

COSEVA® Policies and Procedures

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Policies & Procedures

By signing a Distributor Agreement or accepting Commissions from COSEVA®, a Distributor (“Member”) demonstrates that it has read, understood and consented to abide by the Policies and Procedures stated in this summary. By signing an application to become a COSEVA® Distributor, the Distributor has certified that the Distributor has read and agreed to these Policies and Procedures. These Policies and Procedures, the published Rewards (Compensation) Plan, and the Application Terms and Conditions are integrated as the “Contract” between COSEVA and Distributor and form the Agreement between COSEVA and Distributor.

The right to make changes to the Contract is reserved by COSEVA®, however notice of any change will be published by COSEVA® at least thirty (30) days before the change is made effective. It is the responsibility of all Distributors to review, on a regular basis, the most recently published Policies and Procedures located at www.coseva.com. COSEVA® will also provide a copy of its most current Policies and Procedures upon the Distributor’s request.

Throughout this manual, certain defined terms appear in title capital letters. These terms and their definitions are described in the Appendix at the end of the document, which is incorporated herein by reference.

Section 1 – Becoming a COSEVA® Distributor (“Member”)

- A. In order to become a Distributor, all Applicants must have reached the age of majority (usually eighteen (18) years of age) in the jurisdiction in which they reside.
- B. No product purchases are required to become a Distributor. Distributor understands and acknowledges that the Coseva opportunity is not a franchise opportunity. Coseva reserves the right, at its sole discretion, to reject any Distributor Application. Incomplete, inaccurate, or unlawful Distributor Applications are voidable by Coseva. If the Distributor Application is rejected, the applicant will be notified, and any application fee will be returned by original method of payment. A Distributor is responsible for informing Coseva of any and all changes affecting the accuracy of the Distributor Application.
- C. Applicants are conditionally authorized as Distributors and will be bound by the terms and conditions of the Contract once they have applied. Upon COSEVA’s receipt of the completed Distributor Agreement, a Distributor identification number will be issued. Failure of the Distributor to submit a complete and correct Agreement or to provide appropriate documentation, when requested, may result in the Distributor Agreement being rejected by COSEVA®. The right to accept or renew any Distributor Agreement remains solely with COSEVA®.
 - (i) In order to be accepted by COSEVA®, a Distributor Agreement and any other required document of the Contract must be complete, truthful and correct in every respect and submitted by the Distributor in its country of residence.
 - (ii) A Distributor may be required to provide COSEVA® with proof of residency, work authorizations, business authorizations, business status, and ability to legally conduct business in the country stated on the Distributor Agreement.
- D. Product purchases are optional.
- E. A temporary Independent Business will be created for those Distributor Agreements processed via the Internet or telephone until such time as COSEVA® has received the completed Contract. This temporary Independent Business is subject to all the terms and conditions of the Contract and, while the original documentation is being received and processed, allows the Applicant to order Product for thirty (30) days. If the Applicant fails to provide COSEVA® with an original, signed Distributor Agreement or electronic copy of the same within the thirty (30) days, the temporary Independent Business may be terminated.
- F. An Applicant will be deemed to be a Distributor as of the Date of Sign-up.
- G. If the Applicant is a Business Entity, the original signature on the Distributor Agreement must be of a person authorized to bind the Business Entity. Once the Distributor Agreement for a Business Entity has been completed, the following must also be submitted:

- (i) a Federal Tax Identification Number for the Business Entity, and
- (ii) a Statement of Beneficial Interest, which must include the signature and tax identification number of every Person having a Beneficial Interest in the Business Entity.

To verify the form of the Business Entity, COSEVA® may require, at any time, the Applicant to submit a copy of its Articles of Organization, Articles of Incorporation or other documentation necessary to demonstrate authorized signatories and beneficial ownership of the Business Entity.

- H. For tax and identification purposes, COSEVA® requires Applicants to provide tax identification numbers, social security and/or corporate tax identification numbers. Failure to provide these numbers may result in cancellation of the Independent Business.
- I. If COSEVA® determines that the Distributor Agreement or the Statement of Beneficial Interest contains inaccurate or false information; it may immediately terminate an Independent Business or declare the Independent Business null and void from its beginning. Further, it is the obligation of the Distributor to report to COSEVA® on an ongoing basis any changes which affect the accuracy of the Distributor Agreement, the Statement of Beneficial Interest, or any other document required under the Contract.
- J. Any changes to an account (Distributor or Customer), including method of payment, must be made on or before the 15th of a month in order to be effective for that month.

