

MÖDERE™

**STATEMENT OF POLICIES
AND PROCEDURES**

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SECTION 1 CORPORATE MISSION STATEMENT

Modere's mission is simple: to provide a healthy business opportunity by aligning Social Marketer and Consumer interests to improve their everyday lives.

SECTION 2 INTRODUCTION

2.1 – POLICIES AND COMPENSATION PLAN INCORPORATED INTO SOCIAL MARKETER AGREEMENT

These Policies and Procedures, in their present form and as amended at the sole discretion of Modere, (hereafter "Modere" or the "Company"), are incorporated into, and form an integral part of, the Modere Social Marketer Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Modere Social Marketer Application and Agreement, these Policies and Procedures, the Modere Compensation Plan, and the Modere Business Entity Application (if applicable). These documents are incorporated by reference into the Modere Social Marketer Agreement (all in their current form and as amended by Modere). It is the responsibility of each Social Marketer to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. The most current version of these Policies and Procedures can be found on the company's official Social Marketer website.

2.1.1 – POLICY REVIEW PERIOD

A new Social Marketer's failure to cancel his or her Agreement within three days from the date of signing the Agreement (5 days for Alaskan residents) constitutes his or her acceptance of Modere's Policies and Procedures.

2.2 – PURPOSE OF POLICIES

Modere is a direct sales company that markets products and services through Independent Social Marketers. It is important to understand that your success and the success of your fellow Social Marketers is dependent upon the integrity of the men and women who market our products and services. To clearly define the relationship that exists between Social Marketers and Modere, and to explicitly set a standard for acceptable business conduct, Modere has established the Agreement.

Modere Social Marketers are required to comply with all of the Terms and Conditions set forth in the Agreement which Modere may amend at its sole discretion from time to time, as well as all federal, state, territorial, and local laws governing their Modere business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an independent contractor, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from anyone in your upline or from Modere. To find the most current edition of these Policies & Procedures, see the company's official Social Marketer web site.

2.3 – CHANGES TO THE AGREEMENT

Because federal, state, territorial, and local laws, as well as the business environment, periodically change, Modere reserves the right to amend the Agreement and its prices at its sole and absolute discretion. By signing the Social Marketer Agreement, a Social Marketer agrees to abide by all amendments or modifications that Modere elects to make. Amendments shall be effective upon notice to all Social Marketers that the Agreement has been modified. Notification of amendments shall be published in official Modere materials. The Company shall provide or make available to all Social Marketers a complete copy of the amended provisions by one or more of the following methods: (a) posting on the Company's official Social Marketer web site; (b) electronic mail (e-mail); (c) inclusion in Company periodicals; (d) inclusion in product orders or bonus checks; or (e) special mailings.

The continuation of a Social Marketer's Modere business or a Social Marketer's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

2.4 – DELAYS

Modere shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

2.5 – POLICIES AND PROVISIONS SEVERABLE

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.

2.6 – WAIVER

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Modere to exercise any right or power under the Agreement or to insist upon strict compliance by a Social

Marketer with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Modere's right to demand exact compliance with the Agreement. Waiver by Modere can be effectuated only in writing by an authorized officer of the Company. Modere's waiver of any particular breach by a Social Marketer shall not affect or impair Modere's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Social Marketer. Nor shall any delay or omission by Modere to exercise any right arising from a breach affect or impair Modere's rights as to that or any subsequent breach.

The existence of any claim or cause of action of a Social Marketer against Modere shall not constitute a defense to Modere's enforcement of any term or provision of the Agreement.

2.7 - Assignment

The Social Marketer agrees that the Company may assign the Agreement, or any part of it, to any affiliate, subsidiary, parent entity, or other company, at its discretion.

SECTION 3 BECOMING A SOCIAL MARKETER

3.1 - REQUIREMENTS TO BECOME A SOCIAL MARKETER (U.S. RESIDENTS)

The Company reserves the right to reject any application for a new Social Marketer or application for renewal.

To become a Modere Social Marketer, each applicant must:

- Be of the age of majority (usually eighteen) in his or her state of residence;
- Reside in the United States or U.S. Territories;
- Have a valid Social Security number, or Federal Tax ID number;
- Submit a properly completed and signed Social Marketer Application and Agreement to Modere.

3.2 - NO PRODUCT PURCHASE REQUIRED

New Modere Social Marketers are not required to purchase any Modere products or services in order to become a Modere Social Marketer. However, a new Social Marketer is required to purchase an informational Starter Kit, which contains helpful information and tools to start a business as a Modere Social Marketer. Modere will repurchase resalable kits from any Social Marketer who terminates

his or her Social Marketer agreement pursuant to the terms of Section 8.2.

3.2.1 - MONTANA RESIDENTS

You have 15 days from the date on which you enroll as a Modere Social Marketer to return your Starter Kit for a full refund.

3.3 - NEW SOCIAL MARKETER REGISTRATION BY TELEPHONE, FAX OR ONLINE SUBMISSION

3.3.1 - TELEPHONE ENROLLMENTS

A Sponsor, or the potential new Social Marketer, may call the Modere home office during regular business hours to receive temporary authorization as a new Social Marketer. (See the front of the Social Marketer Application and Agreement for phone numbers and appropriate business hours.) The caller must be able to provide all necessary Social Marketer Agreement information over the telephone.

If a new Social Marketer is enrolled verbally over the telephone, the new Social Marketer's ID number and authorization will be valid for 30 days, pending receipt of the completed and signed original Social Marketer Application and Agreement by Modere. If the new Social Marketer Application and Agreement is not received within the temporary 30-day time period, the Social Marketer will be terminated. Once the Social Marketer account is terminated, the Social Marketer loses all title, rights, and interest in the Social Marketer's downline. In this situation, if the applicant wishes to reapply, he or she may do so immediately so long as his or her Sponsor is the same individual who sponsored him or her as a temporary Social Marketer. If the applicant wishes to reapply with a new Sponsor, the applicant must not participate in Business Activity for six calendar months before reapplying. See Section 4.5.3.

3.3.2 - FAX APPLICATIONS

Applications submitted to Modere via fax constitute originals and there is no need to submit a subsequent copy. Faxed applications must include both the front and back of the Application and Agreement.

3.3.3 - ONLINE APPLICATIONS

Social Marketers may sign up online on Modere's official website or on Modere-sponsored Social Marketer websites.

3.4 - SOCIAL MARKETER BENEFITS

Once a Social Marketer Application and Agreement has been accepted by Modere, the benefits of the Compensation Plan and the Social Marketer Agreement are available to the new Social Marketer. These benefits include the right to:

- Purchase Modere products and services;
- Develop a Customer base and profit from these sales;
- Participate in the Modere Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Social Marketers into the Modere

business and thereby build a sales organization and progress through the Modere Compensation Plan;

- Receive periodic Modere literature and other Modere communications;
- Participate in Modere-sponsored support, service, training, and motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by Modere for its Social Marketer

3.5 - BECOMING A CUSTOMER

A person may register as a Modere Customer and shall be entitled to purchase Modere products from Modere operated websites or the Modere call center at Social Marketer cost, but will not be entitled to participate in the Modere Compensation Plan. Once a Customer registers with Modere, his or her Customer account is linked to the referring Social Marketer or Customer (Sponsor) and becomes a member of the Customer pod of the first upline Social Marketer. Customers may become Social Marketers with no waiting period. If the Customer becomes a Social Marketer under his or her original Sponsor, the Customers previously referred by that Customer are moved from the Customer's pod of the first-level upline Social Marketer and placed in the Customer Pod of the newly signed up Social Marketer.

SECTION 4 OPERATING A MODERE BUSINESS

4.1 - ADHERENCE TO THE MODERE COMPENSATION PLAN

Social Marketers must adhere to the terms of the Modere Compensation Plan as set forth in official Modere literature. Social Marketers shall not offer the Modere opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Modere literature. Social Marketers shall not require or encourage other current or prospective Customers or Social Marketers to participate in Modere in any manner that varies from the program as set forth in official Modere literature. Social Marketers shall not require or encourage other current or prospective Customers or Social Marketers to execute any agreement or contract other than official Modere agreements and contracts in order to become a Modere Social Marketer. Similarly, Social Marketers shall not require or encourage other current or prospective Customers or Social

Marketers to make any purchase from, or payment to, any individual or other entity to participate in the Modere Compensation Plan other than those purchases or payments identified as recommended or required in official Modere literature.

4.2 - ADVERTISING

4.2.1 - GENERAL

All Social Marketers shall safeguard and promote the good reputation of Modere and its products. The marketing and promotion of Modere, the Modere opportunity, the Compensation Plan, and Modere products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices. Accordingly, Social Marketers must submit all written sales aids, promotional materials, advertisements, and other literature (including proposed Internet advertising) to the Modere Social Marketer Education & Compliance Department for approval. Unless the Social Marketer receives specific written approval to use the material, the request shall be deemed denied.

