

ANOVITE

POLICIES AND PROCEDURES v1.0

1.0 INTRODUCTION

1.1 Mutual Commitment Statement

Anovite (“hereafter as “Anovite” and the “Company”) recognizes that in order to develop a long-term and mutually rewarding relationship with its Business Owners (“Associates”) and customers, Anovite and the associates must acknowledge and respect the true nature of the relationship and support the customers.

A. In the spirit of mutual respect and understanding, Anovite is committed to:

- I. Provide prompt, professional and courteous service and communications to all of its associates and customers;
- II. Provide the highest level of quality products, at fair and reasonable prices;
- III. Exchange or refund the purchase price of any product, service or membership as provided in our *Return Policy*;
- IV. Deliver orders promptly and accurately;
- V. Pay commissions accurately and on a timely basis;
- VI. Expedite orders or checks if an error or unreasonable delay occurs;
- VII. Roll out new products and programs with associate input and planning;
- VIII. Implement changes in the Compensation Plan or Policies and Procedures that affect the associate with input from the associates;
- IX. Support, protect and defend the integrity of the Anovite Business Opportunity;
- X. Offer associates an opportunity to grow with Anovite with such growth guided by the principles of Servant Leadership.

B. In return, Anovite expects that its associates will:

- I. Conduct themselves in a professional, honest, and considerate manner;
- II. Present Anovite Corporate and product information in an accurate and professional manner;

ANOVITE

- III. Present the Compensation Plan and Return Policy in a complete and accurate manner;
- IV. Not make exaggerated income claims;
- V. Make reasonable effort(s) to support and train associates and customers in their downline;
- VI. Not engage in cross-line recruiting, unhealthy competition or unethical business practices;
- VII. Provide positive guidance and training to associates and customers in their downline while exercising caution to avoid interference with other downlines. As such, an associate is discouraged from providing cross-line training to an associate or Customer in a different organization without first obtaining consent of the associate's or Customer's upline leader;
- X. Support, protect, and defend the integrity of the Anovite Business Opportunity;
- XI. Accurately complete and submit the associate Agreement and any requested supporting documentation in a timely manner.

1.2 Anovite Policies and Compensation Plan Incorporated into the Associate Agreement

- A. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Anovite Agreement, these Policies and Procedures, and the Anovite Compensation Plan.
- B. It is the responsibility of the Sponsoring associate to provide the most current version of these Policies and Procedures (available on the Anovite website) and the Anovite Compensation Plan to each applicant prior to his, her and/or its execution of an associate Agreement.

1.3 Purpose of Policies

- A. Anovite is a direct sales company that markets products and services through a network of business owners. To clearly define the relationship that exists between associates and Anovite, and to explicitly set a standard for acceptable business conduct, Anovite has established these Policies and Procedures.
- B. Anovite associates are required to comply with; (i) all of the Terms and Conditions set forth in the associate Agreement, which Anovite may amend from time to time in its sole discretion; (ii) all Federal, State, Provincial, Territorial, and/or local laws governing his, her and/or its Anovite business; and (iii) these Policies and Procedures.
- C. Anovite associates must review the information in these Policies and Procedures carefully. Should an associate have any questions regarding a policy or rule, the associate is encouraged

ANOVITE

to seek an answer from their Sponsor or any other upline associate. If further clarification is needed the associate may contact Anovite Customer Service.

1.4 Changes, Amendments, and Modifications

- A. Because Federal, State, and local laws, as well as the business environment, periodically change, Anovite reserves the right to amend the Agreement and the prices in its Anovite Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official Anovite Materials. ***This provision does NOT apply to the arbitration clause found in Section 13, which can only be modified via mutual consent.***
- B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
 - I. Posting on the official Anovite website;
 - II. Electronic mail (e-mail); or
 - III. In writing through the Anovite newsletters or other Anovite communication channels.

1.5 Delays

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

1.6 Effective Date

These Policies and Procedures shall become effective as of September 1st 2011 and, at such time, shall automatically supersede any prior Policies and Procedures (the “old Policies and Procedures”), and, on that date, the old Policies and Procedures shall cease to have any force or effect.

2.0 BASIC PRINCIPLES

2.1 Becoming A Anovite Associate

- A. To become an associate, an applicant must comply with the following requirements:
 - I. Be of the age of majority (not a minor) in his or her state of residence;
 - II. Reside or have a valid address in the United States, a U.S. territory, or Canada;
 - III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);

ANOVITE

- IV. Submit a properly completed and signed Associate Agreement to Anovite;
- V. Not be a Anovite employee, the Spouse of a Anovite employee or related to an employee of Anovite and living in the same household as such Anovite employee.

2.2 New Associate Registration

- A. A potential new associate may self-enroll on the Sponsor's website. In such event, instead of a physically signed associate Agreement, Anovite will accept the Web-enrollment and associate Agreement by accepting the "electronic signature" stating the new associate has accepted the Terms and Conditions of such associate Agreement. Please note that such electronic signature constitutes a legally binding agreement between the associate and Anovite.
- B. Anovite reserves the right to require signed paperwork for any account, regardless of origin.
- C. If requested the signed associate Agreement must be received by Anovite within 14 days of enrollment.
- D. Signed documents, including, but not limited to, associate personal agreements, and are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been signed may lead to sanctions, up to and including involuntary termination of the associate's position.

2.3 Rights Granted

- A. Anovite hereby grants to the associate a non-exclusive right, based upon the Terms and Conditions contained in the associate Agreement and these Policies and Procedures, to:
 - I. Purchase Anovite products and services;
 - II. Promote and sell Anovite products and services; and
 - III. Sponsor new associates and customers in the United States and in countries where Anovite may become established after the effective date of these Policies and Procedures.

2.4 Identification Numbers

- A. Each associate is required to provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to Anovite on the associate Agreement. Anovite reserves the right to withhold commission payments from any associate who fails to provide such information or who provides false information.

ANOVITE

- B. Upon enrollment, Anovite will provide a Anovite Identification Number to the associate. This number will be used to place orders, structure organizations, and track commissions and bonuses.

