

EvolvHealth, LLC

STATEMENT OF POLICIES and PROCEDURES

Effective January 1, 2013

TABLE OF CONTENTS

CODE OF ETHICS	1
SECTION 1 - INTRODUCTION	1
1.1 - POLICIES AND COMPENSATION PLAN INCORPORATED INTO DISTRIBUTOR AGREEMENT	1
1.2 - CHANGES TO THE AGREEMENT	2
1.3 - DELAYS	2
1.4 - POLICIES AND PROVISIONS SEVERABLE	2
1.5 - WAIVER	2
1.6 - LIMITATION OF LIABILITY	3
SECTION 2 - BECOMING A DISTRIBUTOR	3
2.1 - REQUIREMENTS TO BECOME A DISTRIBUTOR	3
2.2 - NO PRODUCT PURCHASE REQUIRED	4
2.3 - DISTRIBUTOR BENEFITS	4
2.4 - TERM AND RENEWAL OF YOUR EVOLV BUSINESS	4
2.5 - PHOTOGRAPH AND IMAGE RELEASE	4
SECTION 3 - OPERATING AN EVOLV BUSINESS	5
3.1 - ADHERENCE TO THE EVOLV COMPENSATION PLAN POLICIES MANUAL	5
3.2 - ADVERTISING	5
3.2.1 - General	5
3.2.2 - Distributor Web Sites	6
3.2.3 - Domain Names	6
3.2.4 - Trademarks and Copyrights	6
3.2.5 - Media and Media Inquiries	6
3.2.6 - Unsolicited Email	6
3.2.7 - Unsolicited Faxes	7
3.2.8 - Use of Evolv Trademarks and Trade Names	7
3.2.9 - Telephone Book Listings	7
3.3 - BUSINESS ENTITIES	8
3.3.1 - Changes to a Business Entity	8
3.4 - CHANGE OF SPONSOR	8
3.4.1 - Misplacement	9
3.4.2 - Upline Approval	9
3.4.3 - Cancellation and Re-application	9
3.5 - UNAUTHORIZED CLAIMS AND ACTIONS	10
3.5.1 - Indemnification	10
3.5.2 - Product Claims	10
3.5.3 - Income Claims	10
3.6 - COMMERCIAL OUTLETS	11
3.7 - TRADE SHOWS, EXPOSITIONS AND OTHER SALES FORUMS	11
3.8 - CONFLICTS OF INTEREST	11
3.8.1 - Non-Solicitation During Agreement	11

3.8.2 - Non-Solicitation After Termination	11
3.8.3 - Confidentiality Agreement	Error! Bookmark not defined.
3.8.4 - Downline Activity (Genealogy) Reports	12
3.9 - TARGETING OTHER DIRECT SELLERS	13
3.10 - CROSS-SPONSORING	13
3.11 - Errors or Questions	14
3.12 - GOVERNMENTAL APPROVAL OR ENDORSEMENT	14
3.13 - HOLDING APPLICATIONS OR ORDERS	14
3.14 - IDENTIFICATION	14
3.15 - INCOME TAXES	14
3.16 - INDEPENDENT CONTRACTOR STATUS	15
3.17 - INTERNATIONAL MARKETING	15
3.18 - EXCESS INVENTORY AND BONUS BUYING	15
3.19 - ADHERENCE TO LAWS AND ORDINANCES	15
3.20 - MINORS	16
3.21 - ONE EVOLV BUSINESS PER DISTRIBUTOR AND PER HOUSEHOLD	16
3.22 - ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED INDIVIDUALS	16
3.23 - REQUESTS FOR RECORDS	16
3.24 - SALE, TRANSFER OR ASSIGNMENT OF EVOLV BUSINESS	17
3.25 - SEPARATION OF AN EVOLV BUSINESS	17
3.26 - SPONSORING ONLINE	18
3.27 - SUCCESSION	18
3.27.1 - Transfer Upon Death of a Distributor	19
3.27.2 - Transfer Upon Incapacitation of a Distributor	19
3.28 - TELEMARKETING TECHNIQUES	19
3.29 - BACK OFFICE ACCESS	20
SECTION 4 - RESPONSIBILITIES OF DISTRIBUTORS	21
4.1 - CHANGE OF ADDRESS, TELEPHONE, AND E-MAIL ADDRESSES	21
4.2 - COMMUNICATING WITH EVOLV	21
4.3 - CONTINUING DEVELOPMENT OBLIGATIONS	21
4.3.1 - Ongoing Training	21
4.3.2 - Increased Training Responsibilities	22
4.3.3 - Ongoing Sales Responsibilities	22
4.4 - NONDISPARAGEMENT	22
4.5 - PROVIDING DOCUMENTATION TO APPLICANTS	22
4.6 - REPORTING POLICY VIOLATIONS	22
SECTION 5 - SALES REQUIREMENTS	23
5.1 - PRODUCT SALES	23
5.2 - 70% RULE	23
5.3 - NO TERRITORY RESTRICTIONS	23
5.4 - SALES RECEIPTS	23
SECTION 6 - BONUSES AND COMMISSIONS	23
6.1 - BONUS AND COMMISSION QUALIFICATIONS AND PAYMENT	23
6.2 - ADJUSTMENT TO BONUSES AND COMMISSIONS	24
6.2.1 - Adjustments for Returned Products	24
6.2.2 - Hard Copy Commission Checks	24
6.2.3 - Reissuance of Checks	24
6.2.4 - Tax Withholdings	24
6.3 - DEDUCTIONS AND OFFSETS	24
6.4 - REPORTS	25
SECTION 7 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE	25
7.1 - PRODUCT GUARANTEE	25

7.2 - RETURNS BY RETAIL CUSTOMERS	26
7.3 - RETURN OF INVENTORY AND SALES AIDS BY DISTRIBUTORS.....	26
7.3.1 – Product Abandonment	27
7.3.2 - Montana Residents	27
7.4 - CPRIME WARRANTY	27
7.5 - PROCEDURES FOR ALL RETURNS AND REFUNDS.....	27
7.6 - DISCIPLINARY SANCTIONS.....	28
7.7 - GRIEVANCES AND COMPLAINTS.....	29
7.8 - MEDIATION.....	29
7.9 - ARBITRATION	29
7.10 - GOVERNING LAW, JURISDICTION AND VENUE	30
7.10.1 - Louisiana Residents.....	30
7.11 - CLASS PROCEEDINGS.....	30
SECTION 8 - PAYMENT AND SHIPPING.....	31
8.1 - RETURNED CHECKS	31
8.2 - RESTRICTIONS ON THIRD PARTY USE OF CREDIT CARDS AND CHECKING ACCOUNT ACCESS.....	31
8.3 - SALES TAXES	31
SECTION 9 - INACTIVITY, RECLASSIFICATION, AND CANCELLATION	31
9.1 - EFFECT OF CANCELLATION.....	31
9.2 - INVOLUNTARY CANCELLATION.....	31
9.3 - VOLUNTARY CANCELLATION	32
9.4 - NON-RENEWAL	32
SECTION 10 - DEFINITIONS.....	32

CODE OF ETHICS

Evolv is a values based company that prides itself on the quality and character of its Distributors. The following guidelines help insure a uniform standard of excellence throughout our organization. Every Evolv Distributor is expected to practice the following ethical behavior when acting in the name of the company:

- a) I will be respectful of every person I meet while doing Evolv related business.
- b) At all times I will conduct myself and my business in an ethical, moral, legal and financially sound manner. I will not engage in activities that would bring disrepute to Evolv, any Evolv corporate officer or employee, myself, or other distributors.
- c) I will not make discouraging or disparaging claims directed toward other Evolv Distributors. I will ensure that in all Evolv business dealings that I refrain from engaging in negative language. I will refrain from using any type of slanderous statements, implications or assumptions.
- d) I will be truthful in my representation of Evolv products by making no diagnostic, therapeutic, curative or exaggerated claims and by clearly stating all terms of sale. I understand any claim of cure or treatment or any prescription is strictly forbidden.
- e) I will provide support and encouragement to my customers to ensure that their experience with Evolv is a successful one. I understand that it is important to provide follow-up service and support to my downline.
- f) I will correctly represent all the Bonus plans available through Evolv and the income potential represented therein. I understand I may not use my own income as an indication of other's potential success, or use compensation checks as marketing materials.
- g) I will abide by all of Evolv's Policies and Procedures now and as they may be amended in the future.