Section 2 – Restriction against Multiple Beneficial Interests

- A. A Distributor is prohibited from having a Beneficial Interest in more than one Independent Business simultaneously.
- B. If a Person with a Beneficial Interest in an existing Independent Business wishes to become a Distributor, the Person must first terminate the Beneficial Interest in the existing Independent Business.
- C. “Stacking” is strictly prohibited. The term “stacking” includes:
 - 1. providing financial assistance to Distributors or Customers for the purpose of manipulating the compensation plan through manufactured or created sales;
 - 2. Violating the One Distributorship per Distributor rule;
 - 3. placing an immediate family member in a downline organization in order to “rank-up” or to otherwise qualify for increased compensation under the compensation plan; and/or
 - 4. enrolling fictitious individuals or entities.
- D. “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes:
 - 1. The enrollment of customers, individuals or entities without their knowledge and or their consent and agreement to the Policies and Procedures and the Distributor Agreement
 - 2. The enrollment or attempted enrollment of non-existent individuals or entities as Distributors or Customers (“phantoms”);
 - 3. Purchasing Coseva products or services on behalf of another Distributor or Customer, or under Distributor’s or Customer’s I.D. information to qualify for commissions or bonuses; or
 - 4. Purchasing more product than a Distributor and/or his or her family can reasonably consume in a reasonable amount of time.

Section 3 – The Obligations of a COSEVA® Distributor

- A. By accepting these Policies and Procedures, a Distributor elects to enter into an Agreement with Coseva with confidence in Coseva's integrity and Coseva's expressed intention of dealing fairly with its Distributors. Coseva enters into this Agreement with the awareness that its success depends upon responsible, efficient, vigorous, and successful Distributors who conduct their businesses free of false, deceptive, or misleading advertising, marketing, pricing and service practices. Coseva enters into this Agreement in reliance on the Distributors' integrity, ability, duties, obligations and responsibilities. This Agreement governs the way a Distributor conducts business with Coseva, other Distributors and customers. A Distributor agrees to abide by the Agreement, as currently published, and as may be amended. Any interpretation, clarification, exclusion, or exception to this Agreement, in order to be effective, must be in writing and signed by an authorized officer of Coseva.

Coseva Distributors Do:

Abide by all the Coseva Policies and Procedures and Code of Ethics.
Promote the development of admirable, virtuous, and positive character traits.
Are respectful to others.
Are truthful in their communications.
Promote a healthy lifestyle.
Are active product users and retailers.
Do not use pressure to make sales.
Provide a positive experience for others.
Are courteous, respectful, honest, and fair in all their doings.
Conduct themselves in a professional, ethical, moral, and legal manner.
Represent Coseva, its products and opportunity truthfully and accurately.
Provide ongoing support and encouragement to other Distributors, within and without their organization.
Protect confidential information.
Use the "Independent Distributor" logo on any and all marketing materials not distributed by Corporate.

Coseva Distributors DO NOT:

Promote materialism by posting check amounts or purchased luxury items as a means of recruiting.
Conduct themselves in a manner that would reflect poorly on Coseva or themselves. This includes participation in business activities that would cause the Distributor to degrade or demean Coseva by participating in businesses that engage in unethical or illegal business practices. Participation in a Multi-level marketing company or network marketing company that engages in a pyramid or ponzi scheme would constitute a violation of the Policies and Procedures. Such schemes might have the following characteristics:

Promotions where the business opportunity is the "Product". If there is no legitimate product or service being sold, but only the opportunity itself, chances are, the promotion is a pyramid scheme.

Products that are sold at inflated prices. Sometimes pyramid promoters try to mask their true intent by selling a product. Often, the product will be vastly overpriced and thus unlikely to generate much retail activity, thereby indicating that the real item being sold is the compensation plan.

Programs that require inventory "loading". A legitimate MLM opportunity doesn't require you to buy unreasonable amounts of inventory to begin your business.

Programs that require substantial initial cash investments. Many states consider a required up-front investment of \$500 or more to be "substantial" and thus likely to attract the attention of law enforcement. Such requirements may be subject to state franchise laws and registration requirement.

Programs that require mandatory purchase of peripheral or accessory products or services. Some pyramids seek to hide their true face by allowing a minimum price for a "start-up" kit and then compelling the investor to buy more expensive items such as training or demonstration materials. MLM expert Jeffrey Babener believes that business-start-up kits and selling aids should be sold at company cost.

Companies that don't "buy back." According to Babener, "Any plan that does not agree in writing to repurchase a reasonable percentage of unsold inventory or unused sales materials for a stated time after purchase should be avoided."

Programs that pay fees for recruiting. "A legitimate MLM opportunity will have compensation based on product sales and not on recruiting," Jeffrey Babener states. If money is paid for signing up new distributors rather than for product sales, the business is likely to be a pyramid scheme.

Recruiters who misrepresent potential earnings. If the opportunity is sold as a "get-rich-quick" scheme, beware.

Allow themselves to be placed in compromising situations where others might make assumptions about their morals or integrity.

Make unapproved claims about Coseva's Products or Opportunity.

Engage in any deceptive or illegal activities.

Entice nor encourage existing Coseva Distributors or customers to join their team ("cross-line recruiting").

Entice nor encourage Coseva Distributors or customers to join other companies.

Disparage Coseva or its products, Employees, Distributors or Customers.

Manipulate the Compensation Plan in any way.

Manipulate the Coseva logo in any way.

Present themselves as Corporate agents or employees.