2.5 Renewals and Expiration of the Associate Agreement

- A. If the associate allows his or her associate Agreement to expire due to nonpayment, the associate will lose any and all rights to his, her or its downline organization unless the associate re-activates within 60 days following the expiration of the Agreement.
- B. If the former associate re-activates within the 60-day time limit, the associate will resume the rank and position held immediately prior to the expiration of the associate Agreement. However, such associate's paid as level will not be restored unless he, she and/or an entity qualifies at that payout level in the new month. The associate is not eligible to receive commissions for the time period that the associate's position was expired.
- C. Any associate who was terminated or whose Agreement has expired and lapsed the 60-day grace period is not eligible to re-apply for a Anovite business for 12 months following the expiration of the associate Agreement.
- D. The downline of the expired associate will roll up to the immediate, active upline Sponsor.

2.6 Business Entities

- A. A corporation, partnership, LLC, or trust (collectively referred to as a "Business Entity") may apply to be an Anovite associate. This associate business and position will remain *temporary* until the proper documents are submitted. The Business Entity must submit one of the following documents: Certificate of Incorporation, Articles of Organization, Partnership Agreement or appropriate Trust documents. Anovite must receive these documents within 14 days from the date the associate Agreement was signed.
- B. A Anovite associate may change their status under the same Sponsor from an individual to a partnership, LLC, corporation, trust or from one type of business entity to another.

2.7 Independent Business Relationship; Indemnification for Actions

- A. The Anovite associate is an independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, each associate's success depends on his or her independent efforts.

ANOVITE

- B. The Agreement between Anovite and its associates does not create an employer/employee relationship, agency, partnership, or joint venture between Anovite and the associate.
- C. An Anovite associate shall not be treated as an employee of Anovite for any purposes, including, without limitation, for Federal, State, or Provincial tax purposes. All associates are responsible for paying local, State, Provincial, and Federal taxes due from all compensation earned as an associate of Anovite. Any other compensation received by associates from Anovite will be governed by applicable U.S. or Canadian tax laws (or the tax laws of any other applicable jurisdiction). The associate has no express or implied authority to bind Anovite to any obligation or to make any commitments by or on behalf of Anovite. Each associate, whether acting as management of a Business Entity or represented as an individual, shall establish his or her own goals, hours, and methods of operation and sale, so long as he or she complies with the Terms of the associate Agreement, these Policies and Procedures and applicable State, Federal and Provincial laws.
- D. The Anovite associate is fully responsible for all of his or her verbal and written communications made regarding Anovite products, services, and the Compensation Plan that are not expressly contained within official Anovite materials. Associates shall indemnify and hold harmless Anovite, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by Anovite as a result of the associate's unauthorized representations or actions. This Provision shall survive the termination of the Anovite associate Agreement.

2.8 Insurance

- A. Business Pursuits Coverage. Anovite encourages associates to arrange insurance coverage for their business. A homeowner's insurance policy does not cover business related injuries, or the theft of, or damage to, inventory or business equipment. Anovite associates need to contact their insurance agent to make certain their business property is protected. In most instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

2.9 Errors or Questions

- A. If an associate has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the associate must notify Anovite in writing within 30 days of the date of the error or incident in question. Any such errors, omissions or problems not reported within 30 days shall be deemed waived by the associate.

3.0 ANOVITE'S ASSOCIATE RESPONSIBILITIES

3.1 Correct Addresses

- A. It is the responsibility of the associate or Customer to make sure Anovite has the correct shipping address before any orders are shipped.

ANOVITE

- B. An associate or Customer will need to allow up to 30 days for processing after the notice of address change has been received by Anovite.
- C. An associate or Customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

3.2 Training and Leadership

- A. Any Anovite associate who Sponsors another associate into Anovite must perform an authentic assistance and training function to ensure his or her downline is properly operating his or her Anovite business. Sponsoring associates should have ongoing contact and communication with the associates in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voice-mail, e-mail, personal meetings, accompaniment of downline associates to Anovite meetings, training sessions and any other related functions.
- B. A Sponsoring Anovite associate should monitor the associates in his or her downline organizations to ensure that downline associates do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such associate should be able to provide documented evidence to Anovite of his or her ongoing fulfillment of the responsibilities of a Sponsor.
- C. Upline associates are encouraged to motivate and train new associates about Anovite's products and services, effective sales techniques, the Anovite Compensation Plan and compliance with company Policies and Procedures.
- D. Marketing product is a required activity in Anovite and must be emphasized in all recruiting presentations.
- F. We emphasize and encourage all associates to sell Anovite's products and services to customers.
- G. Use of Sales Aids. To promote both the products and the opportunity Anovite offers, associates must use the sales aids and support materials produced by Anovite. If Anovite associates develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding the Associates' good intentions, they may unintentionally violate any number of statutes or regulations affecting the Anovite business. These violations, although they may be relatively few in numbers, could jeopardize the Anovite opportunity for all associates. Accordingly, associates must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the associate receives specific written approval to use the material, the request shall be deemed denied. All associates shall safeguard and promote the good reputation of Anovite and its products. The marketing and promotion of Anovite, the Anovite opportunity, the Compensation Plan, and Anovite products and services shall be consistent with the public

ANOVITE

interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

3.3 Constructive Criticism; Ethics

- A. Anovite desires to provide its independent associates with the best products and services and Compensation Plan in the industry. Accordingly, Anovite values constructive criticism and encourages the submission of written comments addressed to Anovite Compliance Department.
- B. Negative and disparaging comments about Anovite, its products or Compensation Plan, by associates made to Anovite, in the Field or at Anovite meetings or events, or disruptive behavior at Anovite meetings or events, serve no purpose other than to dampen the enthusiasm of other Anovite associates. Anovite associates must not belittle Anovite, other Anovite associates, Anovite products or services, the Compensation Plan, or Anovite directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by Anovite.
- C. **Anovite Endorses the Following Code of Ethics:**
 - I. An Anovite associate must show fairness, tolerance, and respect to all people associated with Anovite, regardless of race, gender, social class or religion, thereby fostering a “positive atmosphere” of teamwork, good morale and community spirit.
 - II. An associate shall strive to resolve business issues, including situations with upline and downline associates, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
 - III. Anovite associates must be honest, responsible, professional and conduct themselves with integrity.
 - IV. Anovite associates shall not make disparaging statements about Anovite, other associates, Anovite employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.
- D. Anovite may take appropriate action against an associate if it determines, in its sole discretion, that an associate’s conduct is detrimental, disruptive, or injurious to Anovite or to other associates.