SECTION 1 - INTRODUCTION

These Policies and Procedures, are effective as of the date first displayed above and govern the way an Evolv Health Distributor conducts business with the Company, other Distributors, and with his or her customers. They replace and succeed all previous versions. Definitions of terms used in these Policies and Procedures are found at Section 11 hereof. Any interpretation, clarification, exclusion, or exception to these Policies and Procedures, in order to be effective, must be in writing and signed by an authorized officer of the Company. The Company endeavors to enforce the Policies and Procedures on a uniform and nondiscriminatory basis. However, any failure to enforce any of the provisions of the Policies and Procedures with one Distributor does not waive the Company's right to enforce any such provision(s) with that same Distributor or any other Distributor.

1.1 - Policies and Compensation Plan Incorporated into Distributor Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of Evolv Health, LLC. (hereafter "Evolv" or the "Company"), are incorporated into, and form an integral part of, the Evolv Distributor Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Evolv Distributor Application and Agreement, these Policies and Procedures, the Evolv Compensation Plan Policies Manual, and the Evolv

Business Entity Application (if applicable). These documents are incorporated by reference into the Evolv Distributor Agreement (all in their current form and as amended by Evolv). It is the responsibility of each Distributor to read, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Distributor, it is the responsibility of the sponsoring Distributor to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the Evolv Compensation Plan Policies Manual prior to his or her execution of the Distributor Agreement.

1.2 - Changes to the Agreement

Evolv reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By executing the Distributor Agreement, a Distributor agrees to abide by all amendments or modifications that Evolv elects to make. Amendments shall be effective 30 days after publication of notice that the Agreement has been modified. Distributors who have accepted products or commission checks from Evolv subsequent to an amendment or modification are deemed to have further consented to any amendments or modifications. Notwithstanding the foregoing, all Distributors shall be bound by any amendments upon notification of the amendments through any of Evolv's official channels of communication. Those channels include, but are not limited to, posting of information to the official Evolv website, email to the Distributors, announcements in any official Evolv newsletter or other publication, or mail to the Distributor at the address listed on the Distributor Agreement.

1.3 - Delays

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

1.4 - Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

1.5 - Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Evolv to exercise any right or power under the Agreement or to insist upon strict compliance by a Distributor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Evolv's right to demand exact compliance with the Agreement. Waiver by Evolv can be effectuated only in writing by an authorized officer of the Company. Evolv's waiver of any particular breach by a Distributor shall not affect or impair Evolv's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Distributor. Nor shall any delay or omission by Evolv to exercise any right arising from a breach affect or impair Evolv's rights as to that or any

subsequent breach.

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

1.6 - Limitation of Liability

To the extent permitted by law, the Company, its directors, officers, members, managers, shareholders, employees, assigns and agents (collectively referred to in this section as "Responsible Parties") shall not be liable for, and the Distributor releases Company and its Responsible Parties from and waives all claims, for any loss of profits, indirect, direct, special or consequential damages, and for any other losses incurred or suffered by Distributor as a result of: (i) Distributor's breach of the Contract, (ii) the promotion or operation of the Distributorship and the Distributorship Business; (iii) Distributor's incorrect or wrong data or information provided to the Company or its Responsible Parties; or (iv) the Distributor's failure to provide any information or data necessary for the Company to operate its business. EACH DISTRIBUTOR AGREES THAT THE ENTIRE LIABILITY OF THE COMPANY AND ITS RESPONSIBLE PARTIES FOR ANY CLAIM WHATSOEVER RELATED TO THE CONTRACT, BUT NOT LIMITED TO, ANY CAUSE OF ACTION SOUNDING IN CONTRACT, TORT, OR EQUITY, SHALL NOT EXCEED, AND SHALL BE LIMITED TO, THE AMOUNT OF PRODUCTS THE DISTRIBUTOR HAS PURCHASED FROM THE COMPANY THAT ARE IN RESALABLE CONDITION.

SECTION 2 - BECOMING A DISTRIBUTOR

2.1 - Requirements to Become a Distributor

To become an Evolv Distributor, each applicant must:

- Be of the age of majority in his or her state of residence;
- Reside in the United States or U.S. Territories or country that Evolv has officially announced is open for business;
- Have a valid Social Security or Federal Tax ID number;
- Purchase an Evolv Starter Kit (optional in North Dakota); and
- Submit a properly completed Distributor Application and Agreement to Evolv either in hard copy or online format. (Note that the preferred and absolute easiest way of registering as a new Distributor is through the Sponsor's Evolv Virtual Office.)

A Distributor must submit an IRS form W-9 to the Company upon request. Note that a Distributor cannot receive more than \$600 in commissions or bonuses unless the Company has received the Distributor's Social Security Number or Federal Tax ID Number. If this number is not provided to Evolv (either through online enrollment or through submitting an IRS Form W-9, the Company, at its election, will hold all commissions and bonuses in excess of \$600 or perform backup withholding as required by law.

Note that if an applicant is under the age of majority in his or her state of residence, the applicant may apply to become a Distributor if he or she is at least 16 years of age and his or her

parent or legal guardian is the applicant's co-applicant. The parent or legal guardian may not have his or her own Evolv business.

2.2 - No Product Purchase Required

Unless otherwise prohibited by law, the only purchases required to obtain and maintain an Evolv Distributorship are the Starter Kit and the annual renewal and materials fee. Product purchases are not required. Evolv will repurchase resalable Starter Kits from any Distributor who terminates his or her Distributor Agreement pursuant to the terms of Section 7.3.

2.3 - Distributor Benefits

Once a Distributor Application and Agreement has been accepted by Evolv, the benefits of the Compensation Plan Policies Manual and the Distributor Agreement are available to the new Distributor. These benefits include the right to:

- Sell Evolv products and services;
- Participate in the Evolv Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Customers or Distributors into the Evolv business and thereby, build a marketing organization and progress through the Evolv Compensation Plan Policies Manual;
- Receive periodic Evolv literature and other Evolv communications;
- Participate in Evolv-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by Evolv for its Distributors.

2.4 - Term and Renewal of Your Evolv Business

The term of the Distributor Agreement is one year from the date of its acceptance by Evolv (subject to cancellation or reclassification pursuant to Section 10). The Distributor Agreement will be automatically renewed each year by paying an annual renewal fee of \$24.95 on or following the anniversary date of their Distributor Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the Distributor Agreement, the Distributor Agreement will be canceled. The purpose of the renewal fee is to support Distributors by providing them with materials and information on the Company's products, programs, Policies and Procedures, and related information, as well as access to the website Back Office. The renewal fee may be:

- Deducted from the Distributor's commission or bonuses for the anniversary month of his or her Distributor Agreement or, if the Distributor has accrued insufficient bonuses or commissions at such time;
- Charged to the Distributor's credit card or checking account information on file with the Company.

2.5 - Photograph and Image Release

Distributors hereby give their consent to Evolv to use their photograph, likeness, audio and

video recordings and all forms of media for advertising, trade and all other lawful purposes. Distributors assign all rights thereof to Evolv Health, LLC. Distributor agrees that by participation in events and productions where these media may be created does not authorize Distributor any rights to any compensation, royalties, or copyright of the whole or part of any materials created as part of the process of this production, unless special permission is granted by Evolv prior to the creation. Distributors hereby acknowledge the right to waive only those portions that Distributors personally participated in. Distributors release Evolv Health, LLC and any of the company's officers, employees, affiliates, or agents from all liability that may arise from any and all claims in connection with participation or inclusion in such media. Distributors hereby waive any right to inspect and/or approve any content within the media. This subsection shall survive the termination of the Agreement.

SECTION 3 - OPERATING AN EVOLV BUSINESS

3.1 - Adherence to the Evolv Compensation Plan Policies Manual

Distributors must adhere to the terms of the Evolv Compensation Plan Policies Manual as set forth in official Evolv literature. Distributors shall not offer the Evolv opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Evolv literature. Distributors shall not require or encourage other current or prospective Customers or Distributors to execute any agreement or contract other than official Evolv agreements and contracts in order to become an Evolv Distributor. Similarly, Distributors shall not require or encourage other current or prospective Customers or Distributors to make any purchase from, or payment to, any individual or other entity to participate in the Evolv Compensation Plan Policies Manual other than those purchases or payments identified as recommended or required in official Evolv literature.

