marketing organization.
- d. I will comply with all federal, state, county, and municipal laws, ordinances, rules, and regulations, and shall make all reports and remit all withholdings or other deductions as may be required by any federal, state, county, or municipal law, ordinance, rule or regulation.
- e. I will perform my obligations as a Distributor with honesty and integrity.
- f. I will only use the sales contracts and order forms that are provided by PAN for the sales of its products, and I will follow all policies and procedures established by PAN for the completion and processing of such contracts and orders.
- g. Not take any action or conduct myself in any manner that damages the business reputation of PAN, its founders, directors, or officers.
- h. I agree that I will provide a unique identifying number for tax or business purposes as issued by the country where I am applying for PAN membership.

I agree to present the PAN Global Compensation Plan and PAN products as outlined in the official PAN literature. I will make no claims regarding potential income, earnings, and products beyond what is stated in official PAN literature. I may not use, produce, create, publish, distribute, or obtain from any source other than PAN, any literature, recordings (audio, video, or otherwise), sales, or enrollment aids relating to PAN products or the PAN Global Compensation Plan. I understand that I may not use or display any PAN trademarks, trade names, service marks, logos, designs, or symbols to market and advertise PAN's products or the PAN opportunity other than as outlined in the PAN Policies and Procedures without first obtaining written authorization from PAN.

I agree that as a PAN Distributor I am an independent contractor, and not an employee, agent, partner, legal representative, or franchisee of PAN. I am not authorized to and will not incur any debt, expense, obligation, or open any financial account on behalf of, for, or in the name of PAN. I understand that I shall control the manner and means by which I operate my PAN distributorship, subject to my compliance with these Terms and Conditions, the PAN Policies and Procedures, and the PAN Global Compensation Plan (all of which are collectively referred to as the "Agreement"). I agree that I will be solely responsible for paying all expenses incurred by myself, including but not limited to travel, food, lodging, administrative support, office, long-distance telephone, and other expenses.

I UNDERSTAND THAT I AM NOT, AND I SHALL NOT BE TREATED AS A PAN EMPLOYEE FOR FEDERAL OR STATE TAX PURPOSES. PAN is not responsible for withholding, and shall not withhold or deduct from my bonuses and commissions, if any, FICA, or taxes of any kind, unless such withholding becomes legally required. I agree to be bound by all sales tax collection agreements between PAN, Pure Acai Sweden AB, and all appropriate taxing jurisdictions, and all related rules and procedures.

I have carefully read and agree to comply with the PAN Policies and Procedures and the PAN Global Compensation Plan, both of which are incorporated into and made a part of these Terms and Conditions. I understand that I must be in good standing, and not in violation of any of the terms of this Agreement, to be eligible to receive any bonuses or commissions from PAN. I understand that these Terms and Conditions, the PAN Policies and Procedures, or the PAN Global Compensation Plan may be amended from time to time, and I agree that any such amendment will apply to me. Notification of amendments shall be published in official PAN materials and sent

to all Distributors. The continuation of my PAN distributorship or my acceptance of bonuses or commissions shall constitute my acceptance of all amendments.

The term of this Agreement shall begin on the date of enrollment and shall continue until terminated by either party. PAN expressly reserves the right to terminate all Distributor Agreements upon thirty (30) days written notice if it elects to:

- (1) cease business operations;
- (2) dissolve as a corporate entity; or
- (3) terminate distribution of its products via direct selling.

I may not assign any rights or delegate my duties under this Agreement without the prior written consent of PAN. Any attempt to transfer or assign this Agreement without the express written consent of PAN renders this Agreement voidable at the option of PAN and may result in the termination of my distributorship.

I understand that if I fail to comply with the terms of this Agreement, the Policies and Procedures, or the Global Compensation Plan, PAN may, at its discretion, terminate my distributorship or impose upon me other disciplinary action, including but not limited to, forfeiture of bonuses and commissions, and/or loss of all or part of my downline marketing organization. If I am in breach, default, or violation of this Agreement at termination, I shall not be entitled to receive any further bonuses or commissions, whether or not the sales for such bonuses or commissions have been completed. If this Agreement is terminated for any reason, I will forever lose my rights as a Distributor, including rights to my downline marketing organization, and rights to compensation under the PAN Global Compensation Plan. If I fail to pay for products when payment is due, I authorize PAN to withhold the appropriate amounts from my bonus or commission checks, to charge my credit cards, or debit my financial accounts, if any, which I have authorized PAN to charge. I understand that the failure to promptly pay for products constitutes a breach of this Agreement.

To the extent permitted by law, PAN, its directors, officers, shareholders, employees, assigns, successors, and agents (collectively referred to as "affiliates"), shall not be liable for, and I release PAN and its affiliates from, any claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by me as a result of (a) my breach of this Agreement or the PAN Policies and Procedures; (b) the improper promotion or operation of my distributorship and any activities related to it (e.g., the presentation of PAN products or Global Compensation Plan, the operation of a motor vehicle, the lease of meeting or training facilities, etc.); (c) any incorrect or wrong data or information provided by me; or (d) the failure to provide any information or data necessary for PAN to operate its business, including without limitation, my enrollment and acceptance into the Global Compensation Plan or the payment of Commissions or Bonuses. I agree that the entire liability of PAN and its affiliates for any claim whatsoever related to the relationship of PAN and myself, including, but not limited to, any cause of action sounding in contract, tort, or equity shall not exceed, and shall be limited to, the amount of products I have purchased from PAN under this Agreement or any other agreement that are in resalable condition. I further agree to indemnify, hold harmless, and defend at my expense PAN and its affiliates against any claims, demands, costs, losses, damages, liabilities, judgments, attorney fees, and all other expenses arising or alleged to arise in connection with my distributorship.

This Agreement and the documents incorporated by reference constitute the entire contract between PAN and myself. Any promises, representations, offers, or other communications not expressly outlined in this Agreement are of no force or effect. To the extent of any conflict or inconsistency between this Agreement and any other agreement (other than the Policies and Procedures), this Distributor Application and Agreement shall supersede and prevail over any term of any other agreement as to the matters addressed herein. To the extent of any conflict or inconsistency between this Agreement and the Policies and Procedures (in their current form or as subsequently modified), the Policies and Procedures shall in all instances supersede and prevail over any term of this Agreement as to the matters addressed herein.

Any waiver by PAN of any breach of this Agreement must be in writing and signed by an authorized officer of PAN. A waiver by PAN of any breach of this Agreement by me shall not operate or be construed as a waiver of any subsequent breach.

If a provision of this Agreement is held to be invalid or unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable and the balance of the Agreement will remain in full force and effect.

The Distributor Agreement between the Distributor and PAN has been entered into in Uppsala, Uppland, Sweden, as this is the location where the Distributor applied to enroll as a PAN Independent Distributor, and where the application was reviewed and approved by PAN. The Distributor Agreement shall be governed exclusively by the laws of Sweden, and the Distributor agrees to submit exclusively to the jurisdiction of the courts of Sweden for the resolution of any claims or related litigation to interpret or enforce the terms of the Distributor Agreement. This Agreement will be governed by and construed following the laws of Sweden unless the laws of the country in which I reside expressly require the application of its laws. Except as outlined in the PAN Policies and Procedures, or unless the laws of the state in which I reside expressly prohibit the consensual jurisdiction and venue provisions of this Agreement, in which case its laws shall govern, all disputes and claims relating to PAN, the Distributor Agreement, the PAN Global Compensation Plan or its products, the rights and obligations of an independent Distributor and PAN, or any other claims or causes of action relating to the performance of either an independent Distributor or PAN under the Agreement or the PAN Policies and Procedures shall be settled totally and finally by binding arbitration in Uppsala, Sweden or such other location as PAN prescribes, following the Federal Arbitration Act and the Commercial Arbitration Rules of the Swedish Arbitration Association. The parties shall be allowed all discovery rights under the Federal Rules of Civil Procedure.

If a Distributor files a claim or counterclaim against PAN, a Distributor shall do so on an individual basis and not with any other Distributor or as part of a class action. If a Distributor wishes to bring an action against PAN for any act or omission relating to or arising from this Agreement, such action must be brought within one year from the date of the alleged conduct giving rise to the cause of action. Failure to bring such action within one year shall bar all claims against PAN for such act or omission. Distributor waives all claims that any other statutes of limitations apply. The decision of the arbitrator shall be final and binding on the parties and may if need be, be reduced to a judgment in any court of competent jurisdiction. The prevailing party shall be entitled to receive from the losing party costs and expenses of arbitration, including legal and filing fees. This agreement to arbitrate shall survive any termination or expiration of the Agreement.