3.4 Reporting Policy Violation

- A. An associate who observes a policy violation by another associate should submit a written and signed letter (e-mail will not be accepted) of the violation directly to the Anovite Corporate office. The letter shall set forth the details of the incident as follows:

ANOVITE

- I. The nature of the violation;
 - II. Specific facts to support the allegations;
 - III. Dates;
 - IV. Number of occurrences;
 - V. Persons involved; and
 - VI. Supporting documentation
- B. Once the matter has been presented to Anovite, it will be researched thoroughly by the Compliance Department and appropriate action will be taken if required.
- C. This section refers to the general reporting of Policy violations as observed by other associates for the mutual effort to support, protect, and defend the integrity of the Anovite business and opportunity. If an associate has a grievance or complaint against another associate which directly relates to his or her Anovite business, the Procedures set forth in these Policies must be followed.

3.5 Sponsorship

- A. The Sponsor is the person who introduces an associate or Customer to Anovite, helps them complete their enrollment, and supports and trains those in their downline.
- B. Anovite recognizes the Sponsor as the name(s) shown on the first:
- I. Physically signed Anovite associate Agreement on file; or
 - II. Electronically signed associate Agreement from a website or a Anovite associates website.
- C. An associate Agreement that contains notations such as “by phone” or the signatures of other individuals (i.e. Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by Anovite.
- D. Anovite recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but Anovite will not allow associates to engage in unethical sponsoring activities.
- E. All active associates in good standing have the right to Sponsor and enroll others into Anovite. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one associate will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first associate who presented a comprehensive introduction to Anovite products or business opportunity.

ANOVITE

- F. A *Protected Prospect* is a guest of any Anovite associate or Customer who attended a Anovite event or conference call. For 60 days following the event, a Protected Prospect cannot be solicited or sponsored by any other Anovite associate who attended the same event. A Anovite event can be defined as the following:
- I. Any Anovite training session;
 - II. Conference call;
 - III. Fly-in meeting; or
 - IV. Presentation, including but not limited to a Anovite at home presentation, whether sponsored by Anovite, an associate, a Customer, or an agent or agency designated by Anovite.

3.6 Cross Sponsoring Prohibition

- A. “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an individual, or Business Entity, that already has a signed associate Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by Anovite, sanctions up to and including termination of an associate’s position may be imposed.
- B. The use of a Spouse’s or relative’s name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this Policy is not permitted.
- C. This Policy does not prohibit the transfer of a Anovite business in accordance with Anovite Sale or Transfer Policy set forth in these Policies.

3.7 Adherence to the Anovite Compensation Plan

- A. An associate must adhere to the Terms of the Anovite Compensation Plan as set forth in these Policies and Procedures as well as in official Anovite literature. Deviation from the Compensation Plan is prohibited.
- B. An associate shall not offer the Anovite opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Anovite literature.
- C. An associate shall not require or encourage a current or prospective Customer or associate to participate in Anovite in any manner that varies from the Compensation Plan as set forth in official Anovite literature.

ANOVITE

- D. An associate shall not require or encourage a current or prospective Customer or associate to make a purchase from or payment to any individual or other entity as a condition to participating in the Anovite Compensation Plan, other than such purchases or payments required to naturally build their business.

3.8 Adherence to Laws and Ordinances

- A. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to associates because of the nature of the business. However, associates must check their local laws and obey the laws that do apply to them.
- B. An Anovite associate shall comply with all Federal, State, Provincial and local laws and regulations in their conduct of his or her Anovite business.

3.9 Compliance with Applicable Income Tax Laws

- A. Anovite will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US associate whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of Anovite products for resale, or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the associate, and a minimum charge of \$20 may be assessed by Anovite. Canadian T-4's will be sent to associates who earn more than \$500 or who received trips, prizes, or awards valued at \$500 or more. Anovite associates are responsible for the payment of taxes on these trips, prizes, or awards provided to them by Anovite.
- B. An associate accepts sole responsibility for and agrees to pay all Federal, State, Provincial and local taxes on any income generated as an independent associate, and further agrees to indemnify Anovite from any failure to pay such tax amounts when due.
- C. If an associate's business is tax exempt, the Federal Tax Identification number must be provided to Anovite in writing.
- D. Anovite encourages all associates to consult with a tax advisor for additional information for their business.

3.10 One Anovite Business Per Associate

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

ANOVITE

3.11 Actions of Household Members or Associated Parties

If any member of an Associate's immediate household engages in any activity which, if performed by the Associate, would violate any provision of the Agreement, such activity will be deemed a violation by the Associate and Anovite may take disciplinary action pursuant to these Policies and Procedures against the Associate. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Anovite may take disciplinary action against the Business Entity. Likewise, if an Associate enrolls in Anovite as a Business Entity, each Associated Party of the Business Entity shall be personally and individually bound to, and must comply with, the Terms and Conditions of the Agreement.

3.12 Solicitation for Other Companies or Products

- A. An Anovite associate may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the Term of this Agreement and for one (1) year thereafter, a Anovite associate may not recruit any Anovite associate or Customer for any other direct sales or network marketing business, unless that associate or Customer was personally sponsored by such associate.
- B. The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another associate or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the associate's actions are in response to an inquiry made by another associate or Customer.
- C. During the term of this Agreement and for a period of six (6) months thereafter, any Anovite associate must not sell, or entice others to sell, any competing products or services, including training materials, to Anovite customers or associates. Any product or service in the same category as a Anovite product or service is deemed to be competing (i.e., any competing product or service regardless of differences in cost or quality. This provision does not apply where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas and beauty salons).
- D. However, an associate may sell non-competing products or services to Anovite customers and associates that they personally sponsored.
- E. An associate may not display or bundle Anovite products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or associate into believing there is a relationship between the Anovite and non-Anovite products and services.

ANOVITE

- F. An Anovite associate may not offer any non-Anovite opportunity, products or services at any Anovite related meeting, seminar or convention, or immediately following an Anovite event.
- G. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Anovite and its associates and would inflict irreparable harm on Anovite. In such event, Anovite may, at its sole discretion, impose any sanction it deems necessary and appropriate against such associate or such associate's positions including termination, or seek immediate injunctive relief without the necessity of posting a bond.