3.2 - Advertising

3.2.1 - General

All Distributors shall safeguard and promote the good reputation of Evolv and its products. The marketing and promotion of Evolv, the Evolv opportunity, the Compensation Plan Policies Manual, and Evolv products must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and services, and the tremendous opportunity Evolv offers, Distributors should use the sales tools and support materials produced by Evolv. The Company has carefully designed its products, product labels, Compensation Plan Policies Manual, and promotional materials to ensure that they are promoted in fair, truthful manner, that they are substantiated, and the material complies with the legal requirements of federal and state laws. Accordingly, Distributors must submit all written sales tools, promotional materials, advertisements, and other literature to the Company for approval. Unless the Distributor receives specific written approval to use such tools, the request shall be deemed denied.

Distributors who receive authorization from Evolv to produce their own sales aids may not sell such material to any other Evolv Distributor. Distributors may make approved material available to other Distributors free of charge if they wish, but may not charge other Evolv Distributors for the material. Evolv further reserves the right to rescind approval for any sales

tools, promotional materials, advertisements, or other literature, and Distributors waive all claims for damages or remuneration arising from or relating to such rescission.

3.2.2 - Distributor Web Sites

If a Distributor desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's replicated website program only. These websites are available to Distributors on a subscription basis for \$19.95 per month. This program permits Distributors to advertise on the Internet and to choose from among a variety of home page designs that can be personalized with the Distributor's message and the Distributor's contact information. These websites seamlessly link directly to the official Evolv website giving the Distributor a professional and Company-approved presence on the Internet. No Distributor may independently design a website that uses the names, logos, or product descriptions of Evolv or otherwise promotes (directly or indirectly) Evolv products or the Evolv opportunity without the Company's consent. Nor may a Distributor use "blind" ads on the Internet that make product or income claims which are ultimately associated with Evolv products, the Evolv opportunity, or the Evolv Compensation Plan Policies Manual. The use of any other Internet website or web page (including without limitation auction sites such as eBay) to in any way promote the sale of Evolv products, the Evolv opportunity, or the Compensation Plan Policies Manual is a breach of the Agreement and may result in any of the disciplinary sanctions set forth in Section 8.1.

3.2.3 - Domain Names

Distributors may not use or attempt to register any of Evolv's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name without the Company's consent.

3.2.4 - Trademarks and Copyrights

Evolv will not allow the use of its trade names, trademarks, designs, or symbols by any person, including Evolv Distributors, without its prior, written permission. Distributors may not produce for sale or distribution any recorded Company events and speeches without written permission from Evolv, nor may Distributors reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

3.2.5 - Media and Media Inquiries

Distributors must not attempt to respond to media inquiries regarding Evolv, its products or services, or their independent Evolv business. All inquiries by any type of media must be immediately referred to compliance@Evolvhealth.com. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.2.6 - Unsolicited Email

Evolv does not permit Distributors to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by a Distributor that promotes Evolv, the Evolv opportunity, or Evolv products and services must comply with the following:

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that he or she may reply to

the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).

- The email must include the Distributor’s physical mailing address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honored. If a Distributor receives an opt-out request from a recipient of an email, the Distributor must forward the opt-out request to the Company.

Evolv may periodically send commercial emails on behalf of Distributors. By entering into the Distributor Agreement, Distributor agrees that the Company may send such emails and that the Distributor’s physical and email addresses will be included in such emails as outlined above. Distributors shall honor opt-out requests generated as a result of such emails sent by the Company.

3.2.7 - Unsolicited Faxes

Except as provided in this section, Distributors may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their Evolv businesses. The term “automatic telephone dialing system” means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers. The terms "unsolicited faxes" means the transmission via telephone facsimile of any material or information advertising or promoting Evolv, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Distributor has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between a Distributor and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Distributor; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.2.8 - Use of Evolv Trademarks and Trade Names

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

Distributor's Name
Independent Evolv Distributor

3.2.9 - Telephone Book Listings

Distributors may list themselves as an “Independent Evolv Distributor” in the white or yellow pages of the telephone directory under their own name. No Distributor may place

telephone directory display ads using Evolv's name or logo. Distributors may not answer the telephone by saying “Evolv”, “Evolv Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of Evolv.

3.3 - Business Entities

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be an Evolv Distributor by submitting a Distributor Application and Agreement along with a properly completed Business Entity Registration Agreement and a properly completed IRS form W-9. The Business Entity Registration Agreement must be signed by all of the shareholders, members, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively “Affiliated Parties”). The Business Entity, as well as all Affiliated Parties are individually, jointly and severally liable for any indebtedness to Evolv, compliance with the Evolv Policies and Procedures, the Evolv Distributor Agreement, and other obligations to Evolv.

To prevent the circumvention of Sections 3.24 (regarding transfers and assignments of an Evolv business) and 3.5, (regarding Sponsorship Changes), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or Evolv, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify Evolv in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions of Section 3.24. In addition, the party foregoing their interest in the Business Entity may not participate in any other Evolv business for six consecutive calendar months in accordance with Section 3.4.3. If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 3.24.

The modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 3.4, below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Distributor Application and Agreement. Evolv may, at its discretion, require notarized documents before implementing any changes to an Evolv business. Please allow thirty (30) days after the receipt of the request by Evolv for processing.

3.3.1 - Changes to a Business Entity

Each Distributor must immediately notify Evolv of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business associates. Changes shall be processed only once per year. All changes must be submitted by November 30 to become effective on January 1 of the following year.

3.4 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Distributors, Evolv strongly discourages changes in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every Distributor and marketing organization. Accordingly, the transfer of an Evolv business from one sponsor to another is rarely permitted.

Requests for change of sponsorship must be submitted in writing to the Distributor Services Department, and must include the reason for the transfer. Transfers will only be considered in

the following three circumstances:

3.4.1 - Misplacement

In cases in which the new Distributor is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, a Distributor may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within 60 days from the date of enrollment. The Distributor requesting the change has the burden of proving that he or she was placed beneath the wrong sponsor. It is up to Evolv's discretion whether the requested change will be implemented.

3.4.2 - Upline Approval

The Distributor seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her immediate 6 upline Distributors following the enrollment tree in the compensation plan. Photocopied or facsimile signatures are not acceptable. All Distributor signatures must be notarized. The Distributor who requests the transfer must submit a fee of \$50.00 for administrative charges and data processing. If the transferring Distributor also wants to move any of the Distributors in his or her marketing organization, each downline Distributor must also obtain a properly completed Sponsorship Transfer Form and return it to Evolv with the \$50.00 change fee (i.e., the transferring Distributor and each Distributor in his or her marketing organization multiplied by \$50.00 is the cost to move an Evolv business.) Downline Distributors will not be moved with the transferring Distributor unless all of the requirements of this paragraph are met. Transferring Distributors must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by Evolv for processing and **verifying** change requests.

In cases wherein the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by a Distributor, Evolv reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **DISTRIBUTORS WAIVE ANY AND ALL CLAIMS AGAINST EVOLV, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM EVOLV'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

3.4.3 - Cancellation and Re-application

A Distributor may legitimately change organizations by voluntarily canceling his or her Evolv business and remaining inactive (*i.e.*, no purchases of Evolv products for resale, no sales of Evolv products, no sponsoring, no attendance at any Evolv functions, participation in any other form of Distributor activity, or operation of any other Evolv business, no income from the Evolv business) for six (6) full calendar months. Following the six month period of inactivity, the former Distributor may reapply under a new sponsor, however, the former Distributor's downline will remain in their original line of sponsorship. Evolv will consider waiving the six month waiting period under exceptional circumstances. Such requests for waiver must be

submitted to Evolv in writing.

3.5 - Unauthorized Claims and Actions

3.5.1 - Indemnification

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

3.5.2 - Product Claims

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Evolv may be made except those contained in official Evolv literature, which is posted on the Company's website. In particular, no Distributor may make any claim that Evolv products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases.