If the Social Marketer makes changes to Social Marketer advertising material, the revised advertising material must be submitted to the Modere Social Marketer Education & Compliance Department for review and approval prior to being used.

4.2.2 - SOCIAL MARKETER WEB SITES

If a Social Marketer desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's official web site, using official Modere templates. Alternatively, Social Marketers may develop their own web pages; however, any Social Marketer who does so (a) must use the text of the Company's official web site; and (b) may not supplement the content of his or her web site with text from any source other than Modere. Social Marketers who develop or publish their own web sites must register their site(s) with the Modere Social Marketer Education & Compliance Department and receive written approval prior to the site(s) public availability.

4.2.2.1 - Failure to register a website constitutes a material breach of these Policies and Procedures.

4.2.2.2 - Social Marketers shall not directly or indirectly offer or facilitate the offering of Modere products on or through any online auction or classified site, or any online marketplace.

4.2.2.3 - Social Marketers shall not offer any of Modere's products for sale on the Internet at a price below the purchase price for the product.

4.2.2.4 - Modere Social Media Policy:

We all share a great enthusiasm for Modere products and the business opportunity that being a Modere Social Marketer offers. Modere encourages all Social Marketers to share personal experiences regarding Modere services, business opportunity

and products. However, for your protection and the protection of Modere, Modere has set forth the following policies that are intended to govern your conduct with regard to the use of social media websites in conducting your Modere business.

1. Modere Social Marketers may choose to create a social media presence for themselves or their business with the understanding that establishment of such a presence is not an endorsement of the content by Modere. In so doing, Modere Social Marketers shall clearly identify themselves as an "Independent Modere Social Marketer."
2. In using a social media outlet in connection with any Modere activity, Modere Social Marketers must conduct themselves in keeping with the Modere Policies and Procedures.
3. Modere Social Marketers must clearly identify themselves as such when interacting with others via any social media outlet.
4. Modere Social Marketers should not use any Modere trademarks as part of their username/ handle, group names, business pages or site names. Notwithstanding the foregoing, Social Marketers may create a username or page names in this manner: "Social Marketer Name - Independent Modere Social Marketer".
5. Modere Social Marketers should not expressly advertise the sale of Modere products through the use of a social media site or otherwise use a social media outlet to cold contact others for selling.
6. Modere Social Marketers should not spam, advertise or try to sell any product via social media sites. Modere Social Marketers may refer persons to their personalized Modere web page or to the official Modere web page, but should not try to do individual business transactions via social media sites.
7. Modere Social Marketers shall not conduct any recruiting activities via a social media site or service. If someone expresses interest in the Modere business opportunity via a social media outlet to a Modere Social Marketer, the Social Marketer shall follow-up privately with that person and not through the public forum provided by the social media outlet. Posting of information regarding business opportunity meetings is allowed as long as it is specifically identified as a business opportunity meeting.
8. Any claims made regarding Modere products or the business opportunity must be pre-approved by Modere before they are posted. To receive pre-approval, please contact the Modere Social Marketer Education & Compliance Department.
9. Modere Social Marketers should not send any unsolicited commercial messages or spam to any person through use of a social media outlet.
10. Modere supports the utilization of various community groups

and forums specifically for the purpose of sharing information with prospects. Any prospect added to such a forum must be done with that individuals prior approval. Once added to a forum by a specific Social Marketer, no other Social Marketer should attempt to solicit or entice the prospect to enroll them contrary to section 4.10.

11. Modere Social Marketers are solely responsible for the information they post on any social media outlet.
12. Modere Social Marketers shall not post derogatory or negative comments about other persons, companies, or products of other companies.
13. Modere Social Marketers shall at all times comply with the terms and conditions of usage for any social media sites or services used.
14. Modere Social Marketers agree to indemnify Modere for any costs or damages it may incur from any legal proceedings that arise from the Modere Social Marketer's deliberate or negligent improper use of social media sites or services.
15. A Modere Social Marketer shall, upon request of Modere, remove any material deemed by Modere to be in breach of this policy.

4.2.3 - DOMAIN NAMES AND E-MAIL ADDRESSES

Social Marketers may not use or attempt to register any of Modere's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Similarly, Social Marketers may not use any such marks in any portion of any e-mail address.

4.2.4 - TRADEMARKS AND COPYRIGHTS

Modere will not allow the use of its trade names, trademarks, designs, or symbols by any person, including Modere Social Marketers, without its prior, written permission. In connection with this, Modere Social Marketers may not bid on Modere trademarked keywords or use non-approved images for paid advertisements such as Google ads or Facebook ads. Furthermore, Social Marketers may not produce for sale or distribution any recorded Company events and speeches without written permission from Modere nor may Social Marketers reproduce for sale or for personal use any recording of Company-produced audio or video presentations. The name of Modere, Modere's products, and other names as may be adopted by Modere are proprietary trade names, trademarks, and service marks of Modere. As such, these marks are of great value to Modere and are supplied to Social Marketers for their use only in an expressly authorized manner. Use of the Modere name on any item not produced by the Company is prohibited except as follows:

- Social Marketer's Name
- Independent Modere Social Marketer

All Social Marketers may list themselves as an “Independent Modere Social Marketer” in the white or yellow pages of the telephone directory under their own name. No Social Marketer may place telephone directory display ads using Modere’s name or logo. Social Marketers may not answer the telephone by saying “Modere,” “Modere Incorporated,” or in any other manner that would lead the caller to believe that he or she has reached corporate offices of Modere.

4.2.5 – MEDIA AND MEDIA INQUIRIES

Social Marketers must not attempt to respond to media inquiries regarding Modere, its products or services, or their independent Modere business. All inquiries by any type of media must be immediately referred to Modere’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.

4.2.6 – HELP WANTED ADS

Social Marketers shall not advertise in the “Help Wanted” section of newspapers, periodicals, websites, or other media. Under no circumstances shall a Social Marketer place an advertisement seeking to attract new Social Marketers that states or implies that an employment opportunity exists. All advertisements, regardless of the media utilized, must specify that the Modere program is an opportunity to run your own independent business.

4.2.7 – SPAMMING AND UNSOLICITED FAXES

Except as provided in this section, Social Marketers may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail, or “spamming” relative to the operation of their Modere 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 Modere, 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 Social Marketer has an established business or personal relationship. The term “established business or personal relationship” means a prior or existing relationship formed by a voluntary two-way communication between a Social Marketer and a person, on the basis of (1) an inquiry, application, purchase, or transaction by the person regarding products offered by such Social Marketer; or (2) a personal or familial relationship, which relationship has not been previously terminated by either party.

4.3 – BONUS BUYING PROHIBITED

Bonus buying is strictly and absolutely prohibited. Bonus buying includes (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Independent Social Marketer Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Social Marketer or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Social Marketers or Customers (“phantoms”); (d) purchasing Modere products or services on behalf of another Social Marketer or Customer, or under another Social

Marketer’s or Customer’s I.D. information to qualify for commissions or bonuses; or (e) purchasing more product than a Social Marketer and his or her family can reasonably consume in a month.

4.4 – BUSINESS ENTITIES

A corporation, limited liability company, partnership, trust, or other legal business entity (collectively referred to in this section as a “Business Entity”) may apply to become a Modere Social Marketer by submitting a properly completed Modere Business Entity Application which can be submitted electronically through the official Modere website. This form is to be used by new Social Marketer applicants as well as existing Social Marketers who wish to change the corporate structure of their Modere business. Existing Social Marketers must pay the applicable change fee, which must be included with the written request and the completed Modere Independent Social Marketer Application and Modere Business Entity Application. Members of the Business Entity are jointly and severally liable for any indebtedness or other obligation to Modere.

4.5 – CHANGES TO OWNERSHIP OF A MODERE SOCIAL MARKETER ACCOUNT

4.5.1 – ADDITION OF CO-APPLICANTS

When adding a co-applicant (either an individual or a business entity) to an existing Modere Social Marketer account, the Company requires a written request and a properly completed Independent Social Marketer Application and Agreement containing the applicant and co-applicant’s signatures. To prevent the circumvention of Section 4.26 (regarding transfers and assignments of a Modere Social Marketer account), the original applicant must remain as a party to the original Independent Social Marketer Application and Agreement. If the original Social Marketer wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her Social Marketer account in accordance with Section 4.26. If this process is not followed, the Social Marketer account shall be cancelled upon the withdrawal of the original Social Marketer. All bonus and commission checks will be sent to the address of record of the original Social Marketer. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship. Changes of sponsorship are addressed in Section 4.5.2, below. Modere may, at its discretion, require notarized documents before implementing any changes to a Modere Social Marketer account. Please allow 30 days after the receipt of the request by Modere for processing.