The parties consent to jurisdiction and venue before any federal or state court in Uppsala, Sweden for purposes of enforcing an award by an arbitrator or any other matter not subject to arbitration. If the law of the state in which the applicant resides prohibits consensual jurisdiction and venue provisions for purposes of arbitration and litigation, that state's law shall govern issues PAN.

## POLICIES & PROCEDURES-1.10-EN

### 1. INTRODUCTION

The Pure Acai Network Policies and Procedures govern your rights as a Pure Acai Network Independent Business Partner. You should familiarize yourself with the contents of these Policies and Procedures, and any questions you may have regarding the Policies and Procedures should be directed to the Pure Acai Network Customer Service staff. Policies and Compensation Plan incorporated into Business Partner Agreement: These Policies and Procedures, in their present form and as amended from time to time by Pure Acai Network or any Pure Acai Network Affiliate, (hereafter collectively "PAN" or the "Company"), are referred to in the Pure Acai Network Independent Business Partner Agreement. Where these Policies and Procedures are incorporated into the Pure Acai Network Independent Business Partner Agreement by specific reference, these Policies and Procedures constitute an official part of that agreement.

Where these Policies and Procedures are not specifically incorporated into that agreement, they nevertheless reflect the official position of PAN concerning the terms thereof, and any violation of

these Policies and Procedures may constitute a breach of an Independent PAN Business Partner's obligations under that agreement, subjecting the Business Partner to the termination provisions of the agreement. Hereafter, when the term "Agreement" is used, it collectively refers to the mutual obligations between PAN and the Independent PAN Business Partners as evidenced in the Application and Agreement, these Policies and Procedures, the PAN Global Compensation Plan, and (when applicable) the PAN Business Entity Application. It is the responsibility of each Business Partner to understand and adhere to the most current version of these Policies and Procedures. When sponsoring a new Business Partner, the sponsoring Business Partner should help the new Business Partner applicant to understand this ongoing obligation.

**Purpose of Policies:** PAN produces innovative products and markets those products through Independent Business Partners. PAN invests heavily in providing marketing materials, developing brand value for the Company, and developing Business Partner compensation systems. Still, the success of the Company and the success of Business Partners is ultimately dependent upon the integrity of the individual men and women who market the products. Because PAN Business Partners are independent business enterprises, Business Partners have broad latitude in how they choose to operate and determine the times and methods of their work. Notwithstanding this independence, PAN reserves a contractual right to protect its intellectual property, prevent unsupportable product claims, and preserve the integrity of its business model. These Policies and Procedures are designed to accomplish this. Because you may be unfamiliar with many of these standards of practice, you must read and abide by the Agreement. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from anyone in your up-line or PAN.

#### Changes to Business Partner Agreement:

PAN may amend the Independent Business Partner Agreement in its sole and absolute discretion. By signing the Independent Business Partner Agreement, a Business Partner agrees to abide by all amendments or modifications that PAN elects to make. Amendments shall become effective upon publication of notice of those amendments in published PAN materials or the Back Office. The Company will make available to all Business Partners a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official website; (2) electronic mail (e-mail); (3) inclusion in Company periodicals; (4) inclusion in product orders or bonus checks; or (5) special mailings. The continuation of a Business Partner's PAN business or a Business Partner's acceptance of bonuses or commissions constitutes acceptance of all amendments.

#### Delays:

PAN shall not be responsible for delays or failures in the performance of its obligations when performance is made commercially impractical due to circumstances beyond its control. This includes, but is not limited to, strikes, labor difficulties, riots, war, fire, death, forces of nature, supply shortages, or government decrees, judgments, or orders.

#### Policies and Provisions Severable:

If any provision of the Agreement, in its current form or as may be hereafter amended, is found by any court of competent jurisdiction to be invalid or unenforceable for any reason, only the invalid portion(s) of the offending provision shall be severed and the remaining terms and conditions shall remain in full force and effect and shall be unaffected thereby.

#### Waiver:

PAN never gives up its right to insist on, and enforce, compliance with the Agreement and the applicable laws governing the conduct of a Business Partner. No delay or failure by PAN to exercise any right or power under the Agreement or to insist upon strict compliance by a Business Partner with any obligation or provision of the Agreement shall constitute a waiver of PAN's right to demand exact compliance with the Agreement. The waiver by PAN can be affected only in writing by an authorized officer of the Company. PAN's waiver of any particular breach by a Business Partner, or PAN's waiver of any particular provision of the Independent Business Partner Agreement or these Policies and Procedures shall not affect or impair PAN's rights concerning any subsequent breach, nor shall it affect in any way the rights or obligations of any other Business Partner. Any delay or omission by PAN in exercising any right arising from a breach by a Business Partner shall not be deemed to be a continuing waiver, nor shall it affect or impair PAN's

rights as to that or any subsequent breach thereof. The existence of any claim or cause of action of a Business Partner against PAN shall not constitute a defense to PAN's enforcement of any terms or provisions of the Agreement or these.

## 2. BECOMING AN INDEPENDENT BUSINESS PARTNER

Requirements to Become an Independent Business Partner: To become a PAN Independent Business Partner, each applicant must: Be 15 years of age at the date of application submission and meet all other requirements by law to enter into a contract;

Provide true and accurate information regarding identity and location of residence as the Company may require from time to time.

Submit a properly completed (electronic or physical) Business Partner Application and Agreement to PAN or provide complete information; and;

Pay the applicable enrollment fee to purchase the Starter Pack selected by the Business Partner.

Provide a unique identifying number for tax or business purposes as issued by the country where the Business Partner is applying for PAN membership.

The Company reserves the right to reject any applications for a new Business Partner or renewal applications and may do so in its sole and absolute discretion.

New Independent Business Partner Registration: New Business Partners must be sponsored online at PAN's official websites or the Sponsor's replicated PAN website.

Business Partners Benefits: Once the Business Partner Application and Agreement has been accepted by PAN, the Business Partner is eligible to participate in the PAN Global Compensation Plan. As permitted by local law and Company policy for your location, these benefits include the right to:

Purchase PAN products at the Business Partner price;

Be paid the applicable commissions and bonuses as outlined in the PAN Global Compensation Plan;

Participate in any promotions, incentive programs, or other contests as announced by PAN from time to time;

Enroll or sponsor other individuals as Customers or Business Partners in the PAN business;

Receive periodic PAN literature and other PAN communications;

Participate in PAN-sponsored support, service, training, motivational, and recognition functions, upon payment of appropriate charges, if applicable.

Term of Agreement: The Independent Business Partner Agreement term shall begin on the date of acceptance by PAN, and continue thereafter until canceled as provided for herein or in the Independent Business Partner Agreement.

## 3. OPERATING YOUR PAN BUSINESS

Adherence to the PAN Global Compensation Plan: Business Partners shall not offer the PAN opportunity through or in combination with, any other system, program, or method of marketing other than that specifically outlined in official PAN literature, or in any way vary from the exclusive use of PAN's official forms. Business Partners shall not require or encourage participation in PAN in any manner that varies from the program as outlined in official PAN literature. Similarly, Business Partners shall not require or encourage others to make any purchase from, or payment to, any individual or other entity to participate in the PAN Global Compensation Plan other than those purchases or payments identified as recommended or required in official PAN literature.

**Advertising In General:** All Business Partners shall safeguard and promote the good reputation of PAN and its products. The marketing and promotion of PAN, the PAN opportunity, the Global Compensation Plan, and PAN products shall be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices.

**Identification of Rank:** All Business Partner marketing materials, whether in print or electronic media, must clearly and correctly state the Business Partner rank according to the currently published ranks awarded by PAN. Use of any deceptive or unauthorized rank or title is a violation of the Independent Business Partner Agreement and these Policies and Procedures. For example, Elite 3 is a currently acceptable rank designation.