3.5.2.1. Distributors must be truthful in the representation of the Company's products. Distributors may make no claim, representation or warranty concerning any product or service of the Company, except those expressly approved in writing by the Company or contained in Company materials. No personal testimonials regarding the beneficial properties of any product offered by the Company may be made except those found in official Company materials.

3.5.2.2. EXCEPT AS EXPRESSLY MADE BY THE COMPANY IN WRITING, THE COMPANY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE EFFECTIVENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANSHIP, NON-INFRINGEMENT OR ANY OTHER WARRANTY ARISING BY LAW, STATUTE, USAGE OF TRADE OR COURSE OF DEALING CONCERNING ANY PRODUCT OR SERVICE PURCHASED FROM OR THROUGH THE COMPANY.

3.5.2.3. The Company makes no warranty, claim or representation regarding the cPRIME bracelet including, without limitation, any claim as to improvement in strength, speed, balance or flexibility from its use and expressly disclaims the same.

3.5.3 - Income Claims

Evolv has gone to great lengths to produce a legally compliant Income Disclosure Statement. This statement is available in the Documents section of your eCenter. This statement is the only document that should be referenced when discussing potential income with Evolv. The Income Disclosure Statement MUST be used EVERY time you discuss income with a prospect. A distributor may not discuss income in other manners, such as the showing of checks, copies of checks, bank statements, or tax records.

3.6 - Commercial Outlets

Distributors may not sell Evolv products from a commercial outlet, nor may Distributors display or sell Evolv products or literature in any retail or service establishment. In the limited circumstances where an exception to the policy may be granted, the establishment must offer some kind of health and wellness service and either an appointment or membership is required (e.g., a spa or medical office). Advertising would be limited to official Evolv material and may only be visible in and from the private/membership area or the appointment area of the establishment. Allowing a retail establishment to sell Evolv products would create a fundamental conflict among competing distributors and thus create an unfair and unequal playing field. Memberships that are essentially rewards cards or discount club cards are not sufficient to be considered membership in this regard.

3.7 - Trade Shows, Expositions and Other Sales Forums

Distributors may display and/or sell Evolv products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Distributors must contact the Distributor Services department in writing for conditional approval, as Evolv's policy is to authorize only one Evolv business per event. Final approval will be granted to the first Distributor who submits an official advertisement of the event, a copy of the contract signed by both the Distributor and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to compliance@evolvhealth.com. Evolv further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the Evolv opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image Evolv wishes to portray.

3.8 - Conflicts of Interest

3.8.1 - Non-Solicitation During Agreement

You are free to participate in other direct selling, multilevel, or network marketing business ventures or marketing opportunities (collectively "Network Marketing"). However, unless authorized in writing by an officer of EvolvHealth, during the term of this Agreement, you shall not directly or indirectly solicit, recruit, or attempt to solicit or recruit other EvolvHealth Distributor to any other Network Marketing business, other than those you have personally Sponsored. This includes general solicitations on your social networking site where your "contacts" include persons not personally Sponsored by you. It also includes merely mentioning your participation in another Network Marketing Business. If you participate in another Network Marketing business, you agree that you shall operate your EvolvHealth Distributorship entirely separate and apart from it. Accordingly, if participating in another Network Marketing business, you agree that:

3.8.1.1. You shall not display any non-EvolvHealth Products and Sales Aids with, or in the same location as EvolvHealth Products or Sales Aids;

3.8.1.2. You shall not offer any non-EvolvHealth program, opportunity, product, or service in conjunction with the EvolvHealth opportunity or Products to prospective or existing Customers or Distributors;

3.8.1.3. You shall not offer any non-EvolvHealth opportunity, products, or services at any EvolvHealth-related meeting, seminar or convention, or within two hours and a five mile (8 kilometers) radius of the EvolvHealth event. If the EvolvHealth meeting is held telephonically or on the internet, any non-EvolvHealth meeting must be at least two hours before or after the EvolvHealth meeting, and on a different conference telephone number or internet web address from the EvolvHealth meeting.

3.8.2 - Non-Solicitation After Termination

For a period of twelve (12) calendar months following termination of the Agreement or such period as may be legally enforceable, with the exception of those Distributors you personally Sponsored, you may not recruit any Distributor for another Network Marketing business. You and we recognize that because network marketing is conducted through networks of independent distributors in many countries, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of the non-solicitation provisions herein would render it wholly ineffective. Therefore, you and we agree that this non-solicitation provision shall apply to all markets in which EvolvHealth conducts business. This subsection shall survive termination of the Agreement.

3.8.3 - Confidentiality Agreement

During the term of the Agreement, Evolv may supply to Distributors confidential information (the "Confidential Information"), including, but not limited to Downline Activity Reports, customer and information, Distributor lists, and information, trade secrets, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which Evolv deems as confidential. All such Confidential Information (whether oral or in written or electronic form) is proprietary and confidential to Evolv and is transmitted to Distributors in strictest confidence for use solely in Distributors' business with Evolv. Distributors must use their best efforts to keep such information confidential and may not disclose any such information to any third party, directly, or indirectly except in strict accordance with the Agreement and these Policies. Distributors may not use Confidential Information to sell products or services other than Evolv's products and services or in connection with any other business during the term of and after termination of the Agreement. Upon nonrenewal or cancellation of the Agreement, Distributors must immediately discontinue all use of the Confidential Information and if requested by Evolv promptly return all materials in their possession to Evolv within five (5) business days of request at their own expense. Notwithstanding any other provision of this Agreement, you shall never use our trade secrets and confidential information, as further described herein, to solicit, recruit, or attempt to solicit or recruit, whether directly or indirectly, other EvolvHealth Distributors to any other Network Marketing business.

3.8.4 - Downline Activity (Genealogy) Reports

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

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information to compete with Evolv or for any purpose other than promoting his or her Evolv business;
- Recruit or solicit any Distributor or Customer of Evolv listed on any report, or in any manner attempt to influence or induce any Distributor or Preferred Customer of Evolv, to alter their business relationship with Evolv; or
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report.

Upon demand by the Company, any current or former Distributor will return the original and all copies of Downline Activity Reports to the Company.

3.9 - Targeting Other Direct Sellers

Evolv does not condone Distributors specifically or consciously targeting the sales force of another direct sales company to sell Evolv products or to become Distributors for Evolv, nor does Evolv condone Distributors solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Distributors engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against a Distributor alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, Evolv will not pay any of Distributor's defense costs or legal fees, nor will Evolv indemnify the Distributor for any judgment, award, or settlement, and you shall indemnify us against all claims, actions, suits, and demands arising from or related to the systematic targeting.

3.10 - Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment or attempted enrollment of an individual who or entity that already has a current Customer or Distributor Agreement on file with Evolv, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, any straw-man or other artifice to circumvent this

policy is prohibited. Distributors shall not demean, discredit or defame other Evolv Distributors in an attempt to entice another Distributor to become part of the first Distributor's marketing organization. This policy shall not prohibit a sponsorship change in accordance with Section 3.4.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. Evolv may take disciplinary action against the Distributor that changed organizations and/or those Distributors who encouraged or participated in the Cross Sponsoring. Evolv may also move all or part of the offending Distributor's downline to his or her original downline organization if the Company deems it equitable and feasible to do so. However, Evolv is under no obligation to move the Cross Sponsored Distributor's downline organization, and the ultimate disposition of the organization remains within the sole discretion of Evolv. **Distributors waive all claims and causes of action against Evolv arising from or relating to the disposition of the Cross Sponsored Distributor's downline organization.**

3.11 - Errors or Questions

If a Distributor has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Distributor must notify Evolv in writing within 60 days of the date of the purported error or incident in question at 5001 Spring Valley Road, Suite 500W, Dallas, TX 75244 ATTN: Distributor Services Department or via e-mail to info@evolvhealth.com. Evolv will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

3.12 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Distributors shall not represent or imply that Evolv or its Compensation Plan Policies Manual have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.13 - Holding Applications or Orders

Distributors must not manipulate enrollments of new applicants and purchases of products. All Distributor Applications and Agreements, and product orders must be sent to Evolv within 72 hours from the time they are signed by a Distributor or placed by a customer, respectively.