4.5.2 – CHANGE OF ENROLLMENT SPONSOR

Enrollment Sponsor changes are not permitted except pursuant to Section 4.5.3.

4.5.3 – CANCELLATION AND RE-APPLICATION

A Social Marketer may legitimately change organizations by voluntarily cancelling his or her Modere Social Marketer account by submitting a Modere Social Marketer Cancellation Form and not participating in Business Activity for six full calendar months. Following the six-month period of inactivity, the former Social Marketer may reapply under a new sponsor.

4.5.4 - CHANGE TO OWNERSHIP OF BUSINESS ENTITY SOCIAL MARKETER ACCOUNT

A Business Entity Social Marketer account, as described in Section 4.4 that desires to change the ownership of the Business Entity must obtain written approval from Modere before effecting such a change and continuing to act as a Modere Social Marketer. A written request for approval for the change identifying the proposed changes must be submitted to the Modere Social Marketer Education & Compliance Department for review and consideration. Modere will send a written response to the request approving or denying the request.

4.6 - UNAUTHORIZED CLAIMS AND ACTIONS

4.6.1 - INDEMNIFICATION

A Social Marketer is fully responsible for all of his or her verbal and written statements made regarding Modere products, services, and the Compensation Plan which are not expressly contained in official Modere materials. Social Marketers agree to indemnify Modere and Modere's directors, officers, employees, and agents and hold them harmless from any and all liability, including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Modere as a result of the Social Marketer's unauthorized representations or actions. This provision shall survive the termination of the Social Marketer Agreement.

4.6.2 - PRODUCT CLAIMS

No claims (including personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by Modere may be made except those contained in official Modere literature. In particular, no Social Marketer may make any claim that Modere 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 are such claims violative of Modere policies, but they potentially violate federal and local laws and regulations, including the Federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

4.6.3 - INCOME CLAIMS

In their enthusiasm to enroll prospective Social Marketers, some Social Marketers are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Social Marketers may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. Therefore, Social Marketers may not make income projections, income claims, representations, or disclose their Modere income or the income of any other Modere Social Marketer (including the showing of checks, copies of checks, bank statements, or tax records).

4.7 - COMMERCIAL RETAIL OUTLETS

Modere strongly encourages the retailing and selling of its products

and services through person-to-person contact and through an official company website. In an effort to reinforce this method of marketing and to help provide a standard of fairness for its Social Marketer base, Modere prohibits Social Marketers from displaying or selling Modere products, services, or literature in any retail or service establishment. Notwithstanding the foregoing, Modere products may be displayed in health spas, hair, or skin salons, tanning salons, gyms or health clubs, offices of health care practitioners who are licensed to practice their profession in the state in which their office is located. Also, the establishment or someone in the establishment must be a Social Marketer, and someone knowledgeable about Modere products must be present at all times that the establishment is open for business.

4.8 - TRADE SHOWS, EXPOSITIONS, AND OTHER SALES FORUMS

Social Marketers may display Modere products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Social Marketers must contact the Modere Social Marketer Education & Compliance Department in writing for conditional approval, as Modere's policy is to authorize only one Modere business per event. Final approval will be granted to the first Social Marketer who submits an official advertisement of the event, a copy of the contract signed by both the Social Marketer 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 Modere Social Marketer Education & Compliance Department. Modere further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the Modere 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 Modere wishes to portray.

4.9 - CONFLICTS OF INTEREST

4.9.1 - NONSOLICITATION

4.9.1.1 - During the term of this Agreement, Social Marketers shall not recruit other Modere Social Marketers or Customers for any other network marketing business. In connection with this, a Social Marketer shall not act as a spokesperson for, or conduct promotional activities of any nature for, any other network marketing business or company.

In addition, Social Marketers shall not engage in cold solicitation of Modere Customers with whom they have no personal relationship. Any act by a Social Marketer to entice a Modere Customer away from providing business to, or otherwise participating in Modere with, another Social Marketer is strictly prohibited and shall be severely penalized. Notwithstanding the foregoing, a Modere Social Marketer may conduct market advertising and solicitation, so long as this activity does not specifically target existing Modere Customers.

4.9.1.2 - For one year following the termination or cancellation of

a Social Marketer's Modere Social Marketer Agreement, regardless of the reason for termination or cancellation, he or she shall not recruit any Modere Social Marketer or Customer who is on his or her current or past network report(s) or with whom the Social Marketer became acquainted by virtue of his or her participation as a Modere Social Marketer.

4.9.1.3 - Notwithstanding paragraphs 4.9.1.1 and 4.9.1.2, it is permissible for a Social Marketer to recruit his or her personally enrolled downline Social Marketers and immediate family members (parents, siblings, and children over the age of 18) for other network marketing businesses. A "personally enrolled" Social Marketer is any Social Marketer that is originally enrolled by the Social Marketer who is identified as the Sponsor on a new Social Marketer Application.

4.9.1.4. - The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, through a third party, or indirectly (including but not limited to, the use of a website), another Modere Social Marketer or Customer to enroll or participate in another network marketing opportunity. This conduct constitutes recruiting even if the Social Marketer's actions are in response to an inquiry made by another Social Marketer or Customer.

4.9.1.5 - Social Marketers stipulate that network marketing is conducted through networks of individuals that are dispersed across the globe, and that network marketers make regular use of the Internet and telephones to communicate with other network marketers. Therefore, any attempt to limit the geographic scope of the nonsolicitation provisions set forth in paragraphs one and two would render the provisions ineffective. Therefore, Social Marketer agrees that the nonsolicitation provisions in subsections 4.9.1.1 and 4.9.1.2 shall apply in all countries in which Modere conducts business. Social Marketer agrees that the geographic scope applicable to these provisions is reasonable and further waives any claim or defense that the nonsolicitation provisions are void or voidable based on the breadth of their geographic scope.

4.9.1.6 - Social Marketer stipulates that if he or she violates the terms of paragraphs 4.9.1.1 and/or 4.9.1.2, Modere will be irreparably harmed, but calculation of damages will be extremely difficult. The parties therefore stipulate that for each violation of such paragraphs, Modere shall be entitled to immediate injunctive relief and liquidated damages in the amount of \$2,500.00 for each occurrence. Each individual or entity solicited shall constitute a separate "occurrence," and separate solicitations of the same individual or entity shall also constitute a separate "occurrence."

4.9.1.7 - Modere reserves the right to limit or exclude public recognition and exposure of Social Marketers who participate in other multilevel or network marketing business ventures or marketing opportunities. This includes, but is not limited to, activities such as spotlights in Modere communications and websites, event recognition, Modere incentive trips and other forums which are public in nature.

4.9.2 - Social Marketers shall not offer the Modere opportunity, products, or services to prospective or existing Customers or Social Marketers in conjunction with any non-Modere program, opportunity, product, or service, nor shall Social Marketers offer any non-Modere opportunity, products, or services at any Modere-related meeting, seminar, or convention, or immediately following such event.

4.9.3 - NETWORK REPORTS

Upon signing a Social Marketer Agreement, the Social Marketer agrees to maintain confidentiality regarding network reports, and the information contained there in, and any other confidential information, trade secrets and proprietary information. This confidentiality obligation is irrevocable and permanent, remains after termination of the Agreement, and is subject to legal enforcement by injunction and award of costs and legal fees necessarily incurred. All confidential information is transmitted to, or allowed to be gathered by, Social Marketers in strictest confidence on a need-to-know basis for use solely in the Social Marketer Business Activity. Social Marketers must use their best efforts to keep such information confidential and must not disclose any such information to any third party, directly or indirectly. Social Marketers must not use the confidential information or any information derived therefrom to compete with the Company or for any purpose other than for promoting the Company's program and its products and services. The Social Marketer maintains no ownership interest in any confidential information or any information derived therefrom, including contact and profile information of downline organizations, or other Social Marketer contact information gathered in connection with the Social Marketer's Business Activity, and may not sell, disseminate, or provide it to any other party. The Social Marketer acknowledges and agrees that the confidential information received by the Social Marketer relating to the profiles and reports of downline organizations or other Social Marketer Information gathered in connection with the Social Marketer Business Activity, including any information derived therefrom, constitutes the Company's trade secrets.

4.10 - CROSS-SPONSORING

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual or entity that already has a current Customer account or Social Marketer Agreement on file with Modere, or who has had such an agreement or account within the preceding twelve calendar months, with a different Enrollment Sponsor. Additionally, the attempted solicitation or enrollment of a prospective Customer or Social Marketer, with whom there is a clear pre-existing potential Enrollment Sponsor relationship, may be deemed as a cross-sponsoring violation as determined at the company's discretion. 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. Social Marketers shall not demean, discredit, or defame other Modere Social Marketers in an attempt to entice another Social Marketer to become part of the first Social Marketer's sales organization. This policy shall not prohibit the transfer of a Modere Social Marketer

account in accordance with Section 4.26.