**Business Reputation:** To promote both the products and the tremendous opportunity PAN offers, Business Partners must use the sales aids and support materials produced by PAN. In the alternative, the Business Partner may develop their own sales aids and support materials if the Business Partner obtains written approval and authorization from PAN to comply with the vast and complex legal requirements of national and local laws. Violation of this policy (including unauthorized Internet advertising) not only constitutes a material breach of the Agreement, but it endangers the PAN opportunity for all Business Partners.

**Business Partner Meetings:** Business Partners shall not conduct any meeting, or use any PAN facility provided for Business Partner meetings, to promote products or services from any non-PAN company, or to promote any religious, social, or fraternal organization or group. All presentations at any Business Partner meetings shall be in conformance with local laws and regulations, and the content shall be consistent with officially published PAN marketing materials for the country in which the Business Partner meeting takes place.

**Sponsorship and Placement Restrictions:** All spouses, domestic partners, or others who are cohabitating in a mutually recognized relationship must be sponsored and placed directly to each other in the same downline (direct in both the sponsor and placement tree). These individuals may not be cross-line, nor may they be placed so that another Business Partner is between them unless otherwise approved in writing by PAN.

**Spamming and Unsolicited Mass Communications:** Except as provided in this section, Business Partners may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail, or "spamming" relative to the operation of their PAN businesses. The terms "unsolicited faxes" and "unsolicited e-mail" mean the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting PAN, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Business Partner has an established business or personal relationship. The term "established business or personal relationship."

Relationship means a prior or existing relationship formed by a voluntary two-way communication between a Business Partner and a person, based on: (a) an inquiry, application, purchase, or transaction by the person regarding products offered by such Business Partner; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

**Telemarketing:** Except as more specifically restricted by local law, Business Partners must not engage in telemarketing relative to the operation of their PAN businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a PAN product or to recruit them for the PAN opportunity. "Cold calls" made to prospective Customers or Business Partners that promote either PAN's products or the PAN opportunity constitute telemarketing and are prohibited.

Notwithstanding the foregoing, a Business Partner may place telephone call(s) to a prospective Customer or Business Partner (a "prospect") under the following limited situations: The Business Partner has an established business relationship with the prospect. An "established business relationship" is a relationship between a Business Partner and a prospect based on:

The prospect's purchase, rental, or lease of goods or services from the Business Partner within the eighteen (18) months immediately preceding the date of a telephone call to induce the

prospect's purchase of a product or services: or a financial transaction between the prospect and the Business Partner within the eighteen (18) months immediately preceding the date of such a call.

The prospect's inquiry or application regarding a product or service offered by the Business Partner within the three (3) months immediately preceding the date of such a call.

If the Business Partner receives written and signed permission from the prospect authorizing the Business Partner to call. The authorization must specify the telephone number(s) which the Business Partner is authorized to call.

Business Partners may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom a Business Partner has at least a recent first-hand relationship (i.e., the Business Partner recently personally met him or her). Bear in mind, however, that if a Business Partner makes a habit of "card collecting" from everyone he or she meets and subsequently calling them, local law may consider this a prohibited form of telemarketing. Thus, if Business Partners engage in calling "acquaintances" the Business Partner must make such calls on an occasional basis only and not as a routine practice.

In addition, Business Partners shall not use automatic telephone dialing systems relative to the operation of their PAN businesses. The term "automatic telephone dialing system" means equipment that has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

**Business Partner Websites:** Except as provided in this section and section below, if a Business Partner desires to utilize an Internet web page or website to promote his or her PAN business, no Business Partner may independently design a website that uses the names, logos, or product descriptions of PAN or otherwise promotes (directly or indirectly) PAN products or the PAN opportunity. All images on the Business Partner website shall be from the official downloads section for such Business Partner's country of residence, and the site shall clearly identify the Business Partner name, contact information and contain the term "PAN Independent Business Partner".

National and local laws regarding the Internet, including promotional web are complex. Violations of the law, by Business Partners, may subject PAN to possible regulatory enforcement actions that could jeopardize the company and all Business Partners' businesses.

Accordingly, PAN strongly encourages all Business Partners to utilize the company's replicated website. These websites are developed and maintained by PAN to ensure that they comply with all applicable areas of law.

PAN may allow a Business Partner to develop his or her website as long as certain conditions are met. These include:

A Business Partner must submit a Request for Authorization of an Independent Web Site in writing before the creation of his or her website. Requests for Authorization should be sent to the Compliance Department. Authorization for an independent website is at the sole and absolute discretion of PAN.

In addition, the Business Partner shall pay the cost of any legal review that is necessary for the Business Partner's independent website.

If PAN concludes that the proposed independent website is not acceptable, it will inform the Business Partner that the site must be modified, and that approval will be withheld until such modifications are made. No Business Partner may make his or her independent website available to the public until he or she receives written approval from PAN.

No changes or modifications may be made to the authorized website, subject to the following:

If a Business Partner desires to alter a previously authorized website, he or she must submit a Request for Modification of an Independent Web Site and a change fee of \$100. The Request for Modification must specifically indicate every change or addition a Business Partner desires to make. Changes may not be published to the website until the Business Partner receives approval, in writing, from PAN.

**Business Partner Websites and Online Sales:** Business Partners may only conduct online sales through a Business Partner website with the approval of the PAN Corporate Office. Any Business Partner granted such permission shall strictly comply with the following restrictions:  
Products may not be sold for less than the currently published Business Partner wholesale price;

Business Partners may not link to an online site such as eBay, Amazon, or a similar online retailer;

Business Partners may not offer products for sale in any Country where PAN is not officially open, and the identification of a Country as officially open shall be at the sole and absolute discretion of PAN;

Business Partners must use approved company images and assets as identified in the Back Office downloads section;

Business Partners may not sell any other products either separately or combined with any PAN products, unless otherwise approved in advance in writing by PAN.

The URL must contain the phrase “PANdist” or “PANteam” together with some other unique identifier for the Business Partner. No product names, countries, markets, or territories may be included in the URL without the prior written permission of PAN. By way of example, the URL [www.wellnesspandist.com](http://www.wellnesspandist.com) or [www.healthypanteam.com](http://www.healthypanteam.com) would be acceptable. The URL [www.pangermany.com](http://www.pangermany.com) would not.

PAN reserves the right to accept, deny, approve, or revoke any proposed Business Partner website in its sole and absolute discretion.

**Domain Names and E-Mail Addresses:** Business Partners may not use or attempt to register any of PAN's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Nor may Business Partners incorporate or attempt to incorporate any of PAN's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any electronic mail address.

Any e-mail address that uses the PAN name, must include “PANdist” or “PANteam” and some other identifier. For example, [johndoe.PANdist@gmail.com](mailto:johndoe.PANdist@gmail.com) or [johndoe.PANteam@gmail.com](mailto:johndoe.PANteam@gmail.com) would be acceptable.

If “PANdist” or “PANteam” is included in the e-mail address the signature line of the e-mail address must also contain the name of the Business Partner and the words “PAN Independent Business Partner” or “PAN Independent Business Partner Team”.

**Social Media Accounts:** If PAN is to be used in Social Media, any usernames that have PAN in them must contain “PANdist” or “PANteam” in them. No other variations will be accepted. Usernames may not have PAN by themselves, or any PAN-specific product or trade names such as “Pure Acai”, etc. All images posted to a social media account that relate to PAN products must be officially approved PAN images and assets obtained from the Back Office.

**Business Cards:** All business cards must contain the PAN Independent Business Partner logo. The Business Partner shall not have any reference or any content on the card that would reasonably mislead a person receiving such card that the Business Partner is an employee of PAN. If the Business Partner chooses to publish his or her rank on the business card, any such rank designation must be accurate.

**Trademarks and Copyrights:** PAN will not allow the use of its trade names, trademarks, designs, or symbols by any person, including a PAN Business Partner, without its prior, written permission. Business Partners may not produce for sale or distribution any recorded Company events and speeches without written permission from PAN; nor may Business Partners reproduce for sale or personal use any recording of company-produced audio or video tape presentations.