3.14 - Identification

All Distributors are required to provide their Social Security Number, or a Federal Employer Identification Number to Evolv on the Distributor Application and Agreement. Upon enrollment, the Company will provide a unique Distributor Identification Number to the Distributor by which he or she will be identified. This number will be used to place orders, and track commissions and bonuses.

3.15 - Income Taxes

Each Distributor is responsible for paying local, state, and federal taxes on any income generated as an Independent Distributor. If an Evolv business is tax exempt, the Federal tax identification number must be provided to Evolv. Every year, Evolv will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the

previous calendar year in excess of \$5,000.

3.16 - Independent Contractor Status

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

3.17 - International Marketing

Because of critical legal and tax considerations, Evolv must limit the resale of Evolv, products, and the presentation of the Evolv business to prospective customers and Distributors located within the United States and U.S. Territories and those other countries that the Company has announced are officially open for business. Moreover, allowing a few Distributors to conduct business in markets not yet opened by Evolv would violate the concept of affording every Distributor the equal opportunity to expand internationally.

Accordingly, Distributors are authorized to sell Evolv products, and enroll Customers or Distributors only in the countries in which Evolv is authorized to conduct business, as announced in official Company literature. Evolv products or sales aids cannot be shipped into or sold in any foreign country. Distributors may sell, give, transfer, or distribute Evolv products or sales aids only in their home country. In addition, no Distributor may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or Distributors; or (c) conduct any other activity for the purpose of selling Evolv products, establishing a marketing organization, or promoting the Evolv opportunity.

3.18 - Excess Inventory and Bonus Buying

Distributors must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other Distributor to buy more products than they can reasonably use or sell to retail customers in a month. In addition, bonus buying is strictly prohibited. Bonus buying includes any 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. Bonus buying includes, but is not limited to, purchasing products through a straw man or other artifice.

3.19 - Adherence to Laws and Ordinances

Distributors shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Distributors because of the nature of their business. However, Distributors must obey those laws that do apply to them. If a city or county official tells a Distributor that an ordinance applies to him or her, the Distributor shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance

Department of Evolv.

3.20 - Minors

Except as provided in this Section, a person who is recognized as a minor in his/her state of residence may not be an Evolv Distributor. Note that if an applicant is under the age of majority in his or her state of residence, the applicant may apply to become a Distributor if he or she is at least 16 years of age and his or her parent or legal guardian is the applicant's co-applicant. The parent or legal guardian may not have his or her own Evolv business. Distributors shall not enroll or recruit minors into the Evolv program unless the minor's parent or legal guardian is the minor's co-applicant.

3.21 - One Evolv Business Per Distributor and Per Household

A Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Evolv business. No individual may have, operate or receive compensation from more than one Evolv business. Individuals of the same family unit may not enter into or have an interest in more than one Evolv Business. A "family unit" is defined as spouses and dependent children living at or doing business at the same address.

In order to maintain the integrity of the Evolv Compensation Plan Policies Manual, husbands and wives or common-law couples (collectively "spouses") who wish to become Evolv Distributors must be jointly sponsored as one Evolv business. Spouses, regardless of whether one or both are signatories to the Distributor Application and Agreement, may not own or operate any other Evolv business, either individually or jointly, nor may they participate directly or indirectly (as a shareholder, partner, trustee, trust beneficiary, or any other legal or equitable ownership) in the ownership or management of another Evolv business in any form.

An exception to the one business per distributor/household rule will be considered on a case by case basis if two Distributors marry or in cases of a Distributor receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to compliance@evolvhealth.com.

3.22 - Actions of Household Members or Affiliated Individuals

If any member of a Distributor's immediate household engages in any activity which, if performed by the Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Distributor and Evolv may take disciplinary action pursuant to the Statement of Policies against the Distributor. 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 Evolv may take disciplinary action against the Business Entity. Likewise, if a Distributor enrolls in Evolv as a Business Entity, each shareholder, officer, member, partner, or other individual or entity with an ownership interest or management responsibility in the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

3.23 - Requests for Records

Any request from a Distributor for copies of invoices, applications, downline activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

3.24 - Sale, Transfer or Assignment of Evolv Business

Although an Evolv business is a privately owned, independently operated business, the sale, transfer or assignment of an Evolv business, and the sale, transfer, or assignment of an interest in a Business Entity that owns or operates an Evolv business, is subject to certain limitations. If a Distributor wishes to sell his or her Evolv business, or interest in a Business Entity that owns or operates an Evolv business, the following criteria must be met:

- The Company must be offered the right of first refusal to purchase the business under the same terms pursuant to which the Distributor receives a bona fide offer from a third-party purchaser.
- The buyer or transferee must become a qualified Evolv Distributor. If the buyer is an active Evolv Distributor, he or she must first terminate his or her Evolv business and wait six calendar months before acquiring any interest in a different Evolv business;
- Before the sale, transfer or assignment can be finalized and approved by Evolv, any debt obligations the selling party has with Evolv must be satisfied.
- The buying and selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign an Evolv business.

Prior to selling an Evolv business or Business Entity interest, the selling party must notify Evolv's Compliance Department in writing and advise of his or her intent to sell the Evolv business or Business Entity interest. The selling party must also receive written approval from the Compliance Department before proceeding with the sale. All accumulated down volume, personal volume and unpaid commissions will zero upon the transfer of ownership. No changes in line of sponsorship can result from the sale or transfer of an Evolv business.

3.25 - Separation of an Evolv Business

Evolv Distributors sometimes operate their Evolv businesses as husband-wife partnerships, regular partnerships, LLCs, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, LLC, partnership, trust or other Business Entity may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship.

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

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

- The parties may continue to operate the Evolv business jointly on a “business-as-usual” basis, whereupon all compensation paid by Evolv will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Downline Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will Evolv split commission and bonus checks between divorcing spouses or members of dissolving entities. Evolv will recognize only one Downline Organization and will issue only one commission check per Evolv business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Distributor Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original Evolv business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Distributor. In either case, the former spouse or business affiliate shall have no rights to any Distributors in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Distributor.

3.26 - Sponsoring Online

When sponsoring a new Distributor through the online enrollment process, the sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online application and agreement, Evolv’s Policies and Procedures, and the Evolv Compensation Plan. The sponsor may not fill out the online application and agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

3.27 - Succession

Upon the death or incapacitation of a Distributor, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Distributor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an Evolv business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Distributor’s marketing organization provided the following qualifications are met. The successor(s) must:

- Execute a Distributor Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Distributor’s status;
- The devisee must provide Evolv with an “address of record” to which all bonus and commission checks will be sent;

- If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. Evolv will issue all bonus and commission checks and one 1099 to the business entity.

3.27.1 - Transfer Upon Death of a Distributor

To effect a testamentary transfer of an Evolv business, the executor of the estate must provide the following to Evolv: (1) an original death certificate; (2) a notarized copy of the will or other instrument establishing the successor's right to the Evolv business; (3) certified letters testamentary or a letter of administration appointing an executor; and (4) written instructions from the authorized executor to Evolv specifying to whom the business and income should be transferred.

3.27.2 - Transfer Upon Incapacitation of a Distributor

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

3.28 - Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission 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. Although Evolv does not consider Distributors to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

Therefore, Distributors must not engage in telemarketing in the operation of their Evolv businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of an Evolv product or service, or to recruit them for the Evolv opportunity. "Cold calls" made to prospective customers or Distributors that promote either Evolv's products or services or the Evolv opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Distributor (a "prospect") is permissible under the following situations:

- If the Distributor has an established business relationship with the prospect. An "established business relationship" is a relationship between a Distributor and a prospect based on the prospect's purchase, rental, or lease of goods or services from the Distributor, or a financial transaction between the prospect and the Distributor, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- The prospect's personal inquiry or application regarding a product or service offered by the Distributor, within the three (3) months immediately preceding the date of such a call.
- If the Distributor receives written and signed permission from the prospect authorizing the Distributor to call. The authorization must specify the telephone number(s) which the Distributor is authorized to call.