- B. A Distributor is an independent contractor, and as such, is responsible for its own business expenses, decisions, and actions.
- (i) **A Distributor may not represent itself as an agent, employee, partner, or joint-venturer with COSEVA®. A Distributor will not make purchases or enter into any transaction in COSEVA's name.** A Distributor's work hours, business expenditures, and business plans are not dictated by COSEVA®. A Distributor will make no printed or verbal representations which state or imply otherwise. The Distributor agrees to indemnify COSEVA® against any claims, damages, or other expenses, including attorneys' fees, arising from any representations or actions made by the Distributor that are outside the scope of the Contract. The provisions of this section survive the termination of the Contract.
 - (ii) A Distributor must always be ethical and professional when conducting Distributor Business. A Distributor may not make false statements or misrepresentations of any kind. This includes, but is not limited to, untruthful or misleading representations or sales offers relating to the quality, availability, grade, price, or performance of Products.
 - (iii) A Distributor may not make statements regarding actual income figures and may not exhibit actual, copied, or representative Commission checks. A Distributor may not make income guarantees of any kind and may not make unrepresentative, unreasonable, or misleading earnings claims.
- C. A Distributor will make no disparaging, misleading, inaccurate, or unfair statements, representations, claims, or comparisons regarding:
- (i) COSEVA®, its employees, its Products, its commercial activities, or its Distributors (Members). A Distributor may not demean, discredit, or defame another Distributor, especially in an attempt to entice another Distributor to become part of your marketing organization, or of another marketing organization. Coseva reserves the right to terminate your Account for failure to comply with this policy.; or
 - (ii) other companies, including competitors, their services, products or commercial activities.
- D. In conducting Business, a Distributor must comply with all applicable national and local laws, regulations, and ordinances. A Distributor shall not violate any statutes which apply to unfair competition or business practice, including any statute or ordinance which prohibits the advertising, offer to sell, or sale of Products at less than the Wholesale Cost of the product.

- E. A Distributor may not offer or promote any competing non-COSEVA® plans, Products, incentives, opportunities, or non-approved Sales Tools in conjunction with the promotion of COSEVA.
- F. A Distributor must conduct all Distributor Business with the understanding that the Distributor's success is only achieved through the regular and repeated Retail Sale of Products and the regular and repeated Retail Sales by its Downline Organization.
- G. A Distributor has the right to operate in any Authorized Country where the Distributor may lawfully conduct Distributor Business. COSEVA® does not grant exclusive franchises or territories to its Distributors.
 - (i) COSEVA® shall specify those Authorized Countries or countries subject to a Pre-Launch Period in which Distributors may also conduct Distributor Business.
 - (ii) A Distributor has no authority to introduce or establish COSEVA's business in a non-Authorized Country or any country that is not the subject of a Pre-Launch Period announced by COSEVA®. This includes but is not limited to any attempts to secure approval for Products or business practices; register or reserve COSEVA® names, trademarks, trade names, or Internet domain names; or establish any kind of business or governmental contact on behalf of COSEVA®.
 - (iii) It is a Distributor's responsibility when conducting Distributor Business to comply with all national and local laws, ordinances, and regulations.
- H. If a Distributor did not personally sponsor another Distributor on its Front Line, it is prohibited from soliciting or enticing that Distributor to sell or purchase products or services other than those offered by COSEVA®. To do so constitutes an unreasonable and unwarranted interference with the contractual relationship between COSEVA® and its Distributors. The Distributor agrees that a violation of this rule inflicts irreparable harm on COSEVA® and agrees that the appropriate remedy to prevent that harm is immediate injunctive relief without bond. We understand that all Coseva members may belong to one or many of the social media groups promoting Coseva and its products. The interface and communications among Distributors from the different downlines are to be restricted to general product and brand discussions limited to promoting the products and the company. At no time is it allowed for Distributor to communicate cross-team communications to be used for recruiting of Distributor moves from team to team, or from one downline organization to another.
- I. A Distributor must conduct all activity in the best interests of COSEVA®. Any personal disputes between Distributors must be resolved quickly and in the best interests of COSEVA®.
- J. A Distributor may not allege or imply that it has a unique relationship with, advantage with, or access to COSEVA® executives or employees that other Distributors do not have.
- K. If any conduct by a Distributor or any participant in the Independent Business is determined by COSEVA® to be injurious, disruptive, or harmful to COSEVA® or to other Distributors, COSEVA® may take appropriate action against an Independent Business as outlined in the Contract, including Section 8 – Breach of Contract Procedures of these Policies and Procedures.
- L. A Distributor cannot rely on COSEVA® to provide legal, financial, or other professional advice.

Section 4 – Sponsorship

- A. To act as a Sponsor, a Distributor must meet all requirements and accept all responsibilities as outlined in the Contract.
- B. Persons wishing to become Distributors may be referred as Applicants to COSEVA® by a Sponsor. A Sponsor may enroll new Distributors only in Authorized Countries or in those countries subject to a Pre-Launch Period, as announced by COSEVA®.
- C. Once a sponsored Applicant is accepted by COSEVA® as a new Distributor, the new Distributor is placed in the Sponsor's Downline Organization. A Sponsor may place the new Distributor on its Front Line or anywhere else in the Sponsor's Downline Organization.

- D. A Sponsor may not place a new Distributor outside its Downline Organization. If this occurs, COSEVA® retains the right to adjust the organization to allow for correct payout and to ensure that all lines are complete.