**Media and Social Media Inquiries:** Business Partners must not attempt to respond to media inquiries regarding PAN or its products or about PAN in respect of their independent PAN business. All inquiries by any type of media that involves PAN in any respect must be immediately

referred to PAN's Public Relations Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

**Bonus Buying:** "Bonus buying" includes {a) the sponsoring of individuals or entities without the knowledge of and/or execution of an Independent Business Partner Application and Agreement by such individuals or entities; {b) the fraudulent sponsoring or enrollment of an individual or entity as a Business Partner or Customer; {c) the sponsoring or attempted sponsoring of non-existent individuals or entities as Business Partners or Customers {"phantoms"}; or {d) the use of a credit card by or on behalf of a Business Partner or Customer when the Business Partner or Customer is not the account holder of such credit card. Bonus buying constitutes a material breach of these Policies and Procedures, and is strictly and prohibited.

**Business Entities:** A corporation, partnership, or trust (collectively referred to in this section as a "Business Entity") may apply to be a PAN Business Partner by submitting its Certificate of Incorporation, Partnership Agreement or trust documents, and the Internal Revenue Service SS4 Document (these documents are collectively referred to as the "Entity Documents") to PAN, along with a properly completed Business Entity Registration form. If a Business Partner is sponsored online, the Entity Documents and Business Entity Registration form must be submitted to PAN within 30 days of online sponsoring. A PAN business may change its status under the same sponsor from an individual to a partnership, corporation, or trust, or from one type of entity to another, but will require the normal Change of Ownership process to be followed. The Business Entity Registration form must be signed by all of the shareholders, partners, or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to PAN. Business Entity changes cannot be used to circumvent Change of Genealogy or Change of Ownership rules.

**Changes to the PAN Business:** Each Business Partner must immediately notify PAN of all changes to the information contained in his or her Business Partner Application and Agreement by submitting a written request, a properly executed Business Partner Application and Agreement with the correct information, and appropriate supporting documentation.

**Change of Genealogy:** To protect the integrity of all marketing organizations and safeguard the hard work of all Business Partners, PAN strongly discourages changes in genealogy. Maintaining the integrity of trees or structures is critical for the success of every Business Partner and marketing organization. Accordingly, the transfer of a PAN business from one up-line to another is rarely permitted.

Requests for change of genealogy must be submitted in writing to the Business Partner Services Department and must include the reason for the transfer. Transfers will only be considered in the following two (2) circumstances:

In cases involving fraudulent inducement or unethical sponsoring, a Business Partner may request that he or she be transferred to another organization with his or her entire marketing organization intact. All requests for transfer alleging fraudulent sponsoring practices shall be evaluated on a case-by-case basis.

The Business Partner seeking to transfer submits a properly completed and fully executed Change of Genealogy Form which includes the written approval of all of the affected up-line Business Partners. If an up-line Business Partner fails to respond to the request for approval within the thirty days, the failure to respond shall be deemed a consent to the proposed transfer. Changes in Genealogy are only permitted within the first 30 days after enrollment. Changes after this date are not permitted. Down-line Business Partners will be moved with the transferring Business Partner unless otherwise requested. Transferring Business Partners must allow thirty (30) days after the receipt of the Change of Genealogy Forms by PAN for processing and verifying change requests. There is a special provision within the first 10 days where a Change of Genealogy Form is not required. During this time a sponsor may send from their email address on file to [info@pureacainetwork.com](mailto:info@pureacainetwork.com). After 10 days a form is required.

#### Unauthorized Claims and Actions

**Indemnification:** A Business Partner is fully responsible for all of his or her verbal and written statements made regarding PAN products and the Global Compensation Plan which are not

expressed contained in official PAN materials. Business Partners agree to indemnify PAN and PAN's directors, officers, employees, and agents, and hold them harmless from any liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by PAN as a result of the Business Partner's unauthorized representations or actions. This provision shall survive the termination of the Independent Business Partner Agreement.

**Product Claims:** No claims (which include personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by PAN may be made except those contained in official PAN literature as applicable to the destination country of sale. In particular, no Business Partner may make any claim that PAN products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only such claims violate PAN policies, but they are potentially dangerous and may violate various national and local laws.

**Income Claims:** In their enthusiasm to sponsor prospective Business Partners, some Business Partners are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counter-productive because new Business Partners may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At PAN, we firmly believe that the PAN income potential is great enough to be highly attractive, without reporting the earnings of others. Moreover, national and local laws often regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Business Partners may believe it beneficial to provide copies of checks or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact PAN as well as the Business Partner claiming unless appropriate disclosures required by law are also made contemporarily with the income claim or earnings representation. Because PAN Business Partners do not have the data necessary to comply with the legal requirements for making income claims, a Business Partner, when presenting or discussing the PAN opportunity or Global Compensation Plan to a prospective Business Partner, may not make income projections, income claims, or disclose his or her PAN income (including the showing of checks, copies of checks, bank statements, or tax records). Hypothetical income examples that are used to explain the operation of the Global Compensation Plan, and which are based solely on mathematical projections, may be made to prospective Business Partners, so long as the Business Partner who uses such hypothetical examples (1) makes clear to the prospective Business Partner(s) that such earnings are hypothetical; and (2) provides each prospective Business Partner with a current copy of PAN's official income disclosure statement.

**Commercial Outlets:** PAN strongly encourages the selling of its products through person-to-person contact. To preserve PAN brand value and to help provide a standard of fairness for its Business Partner base, Business Partners may not without prior written permission from the Company display or sell PAN products or literature in any retail or service establishment, except as set forth herein. PAN will permit Business Partners to solicit and make sales in retail or service establishments so long as the establishment is: (1) an independent locally owned retail establishment, and not part of a national, regional, or statewide chain; or (2) an office of a health care practitioner. PAN will permit Business Partners to solicit and make commercial sales upon prior written approval from the Company. For these Policies and Procedures, the term "commercial sale" means the sale of (a) PAN products that equal or exceed one thousand US dollars (\$1,000) or more in a single order; and (b) To a third party who intends to resell the products to an end consumer.

**Trade Shows, Expositions, and Other Sales Forums:** Business Partners may display PAN products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Business Partners must contact the Business Partner Services Department in writing for conditional approval, as PAN's policy is to authorize only one PAN business per event. Final approval will be granted to the first Business Partner who submits an official advertisement of the event, a copy of the contract signed by both the Business Partner and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Business Partner Services Department. To preserve its valuable brand, PAN further reserves the right to refuse authorization to participate in any function that it does not deem a suitable forum for the

promotion of its products or the PAN opportunity. Approval will not be given for swap meets, garage sales, flea markets, or farmer's markets as these events are not conducive to the professional image PAN wishes to portray.

**Non-solicitation:** PAN Business Partners may participate in other direct selling network marketing or multilevel marketing ventures (collectively "network marketing"), related to non-PAN products if they desire to do so. However, if a Business Partner elects to participate in another network marketing opportunity, to avoid conflicts of interest and loyalties, Business Partners are prohibited from Unauthorized Recruiting, which includes the following:

During the term of this agreement, any actual or attempted recruitment or sponsoring of PAN Customers or Business Partners for other network marketing business ventures, either directly or through a third party. This includes but is not limited to, presenting or assisting in the presentation of other network marketing business ventures to any PAN Customer or Business Partner, or implicitly or explicitly encouraging any PAN Customer or Business Partner to join other business ventures. Because there is an extreme likelihood that conflicts will arise if a Business Partner operates two network marketing programs, it is the Business Partner's responsibility to first determine whether a prospect is a PAN Customer or Business Partner before recruiting or sponsoring the prospect for another network business venture.

For six months following the cancellation of a Business Partner's Agreement, the former Business Partner may not recruit any PAN Business Partner or Customer for another network marketing program.

Producing or offering any literature, tapes, or promotional material of any nature for another network marketing business that is used by the Business Partner or any third person to recruit PAN Customers or Business Partners for that business venture;

Selling, offering to sell, or promoting any competing non-PAN products to PAN Customers or Business Partners. Any product in the same generic category as a PAN product is deemed to be competing; e.g. any dietary supplement is in the same generic category as PAN's dietary supplements, and is therefore a competing product, regardless of differences in cost, quality, ingredients, or nutrient content.

Offering PAN products, or promoting the PAN Global Compensation Plan, in conjunction with any non-PAN products, business plan, opportunity, or incentive; or offering any non-PAN products, business plan, opportunity, or incentive at any PAN meeting, seminar, launch, convention, or other PAN function, or immediately following such event.