- You may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.
- In addition, Distributors shall not use automatic telephone dialing systems relative to the operation of their Evolv businesses. The term “automatic telephone dialing system” means equipment that has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

3.29 - Back Office Access

Evolv makes online back offices available to its Distributors. Back offices provide Distributors access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Distributor’s Evolv business and to increase sales of Evolv products. However, access to a back office is a privilege, and not a right. Evolv reserves the right to deny Distributors’ access to the back office at its sole discretion.

International Marketing. Evolv may choose to open other countries (“Opened Countries”) from time to time and may grant Distributors limited rights to participate in activities in those Opened Countries. Evolv may use one of the business models discussed below in Section 2 in developing Opened Countries. Permitted activities for non-resident Distributors in Opened Countries are as set forth below in Section 3.

Business Models.

The on the ground model for an Opened Country (an “OTG Country”) is a fully operational business model where Products are imported for personal consumption and/or resale in the OTG Country. Products are purchased and bonuses are paid in USD. Labeling and marketing materials specific to the OTG Country are available for Distributors residing in the OTG Country.

The not for resale model for an Opened Country (an “NFR Country”) is a business model of limited activity where residents of the NFR Country (“NFR Customers”) may enroll to purchase Products for personal consumption only. NFR Customers may not sell, distribute or gift Products in any way to persons outside their immediate household, nor shall they encourage, aid or abet a person to do so. NFR Customers must purchase Products from an Evolv designated location and may receive bonuses based on sales of Products by Evolv to other NFR Customers they introduce to Evolv where allowable by law. Meetings in an NFR Country must be limited to explaining the Product and enrollment opportunity.

Distributor Activities in an Opened Country. A Distributor may not resell Products to retail customers or other Distributors outside of a Distributor’s home country of enrollment. Distributors should refer Product sales in an Open Country to his or her downline organization residing in the Opened Country. If a Distributor desires to sponsor outside his or her home country of enrollment, he or she must comply with the Policies and Procedures and such other guidelines Evolv implements in the Opened Country. Distributors may not advertise for leads

without the prior written consent of Evolv. Only Products officially approved in writing by Evolv may be imported into the Opened Country. Only marketing materials approved in writing by Evolv for use in the specific Opened Country may be used or distributed. Distributors may never secure or attempt to secure approval for Evolv's products; register or reserve the proprietary marks or other intellectual property or Internet domain names; or establish any kind of business or governmental contact on behalf of Evolv. Distributors may not seek or participate in media coverage of any kind without prior written approval from Evolv. Distributors may not make any Product claims (including any medical or health claims) not approved in writing by Evolv or misrepresent the Evolv opportunity. Distributors may not make claims or guarantee of specific earnings potential. Distributors must comply with the laws of each Opened Country.

Pre-Market Activity in a Country. Distributors may not engage in any business activity in an unopened country unless such activity is authorized in writing by Evolv.

Monthly Processing Fee. A monthly processing fee may be charged for each Opened Country in which a Distributor conducts business.

Earnings. There may be specific withholding or other tax requirements imposed on Evolv for earnings a Distributor makes from an Opened Country.

SECTION 4 - RESPONSIBILITIES OF DISTRIBUTORS

4.1 - Change of Address, Telephone, and E-Mail Addresses

To ensure timely delivery of products, support materials, and commission checks, it is critically important that the Evolv's files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. Distributors planning to change their e-mail address or move must send their new address and telephone numbers to Evolv's Corporate Offices to the attention of the Distributor Services Department. To guarantee proper delivery, Distributors may amend their contact information through their Distributor Back Office or provide two weeks advance to Evolv on all changes.

4.2 - Communicating with Evolv

It is critically important that Evolv be able to effectively and efficiently communicate with all Distributors. Distributors who need to contact the Company are encouraged to do so by email at info@evolvhealth.com or by telephone at (888) 280-9555. By entering into the Distributor Agreement, each Distributor consents to the receipt of emails, telephone calls, recorded auto-dialed telephone messages, and text messages from the Company. Distributors may request that the Company not contact them by any of the foregoing methods by sending an opt-out request to info@evolvhealth.com.

4.3 - Continuing Development Obligations

4.3.1 - Ongoing Training

Any Distributor who sponsors another Distributor into Evolv must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her Evolv business. Distributors must have ongoing contact and communication with the Distributors in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Distributors

to Evolv meetings, training sessions, and other functions. Upline Distributors are also responsible to motivate and train new Distributors in Evolv product knowledge, effective sales techniques, the Evolv Compensation Plan Policies Manual, and compliance with Company Policies and Procedures. Communication with and the training of downline Distributors must not, however, violate Section 3.2 (regarding the development of Distributor-produced sales aids and promotional materials).

Distributors should monitor the Distributors in their Downline Organizations to guard against downline Distributors making improper product or business claims, or engaging in any illegal or inappropriate conduct.

4.3.2 - Increased Training Responsibilities

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

4.3.3 - Ongoing Sales Responsibilities

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

4.4 - Non-Disparagement

Evolv wants to provide its independent Distributors with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to compliance@evolvhealth.com. Remember, to best serve you, we must hear from you! While Evolv welcomes constructive input, negative comments and remarks made in the field by Distributors about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other Evolv Distributors. For this reason, and to set the proper example for their downline, Distributors must not disparage, demean, or make negative remarks about Evolv, other Evolv Distributors, Evolv's products, the compensation plan, or Evolv's directors, officers, or employees.

4.5 - Providing Documentation to Applicants

Distributors must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Distributors before the applicant signs a Distributor Agreement. Additional copies of Policies and Procedures can be downloaded from Evolv's website.

4.6 - Reporting Policy Violations

Distributors observing a Policy violation by another Distributor should submit a written report of the violation directly to the attention of the Evolv Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

SECTION 5 - SALES REQUIREMENTS

5.1 - Product Sales

The Evolv Compensation Plan Policies Manual is based on the sale of Evolv products and services to end consumers. Distributors must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. In order to be eligible for commissions, Distributors must satisfy the Personal Volume and Downline Volume requirements to fulfill the requirements associated with their rank as specified in the Evolv Compensation Plan Policies Manual. "Personal Volume" includes purchases made by the Distributor and purchases made by the Distributor's personal customers. Downline Volume shall include the total Personal Volume of the Distributor and all Distributors in his or her marketing organization.

5.2 - 70% Rule

Evolv's compensation plan is based on product sales to end customers. Accordingly, Distributors are required to distribute at least 70% of the product purchased each month to prospective and current Retail Customers and Preferred Customers. Distributors agree not to place additional orders with Evolv until at least 70% of the product purchased in the prior month has been distributed to prospective and current Retail Customers and Preferred Customers. Distributors also agree to validate distribution to prospective and current Retail Customers and Preferred Customers upon the Company's request. Evolv reserves the right to take any of the actions in section 8.1 below against Distributors who breach this section 5.2, including termination of the Distributors' Agreement. See also section 7.3.1 Product Abandonment.

5.3 - No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

5.4 - Sales Receipts

All Distributors must provide their retail customers with two copies of an official Evolv sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. Distributors must maintain all retail sales receipts for a period of two years and furnish them to Evolv at the Company's request. Records documenting the purchases of Distributors' Direct Customers will be maintained by Evolv. Receipts will be emailed to online customers.

Remember that customers must receive two copies of the sales receipt. In addition, Distributors must orally inform the buyer of his or her cancellation rights.

SECTION 6 - BONUSSES AND COMMISSIONS

6.1 - Bonus and Commission Qualifications and Payment

A Distributor must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Distributor complies with the terms of the Agreement, Evolv shall pay commissions to such Distributor in accordance with the Compensation Plan Policies Manual. The minimum amount for which Evolv will issue a check is \$15.00. If a Distributor's

bonuses and commissions do not equal or exceed \$15.00, the Company will accrue the commissions and bonuses until they total \$15.00. A check will be issued once \$15.00 has been accrued.

Notwithstanding the foregoing, all commissions owed a Distributor, regardless of the amount accrued, will be paid at the end of each fiscal year.

The Company will pay bonuses and commissions to qualified Distributors on product orders that: (i) are received by the Company before the end of the commission period, and (ii) have been fully paid with the appropriate payment.