4.11 - ERRORS OR QUESTIONS

If a Social Marketer has questions about or believes any errors have been made regarding commissions, bonuses, Network Reports, or charges, the Social Marketer must notify Modere' Social Marketer Service Department in writing within 60 days of the date of the reported error or incident in question. Modere will not be responsible for any errors, omissions, or problems not reported to the Company within 60 days.

4.12 - EXCESS INVENTORY PURCHASES PROHIBITED

Social Marketers are not required to carry inventory of products or sales aids. To ensure that Social Marketers are not encumbered with excess inventory, such inventory may be returned to Modere upon the Social Marketer's cancellation pursuant to the terms of Section 8.2.

Modere strictly prohibits the purchase of products in unreasonable amounts primarily for the purpose of qualifying for commissions, bonuses, or advancement in the Compensation Plan. Social Marketers may not purchase more inventory than they can reasonably resell or consume in a month, nor may they encourage others to do so.

4.13 - GOVERNMENTAL APPROVAL OR ENDORSEMENT

Neither federal nor local regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Social Marketers shall not represent or imply that Modere or its Marketing and Compensation Plan have been "approved," "endorsed," or otherwise sanctioned by any government agency.

4.14 - HOLDING APPLICATIONS OR ORDERS

Social Marketers, whether the actual sponsor or not, must not manipulate enrollments of new applicants and purchases of products. All Social Marketer Applications and Agreements and product orders must be sent to Modere within five working days from the time they are signed by a Social Marketer or placed by a Customer, respectively.

4.15 - IDENTIFICATION

All Social Marketers and co-applicants are required to provide a correct Social Security Number, or Federal Tax Identification Number to Modere once the Social Marketer's yearly earnings reaches USD\$500 or upon the request of the Company. Failure to provide this information will result in suspension and/or termination of the Social Marketer account.

4.16 - INCOME TAXES

Each Social Marketer is responsible for paying local, state, and federal taxes on any income generated as an Independent Social Marketer. Every year, Modere will provide the appropriate United States tax forms to Social Marketers based upon the applicable government requirements.

4.17 - INDEPENDENT CONTRACTOR STATUS

Social Marketers are independent contractors, and are not

purchasers of a franchise or a business opportunity. The agreement between Modere and its Social Marketers does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Social Marketer. Social Marketers shall not be treated as employees for their services or for federal or local tax purposes. All Social Marketers are responsible for paying local, state, and federal taxes due from all compensation earned as a Social Marketer of the Company. The Social Marketer has no authority (express or implied) to bind the Company to any obligation. Each Social Marketer shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Social Marketer Agreement, these Policies and Procedures, and applicable laws.

4.18 - INSURANCE

4.18.1 - BUSINESS PURSUITS COVERAGE

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present home owner's policy.

4.18.2 - PRODUCT LIABILITY COVERAGE

Modere maintains insurance to protect the Company and Social Marketers against product liability claims, so long as the Social Marketers are marketing Modere products in accordance with Company Policies and Procedures and applicable laws and regulations. Modere's product liability policy does not extend coverage to claims or actions that arise as a result of a Social Marketer's misconduct in marketing the products.

4.19 - INTERNATIONAL MARKETING

Social Marketers who wish to sponsor others in other countries must comply with the applicable laws and policies and procedures of such countries. Social Marketers conducting or seeking to conduct business in international markets via their own or other websites must comply with Section 4.2.2, any other Modere Policies, as well as the laws and regulations of each country which has jurisdiction over their commercial and Internet activities, including but not limited to rules, laws and regulations pertaining to the confidentiality of consumer data, privacy rights, restrictions on telemarketing and restrictions on marketing over the Internet.

4.20 - ADHERENCE TO LAWS AND ORDINANCES

4.20.1 - LOCAL ORDINANCES

Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Social Marketers because of the nature of their business. However, Social Marketers must obey those laws that do apply to them. If a city or county official tells a Social Marketer that an ordinance applies to him or her, the Social Marketer shall be polite and cooperative and immediately send a copy of the ordinance to the Modere Social Marketer Education & Compliance Department. In

most cases there are exceptions to the ordinance that may apply to Modere Social Marketers.

4.20.2 – COMPLIANCE WITH FEDERAL, STATE, LOCAL LAWS

Social Marketers shall comply with all federal, state, and local laws and regulations in the conduct of their businesses.

4.21 – MINORS

Social Marketers shall not enroll or recruit individuals under the age of majority (usually 18 years of age) in the recruit’s respective state or territory.

4.22 – ONE SOCIAL MARKETER ACCOUNT PER SOCIAL MARKETER

Modere Social Marketers may own, operate, or have Beneficial Interest in only one Modere Social Marketer account. Social Marketers shall not use business entities, trusts, or other devices to avoid this policy. Spouses or co-habitants must jointly hold one Modere Social Marketer account. An exception to this policy will be considered on a case-by-case basis if two Social Marketers marry or in cases of a Social Marketer receiving an interest in another Social Marketer account through inheritance from an immediate family member. Requests for exceptions to this policy must be submitted in writing to the Modere Social Marketer Education & Compliance Department. Additionally, in cases where exceptions are approved all other conditions of the Beneficial Interest rules apply to both Social Marketer accounts.

Furthermore, a Modere Social Marketer shall not register his or her spouse as a Modere Customer.

4.22.1 – CHILDREN LIVING AT HOME

A Social Marketer’s child who is over the age of majority (usually 18) and residing in the same household as the Social Marketer may own a Modere Social Marketer account independently from his or her parent. However, the Social Marketer account owned and operated by the child must be a bona fide Social Marketer account separate and apart from the parent’s Social Marketer account and no Beneficial Interest may exist. A Social Marketer’s child need not be sponsored by his or her Social Marketer parent, nor be in the same line of sponsorship as his or her Social Marketer parent.

4.22.2 – ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED INDIVIDUALS

If any Beneficial Interest holder of a Social Marketer’s engages in any activity which, if performed by the Social Marketer, would violate any provision of the Agreement, such activity will be deemed a violation by the Social Marketer and Modere may take disciplinary action against the Social Marketer pursuant to the Statement of Policies and Procedures. Similarly, if any individual with a Beneficial Interest 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 Modere may take disciplinary action against the entity.

4.23 – RE-PACKAGING AND RE-LABELING PROHIBITED

Social Marketers may not re-package, re-label, refill, or alter the labels on any Modere products, information, materials, or programs in any way. Modere products must be sold in their original containers only. Such relabeling or repackaging would likely violate federal and local laws, which could result in severe criminal penalties. A Social Marketer may also be subject to civil liability as a consequence of the repackaging or re-labeling of products.

4.24 – RESEARCH FEES

Any request from a Social Marketer for copies of invoices, applications, network reports, or other records may require a fee as periodically determined by Modere.

4.25 – CHANGE OF SALES ORGANIZATION

When a change occurs in a Sales Organization due to the termination of a Modere Social Marketer account, each Social Marketer and Customer enrolled or sponsored in the first level immediately below the terminated Social Marketer on the date of the cancellation may be moved to the first level (“front line”) of the terminated Social Marketer’s Enroller and Sponsor. Modere reserves the right to not remove a Social Marketer account indefinitely to maintain the organizational structure, or delay a change, in contested cases, in cases where the Enroller of the terminated Social Marketer is not in compliance with Modere’s policies, or in other circumstances deemed appropriate by Modere.

4.26 – SALE, TRANSFER, OR ASSIGNMENT OF MODERE SOCIAL MARKETER ACCOUNT

Although a Modere Social Marketer account is a privately owned, independently operated Social Marketer account, the sale, transfer, or assignment of a Modere Social Marketer account is subject to certain limitations. If a Social Marketer wishes to sell his or her Modere Social Marketer account, the following criteria must be met:

4.26.1 – Protection of the existing line of sponsorship must always be maintained so that the Modere Social Marketer account continues to be operated in that line of sponsorship.

4.26.2 – The buyer or transferee must become a qualified Modere Social Marketer and must fill out and submit to Modere’s Compliance Department a Sale & Purchase of Social Marketer Account Form. If the buyer is an active Modere Social Marketer, he or she must first sell his or her Modere Social Marketer account before the purchase of any interest in the new Modere Social Marketer account. An exception to this provision exists if a Social Marketer purchases the Social Marketer account of a Social Marketer on his or her immediate frontline. If a Social Marketer purchases the Social Marketer account of one of his or her frontline Social Marketers, there will be a roll up of the downline organization.

4.26.3 – Before the sale, transfer, or assignment can be finalized and approved by Modere, any debt obligations the selling Social Marketer has with Modere must be satisfied.