Section 5 – Obligations of a Sponsor

In order for a Sponsor to be a dependable head of its Downline Organization, it should:

- A. make certain that all Distributors in its Downline Organization fully comprehend and meet the terms and conditions of the Contract and all applicable national and local laws, regulations, and ordinances;
- B. provide regular training and support in the development of its Downline Organization's business and the sale of Products;
- C. provide appropriate education and instruction so that Product sales and opportunity meetings conducted by its Downline Organization are conducted in accordance with the Contract, and with any applicable national and local laws, regulations, and ordinances;
- D. give guidance and encouragement to its Downline Organization;
- E. settle any dispute arising in its Downline Organization by intervening and making every attempt to resolve the dispute in a prompt and amicable manner; and
- F. maintain an ongoing, positive, professional association with other Distributors while also maintaining responsibility for providing ongoing service to all the Sponsor's Customers.

Section 6 – RESERVED

Section 7 – Changes in Independent Business Status

- A. Dissolution of an Independent Business in which there is more than one Beneficial Interest holder must occur in a way that does not disturb the income or interests of the Upline or Downline Organizations. When dissolving such an Independent Business, Distributors should be aware of the following:
 - (i) the departing Beneficial Interest holder(s) must relinquish all rights to, and interests in, the Independent Business;
 - (ii) COSEVA® will not divide nor reassign any of the Downline Organization; and
 - (iii) COSEVA® will not split Commissions between the prior or current Beneficial Interest holders of the Independent Business.
- B. In the case of a Distributor's death, Distributor rights will be transferred to the legal successor of the Independent Business in accordance with applicable laws. COSEVA® requires certified copies of the death certificate (or a doctor's statement) and a certified will, court order, or other appropriate legal documentation before the transfer can be effective. Successors in interest must agree in writing to be bound by and to comply with the terms and conditions of the Contract, including these Policies and Procedures. Upon notice of demise, COSEVA® reserves the right to make payments to the estate of the deceased Distributor. If the legal successor wishes to terminate the account, a written, signed statement of request to terminate must be submitted along with appropriate legal proof of death.
- C. The Contract can be terminated by a Distributor for any reason, at any time, by providing written notice to COSEVA® signed by all Person(s) listed on the Distributor Agreement. The following stipulations will be in effect:

- (i) the termination is effective on the date COSEVA® receives the written notice;
 - (ii) the former Distributor must, following termination, immediately cease to represent itself as a COSEVA® Distributor;
 - (iii) upon termination, the former Distributor's Downline Organization will Compress to the former Distributor's Upline sponsor and placement;
 - (iv) certain commitments made by the Distributor survive termination of the Contract, including the Distributor's commitment to maintain the confidentiality of, and to not use outside of COSEVA's business, the Distributor's prior Downline Organization or any information relating to other Independent Businesses;
 - (v) the terminated Distributor may re-apply for a new Independent Business under a new Sponsor no earlier than six (6) months from the date of termination. During this six (6) month period, the voluntarily terminated Distributor is not permitted to participate in any Distributor Business; and
 - (vi) a terminated Distributor who successfully re-applies for a new Independent Business will not reacquire prior Commissions, Rank, Title, Downline Organizations, or Sponsorships.
- D. A Distributor's success is only achieved through the regular and repeated Retail Sale of Products and the regular and repeated Retail Sales by its Downline Organization. As the success of any Distributor depends largely on the personal efforts of that Distributor, COSEVA® cannot guarantee any level of profit or success, nor can it guarantee a Distributor a specific income.
- E. Distributors in good standing with COSEVA® are eligible to receive Commissions under the COSEVA® Rewards Plan. To be in good standing, a Distributor must have a positive credit position with COSEVA®. A Distributor whose Distributor Business or Independent Business has been suspended is not in good standing.
- F. COSEVA® will pay Commissions to Distributors on Product orders which: 1) are received by COSEVA® before the end of the Commission period and 2) have been fully paid with appropriate payment. A Distributor does not receive compensation for sponsoring or recruiting other Distributors.
- G. Commissions are paid in the name of the Business Entity listed on the Distributor Agreement. When no Business Entity is listed, Commissions are paid to the personal name of the first Distributor listed on the Agreement.
- H. If a Distributor believes that there is an error in the computation of Commissions and/or program qualifications, the error must promptly be brought to the attention of COSEVA®. If such problems are not presented to COSEVA® in writing within forty-five (45) days after the end of the relevant Commission period (i.e., the end of the month), the Distributor waives all recourse with respect to such alleged error.
- I. In the event that a Commission check must be reissued to a Distributor, COSEVA® will charge the Distributor a fee of 20 USD. If a check must be reissued because of COSEVA's error, no additional charge will be applied. Checks reissued after one-hundred eighty (180) days will include an additional 10 USD processing fee.
- J. Manipulation of the Rewards Plan is not permitted and may result in disciplinary action, at the sole discretion of COSEVA.
- K. The Distributor authorizes COSEVA® to deduct fees, fines, and/or penalties from its Commissions as deemed appropriate in accordance with Section 8 – Breach of Contract Procedures herein or of any term or condition of the Contract. Any fees, fines, and/or penalties will be assessed at the sole discretion of COSEVA®.