**Downline Activity Reports:** Downline Activity Reports are available for Business Partner access and viewing at PAN's official website. Access to online Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to PAN. Downline Activity Reports are provided to Business Partners in strictest confidence and are made available to Business Partners for the sole purpose of assisting Business Partners in working with their respective Downline Organizations in the development of their PAN business. Business Partners should use their Downline Activity Reports to assist, motivate, and train their downline Business Partners. The Business Partner and PAN agree that, but for this agreement of confidentiality and nondisclosure, PAN would not provide Downline Activity Reports to the Business Partner. A Business Partner shall not, on his or her behalf, or on behalf of any other person, partnership, association, corporation, or other entity:

Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;

Directly or indirectly disclose his or her password or other user access code to his or her Downline Activity Report;

Use the information to compete with PAN or for any purpose other than promoting his or her PAN business;

Recruit or solicit any Business Partner or Customer of PAN listed on any report, or in any manner attempt to influence or induce any Business Partner or Preferred Customer of PAN, to alter their business relationship with PAN; or

Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report.

Upon the Company's request, any current or former Business Partner will return the original and all copies of Downline Activity Reports to the Company.

**Targeting Other Direct Sellers:** PAN does not condone Business Partners specifically or consciously targeting the sales force of another direct sales company to sell PAN products or to become Business Partners for PAN, nor does PAN condone Business Partners solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Business Partners engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Business Partner alleging that he or she engaged in inappropriate recruiting activity of its sales force or Customers, PAN will not pay any of the Business Partner's defense costs or legal fees, nor will PAN indemnify the Business Partner for any judgment, award, or settlement.

**Cross-Recruiting:**

Actual or attempted cross-recruiting is strictly prohibited. Cross-recruiting is defined as solicitation, enrollment, or sponsoring of an individual or entity that already has a current Customer or Independent Business Partner Agreement on file with PAN within a different line of sponsorship, or who has had such an agreement within the preceding twelve calendar months. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited. Business Partners shall not demean, discredit, or defame other PAN Business Partners in an attempt to entice another Business Partner to become part of the first Business Partner's marketing organization. If cross-recruiting is discovered, it must be brought to the Company's attention immediately. PAN may take disciplinary action against the Business Partner who changed organizations and/or those Business Partners who encouraged or participated in cross-recruiting. PAN may also move all or part of the offending Business Partners downline to his or her original Downline Organization if the Company deems it equitable and feasible to do so. However, PAN is under no obligation to move the cross-recruited Business Partner's Downline Organization, and the ultimate disposition of the organization remains within the sole discretion of PAN. Business Partners waive all claims and causes of action against PAN arising from or relating to the disposition of the cross-sponsored Business Partner's Downline Organization.

**Errors or Questions:** If a Business Partner has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Business Partner must notify PAN in writing within 60 days of the date of the purported error or incident in question. PAN will not be responsible for any errors, omissions, or problems not reported to it within 60 days.

**Excess Inventory Purchases Prohibited:**

Business Partners are not required to carry inventory of products or sales aids. Business Partners who do so may find making retail sales and building a marketing organization somewhat easier because of the decreased response time in fulfilling Customer orders or in meeting a new Business Partner's needs. Each Business Partner must make his or her own decision about these matters. To ensure that Business Partners are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to PAN upon the Business Partner's cancellation under the terms described herein.

PAN strictly prohibits the purchase of products in unreasonable amounts primarily to qualify for commissions, bonuses, or advancement in the PAN Global Compensation Plan. Business Partners may not purchase more inventory than they can reasonably resell or consume in a month nor may they encourage others to do so. Business Partners are prohibited from purchasing more than one thousand U.S. dollars (\$1,000) in products per month unless they certify to PAN that they have pending retail orders over that amount or provide PAN with other written reason why such a purchase is necessary.

**Governmental Approval or Endorsement:** Neither local nor national governmental regulatory agencies nor governmental officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Business Partners shall not represent or imply that PAN or its Global Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any

government agency or official.

**Identification:** All Business Partners are required to provide any requested identification, tax, or national identification number on or in conjunction with the Independent Business Partner Application and Agreement. Upon joining, the Company will provide a unique Business Partner Identification Number to the Business Partner by which he or she will be identified. This number will be used to place orders, and track commissions and bonuses.

**Income Taxes:** Every year, PAN will provide such tax and information forms or declarations as it is legally required to submit to the relevant governmental bodies or agencies. Each Business Partner is responsible for paying all taxes on any income generated as an Independent Business Partner.

**Independent Contractor Status:** Business Partners are independent contractors. The agreement between PAN and its Business Partners does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Business Partner, nor does the relationship involve the purchase of a franchise or the purchase of a business opportunity. The Business Partner has no authority (expressed or implied), to bind the company to any obligation. Each Business Partner shall establish his or her own goals, hours, methods of sale, and other means of operating the Business Partner's independent business, except as may be limited by the Business Partner's contractual obligations and applicable laws.

The name of PAN and other names as may be adopted by PAN are proprietary trade names, trademarks, and service marks of PAN. As such, these marks are of great value to PAN and are supplied to Business Partners for their use only in an expressly authorized manner. Use of PAN name on any item not produced by the company is prohibited except as follows:

Business Partner's Name Independent PAN Business Partner

All Business Partners may list themselves as an "Independent PAN Business Partner" in the white or yellow pages of the telephone directory under their name. No Business Partner may place telephone directory display ads using PAN's name or logo. Business Partners may not answer the telephone; "PAN" or "PAN Incorporated" or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of PAN.

**Insurance Business Pursuits Coverage:** PAN does not provide insurance coverage for your independent business operation. Business Partners may wish to arrange insurance coverage for their business as they deem appropriate.

**Product Liability Coverage:** PAN maintains insurance to protect the Company and Business Partners against product liability claims through a "Vendors Endorsement" which extends coverage to Independent Business Partners so long as they are marketing PAN products following Company Policies and applicable laws and regulations. PAN's product liability policy does not extend coverage to claims or actions that arise as a result of a Business Partner's misconduct in marketing the products or to other risk factors involved in the Business Partner's independent business activities.

**International Marketing:** Business Partners are authorized to sell PAN products, and enroll Customers or sponsor Business Partners only in the countries in which PAN is authorized to conduct business, as announced in official company literature. In countries where PAN has authorized sales and Business Partner activities, Business Partners shall conform to the specific PAN rules for that individual country. Such rules may vary from country to country and Business Partners are obligated to know the appropriate rules for the country and venues in which they intend to conduct business. Country-specific information may be presented from time to time under a country addendum to these Policies and Procedures.

**Adherence to Laws and Ordinances:** Many communities have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Business Partners because of the nature of their businesses. However, Business Partners must obey those laws that do apply to them. If a government official or agency notifies a Business Partner that an ordinance applies to him or her, the Business Partner should respond politely and cooperatively; when appropriate, the Business Partner is encouraged to send a copy of the ordinance to the Compliance Department of PAN.

Age: No person who is recognized as under the age of 15 in his/her state or country of residence may be a PAN Business Partner. Business Partners shall not sponsor or recruit individuals under the age of 15 into the PAN program.

Actions of Household Members or Affiliated Individuals: If any member of a Business Partner's immediate household engages in any activity which, if performed by the Business Partner, would violate any provision of the Agreement, such activity will be deemed a violation by the Business Partner and PAN may take disciplinary action against the Business Partner. Similarly, if any individual associated in any way with a corporation, partnership, trust, or other entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the entity, and PAN may take disciplinary action against the entity.

Re-packaging and Re-labeling Prohibited: Business Partners may not re-package, re-label, refill, or alter the labels on any PAN products, information, materials, or programs in any way. PAN products must be sold in their original containers only: re-labeling or repackaging could subject Business Partners to criminal or civil liability, especially if harm results to property or another person.

Requests for Records: Any request from a Business Partner for copies of invoices, applications, downline activity reports, or other records will require a fee of US \$1.00 per page per copy to cover the expense of mailing and time required to research files and make copies of the records.

Sale, Transfer, or Assignment of PAN Business: Although a PAN business is a privately owned, independently operated business, the sale, transfer, or assignment of a PAN business is subject to certain limitations. If a Business Partner wishes to sell/transfer his or her PAN business, the following criteria must be met:

Protection of the existing line of sponsorship must always be maintained so that the PAN business continues to operate in that line of sponsorship.

There will be an Administrative Fee of \$250 for all transactions.

Before the sale, transfer, or assignment can be finalized and approved by PAN, any debt obligations the selling Business Partner has with PAN must be satisfied.