Bonuses and commissions are paid in the name of the entity/individual listed on the Distributor Agreement. Bonuses and commissions are paid on Friday of each week; payments are 2 weeks in arrears following the weekly qualifying period. For an order to be included in a weekly qualifying period, it must be received by the Company between 12:00 a.m. Central Standard Time Saturday morning and 11:59 p.m. Central Standard Time the following Friday.

6.2 - Adjustment to Bonuses and Commissions

6.2.1 - Adjustments for Returned Products

Distributors receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to Evolv for a refund or is repurchased by the Company, either of the following may occur at the Company's discretion: (1) the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the upline Distributors who received bonuses and commissions on the sales of the refunded products; or (2) the upline Distributors who earned commissions based on the sale of the returned products will have the corresponding points deducted from their Downline Volume in the next month and all subsequent months until it is completely recovered.

6.2.2 - Hard Copy Commission Checks

In the event the Company begins paying commissions and bonuses by direct deposit or via a Company-provided debit card, it reserves the right to deduct a processing fee from all hard-copy bonus or commission checks issued to Distributors. Distributors will be notified of the amount of this fee if they choose to receive a hard-copy bonus or commission check.

6.2.3 - Reissuance of Checks

In the event that a bonus or commission check must be reissued to a Distributor, the Company will charge the Distributor a fee of \$25.00. If a check must be reissued because of the Company's error, no additional charge will be applied.

6.2.4 - Tax Withholdings

If a Distributor fails to submit a W-9 form, Evolv may either withhold payment of commissions and bonuses or deduct the necessary withholdings from the Distributor's commission checks as required by law.

6.3 - Deductions and Offsets

The Distributor authorizes the Company to deduct fees from its commissions and bonuses as deemed appropriate in accordance with any term or condition of the Agreement. Any fees will be assessed at the sole discretion of the Company.

6.4 - Reports

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

ALL PERSONAL AND GROUP SALES VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

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

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

SECTION 7 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

7.1 - Product Guarantee

Evolv offers a 100% 30 day money-back satisfaction guarantee (less shipping charges) to all Customers, retail customers, and Distributors **on their first product purchase only**. Subsequent purchases of product will not be returnable under this policy even if purchased inside the first thirty (30) days. Under this guarantee, the purchaser, at their own expense, may return to Evolv any unused and unopened product and receive a 100% refund of the purchase price of the returned product.

7.2 - Returns by Retail Customers

Evolv offers, through its Distributors, a 100% 30 day money-back guarantee to all retail customers on their first order of Evolv Health products. Every Distributor is bound to honor the retail customer guarantee. If, for any reason, a retail customer is dissatisfied with any Evolv product, the retail customer may return the unused portion of the product to the Distributor from whom it was purchased, within 30 days, for a replacement, exchange or a full refund of the purchase price (less shipping charges).

The following provision sets forth the minimum refund permitted by law to a retail customer:

A retail customer who makes a purchase of \$25.00 or more has three business days (72 hours, excluding Sundays and legal holidays) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form (5 days for Alaska residents). When a Distributor makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72 hour period, the Distributor must promptly refund the customer's money as long as the products are returned to the Distributor in substantially as good condition as when received (5 days for Alaska residents). Distributors must orally inform customers of their right to rescind a purchase or an order within 72 hours (5 days for Alaska residents), and ensure that the date of the order or purchase is entered on the order form. All retail customers must be provided with two copies of an official Evolv sales receipt at the time of the sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

7.3 - Return of Inventory and Sales Aids by Distributors

The Distributor may return Starter Kits and sales aids that he or she personally purchased from Evolv and which are in Resalable (see Definition of "Resalable" below) condition and which have been purchased within one year of the date of return. The Distributor may return product that he or she personally purchased from Evolv and which are in Resalable condition and which have been purchased within the last thirty (30) days. All Purchases from other Distributors or third parties are not subject to refund. Upon receipt of a Resalable Starter Kit and/or Resalable products and sales aids, the Distributor will be reimbursed 90% of the net cost of the original purchase price(s). Shipping charges incurred by a Distributor when the Starter Kit, products or sales aids were purchased will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If, for some reason, the refund cannot be made to the original card, a check will be issued within 30 days of the confirmation of return. If a Distributor was paid a commission based on active qualification dependent upon a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on the above will be deducted from the amount of the refund. Orders that are cancelled prior to shipping are subject to a \$25.00 restocking fee.

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

7.3.1 - Product Abandonment

An order transaction is considered complete only when the order has been paid for and method of receipt has been satisfied. If, as a delivery method you have elected to pick up your product at one of our distribution centers, and fail to do so after 90 days from the date the order has been completed, we reserve the right to determine the final outcome of the goods and you release Evolv from any further obligation or liability.

7.3.2 - Montana Residents

A Montana resident may cancel his or her Distributor Agreement within 15 days from the date of enrollment, and may return his or her Starter Kit for a full refund within such time period.

7.4 - cPRIME Warranty

All cPRIME bands come with a warranty against manufacturer defect for a period of sixty (60) days from the date of purchase. This warranty covers replacement or repairs of the product, which is determined by availability, our vendors, and the time of purchase. This warranty does not cover shipping from the consumer to Evolv for damage merchandise returns. Replacement is with the same product or like product when direct replacement is unavailable.

7.5 - Procedures for All Returns and Refunds

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

- Non-Merchandise Services such as Premier eCenter or Annual Renewal fees must be requested to be cancelled prior to their billing date. Purchase of additional products or services or the collection of commissions after such billing is grounds for denial of refund request. In no case will Evolv refund a charge for a Non-Merchandise Service more than 90 days after the charge. It is the responsibility of the Member to retain verification of cancellation, and monitor their credit card statement to ensure they are not being automatically billed.
- All merchandise must be returned by the Distributor or customer who purchased it directly from Evolv.
- For merchandise to be returnable, the merchandise must be Resalable (see Definition of "Resalable" below)
- All products to be returned must have a Return Merchandise Authorization (RMA) number which is obtained by calling Customer Service at (888) 280-9555. Return Merchandise Authorization number must be written on each carton returned or the Company will not be able to issue a refund.
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to Evolv shipping pre-paid. Evolv

does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Distributor. If returned product is not received by the Company's Distribution Center, it is the responsibility of the Distributor to trace the shipment. For this reason, the Company recommends shipping the product via a method with tracking capabilities.

- Refusal to accept delivery from a carrier is not an acceptable method of returning product. The distributor or customer who refuses delivery will be reimbursed only 70% of the purchase price and will have return shipping deducted from the refund.
- If a Distributor is returning merchandise to Evolv that was returned to him or her by a personal retail customer, the product must be received by Evolv within ten (10) days from the date on which the retail customer returned the merchandise to the Distributor, and must be accompanied by the sales receipt the Distributor gave to the customer at the time of the sale.
- Refund payment methods are limited to the original form of payment, or if not available, by check in US dollars or such other form as the Company may choose. No refunds will be issued after one year from the purchase date.

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

The Company will exchange product if the product is damaged in shipment, incorrectly sent due to a Company error, or of substandard quality. However, when an exchange is not feasible, the Company will refund the amount of the returned product. If product is damaged or defective, the Distributor/Customer should contact the Company within ten (10) days of receipt of the order. The company may issue a call tag for the product and will immediately send a replacement order. The Company will inspect the product upon receipt. The Company has given Distributor/Customer the option to pick up product from various distribution centers. In connection with this, the product must be picked up from the distribution center within 5 business days or it will be shipped to the Distributor/Customer with the Distributor/Customer bearing the additional shipping charges which will be charged to the card on which the order was placed.

DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

7.6 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Distributor that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Distributor's Evolv business), may result, at Evolv's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Distributor to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- Evolv may withhold from a Distributor all or part of the Distributor's bonuses and commissions during the period that Evolv is investigating any conduct allegedly violative of the Agreement. If a Distributor's business is canceled for disciplinary reasons, the

Distributor will not be entitled to recover any commissions withheld during the investigation period;

- Suspension of the individual's Distributor Agreement for one or more pay periods;
- Involuntary termination of the offender's Distributor Agreement;
- Suspension and/or termination of the offending Distributor's Evolv website or website access;
- Any other measure expressly allowed within any provision of the Agreement or which Evolv deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Distributor's policy violation or contractual breach;
- In situations deemed appropriate by Evolv, the Company may institute legal proceedings for monetary and/or equitable relief.