3.13 Presentation of the Anovite Opportunity

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

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

ANOVITE

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include; (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one associate earned over a million dollars last year” or “Our average ranking associate makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher ranking associates is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

3.14 Sales Requirements are Governed by the Compensation Plan

- A. Anovite associates may purchase Anovite products and then re-sell them at any price they choose unless otherwise specified by Anovite or by any/its product suppliers on a per product basis. Anovite will provide suggested selling prices. There are no exclusive territories granted to anyone. No franchise fees are applicable to a Anovite business.
- B. The Anovite program is built on sales to the ultimate consumer. Anovite encourages its Associates to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Associates must never attempt to influence any other associate to buy more products than they can reasonably use or sell to retail customers in a month.
- C. Each Anovite Associate commits to personally use, sell, or use in business building at least 70% of every order placed with the Company prior to placing another order, and must be able to certify to such if demanded by the Company or by any regulatory agency. ***Purchasing product solely for the purpose of collecting bonuses or achieving rank is prohibited.*** Anovite retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

4.0 ORDERING

4.1 General Order Policies

- A. “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 Agreement by such individuals or Business Entities; (b) the fraudulent enrollment of an individual or entity as an associate or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Associates or customers (“phantoms”); (d) purchasing Anovite products or services on behalf of another Associate or Customer, or under another Associate’s or Customer’s ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

ANOVITE

An associate shall not use another associate's or Customer's credit card or debit checking account to enroll in Anovite or purchase products or services without the account holder's *written permission*. Such documentation must be kept by the associate indefinitely in case Anovite needs to reference this.

- B. Regarding an order with an invalid or incorrect payment, Anovite will attempt to contact the associate by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after 10 business days, the order will be canceled.
- C. If an associate wants to move an order to another associate's position, he or she must have prior authorization, of all parties involved. Anovite will charge the associate a \$20 fee for processing.
- D. Prices are subject to change without notice.
- E. An associate or Customer who is a recipient of a damaged or incorrect order must notify Anovite within 30 calendar days from receipt of the order and follow the Procedures as set forth in these Policies.

4.2 Insufficient Funds

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

4.3 Sales Tax Obligation

- A. The associate shall comply with all State, Provincial and local taxes and regulations governing the sale of Anovite products and services.

ANOVITE

- B. Anovite will collect and remit sales tax on associate orders unless an associate furnishes Anovite with the appropriate Resale Tax Certificate form. When orders are placed with Anovite, sales tax is prepaid based upon the suggested retail price. Anovite will remit the sales tax to the appropriate state, Provincial and local jurisdictions. The associate may recover the sales tax when he or she makes a sale. Anovite associates are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- C. Anovite encourages each associate to consult with a tax advisor for additional information for his or her business.

5.0 PAYMENT OF COMMISSIONS & BONUSES

5.1 Bonus and Commission Qualifications

- A. An associate must be active and in compliance with Anovite Policies and Procedures to qualify for bonuses and commissions. So long as an associate complies with the Terms of the Agreement, Anovite shall pay commissions to such associate in accordance with the Compensation Plan.
- B. Anovite will not issue a payment to an associate without the receipt of a completed and signed Anovite associate Agreement or Electronic Authorization.
- C. Anovite reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.

5.2 Computation of Commissions and Discrepancies

- A. In order to qualify to receive commissions and bonuses, an associate must be in good standing and comply with the Terms of the Agreement and these Policies and Procedures. Commissions, bonuses, overrides, and achievement levels are calculated each month.
- B. An Anovite associate must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within 30 days of receipt. After the 30-day “grace period” no additional requests will be considered for commission recalculations.
- C. For additional information on payment of commissions, please review the Compensation Plan.

5.3 Adjustments to Bonuses and Commissions for Returned Products or associate Memberships.

- A. An associate receives bonuses and commissions based on the actual sales of products and services to end consumers and to associates through product and service purchases. When a product or service is returned to Anovite for a refund from the end consumer or by an associate, the bonuses and commissions attributable to the returned product or service will be deducted from the associate who received bonuses or commissions on such sales. Deductions will occur

ANOVITE

in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.

- B. In the event that an associate terminates his or her position, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Anovite, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Anovite to the terminated associate.

6.0 SATISFACTION GUARANTEED AND RETURN OF SALES AIDS

Anovite offers a one hundred percent (100%) ninety-day money back guarantee for all customers. If a Customer purchased a product or service and is not satisfied with the product or service, the Customer may request a refund from their associate. If you are not 100% satisfied with our products, you may return the items for a refund if neither you nor we have terminated the Agreement and the products or services were purchased within twelve (12) months and remain in resalable condition. The refund shall be eighty percent (80%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Upon cancellation of the Agreement, the associate may return all generic sales aids purchased within one (1) year from the date of cancellation for a refund if he or she is unable to sell or use the merchandise. An associate may only return sales aids he or she personally purchased from the Company under his or her associate Identification Number, and which are in Resalable condition. Any custom orders of printed sales aids (i.e. business cards, brochures, etc.) whereon the Associate's contact information is imbedded or hard printed, or has been added by the Associate, are not able to be returned in resalable condition thus are nonrefundable. Upon Anovite's receipt of the products and sales aids, the associate will be reimbursed eighty percent (80%) of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same credit card account. The Company shall deduct from the reimbursement paid to the associate any commissions, bonuses, rebates or other incentives received by the associate which were associated with the merchandise that is returned.

6.1 Return Process

- A. All returns, whether by a Customer, or associate, must be made as follows:
 - I. Obtain Return Merchandise Authorization ("RMA") from Anovite;
 - II. Ship items to the address provided by Anovite Customer service when you are given your RMA.
 - III. Provide a copy of the invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.
 - IV. Ship back product in manufacturer's box exactly as it was delivered.

ANOVITE

- B. All returns must be shipped to Anovite pre-paid, as Anovite does not accept shipping collect packages. Anovite recommends shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer, or associate. If returned product is not received at Anovite Distribution Center, it is the responsibility of the Customer, or associate to trace the shipment and no credit will be applied.
- C. The return of \$500 or more of products accompanied by a request for a refund within a calendar year, by an associate, may constitute grounds for involuntary termination.

7.0 PRIVACY POLICY

7.1 Introduction

This Privacy Policy is to ensure that all customers and associates understand and adhere to the basic principles of confidentiality.

7.2 Expectation of Privacy

- A. Anovite recognizes and respects the importance its customers and Associates place on the privacy of their financial and personal information. Anovite will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its customers', and associates' financial and account information and nonpublic personal information.
- B. By entering into the associate Agreement, an associate authorizes Anovite to disclose his or her name and contact information to uplines associates solely for activities related to the furtherance of the Anovite business. An associate hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline organization and conducting the Anovite business.