4.26.4 - The selling Social Marketer must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign a Modere Social Marketer account. Prior to selling a Modere Social Marketer account, the selling Social Marketer must notify the Modere Social Marketer Education & Compliance Department of his or her intent to sell the Modere Social Marketer account by submitting a Modere Sale & Purchase of Social Marketer Account Form and receiving written approval for the transfer or sale. No changes in line of sponsorship can result from the sale or transfer of a Modere Social Marketer account. Modere retains the discretion to reject any Social Marketer account sale or transfer.

4.27 - SEPARATION OF A MODERE SOCIAL MARKETER ACCOUNT

Modere Social Marketers sometimes operate their Modere Social Marketer account as husband-wife partnerships, regular partnerships, corporations, trusts, or other business entities. At such time as a marriage may end in divorce or a corporation, partnership, trust, or other business entity (the latter entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to ensure that any separation or division of the Social Marketer account is accomplished so as not to adversely affect the interests and income of other Social Marketer accounts up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Social Marketers and the Company, Modere will involuntarily terminate the Social Marketer Agreement and roll up their entire organization pursuant to Section 4.25. During the pendency of a divorce or entity dissolution, the parties must adopt one of the following methods of operation:

4.27.1 - One of the parties may, with written notarized consent of the other(s), operate the Modere Social Marketer account pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize Modere to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee. In this situation, all bonuses and commissions shall be paid to the party receiving the Social Marketer account.

4.27.2 - The parties may continue to operate the Modere Social Marketer account jointly on a "business-as usual" basis, whereupon all compensation is paid by Modere according to the status quo as it existed prior to the filing of the divorce or dissolution proceedings.

Under no circumstances will the Downline Organization of divorcing spouses or a dissolving Social Marketer account entity be divided. Similarly, under no circumstances will Modere split commission and bonus checks between divorcing spouses or members of dissolving entities. Modere will recognize only one Downline Organization and will issue only one commission check per Modere Social Marketer account per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the Social Marketer account within six calendar months from the date on which

the divorce action was filed or the dissolution proceedings instituted, the Social Marketer Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in his or her original Modere Social Marketer account, he or she is thereafter free to immediately enroll under any Sponsor of his or her choosing. Former entity affiliates must wait six calendar months before they may re-enroll under a different Sponsor, but may re-enroll immediately under the same Sponsor who had been the Sponsor of the dissolved entity. In such case, however, the former spouse or partner shall have no rights to any Social Marketers in their former organization or to any former Customer.

4.28 - ENROLLING

All active Social Marketers in good standing have the right to sponsor and enroll others into Modere. Each prospective Customer or Social Marketer has the ultimate right to choose his or her own Enrollment Sponsor. If two Social Marketers claim to be the Enrollment Sponsor of the same new Social Marketer or Customer, the first properly completed application received by Modere, whether by fax, mail, or online submission through Modere's official website, shall be controlling, except pursuant to a determined breach of Section 4.10. Customers may not sponsor or enroll Social Marketers into Modere. A Qualified Modere Social Marketing Team Leader, or higher rank, who enrolls another Social Marketer may move that new Social Marketer to the frontline of another Social Marketer within the Enrollment Structure of the Enrollment Sponsor Social Marketer's network organization a single time within 72 hours of the time the new Social Marketer is registered in the Modere database. Notwithstanding the foregoing, should Modere pay commission on activity of the new Social Marketer within the 72 hour period, no move will be allowed.

4.29 - STACKING

"Stacking" is strictly prohibited. The term "stacking" includes: (a) providing financial assistance to Social Marketers or Customers for the purpose of maximizing compensation pursuant to Modere's Compensation Plan; (b) violating the One Social Marketer Account Per Social Marketer rule (rule 4.22); and/or (c) enrolling fictitious individuals or entities into the Modere Compensation Plan (rule 4.3).

4.30 - SUCCESSION

Upon the death or incapacitation of a Social Marketer, his or her Social Marketer account may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. If a will or other testamentary document is contested, and the Social Marketer account is not awarded within six calendar months from the date of the Social Marketer's death, or if the successor does not complete all of the requirements listed below within such six calendar month period, the Social Marketer account shall be involuntarily canceled. Similarly, if a Social Marketer dies without providing for the disposition of the Modere Social Marketer account by will or other testamentary device, the Social Marketer account shall be canceled. Accordingly, a Social Marketer should consult an attorney

to assist him or her in the preparation of a will or other testamentary instrument. Whenever a Modere Social Marketer account is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Social Marketer's sales organization provided the following qualifications are met. The successor(s) must:

- 4.30.1 Execute a Social Marketer Agreement;
- 4.30.2 Submit a copy of an original death certificate to Modere;
- 4.30.3 Submit to Modere a notarized copy of the will or other instrument establishing the successor's right to the Modere Social Marketer account;
- 4.30.4 Comply with terms and provisions of the Agreement;
- 4.30.5 Meet all of the qualifications for the deceased Social Marketer's status; and
- 4.30.6 If the Social Marketer account is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer identification number. Modere will issue all bonus and commission checks and one 1099 to the business entity.

4.31 - TRANSFER UPON INCAPACITATION OF A SOCIAL MARKETER

To effect a transfer of a Modere Social Marketer account because of incapacity, the successor must provide the following to Modere: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Modere business; and (3) a completed Social Marketer Agreement executed by the trustee.

4.32 - TELEMARKETING TECHNIQUES

The use of any automated telephone solicitation equipment or "boiler-room" telemarketing operations in connection with the marketing or promotion of Modere, its products, or the opportunity is prohibited.

4.33 - LOANS AND COMMISSION ADVANCES

Social Marketers shall not request from the Company any type of loan or advance on Social Marketer bonuses or commissions.

SECTION 5 RESPONSIBILITIES OF SOCIAL MARKETERS

5.1 - CHANGE OF ADDRESS, E-MAIL OR TELEPHONE

Social Marketers whose telephone number, mailing address, street address, or e-mail address changes must notify Modere of the change by completing and submitting a Modere Address Change Form.

5.2 - CONTINUING DEVELOPMENT OBLIGATIONS

5.2.1 - ONGOING TRAINING

Any Social Marketer who enrolls another Social Marketer into Modere must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her Modere business. Social Marketers must have ongoing contact and communication with the Social Marketers 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 Social Marketers to Modere meetings, training sessions, and other functions. Upline Social Marketers are also responsible to motivate and train new Social Marketers in Modere product knowledge, effective sales techniques, the Modere Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline Social Marketers must not, however, violate Section 4.2 (regarding the development of Social Marketer-produced sales aids and promotional materials). Social Marketers must monitor the Social Marketers in their Downline Organizations to ensure that downline Social Marketers do not make improper product or business claims or engage in any illegal or inappropriate conduct. Upon request, every Social Marketer should be able to provide documented evidence to Modere of his or her ongoing fulfillment of the responsibilities of an Enrollment Sponsor.

5.2.2 - INCREASED TRAINING RESPONSIBILITIES

As Social Marketers progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the Modere program. They will be called upon to share this knowledge with less experienced Social Marketers within their organization.

5.2.3 - ONGOING SALES RESPONSIBILITIES

Regardless of their level of achievement, Social Marketers have an ongoing obligation to continue to personally promote sales through the generation of new Customers and through servicing their existing Customers.

5.3 - NONDISPARAGEMENT

Modere wants to provide its Independent Social Marketers with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to Modere's Social Marketer Service Department. Remember, to best serve you, we must hear from you. While Modere welcomes constructive input, negative comments and remarks made in the field by Social Marketers about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other Modere

Social Marketers. For this reason, and to set the proper example for their downline, Social Marketers must not disparage, demean, or make negative remarks about Modere, other Modere Social Marketers, Modere's products, the Compensation plan, or Modere's directors, officers, or employees.

5.4 - DETRIMENTAL CONDUCT

If any conduct by a Social Marketer or any participant in the Social Marketer account is determined by the Company to be injurious, disruptive, or harmful to the Company or to other Social Marketers, the Company may take appropriate action against a Social Marketer as set forth in Section 9.

5.5 - REPORTING POLICY VIOLATIONS

Social Marketers observing a policy violation by another Social Marketer should submit a written report of the violation directly to the attention of the Modere Social Marketer Education & Compliance Department. Details of the incidents, such as dates, number of occurrences, persons involved, and any supporting documentation, should be included in the report. Because of the difficulties of investigating and asserting appropriate remedies for stale claims, any complaint for breach of the terms and conditions of the agreement other than Nonsolicitation must be brought to the Company's attention for review within eighteen (18) months of the start of the alleged violation; Nonsolicitation violations must be brought to the Company's attention within six (6) months of the alleged violation. Failure to report a violation within that time period may result in the Company not pursuing the allegations in order to prevent the business from being disrupted due to stale claims. However, this policy does not waive the Company's right to investigate and discipline Social Marketers found guilty of the stale claims.