Section 8 – Breach of Contract Procedures

- A. COSEVA's obligations to a Distributor are conditioned upon the Distributor meeting all the terms and conditions of the Contract, including these Policies and Procedures. COSEVA®, in its sole discretion, will determine if a Distributor is compliant with the Contract and will determine the appropriate discipline, up to and including termination, of any non-compliant Distributor. Lesser remedies may also be used, such as withholding payment of Commissions. In addition to, or instead of terminating the Contract, COSEVA® may decide to:

- (i) ensure that the Distributor is performing its contractual duties by monitoring its conduct over a specified period of time;
 - (ii) notify the Distributor either in writing or verbally of the non-compliance and/or of the intended discipline should the Distributor's non-compliance continue;
 - (iii) request from the Distributor additional assurances that its future compliance will comply with the Contract;
 - (iv) require the Distributor to take specific steps to cure the non-compliance;
 - (v) refuse to offer various opportunities sometimes awarded to Distributors, such as participation in COSEVA® events and reward trips, and recognition through COSEVA® events, literature, or media;
 - (vi) levy a fine contingent on the severity of the breach of Contract;
 - (vii) cease performing certain of COSEVA's obligations under the Contract, including paying all or a portion of the Commissions owed to the Distributor from the Independent Business, promoting the Distributor under the terms of the Rewards Plan, allowing the Distributor to act as a Sponsor, and accepting the Distributor's orders of Product;
 - (viii) remove the whole or any portion of the Distributor's Downline Organization to a different Sponsor; and/or
 - (ix) seek injunctive or other available legal remedies.
- B. Any violation of the terms and conditions of the Contract must be brought to COSEVA's attention for review within twelve (12) months of the start of the alleged violation. Failure to report a violation within that time period will result in COSEVA® not pursuing the allegations in order to prevent disruption of current Distributor Business due to stale claims. All reports of policy violations must be in writing and sent to the attention of COSEVA's Distributor Compliance Department (compliance@coseva.com).
- C. When COSEVA® investigates an alleged violation of the Contract, the following procedure will be in effect:
- (i) the Distributor will receive from COSEVA® written notice of the alleged breach of Contract;
 - (ii) when COSEVA® sends written notice, the Distributor is allowed ten (10) business days from the date the notice was sent to present to COSEVA® all information related to the incident (information received after this date may not be considered);
 - (iii) while the investigation is pending, COSEVA® reserves the right to prohibit Business by the Distributor and/or to suspend payment of Commissions;
 - (iv) COSEVA®, in its sole discretion, will render a decision regarding the alleged violation and will determine any appropriate remedy up to and including termination;
 - (v) COSEVA® will determine appropriate remedies for breaches of the Contract on a case-by-case basis, which remedies may not be the same for similar violations;
 - (vi) the Distributor will be notified in a timely manner by COSEVA® of its decision; and
 - (vii) COSEVA® may, upon request by the Distributor, review any decision that has been made.
- D. For purposes of determining non-compliance with the Contract, COSEVA®, in its sole discretion, may attribute to a Distributor the act of any Person having a Beneficial Interest in that Distributor's Independent Business.
- E. A Distributor terminated by COSEVA® must wait one (1) year before submitting a written petition to apply for a new Independent Business. While a terminated Business Owner's volume may "roll up," the terminated Business Owners' sponsorship does not "roll up."

- F. Distributors violating any of the terms of the Contract, including these Policies and Procedures, may be required to cease and desist use of any advertising and/or literature relating to the Distributor's Business, regardless of any previous authorization which may have been granted. Further disciplinary action may be taken in case of non-compliance to such requirements. Action by Coseva, as described above, does not prohibit or limit Coseva's rights to take further legal action to protect and/or enforce its rights under the Contract. The Distributor shall be liable to COSEVA® for any damages, including attorney fees, resulting from policy violations.
- G. If a Distributor observes or is aware of another Distributor's violation of any term or condition of the Contract, the Distributor may submit a written complaint to COSEVA's Distributor Compliance Department.