The selling Business Partner must be in good standing and not in violation of any of the terms of the Agreement to be eligible to sell, transfer, or assign a PAN business.

PAN has the sole discretion to accept or reject all sales transactions.

Upon complete execution of the purchase and sale agreement, and the new Independent Business Partner Agreement, the parties must submit copies of the same to PAN's Business Partner Services Department for review and approval. PAN reserves the right to request additional documentation that may be necessary to analyze the transaction between the buyer and seller. PAN's Business Partner Services Department will, at its discretion, approve or deny the sale, transfer, or assignment within 30 days after the receipt of all necessary documents from the parties.

If the new owner(s) will be a corporation, trust, partnership, or any other type of business entity then the Certificate of Incorporation, Partnership Agreement or trust documents, and the Internal Revenue Service SS4 Document are required to be sent to PAN before any changes will be considered or approved.

Changes of Ownership cannot be used to circumvent rules governing Changes of Genealogy. If the parties fail to obtain PAN's approval for the transaction, the transfer may be voidable at PAN's option. If PAN approves the transfer the purchaser of the existing PAN business will assume the obligations and position of the selling Business Partner. A Business Partner who sells his or her PAN business shall not be eligible to re-apply as a PAN Business Partner for a period of at least twelve full calendar months after the sale. No changes in line of placement or sponsorship can result from the sale or transfer of a PAN business.

**Separation of a PAN Business:** PAN Business Partners sometimes operate their PAN businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership, or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Business Partners and the Company, PAN will unilaterally terminate the Independent Business Partner Agreement.

During the pendency of a divorce or entity dissolution, the parties must adopt one of the following methods of operation:

One of the parties may, with the consent of the other(s), operate the PAN business according to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize PAN to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.

The parties may continue to operate the PAN business jointly, whereupon all compensation paid by PAN will be paid in the joint names of the Business Partners or in the name of the entity to be divided as the parties may independently agree between themselves.

The parties may continue to operate the PAN business jointly, whereupon all compensation paid by PAN will be paid in the joint names of the Business Partners or in the name of the entity to be divided as the parties may independently agree between themselves.

If the parties cannot mutually agree on how the business shall be allocated during the pendency of a divorce or dissolution, the Company shall treat the business according to the status quo as existed before the filing of the divorce or dissolution.

Under no circumstances will the Downline Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will PAN split commission and bonus checks between divorcing spouses or members of dissolving entities. PAN will recognize only one Downline Organization and will issue only one commission check per PAN business per commission cycle. Commission checks shall always be issued to the same individual or entity. If parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business, the Independent Business Partner Agreement shall be involuntarily canceled.

If a former spouse or a former entity affiliate has completely relinquished all rights in their original PAN business, they are thereafter free to sponsor under any sponsor of their choosing, so long as he or she meets the waiting period requirements set forth herein. In such case, however, the former spouse or partner shall have no rights to any Business Partners in their former organization or to any former retail Customer. They must develop the new business in the same manner as would any other new Business Partner.

**Sponsoring:** All active Business Partners in good standing have the right to sponsor and enroll others into PAN. Each prospective Customer or Business Partner has the ultimate right to choose his or her own Sponsor. If two Business Partners claim to be the Sponsor of the same new Business Partner or Customer, the Company shall regard the first application received by the Company as controlling. In addition, PAN reserves the right to deny enrollment in countries or territories where the company is not officially open.

**Stacking:** The term "stacking" includes: (a) the failure to transmit to PAN, or the holding of an Independent Business Partner Application and Agreement longer than 72 hours after its execution; (b) the placement or manipulation of Independent Business Partner Applications and Agreements to maximize compensation under PAN's Global Compensation Plan; or (c) providing financial assistance to new Business Partners to maximize compensation under PAN's Global Compensation Plan. Stacking constitutes a material breach of these Policies and Procedures and is strictly prohibited.

**Succession:** Upon the death of an individual Business Partner, his or her business may be passed to his or her heirs. Appropriate legal documentation under local law must be submitted to the Company to ensure the transfer is proper. Accordingly, a Business Partner should consult an

attorney to assist him or her in the preparation of a will or other testamentary instrument as required under local law. Whenever a PAN business is transferred by a will or other testamentary process as required under local law, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Business Partner's marketing organization provided the following qualifications are met. The successor(s) must:

Execute a new Independent Business Partner Agreement;

Comply with terms and provisions of the Agreement; and

Meet all of the qualifications for the deceased Business Partner's status.

Bonus and commission checks of a PAN business transferred under this section will be paid in a single check jointly to the devisees. The devisees must provide PAN with an "address of record" to which all bonus and commission checks will be sent. If the business is bequeathed to joint devisees, they must form a business entity to continue a business partnership.

Transfer Upon Incapacitation of a Business Partner: To effect a transfer of a PAN business because of incapacity, the successor must provide the following to PAN: (1) a notarized copy of an appointment as guardian or trustee; (2) a notarized copy of the court order or other documentation as required under local law that establishes the right by the successor to administer the PAN business; and (3) a completed Independent Business Partner Agreement executed by the trustee.

#### 4. RESPONSIBILITIES OF BUSINESS PARTNERS

Change of Address or Telephone: To ensure timely delivery of products, support materials, and commission checks, it is critically important that PAN's files are current. Business Partners are required to keep all address and telephone number information current. This may be done in the Business Partner's Back Office or the alternative by sending such corrections as are necessary to Customer Service. To guarantee proper delivery of orders, all changes should be received not less than two weeks before the effective date of the address or telephone number change.

Ongoing Training: To be successful with the PAN opportunity, any Business Partner who sponsors another Business Partner into PAN should perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her PAN business. Business Partners should have ongoing contact and communication with the Business Partners in their Downline Organizations. Examples of such contact and communication may include but are not limited to newsletters, written correspondence, personal meetings, telephone contact, voicemail, electronic mail, and the accompaniment of downline Business Partners to PAN meetings, training sessions, and other functions. Up-line Business Partners should also seek to motivate and train new Business Partners in PAN product knowledge, effective sales techniques, the PAN Global Compensation Plan, compliance with Company Policies and Procedures, and compliance with local law. Business Partners must monitor the Business Partners in their Downline Organizations to ensure that downline Business Partners do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Business Partner should be able to provide documented evidence to PAN of his or her ongoing fulfillment of the responsibilities of a Sponsor.

Ongoing Sales Responsibilities: Regardless of their level of sponsoring activity, successful Business Partners feel an ongoing obligation to continue to personally promote sales through the generation of new Customers and through servicing their existing Customers.

Non-disparagement: PAN wants to provide its independent Business Partners with the best products, compensation plan, and service in the industry. Accordingly, constructive criticisms and comments are welcome and should be submitted in writing to the Business Partner Services Department. Remember, to best serve you, we must hear from you! While PAN welcomes constructive input, negative comments and remarks made in the field by Business Partners about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other PAN Business Partners. Similarly, "trash talking" the competition creates a

negative environment that damages the industry in a way that ultimately can harm PAN as well. For this reason, and to set the proper example for their downline, Business Partners should not disparage the Company and its products or the competition and its products. PAN reserves the right to take action against Business Partners whose personal behavior in this regard proves disruptive and harmful to PAN.

**Providing Documentation to Applicants:** Business Partners should help provide the most current version of the Policies and Procedures (always available at the PAN website) and the Short Presentation of the Compensation Plan to individuals whom they are sponsoring to become Business Partners before the applicant signs an Independent Business Partner Agreement.

**Reporting Policy Violation:** Business Partners observing a Policy violation by another Business Partner are encouraged to submit a written report of the violation directly to the attention of the PAN Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

## 5. SALES

**Product Sales:** The PAN Global Compensation Plan is based upon the sale of PAN products to end consumers. Business Partners must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions, and advancement to higher levels of achievement.

**Price and Territory Restrictions:** Business Partners may not sell PAN products for less than the published Business Partner wholesale price. Business Partners may only sell PAN products in countries that are officially recognized by PAN as open for PAN business.