5.6 - REPORTING INVOLVEMENT IN LEGAL ACTION

If a Social Marketer has been named as a party in a lawsuit or other legal action with another direct sales or multi-level marketing company or government body, the Social Marketer will notify the Company within ten (10) days of receiving notice of the lawsuit or legal action.

5.7 - PRIVACY & CONSUMER DATA

Social Marketers must maintain the confidentiality of consumers and site users by complying with the privacy laws, including the European Union General Data Protection Regulation (GDPR), in each country from which they receive consumer information. Social Marketers must post, in a prominent location, a "Privacy Statement" that informs consumers whether or not personal information is being collected about them and how such information will be used. Social Marketers may not sell, trade or use consumer or site user information. Social Marketers may only use such information in connection with Modere Business Activity. If any person or entity requests that their information not be used, the Social Marketer must immediately honor such request.

SECTION 6 SALES REQUIREMENTS

6.1 - PRODUCT SALES

The Modere Compensation Plan is based upon the sale of Modere products and services to end consumers. Social Marketers must fulfill personal and Downline Organization 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. The following sales requirements must be satisfied for Social Marketers to be eligible for commissions:

6.1.1 - At least 70% of a Social Marketer's total monthly Marketer Points must be sold to Customers or used by the Social Marketer and his or her immediate family.

6.1.2 - Social Marketers are prohibited from shipping Modere products to locations outside of the United States or its Territories. All sales of Modere products must occur with persons who are located within the United States or its Territories.

6.2 - NO PRICE RESTRICTIONS

Social Marketers are not required to sell Modere products at the price set by Modere on the Modere Price List. Social Marketers may sell Modere products at any price they choose. Social Marketers may not, however, advertise prices below the price set by Modere on the Modere Price List.

6.3 - SALES RECEIPTS

Modere encourages all Customers to purchase products directly from Modere and they will be provided with all necessary sales receipts. If a Social Marketer chooses to sell any Modere products directly to a Customer, the Social Marketer must provide the Customer with two copies of an official Modere Product Sales Receipt Form at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee for Modere products, as well as any consumer protection rights afforded by law. Social Marketers must maintain all Product Sales Receipts for a period of two years and furnish them to Modere at the Company's request.

Social Marketers must ensure that the following information is contained on each Product Sales Receipt: (1) the date of the transaction; (2) the date (not earlier than the third business day following the date of the transaction) by which the buyer may give notice of cancellation; and (3) the name and address of the selling Social Marketer.

Remember that Customers must receive two copies of the Product Sales Receipt. In addition, Social Marketers must orally inform the

buyer of his or her cancellation rights.

SECTION 7 BONUSES AND COMMISSIONS

7.1 - BONUS AND COMMISSION QUALIFICATIONS

A Social Marketer must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Social Marketer complies with the terms of the Agreement, Modere shall pay bonuses and commissions to such Social Marketer in accordance with the Compensation plan. The minimum amount for which Modere will issue a payment is \$25.00. In the event that a Social Marketer requests a paper check to be issued, Modere will charge a \$5.00 fee for this service.

7.2 - ADJUSTMENT TO BONUSES AND COMMISSIONS

7.2.1 - ADJUSTMENTS FOR RETURNED PRODUCTS

Social Marketers receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to Modere 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 Social Marketers who received bonuses and commissions on the sales of the refunded products.

7.2.2 - OTHER DEDUCTIONS

Modere will deduct fees from Social Marketer's bonus and commission checks for network reports requested by a Social Marketer, label fees, transfer request fees, and fees for other services provided by Modere, and for any other outstanding balance on a Social Marketer's Modere account. The Company further reserves the right to deduct sums from a Social Marketer's commission and bonus check that constitute disciplinary sanctions.

7.3 - REPORTS

All information provided by Modere in online or telephonic network reports, including but not limited to personal, Customer and organization points (or any part thereof) and downline sponsoring activity, 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; and credit card and electronic check charge-backs, the information is not guaranteed by Modere or any persons creating or transmitting the information.

ALL PERSONAL, CUSTOMER AND ORGANIZATION POINTS INFORMATION 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 NONINFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, MODERE AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY SOCIAL MARKETER OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL, CUSTOMER AND ORGANIZATION POINTS 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 MODERE 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, MODERE 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 WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of Modere's online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is." If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Modere's online and telephone reporting services and your reliance upon the information.

SECTION 8 PRODUCT GUARANTEES, RETURNS, AND INVENTORY REPURCHASE

8.1 - PRODUCT GUARANTEE

Modere offers a 100% 30-day money-back satisfaction guarantee (less shipping and handling charges) to all Social Marketers. Modere Social Marketers shall honor this guarantee on all products that they sell to their Customers. The product return policy for Customers is

different and can be located at the official Modere web site. Social Marketers may return no more than \$300 (at purchase price) worth of merchandise to Modere for a refund annually. Any returns over \$300 annually shall be considered an inventory repurchase and the Social Marketer account shall be canceled. The Company shall deduct from the Social Marketer's subsequent commission checks and/or from the refund paid to the Social Marketer any commissions, bonuses, rebates, or other incentives received by the Social Marketer that were associated with the merchandise that is returned.

8.1.1 - COOLING OFF PERIOD

When a Customer purchases product directly from a Modere Social Marketer, the Customer has three business days after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on Modere Product Sales Receipt Form (Alaska residents have five days). When a Social Marketer makes a sale or takes an order from a Customer who cancels or requests a refund within the 72-hour period, the Social Marketer must promptly refund the Customer's money as long as the products are returned to the Social Marketer in substantially as good a condition as when received. Additionally, Social Marketers must orally inform Customers of their right to rescind a purchase or an order within 72 hours and ensure that the date of the order or purchase is entered on the order form. All Customers must be provided with two copies of an official Modere Product Sales Receipt Format the time of the sale. The Receipt provides the Customer with written notice of his or her rights to cancel the sales agreement.

8.1.2 - RETURNS BY SOCIAL MARKETERS (PRODUCTS RETURNED BY CUSTOMERS)

If a Customer returns a product to the Social Marketer from whom it was purchased, the Social Marketer may return it to the Company for an exchange or refund (less shipping and handling). All products returned by Customers must be returned to the Company within ten days from the date on which the product was returned to the Social Marketer along with the Product Sales Receipt that the Social Marketer gave to the Customer.

8.2 - RETURN OF INVENTORY AND SALES AIDS BY SOCIAL MARKETERS

Upon cancellation of a Social Marketer's Agreement, the Social Marketer may return inventory and sales aids for a refund if he or she is unable to sell or use the merchandise. A Social Marketer may only return products and sales aids purchased by him or her that are in resalable condition. Upon receipt of the products and sales aids, the Social Marketer will be reimbursed 90% of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit or debit card, the refund will be credited back to the same account. The Company shall deduct from the reimbursement paid to the Social Marketer any commissions, bonuses, rebates, or other incentives received by the Social Marketer which were associated with the merchandise that is returned.

8.2.1 - MONTANA RESIDENTS

A Montana resident may cancel his or her Social Marketer

Agreement within 15 days from the date of enrollment.

8.3 - PROCEDURES FOR ALL RETURNS FROM SOCIAL MARKETERS TO MODERE

The following procedures apply to all returns for refund, repurchase, or exchange:

8.3.1 - All merchandise must be returned by the Social Marketer who purchased it directly from Modere.

8.3.2 - All products to be returned must have a Return Goods Authorization Number, which is obtained by calling the Social Marketer Service Department. This Return Goods Authorization Number must be written on each carton returned. The Social Marketer Service Department is the only department authorized to distribute Return Goods Authorization Numbers.

8.3.3 - The return must be accompanied by a copy of the original dated Product Sales Receipt, and the unused portion of the product in its original container.

8.3.4 - Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned, and the best and most economical means of shipping is suggested. All returns must be shipped to Modere with shipping pre-paid; Modere does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Social Marketer. If returned product is not received by the Company's Distribution Center, it is the responsibility of the Social Marketer to trace the shipment.

8.3.5 - If a Social Marketer is returning merchandise to Modere that was returned to him or her by a Customer, the product must be received by Modere within ten days from the date on which the Customer returned the merchandise to the Social Marketer and must be accompanied by the Product Sales Receipt the Social Marketer gave to the Customer at the time of the sale. The Social Marketer must contact Modere Customer Service to request a prepaid return label for any returned Customer order. The cost of the label will be deducted from the return credit amount.

No refund or replacement of product will be made if the conditions of these rules are not met.