Section 9 – Selling or Transferring an Independent Business

- A. An Independent Business sale or transfer occurs when a Person transfers ownership or control of an Independent Business to another Person. A Distributor may sell, assign, or otherwise transfer its rights or position only after receiving the express written approval of COSEVA®.
- B. An existing Distributor may not purchase another Independent Business.
- C. A Distributor who sells its Independent Business loses its eligibility to reapply to become a Distributor under another Sponsor for a period of not less than six (6) months after COSEVA® has approved the sale.
- D. A Distributor or non-Distributor may not merge with, or acquire an interest in, a pre-existing Independent Business if it has engaged in Distributor Business.
- E. To transfer an Independent Business, the Distributor must be active and in good standing with COSEVA®. A current and accurate Statement of Beneficial Interest must be on file for all Business Entities requesting a Sale/Transfer.
- F. A Distributor may only transfer its Independent Business to a Business Entity Applicant if, after the completion of the transfer, all Persons listed on the Statement of Beneficial Interest for the Business Entity Applicant are non-Distributors and are not Beneficial Interest holders.
- G. Penalties up to and including termination may be imposed by COSEVA® on any Distributor that solicits, entices or assists another Distributor to transfer to a different Sponsor. This includes, but is not limited to, offering financial or other incentives to persuade another Distributor to terminate an existing Independent Business in order to re-apply under a different Sponsor.
- H. An application for a sale/transfer of ownership must be received at COSEVA® by the 15th day of a month in order for the change to be effective for the given month.
 - (i) Any requests received after the 20th will be processed for the following month.
 - (ii) There is a 150 USD fee assessed per request.
 - (iii) An additional 35 USD fee may be assessed for any application that is incomplete, incorrect, or rejected.
- I. The transferred Independent Business will be assigned a new Distributor identification number but will maintain the applicable Downline Organization and the same Rank/Title that the previous Distributor held before the approved transfer.
- J. If a Distributor permanently changes its country of residence, the change will be considered a sale/transfer. A signed and dated notification must be submitted to COSEVA® accompanied by an authoritative documentation of the move (e.g., copy of driver's license). All other policies, procedures, and fees associated with the sale/transfer are applicable. The Distributor will be responsible for complying with all terms and conditions of the Contract, including those specific to the new country of residence. A Distributor is permitted one (1) permanent change of country of residence.

- K. A Distributor may change its status from an individual to a Business Entity or from a Business Entity to an individual but must notify COSEVA® in writing and provide any documents required by the Contract. A written, dated statement of the transfer must also be submitted to COSEVA® and must be signed by all Beneficial Interest holders involved in the change.

Section 10 – Ordering Company Products

- A. Since COSEVA® imposes no specific inventory requirement on its Distributors, a Distributor must use its own judgment to determine the amount of inventory it will need to sustain its projected Retail Sales and personal use.
- (i) High volume orders containing one hundred (100) or more units must be pre-approved by COSEVA®.
 - (ii) All orders exceeding one hundred (100) units must be paid for via wire transfer.
- B. Products can be ordered by telephone, mail, facsimile, Internet, or by direct request at COSEVA's corporate headquarters.
- (i) Faxed, mailed, or personally delivered orders must be submitted using a current Distributor price list and a fully completed order form.
 - (ii) Payment must be the exact amount of the order and may be made by cashier's check, money order, credit card, cash, direct debit, ACH (available in some countries), personal or business check or Electronic Funds Transfer (High Volume Orders only).
 - (iii) Orders need to be paid in full prior to shipping or delivery. All shipping and handling costs are based on delivery location and number of Products ordered.
 - (iv) Unauthorized use of another Person's credit card is prohibited.
- C. Where Will Call service is available, a Distributor may pick up the order at the Will Call location. COSEVA® will ship, at the Distributor's expense, Product that has been marked for "Will Call pick-up" if the Product has not been picked up by the Distributor within twenty (20) business days of the scheduled AMO date, or the end of the calendar month, whichever is latest. If the Product is shipped to the Distributor from the Will Call location, COSEVA® may use any payment method noted in the Distributor Agreement to collect the shipping fees.
- D. Distributors, as independent contractors, may set their own price for Retail Sales; however, certain laws may prohibit below-cost selling, which is defined as the Wholesale Cost of Product.
- E. COSEVA® has the right to change, without prior notice, Product pricing.
- F. An Automated Clearing House (ACH) option for the purchase of Products is available in some countries and will authorize COSEVA® to electronically debit a Distributor's bank account for the amount of any order.
- (i) In order to establish an ACH, a Distributor must submit a completed ACH Transfer application and a voided check. The check may be sent via mail, facsimile, or may be personally delivered. If a savings account is being used, a deposit slip from the account should be provided instead of a voided check. There is a 2.50 USD service fee charged for establishing an ACH.
 - (ii) ACH may be used for all orders except for a Distributor's Initial Order. For the first ninety (90) days, orders using ACH may be subject to a shipping hold of up to five (5) business days in order to verify funds.
 - (iii) A Distributor's use of a bank account belonging to another person for ACH purchases requires written, notarized authorization by the owner of the account.
- G. Any ACH payment that is not supported by sufficient funds or that is returned uncollected constitutes a breach of the Contract. COSEVA® will assess a handling fee of 25 USD for all payments lacking sufficient funds.
- (i) The Distributor is responsible to maintain adequate funds in the ACH or debit account. When there are not sufficient funds, the Distributor is responsible for all bank charges plus COSEVA's handling fee. The Distributor understands that when the Company's first attempt to receive ACH payment is unsuccessful; the bank will automatically make a second attempt within three (3) days. The Distributor's bank may charge an insufficient funds fee for each

unsuccessful attempt. If there are insufficient funds, COSEVA® will put a hold on the Product or cancel the shipment. If the Product has already been shipped, the Distributor will be expected to use an alternate means of payment for the Product. If payment is not received within a reasonable amount of time, COSEVA® may proceed with collection measures, stop the future shipment of orders, and take any other recovery available to it under the Contract.