**Sales Receipts:** PAN encourages all Business Partners to provide their retail Customers with two copies of an official PAN sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee for PAN products and a statement of consumer protection if these are afforded by local law. Records documenting the purchases of Business Partners' Direct and Preferred Customers will be maintained by PAN, and Business Partners should maintain all retail sales receipts for a period of two years and furnish them to PAN at the company's request. Further, Business Partners should remember to retain records related to Business Partner transactions in order to comply with the requirements for their independent businesses under local law (for example to establish document regarding income and expenses in support of a Business Partner's tax obligations).

If a sale qualifies as a "door-to-door" sale, Business Partners should ensure that any receipt complies with the requirements of local law. For example in some jurisdictions the following information must be contained on each sales receipt (with two copies provided to the buyer): The date of the transaction; The date by which the buyer may give notice of cancellation; and Name and address of the selling Business Partner.

## 6. BONUSSES AND COMMISSIONS

**Bonus and Commission Qualifications:** A Business Partner must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Business Partner complies with the terms of the Agreement, PAN shall pay commissions to such Business Partner in accordance with the Global Compensation plan.

**Adjustment to Bonuses and Commissions:** Business Partners receive bonuses and commissions based on the actual sales of products to end consumers. When a product is returned to PAN for a refund or is repurchased by the Company, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the Business Partners who received bonuses or commissions on the sales of the refunded products. In the event that any such Business Partner terminates his or her Business Partner Agreement, and the amounts of the bonuses or commissions attributable to the returned products have not yet been fully recovered by the company, the remainder of the outstanding balance may be set off against any amounts owed to the terminated Business Partner.

Downline Activity Reports: All information provided by PAN in online or telephonic downline activity reports, including but not limited to personal and group sales volume (or any part thereof), downline sponsoring activity, and other information is believed to be accurate and reliable. Nevertheless, due to various factors including the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by PAN or any persons creating or transmitting the information.

Warranties: ALL VOLUME INFORMATION (as described in PAN's Global Compensation Plan) IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

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

Access to and use of PAN's online and telephonic information services is at your own risk. All Information is provided to you "as is". If you are dissatisfied with the information, your sole and exclusive remedy is to discontinue the use of and access to PAN's online and telephone information services.

## 7. PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

### Product Satisfaction Guarantee for Customers

United States Residents: PAN offers a one hundred percent (100%) money-back satisfaction guarantee for thirty (30) days from the date of purchase (less shipping charges) on all products purchased by Customers who reside in the United States. Customers must return all used and unused products to PAN. Once received PAN's Distribution Center will process all returns and refunds within thirty days after receipt of the product.

Customers within the United States have a period of three working days from the date of purchase in which to withdraw from the contract without penalty (except for the cost of returning the product) and without giving any reason.

All charitable donations are final and nonrefundable.

### Return of Inventory by Business Partners:

Business Partners have three working days from the conclusion of the Independent Business Partner Agreement from which to withdraw without penalty (except for the cost of returning the product) and without giving any reason provided the Business Partner informs PAN of such decision to withdraw in writing before the period expires.

In the event of voluntary termination or cancellation of an Independent Business Partner Agreement either under the preceding paragraph or under Section 11 hereof, PAN will repurchase from the Business Partner any portion of the Business Partner's currently marketable inventory that Business Partner purchased from PAN in the preceding twelve months. The repurchase price shall be 90 percent of the purchase price paid by the Business Partner, less all applicable shipping and handling costs to return the product to PAN.

For purposes of the Agreement, the inventory shall include all company-produced products, promotional materials, starter packs, or other sales aids purchased by Business Partner from PAN. All charitable donations are final and nonrefundable.

The repurchase provisions of this section shall not apply to any inventory that is not currently

marketable. Currently, marketable inventory shall not include inventory that is beyond its expiration date, that has the tamper-proof safety seal damaged or removed, that has been opened or partially consumed, that has been discontinued by the company, or that is seasonal in nature or a special promotional product.

#### 8. DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

Disciplinary Sanctions: Breach of the Agreement, including these Policies and Procedures (as applicable), or any illegal, fraudulent, deceptive, or unethical business conduct by a Business Partner may result, at PAN's discretion, in one or more of the following corrective measures, which shall, when necessary, be considered as liquidated damages for a breach of the Agreement, but shall not waive PAN's other rights under the Agreement:

Issuance of a written warning or admonition;

Requiring the Business Partner to take immediate corrective measures;

Imposition of a fine, which may be withheld from bonus and commission checks;

Loss or suspension of rights to one or more bonus and commission checks;

PAN may withhold from a Business Partner all or part of the Business Partner's bonuses and commissions during the period that PAN is investigating any conduct that may violate the Agreement. If PAN chooses to terminate the Agreement because of a breach of the Agreement by the Business Partner or a violation of applicable laws or regulations, the Business Partner will not be entitled to receive any commissions or payments that were withheld during the investigation period before actual termination; Suspension of the Business Partner's right to purchase products and/or receive payments; Termination of the Agreement; Any other measure expressly allowed within any provision of the Agreement or which PAN deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Business Partner's conduct or omission; The measures above do not exhaust PAN's rights and do not mean that PAN cannot also initiate legal proceedings for monetary and/or equitable relief or take other measures permitted by the Agreement or applicable laws.

Grievances and Complaints: When a Business Partner has a grievance or complaint with another Business Partner regarding any practice or conduct in relationship to their respective PAN businesses, they are encouraged to seek to resolve the issue through private discussions with the other party. Where this is impractical or unsuccessful, the complaining Business Partner is encouraged to discuss the problem with his or her Sponsor who may review the matter and try to resolve it, perhaps through the "good offices" of the other party's up-line sponsor. Unresolved disputes may be reported in writing to the Customer Service Department at the Company, which may seek assistance from a Dispute Resolution Board for final review and determination as appropriate.

Dispute Resolution Board: The Dispute Resolution Board (or "DRB") is composed of one or more qualified individuals selected by PAN senior management. The composition of the Dispute Resolution Board may change at any time. The purpose of the DRB is; review appeals of any actions taken by the Company for an alleged breach of a Business Partner's obligations; and review matters between PAN Business Partners. If the response or settlement suggested by Customer Service has been rejected or the matter otherwise remains unresolved, the Dispute Resolution Board may review evidence, deliberate, and respond to remaining issues.

A Business Partner may submit a written request for a telephonic or in-person review within seven business days from the date of: (1) the written notice by PAN of action; or (2) the written decision of Business Partner Services regarding disputes between Business Partners under section 9. All communication with PAN and the Business Partner seeking resolution of a dispute must be in writing. It is within the DRB's discretion whether a claim is accepted for review. If the DRB agrees to review the matter, it shall schedule a review within thirty (30) days of the receipt of the Business Partner's written request. All evidence (e.g., documents, exhibits, etc.) that a Business Partner desires to have considered by the DRB must be submitted to PAN no later than seven business days before the date of the review. The Business Partner shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be present at the

review. The decision of the DRB will be final, and subject to no further Company review. During the pendency of a claim before the DRB, Company will actively oppose any effort by a Business Partner to seek arbitration, mediation, or litigation or any other remedy against the other party or parties to the dispute or against PAN.

**Governing Law and Jurisdiction:** The Independent Business Partner Agreement between the Business Partner and PAN has been entered into in Uppsala, Sweden, as this is the location where the Business Partner submitted the application to enroll as a PAN Independent Business Partner, and where the application was reviewed and approved by PAN. The Independent Business Partner Agreement shall be governed exclusively by the laws of Uppsala, Sweden, and the Business Partner agrees to submit exclusively to the jurisdiction of the courts in Uppsala, Sweden, and specifically Tingsrätten in Uppsala, for resolution of any claims or related litigation to interpret or enforce the terms of the Independent Business Partner Agreement.

## 9. ORDERING

**Direct & Preferred Customers:** Business Partners are encouraged to promote PAN's Direct Customer Program to retail Customers. The Direct Customer Program allows retail Customers to purchase their products directly from PAN. Customers simply place their orders online, which they can charge to their credit card. PAN will send the ordered products directly to the Customer. To ensure that Business Partners receive the appropriate commission, Customers may not place an order without a Business Partner's ID Number. Even more efficient than the Direct Customer Program is PAN's Preferred Customer Program. Under the Preferred Customer Program, an individual may sign up to have a pre-selected package of PAN products delivered to his or her home automatically each month. Not only does this take all of the hassles out of buying, but it also allows the Customer to take advantage of the discounted Preferred Customer Prices.