7.3 Employee Access to Information

Anovite limits the number of employees who have access to Customer's and associates' nonpublic personal information.

7.4 Restrictions on the Disclosure of Account Information

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

8.0 PROPRIETARY INFORMATION AND TRADE SECRETS

ANOVITE

8.1 Business Reports, Lists, and Proprietary Information

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

8.2 Obligation of Confidentiality

- A. During the Term of the Anovite associate Agreement and for a period of five (5) years after the termination or expiration of the associate Agreement between the associate and Anovite, the associate shall not;
 - I. Use the information in the Reports to compete with Anovite or for any purpose other than promoting his or her Anovite business;
 - II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

8.3 Breach and Remedies

- A. The associate acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Anovite and to independent Anovite businesses. Anovite and its associates will be entitled to injunctive relief or to recover damages against any associate who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney’s fees, court costs and expenses.

8.4 Return of Materials

- A. Upon demand by Anovite, any current or former associate will return the original and all copies of all “Reports” to Anovite together with any Anovite confidential information in such person’s possession.

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

9.1 Labeling, Packaging, and Displaying Products

- A. An Anovite associate may not re-label, re-package, refill, or alter labels of any Anovite product, or service, information, materials or program(s) in any way. Anovite products and services must only be sold in their original containers from Anovite. Such re-labeling or re-

ANOVITE

packaging violates Federal, and State and Provincial laws, which may result in criminal or civil penalties or liability.

- B. A Anovite associate shall not cause any Anovite product or service or any Anovite trade name to be sold or displayed in retail establishments except;
 - I. The Associate goes through the full Anovite certification process, as specified in company literature. The certification process will entail full training on all Anovite products along with ethical sales strategies.
- C. Anovite will permit associates to solicit and make Commercial Sales upon *prior written approval* from Anovite. For the purpose of these Policies and Procedures, the term “Commercial Sale” means the sale of;
 - I. Anovite products that equal or exceed \$5,000 in a single order;
 - II. Products sold to a third party who intends to resell the products to an end consumer.
- D. An associate may sell Anovite products and services and display the Anovite trade name at any appropriate display booth (such as trade shows) upon *prior written approval* from Anovite.
- E. Anovite reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the Anovite opportunity.

9.2 Use of Company Names and Protected Materials

- A. An Anovite associate must safeguard and promote the good reputation of Anovite and the products and services it markets. The marketing and promotion of Anovite, the Anovite opportunity, the Compensation Plan, and Anovite products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.
- B. All promotional materials supplied or created by Anovite must be used in their original form and cannot be changed, amended or altered except with prior written approval from the Anovite Compliance Department.
- C. The name of Anovite, each of its product and service names and other names that have been adopted by Anovite in connection with its business are proprietary trade names, trademarks and service marks of Anovite. As such, these marks are of great value to Anovite and are supplied to associates for their use only in an expressly authorized manner.
- D. An Anovite associate’s use of the name “Anovite” is restricted to protect Anovite proprietary rights, ensuring that the Anovite protected names will not be lost or compromised by

ANOVITE

unauthorized use. Use of the Anovite name on any item not produced by Anovite is prohibited except as follows:

- I. [associate's name] Independent Anovite associate
 - II. [associate's name] Independent associate of Anovite products and services.
- E. Further procedures relating to the use of the Anovite name are as follows:
- I. All stationary (i.e. letterhead, envelopes, and business cards) bearing the Anovite name or logo intended for use by the associate must be approved in writing by the Anovite Compliance Department.
 - II. Anovite associates may list "Independent Anovite associate or associate" in the white pages of the telephone directory under his or her own name.
 - III. Anovite associates may not use the name Anovite or Anovite in answering his or her telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent Anovite associate."
- F. Certain photos and graphic images used by Anovite in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to associates. If an associate wants to use these photos or graphic images they must negotiate individual contracts with the vendors for a fee.
- G. An Anovite associate shall not appear on or make use of television or radio, or make use of any other media to promote or discuss Anovite or its programs, products or services without prior written permission from the Anovite Compliance Department.
- H. A associate may not produce for sale or distribution any Company event or speech, nor may an associate reproduce Anovite audio or video clips for sale or for personal use without prior written permission from the Anovite Compliance Department.
- I. Anovite reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected associate.
- J. An associate shall not promote non-Anovite products or services in conjunction with Anovite products or services on the same websites or same advertisement without prior approval from Anovite Compliance.
- K. Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Anovite may not be made except those contained in official Anovite literature. In particular, no associate may make any claim that Anovite products are useful in

ANOVITE

the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only so such claims violate Anovite policies, but also they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

9.3 Faxes and E-mail - Limitations

- A. Except as provided in this section, an associate may not use or transmit unsolicited faxes, email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her Anovite business. The exceptions are;
 - I. Faxes or e-mailing any person who has given prior permission or invitation;
 - II. Faxing or e-mailing any person with whom the associate has established a prior business or personal relationship.
- B. In all States, Provinces or Territories where prohibited by law, an associate may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.
- C. All faxes, e-mail or computer broadcasted documents subject to this provision shall include each of the following;
 - I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
 - II. A clear return path or routing information;
 - III. The use of legal and proper domain name;
 - IV. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
 - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
 - VI. The true and correct name of the sender, valid senders fax or e-mail address, and a valid sender physical address;
 - VII. The date and time of the transmission;

ANOVITE

- VIII. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, a Anovite associate shall not transmit any further documents to that recipient.
- D. All e-mail or computer broadcasted documents subject to this provision shall not include any of the following;
- I. Use of any third party domain name without permission;
 - II. Sexually explicit materials.

9.4 Internet and Third-Party Website Restrictions

- A. A associate may not use or attempt to register any of Anovite's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company's name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- B. An Anovite associate may not sell Anovite products, services or offer the Business Opportunity using "online auctions," such as eBay®.
- C. All associates may have one (1) Approved third-party website. A third-party website is a Anovite-approved personal website that is hosted on non-Anovite servers and has no affiliation with Anovite. Any associate who wishes to develop their own third-partywebsite must submit a properly completed third-partywebsite Application and Agreement along with the proper Website registration fee and receive Anovite's prior written approval before going live with their third-partywebsite. Third-partywebsites may be used to promote your business and Anovite's products so long as the third-partywebsite adheres to Anovite's advertising policies. Moreover, no orders may be placed through third-party websites, and no enrollments may occur through a third-party website. If you wish to use anythird-partywebsite, you must do the following:
- a. Identify yourself as an associate for Anovite;
 - b. Use only the approved images and wording authorized by Anovite;
 - c. Adhere to the branding, trademark, and image usage policies described in this document.
 - d. Adhere to any other provision regarding the use of a third-party website described in this document;
 - e. Agree to give the Compliance Department at Anovite access to the third-party website and, if the website is password protected, the Compliance Department must receive passwords or credentials allowing unlimited access.
 - f. Agree to modify your website to comply with current or future Anovite policies.
- D. All marketing materials used on an associate's third-party website must be provided by Anovite or approved in writing by Anovite.