- (ii) Any uncollected amount may be deducted from the Distributor's present or future Commissions. All outstanding payments must be resolved by the last business day of the month for the Volume of the sales to be included in the computation of the Distributor's Commissions for that month.
- (iii) After a second returned check or bank draft, the Distributor may lose the privilege of placing orders by check, ACH, or bank draft for a period of six (6) months. During that six (6) month period, the Distributor must use credit card, money order, cashier's check, debit card, or cash to place orders.
- (iv) Any returned check or insufficient ACH that is not resolved in a timely manner is grounds for disciplinary action.
- (v) The Distributor understands that all Persons listed on the Distributor Agreement, or any Person having a Beneficial Interest in the Independent Business, will be held jointly and severally liable for the outstanding amount. It is expressly understood by the Distributor that this joint and several liability supersedes any limitations of liability otherwise available to the Independent Business or its Beneficial Interest holders.

Section 11 – Autoship/Automatic Monthly Order (“AMO”)

- A. A Distributor may choose to participate in the Automatic Monthly Order (AMO). When instituting AMO at the time of enrollment, the Distributor Agreement serves as confirmation for the setup. AMO may be established at any time through the submission of the AMO application, through the back office or with a written request to COSEVA® indicating the amount of Product to be shipped each month and the method of payment to be used. An AMO account will be charged at a set time during the month, and the Product will be shipped beginning approximately two (2) days after the charge is placed. The Distributor may obtain tracking numbers from COSEVA® after the Product is shipped.
- B. During winter months, COSEVA® may utilize a cold-weather shipping program in certain geographic regions. This program is designed to prevent damage to Products from exposure to extreme weather conditions in certain regions. Under this program, AMO processing and Product shipping dates may be affected.
- C. A Distributor may choose between two (2) types of AMO:
 - (i) Backup AMO: While enrolled with “Backup AMO,” a Distributor will automatically receive the AMO shipment if the Distributor has not ordered the AMO amount by the 11th day of the month. Product orders less than the AMO amount that are placed before the 12th day, and Product orders placed on the 12th day or later will be sent to the Distributor in addition to the AMO shipment and will not be credited toward the Distributor's AMO amount for the following month; and
 - (ii) Unconditional AMO: Upon establishing “Unconditional AMO,” the Distributor will receive the AMO shipment every month, regardless of the Volume ordered by that Distributor at other times of any given month.
- D. Payments will be verified prior to processing orders and AMO. In the event authorization is declined, COSEVA® may attempt to contact the Distributor and reattempt to obtain authorization. If authorization is not obtained by the end of the month, the order will be considered “unprocessed” and will not be included in Commission computation and processing. COSEVA® will not be held responsible for Volume shortfalls due to unprocessed orders.
- E. To change or terminate an AMO, the Distributor must submit a written request (including the date, the Distributor's name, identification number and the authorizing signature of the Distributor whose information is to be changed) to COSEVA® no less than three (3) business days before the 14th of any given calendar month. Any requests received after this date will be applied to the following month. Such requests include, but are not limited to, changing the number of cases, shipping address, the payment method, etc.
- F. Upon cancellation of the AMO, a Distributor may return the most recent shipment, provided that the shipment is not older than ninety (90) days (see Section 16 – Refund Policy). Simply returning Product or refusing shipment is insufficient to cancel AMO.

The Distributor must submit a signed cancellation request. The cancellation notice must be received in writing via fax, mail, personal delivery, or e-mailed with a scanned signature.

Section 12 – Seventy (70) Percent Rule

The Distributor certifies that it has sold or consumed at least 70% of all Product purchased in a given month prior to purchasing additional Product from COSEVA®. Each Distributor that receives Commissions and orders additional Product agrees to retain documentation that demonstrates compliance with this policy, including evidence of Retail Sales, for a period of at least four (4) years. A Distributor agrees to make this documentation available to COSEVA® at COSEVA's request. Failure to comply with this requirement constitutes a breach of the Contract. Furthermore, a breach of this requirement entitles COSEVA® to recover any Commissions paid to the Distributor for any period of time during which such documentation is not maintained or for which this provision has been breached.

Section 13 – Cooling Off Period

- A. The Federal Trade Commission has initiated a regulation to protect Customers entitled “The Cooling Off Period.” This regulation is designed to allow Customers the opportunity to reconsider a purchase from a direct seller. Customers are allowed to cancel the sale within three (3) business days of the purchase, without explanation, for the full purchase price and must return all unused Product. A Distributor is responsible to verbally disclose this law to Customers. The Distributor must also provide the designated COSEVA® sales receipt to the Customer, while retaining a copy for personal records. The receipt must include written disclosure of this law.
- B. Distributors shall provide all Customers with an official sales receipt which includes the Distributor's name, address, phone number, the date of the sale, a complete list of Products sold, their prices, and the “The Cooling Off Period” or cancellation notice information as applicable. The amount of sales tax must be recorded on the sales receipt. The sales receipt shall conform to all local, regional, state, and country requirements.
- C. COSEVA® encourages Distributors to honor a request for a refund or Product exchange even if it is made more than three (3) business days after purchase. COSEVA® supports this policy by providing replacement products for a refund or product exchange with a customer up to thirty (30) days after the date of sale to the Customer.
 - (i) COSEVA® will instruct the Distributor on the correct procedure and provide authorization for returning the Products to COSEVA®. The Distributor should contact customer service to obtain authorization and instructions for returns.
 - (ii) To receive replacement Products after obtaining authorization, the unused portion of Product and the Retail Sales Receipt must be returned to COSEVA® within thirty days of the date of the sale to the Customer.