**Purchasing PAN Products:** Each Business Partner should purchase his or her products directly from PAN to be credited with the Personal Sales Volume associated with that purchase.

**General Order Policies:** On mail orders with invalid or incorrect payment, PAN may attempt to contact the Business Partner by phone, and/or mail to try to obtain correct payment. PAN may also attempt to process the order up to five more times. Unsuccessful orders will not be processed. No C.O.D. orders will be accepted. PAN maintains no minimum order requirements. Orders for products and sales aids may be combined.

**Shipping and Back-Order Policy:** PAN will normally ship products within five (5) business days from the date an order is received. PAN will promptly ship ordered items that are currently in stock. Ordered items that are out-of-stock will be placed on back-order and sent when PAN receives additional inventory. Business Partners will be charged and given Personal Sales Volume on back-ordered items unless notified on the invoice that the product has been discontinued. PAN will notify Business Partners and Customers if items are back-ordered and are not expected to ship within 30 days from the date of the order. An estimated shipping date will also be provided. Back-ordered items may be canceled upon a Customer's or Business Partner's request. Customers and Business Partners may request a refund, credit on account, or replacement merchandise for canceled back-orders. If a refund is requested, the Business Partner's Personal Sales Volume will be decreased by the amount of the refund in the month in which the refund is issued.

**Confirmation of Order:** A Business Partner and/or recipient of an order must confirm that the product received matches the product listed on the shipping invoice, and is free of damage. Failure to notify PAN of any shipping discrepancy or damage within thirty days of receiving the shipment will waive the Business Partner's right to request a correction.

## 10. PAYMENT AND SHIPPING

**Deposit:** PAN advises strongly against Business Partners accepting money for a sale to a personal retail Customer except at the time of product delivery (e.g. don't accept monies in anticipation of future deliveries).

**Insufficient Funds:** It is the responsibility of each Business Partner to ensure that there are sufficient funds or credit available in his or her account to cover a monthly, 30-day period, Auto-ship order. PAN will not contact Business Partners regarding orders canceled due to insufficient funds or credit. This may result in a Business Partner's failure to meet his or her Personal Sales

Volume requirements for the month. PAN will not make adjustments after the end of the month, the 30-day period, to Auto-ship orders. Example: a Business Partner has an Auto-ship order set for the 27th of the month and for whatever reason the Business Partner's credit card is declined. The Business Partner is responsible for contacting PAN and providing a credit card that will clear before the end of the month to have the Auto-ship order count for that month.

**Returned Checks:** All checks returned by a Business Partner's bank for insufficient funds (NSF checks) will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the Business Partner. After receiving a returned check from a Customer or a Business Partner, all future orders must be paid by Credit Card, money order, or cashier's check. Any outstanding balance owed to PAN by a Business Partner for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

**Returned Bonus and Commissions Checks:** Business Partners are responsible for ensuring PAN has the correct name and address for their commission checks. There is a \$10 processing fee for checks returned to PAN for any reason including an incorrect name and/or address. This fee will be covered by adjusting to that Business Partner's Bonus and Commissions and/or charging the credit card(s) on file with PAN.

**Returned Packages:** Business Partners with packages that are returned to PAN for an incorrect address, unsuccessful delivery attempts, return to sender or any other reason will be charged for shipping to and from PAN and a \$20 processing fee. This charge will be covered by adjusting that Business Partner's bonus and commission and/or charging the credit card(s) on file with PAN.

**Restrictions on Third-Party Use of Credit Cards and Checking Account Access:** To preserve the independence of PAN Business Partners and to preserve the integrity of the Company's compensation plan, PAN discourages any arrangement between the independent Business Partners creating indebtedness between them. Business Partners are expressly prohibited from using a Business Partner's credit card or permitting debits to a Business Partner's checking account to enroll or sponsor other Business Partners, or to make purchases from the Company on behalf of another Business Partner.

**Sales, Use, and Value-Added Taxes:** In designing the PAN opportunity, one of our guiding philosophies has been to free Business Partners from as many administrative, operational, and logistical tasks as possible. In doing so, Business Partners are free to concentrate on those activities that directly affect their incomes, namely product sales and enrollment activities. To these ends, PAN seeks to relieve Business Partners from the burdens of collecting and remitting sales, use, goods and services, and value-added taxes ("Consumption Taxes"), filing Consumption Tax reports, and keeping records relative to Consumption Taxes. Nevertheless, Business Partners remain obligated to comply with all applicable laws and regulations for the jurisdictions in which the Business Partners conduct business. Consumption Taxes are by law generally required to be paid by the final user of a taxable item, so whenever possible, PAN will seek to collect and remit applicable Consumption Taxes on behalf of or in conjunction with the Business Partner. Business Partners should contact the PAN Customer Service Department if they have any questions about PAN's activities in this regard.

## 11. INACTIVITY AND CANCELLATION

**Effect of Cancellation:** So long as a Business Partner remains active and complies with the terms of the Agreement and these Policies and Procedures, PAN shall pay commissions to the Business Partner by the Global Compensation Plan. A Business Partner's bonuses and commissions constitute the entire consideration for the Business Partner's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a Business Partner's cancellation for inactivity as described herein, or voluntary or involuntary cancellation of his or her Agreement, including for breach of the Agreement or violation of the Policies and Procedures (all of these methods are collectively referred to as being "canceled" or a "cancellation"), the former Business Partner shall have no right, title, claim or interest to the marketing organization in which he or she operated, to any past, present or future PAN trade secrets or other proprietary information or intellectual property, or any commission or bonus from the sales generated by the organization after the Business Partner's cancellation. A Business Partner whose Agreement is canceled will lose all rights as a Business Partner. This includes the right to sell PAN products, and the right to receive future commissions, bonuses, or other income

resulting from the sales and other activities of the Business Partner's former downline sales organization. To remove all doubt, in the event of cancellation, the Business Partner agrees to waive all rights he or she may have, including but not limited to property rights, trade secret rights, intellectual property rights, or otherwise, to their former downline organization, marketing data, financial data, or contact information related to that downline organization, or to any bonuses, commissions, or other remuneration that might otherwise have arisen from the sales or other activities of that downline organization, had the Business Partner not been canceled. The former Business Partner shall not hold himself or herself out as a PAN Business Partner. A canceled Business Partner shall receive commissions and bonuses only for the last full pay period he or she was active before cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

**Involuntary Cancellation:** A Business Partner's violation of any of the terms of the Agreement, including any amendments that may be made by PAN in its sole discretion, may result in any of the sanctions listed in Section 8, including the involuntary cancellation of his or her Independent Business Partner Agreement. Cancellation shall be effective on the date on which written notice is mailed, return receipt requested, to the Business Partner's last known address, or when the Business Partner receives actual notice of cancellation, whichever occurs first. In addition, PAN may cancel a Business Partner's account if there are no product purchases for twelve months.

**Voluntary Cancellation:** A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation is requested by satisfying the requirements of and executing a Business Partner Cancellation Form and returning this form to PAN by postal mail, scanned document through email. Upon receipt of the Business Partner Cancellation Form, PAN will process the cancellation.

**Non-renewal:** A Business Partner may also voluntarily cancel his or her Independent Business Partner Agreement by failing to make an order within one calendar year from the anniversary date of enrollment.

**Inactive or Cancelled Business Partners Re-Enrollment Policy:** A PAN Business Partner who voluntarily terminates as a Business Partner may re-enroll as a new Business Partner twelve months following the date of termination. If any such Business Partner re-enrolls with PAN, the Business Partner shall be enrolled as a new Business Partner, but any downline that was formerly under the Business Partner before termination shall not be affected by such re-enrollment.

A PAN Business Partner who has been inactive for twelve months may be canceled at PAN's discretion. The Business Partner's downline shall be unaffected by the change and shall not be moved with the Business Partner. For purposes of this Policy, an inactive Business Partner shall be deemed to be any Business Partner who has failed to make any purchase for twelve consecutive months.

This Policy shall not apply to any PAN Business Partner whose Independent Business Partner Agreement was terminated by the company for cause. Any such Business Partner must have approval from the PAN Chief Executive Officer before being re-enrolled with the company.

## 12. RIGHT TO AMEND

PAN reserves the right to modify the PAN Global Compensation Plan, Independent Business Partner Agreement, and these Policies and Procedures at any time and for any reason in its sole and absolute discretion.