ANOVITE

- E. To avoid confusion, the following three elements must also be prominently displayed at the top of every page of your third-party website:
1. The Anovite Associate Logo
 2. Your Name and Title
 3. Anovite Corporate Website Redirect Button
- F. An associate may not use third-party sites that contain materials copied from corporate sources (such as Anovite brochures, CDs, videos, tapes, events, presentations, and corporate websites). This Policy ensures brand consistency, allows customers and associates to stay up-to-date with changing products, services and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.
- G. An Anovite associate who currently qualifies at the rank of Director may apply to the Compliance Department for an exception to the third-party website policy. To qualify for an exception, the website must serve a unique market that the Anovite corporate site does not currently serve or intend to serve.
- H. Anovite products may be displayed with other products or services on an associate's third-party website so long as the other products and services are consistent with Anovite values and are not marketed or sold by a competing network-marketing company.
- I. If the independent Anovite business of an associate who has received authorization to create and post a third-party website is voluntarily or involuntarily canceled for any reason, or if Anovite revokes its authorization allowing the associate to maintain a third-party website, the associate shall assign the URL to his/her third-party website to the Anovite within three (3) days from the date of the cancellation and/or re-direct all traffic to the site as directed by the Anovite. Anovite reserves the right to revoke any associate's right to use a third-party website at any time if Anovite believes that such revocation is in the best interest of Anovite, its associates, and customers. Decisions and corrective actions in this area are at Anovite's sole discretion.
- J. Social Media sites may not be used to sell or offer to sell Anovite products or services. PROFILES AN AFFILIATE GENERATES IN ANY SOCIAL COMMUNITY WHERE ANOVITE IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE AFFILIATE AS A ANOVITE AFFILIATE, and when an associate participates in those communities, associates must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Anovite's sole discretion, and offending associates will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Anovite approved library. If a link is provided, it must link to the posting associate's Replicated website or an approved third-party website.
- K. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending associates will be subject to disciplinary action.

ANOVITE

- L. Associates may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments associates create or leave must be useful, unique, relevant and specific to the blog's article.
- M. Associates must disclose their full name on all Social Media postings, and conspicuously identify themselves as an independent associate for Anovite. Anonymous postings or use of an alias is prohibited.
- N. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Anovite income opportunity, Anovite's products and services, and/or your biographical information and credentials.
- O. Associates are personally responsible for their postings and all other online activity that relates to Anovite. Therefore, even if an associate does not own or operate a blog or Social Media site, if an associate posts to any such site that relates to Anovite or which can be traced to Anovite, the associate is responsible for the posting. Associates are also responsible for postings which occur on any blog or Social Media site that the associate owns, operates, or controls.
- P. As an Anovite associate, it is important to not converse with any person who places a negative post against you, other associates, or Anovite. Report negative posts to Anovite at customerservice@anovite.com. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Anovite, and therefore damages the reputation and goodwill of Anovite.
- Q. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, Anovite therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that associates using, or who wish to use, such sites adhere to the Anovite's policies relating to third-party websites.
- R. If your Anovite business is cancelled for any reason, you must discontinue using the Anovite name, and all of Anovite's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent Anovite associate, you must conspicuously disclose that you are no longer an independent Anovite associate.
- S. Failure to comply with these Policies for conducting business online may result in the associate losing their right to advertise and market Anovite products, services and Anovite's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.

9.5 Advertising and Promotional Materials

ANOVITE

- A. You may not advertise any Anovite products or services at a price LESS than the highest company published, established retail price of ONE offering of the Anovite product or service plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.
- C. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Anovite Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the Anovite Compliance Department.
- E. Anovite approval is not required to place blind ads that do not mention Anovite, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. An associate who is currently paid at the Director rank may create his or her own ads or promotional materials including the development of commercials, infomercials and additional third-party websites. However, all such materials, and any subsequent changes thereto shall be submitted to the Anovite Compliance Department for approval.
- I. Directors are encouraged to work with the Compliance Department prior to the production of commercials, infomercials, or websites.
- G. Anovite reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations, and may require the removal of such advertisements from the marketplace without obligation to the affected associate.

9.6 Testimonial Permission

- A. By signing the Anovite Associate Agreement, an associate gives Anovite permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in the Anovite Business Opportunity, an associate waives any right to be compensated for the use of his or her testimonial or image and likeness even though Anovite may be paid for items or sales materials containing such image and likeness. In some cases, an associate's testimonial may appear in another associate's advertising materials. If an associate does not wish to participate in Anovite sales and marketing materials, he or she should provide a written notice to the Anovite Compliance Department to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

ANOVITE

9.7 Telemarketing - Limitations

- A. An Anovite associate must not engage in telemarketing in relation to the operation of the associate's Anovite business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of Anovite products or services, or to recruit them for the Anovite opportunity.
- B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have laws that restrict telemarketing practices. Both Federal agencies, as well as a number of States have "do not call" regulations as part of their telemarketing laws.
- C. While an associate may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the associate to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).
- D. "Cold calls" or "state-to-state calls" made to prospective customers, or associates that promote either Anovite products, services or the Anovite opportunity is considered telemarketing and is prohibited.
- E. Exceptions to Telemarketing Regulations

An Anovite associate may place telephone calls to prospective customers, or associates under the following limited situations;

- I. If the associate has an established business relationship with the prospect;
 - II. In response to the prospect's personal inquiry or application regarding a product or service offered by the Anovite associate, within 3 months immediately before the date of such a call;
 - III. If the associate receives written and signed permission from the prospect authorizing the associate to call;
 - IV. If the call is to family members, personal friends, and acquaintances. However, if an associate makes a habit of collecting business cards from everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption;
 - V. Anovite associates engaged in calling "acquaintances," must make such calls on an occasional basis only and not as a routine practice.
- F. An associate shall not use automatic telephone dialing systems in the operation of his or her Anovite businesses.