7.7 - Grievances and Complaints

When a Distributor has a grievance or complaint with another Distributor regarding any practice or conduct in relationship to their respective Evolv businesses, the complaining Distributor should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Distributor Services Department at the Company. The Distributor Services Department will review the facts and attempt to resolve it.

7.8 - Mediation

Prior to instituting an arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Dallas, Texas and shall last no more than two business days.

7.9 - Arbitration

If mediation is unsuccessful, **any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Distributors waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Dallas, Texas. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure, and the Federal Rules of Evidence shall apply. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions, selected from the panel which the American Arbitration Panel provides. The prevailing party shall be entitled to receive from the losing party costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award;
- The rulings of the arbitrator on the procedural and substantive issues involved in the case.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect its interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding. Any modification of these arbitration provisions shall not apply retroactively to any dispute which arose or which Evolv had notice of before the date of modification.

7.10 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in the State or Federal Courts residing in Dallas, Texas. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Texas shall govern all other matters relating to or arising from the Agreement.

7.10.1 - Louisiana Residents

Notwithstanding the foregoing, and the arbitration provision in Section 8.4, residents of the State of Louisiana shall be entitled to bring an action against Evolv in their home forum and pursuant to Louisiana law.

7.11 - Class Proceedings.

In consideration of the right to become a distributor of Evolv, all distributors expressly waive and disclaim any right to bring any claim or action in any and all forums and proceedings as a class action. No distributor may serve as a member of a class or as a class representative in a litigation or other proceeding adverse to Evolv or its affiliates or any other distributor.

SECTION 8 - PAYMENT AND SHIPPING

8.1 - Returned Checks

All checks returned by a Distributor's bank for insufficient funds will be re-submitted for payment. A \$35.00 returned check fee will be charged to the account of the Distributor. After receiving a returned check from a customer or a Distributor, *all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to Evolv by a Distributor for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.*

8.2 - Restrictions on Third Party Use of Credit Cards and Checking Account Access

Distributors shall not permit other Distributors or Customers to use his or her credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Company.

8.3 - Sales Taxes

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

By virtue of its business operations, Evolv is required to charge sales taxes on all purchases made by Distributors and Customers, and remit the taxes charged to the respective states. With the exception of the locations listed below, Evolv has voluntary sales and use tax agreements in place with individual states and local self-administered jurisdictions that require the company to pre-collect the sales taxes. Accordingly, Evolv will collect and remit sales taxes on behalf of Distributors, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined.

Distributors located in or shipping to Alaska are responsible for collection and remittance of sales and use taxes. Customers in U.S. Possessions and Territories are responsible for all duties and taxes assessed on products imported from the continental United States.

SECTION 9 - INACTIVITY, RECLASSIFICATION, AND CANCELLATION

9.1 - Effect of Cancellation

So long as a Distributor remains active and complies with the terms of the Distributor Agreement and these Policies and Procedures, Evolv shall pay commissions to such Distributor in accordance with the Compensation Plan Policies Manual. A Distributor's bonuses and commissions constitute the entire consideration for the Distributor's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a Distributor's non-renewal of his or her Distributor Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Distributor Agreement (all of these methods are collectively referred to as "cancellation"), the former Distributor shall have no

right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **A Distributor whose business is cancelled will lose all rights as a Distributor. This includes the right to sell Evolv products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Distributor's former downline sales organization. In the event of cancellation, Distributors agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former downline organization.**

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

9.2 - Involuntary Cancellation

A Distributor's violation of any of the terms of the Agreement, including any amendments that may be made by Evolv in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the involuntary cancellation of his or her Distributor Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Distributor's last known address, email address, or fax number, or to his/her attorney, or when the Distributor receives actual notice of cancellation, whichever occurs first.

Evolv reserves the right to terminate all Distributor Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.

9.3 - Voluntary Cancellation

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Distributor's signature, printed name, address, and Distributor I.D. Number. If a Distributor is on the Company's Autoship program, the Autoship agreement shall remain in force and the former Distributor shall be reclassified as a Preferred Customer unless the Distributor also specifically requests that his or her Autoship Agreement also be canceled.

9.4 - Non-renewal

A Distributor may also voluntarily cancel his or her Distributor Agreement by failing to renew the Agreement on its anniversary date. The Company may also elect not to renew a Distributor's Agreement upon its anniversary date.

SECTION 10 - DEFINITIONS

Active Customer — A Customer who purchases Evolv products and whose account has been paid for the current period.

Active Distributor — A Distributor who satisfies the minimum Personal Sales Volume requirements, as set forth in the Evolv Compensation Plan Policies Manual, to ensure that he or she is eligible to receive bonuses and commissions.

Active Rank — The term “active rank” refers to the current rank of a Distributor, as determined by the Evolv Compensation Plan Policies Manual, for any month. To be considered “active” relative to a particular rank, a Distributor must meet the criteria set forth in the Evolv Compensation Plan Policies Manual for his or her respective rank. *(See the definition of “Rank” below.)*

Agreement — The contract between the Company and each Distributor includes the Distributor Application and Agreement, the Evolv Policies and Procedures, the Evolv Compensation Plan Policies Manual, and the Business Entity Form (where appropriate), all in their current form and as amended by Evolv in its sole discretion. These documents are collectively referred to as the “Agreement.”

Cancel — The termination of a Distributor’s business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

Downline Leg — Each one of the individuals enrolled immediately underneath you and their respective marketing organizations represents one “leg” in your marketing organization.

Downline Volume — The commissionable value of Evolv products or services sold by a Distributor’s Marketing Organization. (Distributor Kits and sales aids have no Sales Volume.)

Genealogy Report — A monthly report generated by Evolv that provides critical data relating to the identities of Distributors, sales information, and enrollment activity of each Distributor’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to Evolv.

Immediate Household — Heads of household and dependent family members residing in the same house.

Level — The layers of downline Customers and Distributors in a particular Distributor’s Marketing Organization. This term refers to the relationship of a Distributor relative to a particular upline Distributor, determined by the number of Distributors between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A’s fourth level.

Marketing Organization — The Customers and Distributors sponsored below a particular Distributor.

Official Evolv Material — Literature, audio or video tapes, and other materials developed, printed, published and distributed by Evolv to Distributors.

Personal Production — Moving Evolv products or services to an end consumer for personal use.

Personal Volume (PV) — A Distributor's Personal Sales Volume includes the commissionable value of services and products purchased in a month: (1) by the a Distributor; (2) by the Distributor's Retail Customers.

Rank — The "title" that a Distributor/Member has achieved pursuant to the Evolv Compensation Plan Policies Manual.

Recruit — For purposes of Evolv's Conflict of Interest Policy (Section 3.8), the term "Recruit" means:

(a) the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Evolv Distributor or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity; and

(b) The conduct described in (a) above constitutes recruiting even if the Distributor's actions are in response to an inquiry made by another Distributor, Direct or Preferred Customer. This subsection (b) shall not be applicable in California.

Resalable — Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to Evolv within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

Retail Customer – An individual or entity that purchases Evolv products or services from a Distributor, but who is not a Distributor, or an immediate household family member of a Distributor.

Retail Sales – Sales to a Retail Customer. If a sale is made to a customer who subsequently submits an Evolv Distributor Agreement within 30 days from the date of the sale, or if an immediate household family member of the Customer submits an Evolv Distributor Agreement within 30 days of the sale, such sale shall not constitute a Retail Sale. A Distributor's personal purchases from Evolv do not constitute Retail Sales.

Roll-Up — The method by which a vacancy in a Marketing Organization left by a Distributor whose Distributor Agreement has been canceled is filled.

Sponsor — A Distributor who enrolls a Customer or another Distributor into the Company, and is listed as the Sponsor on the Distributor Application and Agreement. The act of enrolling

others and training them to become Distributors is called “sponsoring.”

Starter Kit — A selection of Evolv training materials and business support literature that each new Distributor is required to purchase.

Upline — This term refers to the Distributor or Distributors above a particular Distributor in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Distributor to the Company.