SECTION 9 DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1 – DISCIPLINARY SANCTIONS

Violation of the Agreement or these Policies and Procedures or any illegal, fraudulent, deceptive, or unethical business conduct by a Social Marketer may result, at Modere’s discretion, in one or more of the following corrective measures:

9.1.1 – Issuance of a written warning or admonition;

9.1.2 – Requiring the Social Marketer to take immediate corrective measures, including but not limited to personally refunding Customers who may have been harmed by the Social Marketer’s improper conduct;

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

9.1.4 – Requiring an offending Social Marketer to pay for all refunds, rebates, or damages that Modere incurs as a result of the Social Marketer’s improper conduct. Such sums may be deducted from the Social Marketer’s commission and bonus checks;

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

9.1.6 – Modere may withhold from a Social Marketer all or part of the Social Marketer’s bonuses and commissions during the period that Modere is investigating any conduct allegedly violative of the Agreement. If a Social Marketer account is canceled for disciplinary reasons, the Social Marketer will not be entitled to recover any commissions withheld during the investigation period;

9.1.7 – Suspension of the individual’s Social Marketer Agreement for one or more pay periods;

9.1.8 – Involuntary termination of the offender’s Social Marketer Agreement;

9.1.9 – Any other measure expressly allowed within any provision of the Agreement or which Modere deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Social Marketer’s policy violation or contractual breach;

9.1.10 – In situations deemed appropriate by Modere, the Company

may institute legal proceedings for monetary and/or equitable relief.

9.2 – GRIEVANCES AND COMPLAINTS

When a Social Marketer has a grievance or complaint with another Social Marketer regarding any practice or conduct in relationship to their respective Modere businesses, the complaining Social Marketer should first report the problem to his or her Enrollment Sponsor, who should review the matter and try to resolve it with the other party’s upline Enrollment Sponsor. If the matter cannot be resolved, it must be reported in writing to the Modere Social Marketer Education & Compliance Department. The Modere Social Marketer Education & Compliance Department will review the facts and resolve it.

9.3 – APPEALS OF DISCIPLINARY SANCTIONS

If a Social Marketer wishes to appeal a disciplinary sanction, the Social Marketer’s appeal must be in writing and sent via Certified Mail, Return Receipt Requested and received by the Company within 15 days from the date of Modere’s disciplinary notice. If the appeal is not received by Modere within the 15-day period, the sanction will be final. The Social Marketer must submit all supporting documentation with his or her appeal correspondence. If the Social Marketer files a timely appeal of cancellation, Modere will review and reconsider the cancellation, consider any other appropriate action, and notify the Social Marketer in writing of its decision.

9.4 – ARBITRATION

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

Social Marketers waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the City of Springville, State of Utah. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

CLASS ACTION WAIVER: Any claim brought by a Social Marketer or Customer must be brought in the respective party’s individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding (“Class Action”). The parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct

any Class Action nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND THE PARTIES EXPRESSLY WAIVE THE RIGHT TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION. HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.

Nothing in these Policies and Procedures shall prevent Modere from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect Modere's interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding. The arbitration obligation of this section shall not apply in cases arising from or relating to Modere's Conflict of Interest policies contained in Section 4.9, and the Modere Nondisclosure and Nonsolicitation Agreement. All such actions shall be brought before the Federal or State courts residing in Salt Lake County or Utah County, Utah, U.S.A. Parties consent to exclusive jurisdiction and venue before such courts. (Louisiana residents - see provisions in the Social Marketer Agreement applying Louisiana Law and allowing for jurisdiction and venue in Louisiana.)

9.5 - GOVERNING LAW, JURISDICTION, AND VENUE

Jurisdiction and venue of any controversy or claim not subject to arbitration shall be in Salt Lake County or Utah County, State of Utah. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Utah shall govern all other matters relating to or arising from the Agreement. (Louisiana residents - see provisions in the Social Marketer Agreement applying Louisiana Law and allowing for jurisdiction and venue in Louisiana.)

SECTION 10 ORDERING

10.1 - CUSTOMERS

Social Marketers are encouraged to develop a group of Customers who purchase Modere products directly from the Company through the official Modere website. As such, Customers can purchase Modere products directly from the Company. These Customers can take advantage of this opportunity by purchasing products directly through a Modere website or call center by using a Customer access code provided to them by a Modere Social Marketer.

10.2 - PURCHASING MODERE PRODUCTS

Each Social Marketer should purchase his or her products directly from

Modere. If a Social Marketer purchases products from another Social Marketer or any other source, the purchasing Social Marketer will not receive the Marketer Points that are associated with that purchase.

10.3 - GENERAL ORDER POLICIES

On mail orders with invalid or incorrect payment, Modere will attempt to contact the Social Marketer by phone and/or mail to try to obtain another payment. If these attempts are unsuccessful after five working days, the order will be returned unprocessed. No C.O.D. orders will be accepted. Modere maintains no minimum order requirements. Orders for products and sales aids may be combined.

10.4 - SHIPPING AND BACK ORDER POLICY

Modere will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out of stock, it may be placed on back order and sent when Modere produces additional inventory. Back ordered items will be sent via the same method as was requested on the original order, i.e. 2nd day, overnight, etc. Back ordered items may be canceled upon a Customer's or Social Marketer's request. Customers and Social Marketers may request a refund, credit on account, or replacement merchandise for cancelled back orders. If a refund is requested, the Social Marketer's Marketer Points will be decreased in accordance with the point value of the refunded products in the month in which the refund is issued.

10.5 - CONFIRMATION OF ORDER

A Social Marketer and/or Customer must confirm that the product received matches the product listed on the shipping invoice and is free of damage. Failure to notify Modere of any shipping discrepancy or damage within 30 days of shipment will cancel a Social Marketer's right to request a correction.

SECTION 11 PAYMENT AND SHIPPING

11.1 - INSUFFICIENT FUNDS

It is the responsibility of each Social Marketer to ensure that there are sufficient funds or credit available in his or her account to cover all payments, including orders, fees, etc. Insufficient funds may result in a Social Marketer's failure to meet his or her Activity Points requirements for the month. Also, if a Social Marketer's account has insufficient funds for two months, there is a possibility that the Social Marketer account could be placed on probation and bonus and commission checks could be used to pay any balance owing.

11.2 - RETURNED CHECKS OR INSUFFICIENT FUNDS TRANSACTIONS

All checks or electronic banking transactions returned by a Social Marketer's bank for insufficient funds will be re-submitted for payment. A \$25.00 fee will be charged to the account of the Social

Marketer. If Modere receives a returned check or electronic banking transaction from a Customer or a Social Marketer, all future orders must be paid by credit card, money order, or cashier's check. Any outstanding balance owed to Modere by a Social Marketer for insufficient funds or return fees will be withheld from subsequent bonus and commission checks.

11.3 - RESTRICTIONS ON THIRD-PARTY USE OF CREDIT CARDS AND CHECKING ACCOUNT ACCESS

Social Marketers shall not permit other Social Marketers or Customers to use their credit card or permit debits to their checking accounts to enroll or to make purchases from the Company. The unauthorized use of another person's credit card constitutes credit card fraud. If credit card fraud has been committed, disciplinary procedures will be commenced.

11.4 - SALES TAXES

In designing the Modere opportunity, one of our guiding philosophies has been to free Social Marketers from as many administrative, operational, and logistical tasks as possible. Doing so frees Social Marketers to concentrate on those activities that directly affect their incomes, namely product sales and enrollment activities. To these ends, Modere relieves Social Marketers of the burdens of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales taxes.

By virtue of its business operations, Modere is required to charge sales taxes on all purchases made by Social Marketers and Customers and remit the taxes charged to the respective states and/or local governments. Accordingly, Modere will collect and remit sales taxes on behalf of Social Marketers, based on the purchase price of the products, according to applicable tax rates in the state to which the shipment is destined. In the event that a Social Marketer sells product directly to a Customer for a price greater than the purchase price, the Social Marketer will be responsible to collect and remit sales tax on the amount of the difference in prices.

If a Social Marketer has submitted, and Modere has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice, and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Social Marketer. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted.

Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Modere is not retroactive. Social Marketers who do not want sales tax charged on their orders must submit the appropriate Sales Tax Exemption Certificate for the state in which they reside.

The taxability of products and sales tax rates differ by state. Additionally, an increasing number of local taxes (county and city) are being initiated throughout the country. This could result in a disparity in what Modere charges a Social Marketer and what the Social Marketer in turn can charge a Customer depending upon

where the sale occurs. The difference should be brought to the attention of the Modere Social Marketer Service Department for adjustment. Social Marketers must provide date of sale, state, county, city, and rate of tax where sold, total sales and the amount of the additional tax due or credit due. It is the responsibility of each Social Marketer to know what products are taxable and at what rate. If you have questions regarding taxability and rates, contact your state or local department of revenue for assistance.