ANOVITE

- G. Failure to abide by Anovite policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the associate's position, up to and including termination of the position.
- H. By signing the associate Agreement, or by accepting commission checks, other payments or awards from Anovite, an associate gives permission to Anovite and other associates to contact them as permitted under the Federal Do Not Call regulations.
- I. In the event an associate violates this section, Anovite reserves the right to institute legal proceedings to obtain monetary or equitable relief.

10.0 INTERNATIONAL MARKETING

10.1 International Marketing Policy

- A. An Anovite associate is authorized to sell Anovite products and services, to customers and associates only in the countries in which Anovite is authorized to conduct business, according to the Policies and Procedures of each country. Anovite associates may not sell products or services in any country where Anovite products and services have not received applicable government authorization or approval.
- B. An associate may not, in any unauthorized country, conduct sales, enrollment or training meetings, enroll or attempt to enroll potential customers, or associates, nor conduct any other activity for the purpose of selling Anovite products and services, establishing a sales organization, or promoting the Anovite business opportunity.

11.0 CHANGES TO AN AFFILIATE BUSINESS

11.1 Modification of the Associate Agreement

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

11.2 Change Sponsor or Placement for Active associates

- A. Maintaining the integrity of the organizational structure is mandatory for the success of Anovite and our independent associates. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first 30 days of initial enrollment as an associate. Furthermore, such changes may only occur within the same organization.

ANOVITE

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

11.3 Change Sponsor or Placement for Inactive associates

- A. At the discretion of Anovite, associates who did not participate in an auto ship or have not ordered products or services for at least 12 months, and who have not tendered a letter of resignation, are eligible to re-enroll in Anovite under the Sponsor/Placement of their choice.
- B. Upon written notice to Anovite that a former associate wishes to re-enroll, Anovite will “compress” (close) the original account. A new Anovite ID number will then be issued to the former associate.
- C. Such associate does not retain former rank, downline, or rights to commission checks from his or her former organizations.

ANOVITE

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

11.4 Change Organizations

- A. If a Anovite associate wishes to transfer organizations, he or she must submit a letter of resignation to the Anovite Customer Service Department and remain inactive (place no orders, or be on an auto ship) with or in Anovite for 6 months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. Anovite retains the right to approve or deny any request to re-enroll after an associate's resignation.
- C. If re-enrollment is approved, the former associate will be issued a new Anovite ID number and will be required to submit a new associate Agreement. The associate will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.
- D. Transfers may not be done outside of the original organization.

11.5 Unethical Sponsoring

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new associate from another associate or influencing another associate to transfer to a different sponsor.
- D. Allegations of unethical sponsoring must be reported in writing to the Anovite Compliance Department within the first 90 days of enrollment. If the reports are substantiated, Anovite may transfer the associate or the associate's downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement associates. Anovite remains the final authority in such cases.
- E. Anovite prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the Anovite compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline associate in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent consultant positions of all individuals and/or entities found to be directly involved.
- F. Should Associates engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Anovite products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an associate alleging that they engaged in inappropriate recruiting activity of another company's

ANOVITE

sales force or customers, Anovite will not pay any of Associate's defence costs or legal fees, nor will Anovite indemnify the Associate for any judgment, award, or settlement.

11.6 Sell, Assign or Delegate Ownership

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for Anovite to place restrictions on the transfer, assignment, or sale of a position.
- B. An Anovite associate may not sell or assign his or her rights or delegate his or her position as an associate without *prior written approval* by Anovite, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Anovite.
- C. Should the sale be approved by Anovite, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.
- D. To request corporate authorization for a sale or transfer of a Anovite position, the following items must be submitted to the Anovite Compliance Department;
 - I. A Sale/Transfer of Associate ship Form properly completed, with the requisite signatures.
 - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
 - III. An Anovite associate Agreement completed and signed by the Buyer;
 - IV. Payment of the \$100 administration fee;
 - V. Any additional supporting documentation requested by Anovite.
- E. Any debt obligations that either Seller or Buyer may have with Anovite must be satisfied prior to the approval of the sale or transfer by Anovite.
- F. An Anovite associate who sells his or her position is not eligible to re-enroll as a Anovite associate in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

11.7 Separating a Anovite Business

- A. Pending a divorce or dissolution of a partnership or other business entity, the parties must adopt one of the following methods of operation;
 - I. One of the parties may, with the written consent of the other(s), operate the Anovite business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize Anovite to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee;
 - II. The parties may continue to operate the Anovite business jointly on a "business as usual" basis, whereupon all compensation paid by Anovite will be paid in the name

ANOVITE

designated as the associates or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, Anovite will pay compensation to the name on record and in such event, the Associate named on the account shall indemnify Anovite from any claims from the other business owner(s) or the other Spouse with respect to such payment.

- B. Anovite recognizes only one Downline organization and will issue only one commission check per Anovite business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will Anovite split commission and/or bonus checks.
- C. If a relinquishing Spouse, partner or owner of the business has completely relinquished ("Relinquishing Party"), in writing, all rights to the original Anovite business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any associate or active Customer in the former organization, and must develop a new business in the same manner as any other new Anovite associate. An associate in the Relinquishing Party's former Downline who wishes to transfer to the Relinquishing Party's new organization or to any other organization, must comply with the requirements in Section 13.5.

11.8 Succession

- A. Upon the death or incapacity of an associate, the associate's business may be passed on to his or her legal successors in interest (successor). Whenever a Anovite business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased associate's sales organization. The successor must:
 - I. Complete and sign a new Anovite associate Agreement;
 - II. Comply with the Terms and provisions of the associate Agreement; and
 - III. Meet all of the qualifications for the last rank achieved by the former associate.
- B. Bonus and commission checks of a Anovite business transferred based on this section will be paid in a single check to the successor. The successor must provide Anovite with an "address of record" to which all bonus and commission Payments will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.
- C. If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a Federal taxpayer identification number. Anovite will issue all bonus and commission payments and one 1099 Miscellaneous Income Tax form to the managing business entity only.
- D. Appropriate legal documentation must be submitted to Anovite Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Anovite business, the successor must provide the following to Anovite Compliance Department:
 - I. A certified copy of the death certificate; and

ANOVITE

- II. A notarized copy of the will or other appropriate legal documentation establishing the successor's right to the Anovite business.
- E. To complete a transfer of the Anovite business because of incapacity, the successor must provide the following to the Anovite Compliance Department;
 - I. A notarized copy of an appointment as trustee;
 - II. A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the Anovite business; and
 - III. A completed associate Agreement executed by the trustee.
- F. If the successor is already an existing associate, Anovite will allow such associate to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the 6-month period, the associate must have compressed (if applicable), sold or otherwise transferred either the existing position or the inherited position.
- G. If the successor wishes to terminate the Anovite position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, Anovite may grant a 1 month bereavement waiver and pay out at the last "paid as" rank.

11.9 Resignation/Voluntary Termination

- A. An associate may immediately terminate his or her position by submitting a written notice or email to the Anovite Compliance Department compliance [at]dockofhealth.com. The written notice must include the following;
 - I. The associate's intent to resign;
 - II. Date of resignation;
 - III. Anovite Identification Number;
 - IV. Reason for resigning; and
 - V. Signature.
- B. An Anovite associate may not use resignation as a way to immediately change Sponsor and Placement. Instead, the associate who has voluntarily resigned is not eligible to reapply for a position or have any financial interest in a or any Anovite business for 6 months from the receipt of the written notice of resignation.

11.10 Involuntary Termination

- A. Anovite reserves the right to terminate an associate's position for, but not limited to, the following reasons;

ANOVITE

- I. Violation of any Terms or Conditions of the associate Agreement;
 - II. Violation of any provision in these Policies and Procedures;
 - III. Violation of any provision in the Compensation Plan;
 - IV. Violation of any applicable law, ordinance, or regulation regarding the Anovite business;
 - V. Engaging in unethical business practices or violating standards of fair dealing; or
 - VI. Returning over \$500 worth of products, services and/or sales tools for a refund within a 12 month period.
- B. Anovite will notify the associate in writing *by certified mail; return receipt requested or overnight documented mail*, at his or her last known address of its intent to terminate the associate's position and the reasons for termination. The associate will have 15 calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice. Anovite will then have 30 calendar days from the date of receipt of the associate's response to render a final decision as to termination.
- C. If a decision is made by Anovite to terminate the associate's position, Anovite will inform the associate in writing that the position is terminated effective as of the date of the written notification. The associate will then have 15 calendar days from the date of mailing of such notice to appeal the termination in writing. Anovite must receive the associate's written appeal within 20 calendar days of the date of the Anovite termination letter. If the written appeal is not received within this time period, the termination will be considered final.
- D. If the associate does file a timely appeal of termination, Anovite will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the associate of its decision. The decision of Anovite is then considered final and not subject to further review.
- E. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by Anovite. The former associate shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Anovite products or services. Anovite will notify the active Upline Sponsor within 10 days after termination. The organization of the terminated associate will "roll up" to the active Upline Sponsor on record.
- F. The Anovite associate who is involuntarily terminated by Anovite may not reapply for a position, either under his or her present name or any other name or entity, without the *express written consent of an officer of Anovite*, following a review by the *Anovite Compliance Committee*. In any event, such associate may not re-apply for a position for 12 months from the date of termination.

11.11 Effect of Cancellation

ANOVITE

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

12.0 DISCIPLINARY SANCTIONS

12.1 Imposition of Disciplinary Action - Purpose

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

12.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following;
 - I. Monitoring an associate's conduct over a specified period of time to assure compliance;
 - II. Issuance of a written warning or requiring the associate to take immediate corrective action;
 - III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until Anovite receives adequate additional assurances from the associate to ensure future compliance;
 - IV. Suspension from participation in Company or associate events, rewards, or recognition;
 - V. Suspension of the Anovite associate Agreement and position for one or more pay periods;
 - VI. Involuntary termination of the associate's Agreement and position;
 - VII. Any other measure which Anovite deems feasible and appropriate to justly resolve injuries caused by the associate's Policy violation or contractual breach; OR
 - VIII. Legal proceedings for monetary or equitable relief.

13.0 DISPUTE RESOLUTION

13.1 Grievances

ANOVITE

- A. If an Anovite associate has a grievance or complaint against another associate regarding any practice or conduct relating to their respective Anovite businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the Anovite Compliance Department as outlined below in this Section.
- B. The Anovite Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the associates involved.
- C. Anovite will confine its involvement to disputes regarding Anovite business matters only. Anovite will not decide issues that involve personality conflicts or unprofessional conduct by or between associates outside the context of a Anovite business. These issues go beyond the scope of Anovite and may not be used to justify a Sponsor or Placement change or a transfer to another Anovite organization.
- D. Anovite does not consider, enforce, or mediate third party agreements between associates, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:
 - I. The Anovite associate should submit a written letter of complaint (e-mail will not be accepted) directly to the Anovite Compliance Department. The letter shall set forth the details of the incident as follows;
 - a. The nature of the violation;
 - b. Specific facts to support the allegations;
 - c. Dates;
 - d. Number of occurrences;
 - e. Persons involved; and
 - f. Supporting documentation.
 - II. Upon receipt of the written complaint, Anovite will conduct an investigation according to the following procedures;
 - a. The Compliance Department will send an acknowledgment of receipt to the complaining associate;
 - b. The Compliance Department will provide a verbal or written notice of the allegation to the associate under investigation. If a written notice is sent to the associate, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by Anovite
 - c. The Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case by case basis, and the length of time to reach a resolution will vary.

ANOVITE

- d. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Associate calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- E. Anovite will make a final decision and timely notify the Anovite associates involved.

13.2 Arbitration

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

13.3 Severability

ANOVITE

- A. If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

13.4 Waiver

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

13.5 Successors and Claims

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

14.0 GOVERNING LAW

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

15.0 ANOVITE GLOSSARY OF TERMS

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

AGREEMENT: The contract between the Company and each Associate; includes the Associate Agreement, theAnovite Policies and Procedures, and theAnovite Compensation Plan, all in their current form and as amended by Anovite in its sole discretion. These documents are collectively referred to as the "Agreement."

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

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

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

ANOVITE

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

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

ORGANIZATION: The customers and Associates placed below a particular Associate.

OFFICIAL ANOVITE MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Anovite to Associates.

PLACEMENT: Your position inside your Sponsor's organization.

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

RESALABLE: Products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labelling has not been altered or damaged, 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current Anovite labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

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

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