SECTION 12 INACTIVITY AND CANCELLATION

12.1 - EFFECT OF CANCELLATION/INACTIVITY

So long as a Social Marketer remains active and complies with the terms of the Social Marketer Agreement and these Policies and Procedures, Modere shall pay bonuses and commissions to a Social Marketer in accordance with the Compensation Plan. A Social Marketer's bonuses and commissions constitute the entire consideration for the Social Marketer's efforts in generating sales and all activities related to generating sales (including building a downline organization). A Social Marketer whose Social Marketer account is canceled will permanently lose all rights as a Social Marketer. This includes the right to sell Modere products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Social Marketer's former downline sales organization. In the event of cancellation, Social Marketers agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions, or other remuneration derived from the sales and other activities of his or her former downline organization. Upon cancellation, whether involuntary (termination) or voluntary, the company may retain and maintain qualifications of the Social Marketer account for a period of up to six (6) months or, if the Company is involved in any actual or threatened litigation or dispute related to the terminated Agreement, retain the Social Marketer account for the time period encompassing the litigation or dispute and for a period of up to six (6) months following the resolution of any litigation or dispute.

Following a Social Marketer's cancellation of his or her Social Marketer Agreement, the former Social Marketer shall not represent himself or herself as a Modere Social Marketer and shall not have the right to sell Modere products or services. A Social Marketer whose Social Marketer Agreement is canceled shall receive commissions and bonuses only for the last full pay period during which he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

12.2 - RECLASSIFICATION DUE TO INACTIVITY

It is the Social Marketer's responsibility to provide his or her sales

organization with the proper example in personal production of sales to end consumers. Without proper example and leadership, the Social Marketer may lose his or her right to receive commissions from sales generated through his or her sales organization. While there is no personal purchase requirement to be eligible to earn commissions, there is a Business Activity requirement to maintain status as a Social Marketer. If the Social Marketer has not engaged in Business Activity for a period of six (6) months, as determined by the Company in its sole discretion, the Company may reclassify the Social Marketer as a Customer. Written confirmation of the cancellation will not be provided by Modere. Once the Social Marketer account is reclassified, the Social Marketer loses all title, rights, and interest in the Social Marketer's downline. A Social Marketer whose Social Marketer account is reclassified as a Customer is entitled to purchase Modere products, but will not be entitled to participate in the Modere Compensation Plan.

12.2.1 - ANNUAL SOCIAL MARKETER FEE

Social Marketers will be required to pay a nonrefundable renewal fee on the anniversary date of their enrollment as a Modere Social Marketer. The Social Marketer fee may be automatically changed to a credit card on file or deducted from the Social Marketer's future earnings following the anniversary date. Failure to make the required payment, when due will result in the Social Marketer account being reclassified as a customer, the Social Marketer loses all title, rights, and interest in the Social Marketer's downline. A Social Marketer whose Social Marketer account is reclassified as a Customer is entitled to purchase Modere products, but will not be entitled to participate in the Modere Compensation Plan.

12.3 - INVOLUNTARY CANCELLATION (TERMINATION)

A Social Marketer's violation of any of the terms of the Agreement, including any amendments that may be made by Modere at its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary cancellation (termination) of his or her Social Marketer Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, or delivered by an express courier to the Social Marketer's last known address (or fax number), or to his or her attorney, or when the Social Marketer receives actual notice of cancellation, whichever occurs first.

If a Social Marketer account is involuntarily canceled pursuant to this section, at the discretion of the company the Social Marketer account may remain in its current position with qualifications held and maintained, and its downline organization will remain intact until the Company has recouped all costs and losses associated with the Social Marketer account's cancellation. Once the Company has recouped all costs and losses, the Company may elect to restructure the organization in a manner that serves the best interests of the Company, the downline and upline or the Social Marketer account may be cancelled and remain as an inactive position, maintaining the integrity of the organization structure.

12.4 - VOLUNTARY CANCELLATION

The Agreement can be voluntarily terminated by a Social Marketer

who is not in breach of the Agreement for any reason, at any time, by providing written notice to the Company signed by all Person(s) listed on the Social Marketer Enrollment Form. Cancellation must be submitted in writing on the Modere Social Marketer Cancellation By Action of Social Marketer Form, to the Company at its principal business address, or via email or facsimile. The written notice must include the Social Marketer's signature, printed name, address, and Social Marketer I.D. Number. The termination is effective on the date the Company receives the written notice, although processing of the termination request may be delayed until the following month if there is current Volume. If a Social Marketer is in breach of the Agreement, he or she cannot voluntarily or unilaterally terminate the Agreement and, in such a case, the Company may elect any and all available remedies for breach of the Agreement pursuant to Section 9, and the Social Marketer shall not be entitled to receive any Commissions during such period, as determined by the Company in its sole discretion. Subsequent to the processing of the termination the company reserves the same rights as those outline in 4.25, 12.1 and 12.3, regarding the position.

SECTION 13 DEFINITIONS

ACTIVE SOCIAL MARKETER

A Social Marketer who pays the annual renewal fee and maintains minimum activity points, as set forth in the Modere Compensation Plan, to ensure that he or she is eligible to receive bonuses and commissions on downline sales activities.

AGREEMENT

The contract between the Company and each Social Marketer includes the Social Marketer Application and Agreement, the Modere Policies and Procedures, the Modere Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by Modere at its sole discretion. These documents are collectively referred to as the "Agreement."

BENEFICIAL INTEREST

A Person is deemed to have a Beneficial Interest in a Social Marketer account if he/she/it has: (1) any direct or indirect ownership in a Social Marketer account as an individual, partner, shareholder, member, manager, beneficiary, trustee, officer, director or principal of a Social Marketer account; (2) has any actual or de facto control over a Social Marketer account; (3) receives any income directly or indirectly from a Social Marketer account (other than the receipt of income pursuant to the Compensation Plan by an Upline Social Marketer); (4) receives familial support from a Social Marketer account; (5) receives spousal support derived from a Social Marketer account; (6) is a member of the Social Marketers's immediate household; (7) is a spouse or Co-habitant; or (8) has any other similar interest in a Social Marketer account.

BUSINESS ACTIVITY

Activities determined at the sole discretion of the Company to be a promotion of the Company's Products or business opportunity. Some of these activities include, but are not restricted to: signing a Social Marketer Enrollment form; advertising, selling or exhibiting Product; hosting, conducting, or speaking at meetings or events (whether hosted by the Company or by a Social Marketer); purchasing Product, exchanging, or returning Products; participating in the Compensation Plan, receiving periodic Company literature and other communications, participation in Company-sponsored support service training, motivational and recognition events; Enrolling new Social Marketers; and/or selling of leads, sales tools, websites, etc. to Social Marketers

CANCEL

The termination of a Social Marketer's Agreement. Cancellation may be voluntary, involuntary, or through non-payment of the renewal fee.

COMMISSIONABLE PRODUCTS/SERVICES

All Modere products and services on which commissions and bonuses are paid. Starter kits and sales aids are not commissionable products.

COMPANY

The term "Company" as it is used throughout the Agreement means Modere, Inc.

CUSTOMER

A Customer who purchases Modere products directly from a Modere Social Marketer or directly from Modere operated websites or the Modere call center but does not participate in the Compensation Plan.

ENROLLMENT SPONSOR

A Social Marketer who is listed as the Enrollment Sponsor on the Social Marketer Application and Agreement. With respect to Customers, an Enrollment Sponsor is the Modere Social Marketer or Customer who provided the Customer with a Customer access code through which the Customer purchased products directly from the Company.

LEG

Each one of the Social Marketers enrolled immediately underneath you and their respective Sales Organizations represents one "leg" in your sales organization.

NETWORK REPORT

A monthly report generated by Modere that provides critical data relating to the identities of Social Marketers, sales information, and enrollment activity of each Social Marketer's Sales Organization. This report contains confidential and trade secret information which is proprietary to Modere.

OFFICIAL MODERE MATERIAL

Literature, official Modere website publications, electronically stored information on USB flash drives, and other materials developed, printed, published, and distributed by Modere to Social Marketers.

ORGANIZATION POINTS

The commissionable value of Modere products generated by a Social Marketer's Sales Organization. (Sales aids have no points.)

MARKETER POINTS

The commissionable value of services and products sold in a calendar month (1) by the Company to a Social Marketer.

PURCHASE PRICE

The price of the products and/or services that is paid to the Company by Social Marketers and Customers.

TITLE

The "title" that a Social Marketer has achieved pursuant to the Modere Compensation Plan.

RECRUIT

For purposes of Modere's Conflict of Interest Policy (Section 4.9), the term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly or through a third party, another Modere Social Marketer or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity. This conduct constitutes recruiting even if the Social Marketer's actions are in response to an inquiry made by another Social Marketer or Customer.

RESALABLE

Products and sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) the product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) products are returned to Modere within 90 days from the date of purchase; 5) the product expiration date has not elapsed; and 6) the product contains current Modere labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item shall not be resalable.



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