Section 14 – Product Exchange Policy

- A. Product should not be consumed if the seal is broken or tampered with in any way.
- B. COSEVA® will exchange Product if the Product is damaged in shipment, incorrectly sent, or of substandard quality.
 - (i) If Product is damaged or defective, a Distributor should contact COSEVA® within ten (10) days of receipt of the order. COSEVA® will issue a call tag for the Product and immediately send a replacement order. COSEVA® will inspect the Product upon receipt.
 - (ii) Whenever possible, returned Product will be replaced with undamaged Product. However, when an exchange is not feasible, COSEVA® will refund the amount of the returned Product.

Section 15 – Refund Policy

- A. For a Distributor to obtain a refund for returned Product, the Distributor must do the following:

- (i) obtain a Returned Merchandise Authorization (RMA) number, which is provided by COSEVA® to track the return of Product and is valid for thirty (30) days;
 - (ii) be able to provide verification of the original orders, receipts, or proofs of purchase; and
 - (iii) ship the Product, prepaid, to COSEVA® in a protective container or carton. The Distributor's return address and RMA number should be printed clearly on the outside of the package.
- B. All Product returns must be made within ninety (90) days of purchase. COSEVA® will refund 90% of the net cost (plus applicable tax). Any bonuses or Commissions paid to the Distributor's Upline on the Product Volume being returned will be debited from the respective Upline Distributor's account or withheld from present or future Commission payments. Returned Product must be unopened, unaltered, resalable and unexpired as determined by COSEVA® and must include current labels and intact seals.
- C. All shipping or courier costs for the return of Product will be borne solely by the Distributor. Any damage or loss that occurs to returned Product during shipping will be the responsibility of the Distributor. Should the Product arrive at COSEVA® damaged (thereby rendering it non-resalable), COSEVA® will reject the shipment. It is recommended that a reliable, traceable courier service be used for shipping. Partial case returns will not be accepted or refunded.
- D. Product sent to COSEVA® without prior authorization (RMA) will not qualify for a refund and will be returned to the Distributor at the Distributor's expense.
- E. A Customer may return Product to the Distributor who is then responsible for issuing a refund to the Customer. Customers who order directly from COSEVA® will need to obtain an order number from COSEVA® and return the Product following the return procedures outlined above.
- F. Extension of the refund policy as required by applicable law, or instances in which Distributor misconduct, misrepresentation, or other extenuating circumstances necessitates a refund in excess of the stated refund policy, will be considered on a case-by-case basis. Previously given Commissions or Ranks may be reversed when the circumstances necessitate.
- G. Acceptable refund alternatives include, but are not limited to, the following: COSEVA® credit, bank check, bank transfer, or credit card charge back. The actual form of refund will be based upon local payment procedures and the original form of payment.
- H. Customized Print on Demand items are not returnable or refundable unless COSEVA® makes an error in printing, in which case the return must be made within thirty (30) days. Print on Demand orders with errors made by Distributors cannot be returned.

Section 16 – 30 Day Money-Back Guarantee

All Customers/Distributors have thirty (30) days to return the Order purchased under COSEVA's Money-back Guarantee . COSEVA® will refund the net purchase price and applicable tax amount **less shipping charges**. Orders of two (2) bottles or less do not need to be returned to COSEVA®. All Product in excess of two (2) bottles must be returned in resalable condition to COSEVA® in order to receive the refund. A refund will be given on all returned units included in the Order. In order to receive this refund, the Customer/Distributor must contact COSEVA® within thirty (30) days of receiving the Order to inform COSEVA® of the return. Returned Product must be sent through a form of delivery that can be traced (e.g., UPS) and must be received within seven (7) days of contacting COSEVA®. Upon receipt, the return will be noted, and a refund will be issued to the Customer/ Distributor within thirty (30) days. Any additional orders made within thirty (30) days of the Date of receipt will be subject to all standard refund Policies. This Order guarantee applies to Customers/Distributors who purchase Product directly from COSEVA®.

Section 17 – Product Liability Claims

- A. If a Distributor learns of any potential or actual third-party product liability claims against the Distributor, COSEVA® will indemnify the Distributor from such claims if the Distributor:

- (i) immediately notifies COSEVA® in writing of the potential or actual claim;
 - (ii) has complied with all terms and conditions of the Contract, including its provisions regarding the sale and/or distribution of Products;
 - (iii) has properly represented the Product by having not made claims regarding the Product's efficacy, health benefits, or other uses contrary to COSEVA's approved literature;
 - (iv) has not re-packaged, altered or mishandled the Product in question;
 - (v) has not settled or attempted to settle the claim without obtaining COSEVA's written approval or otherwise prejudiced COSEVA's ability to defend or settle the lawsuit; or
 - (vi) allows COSEVA® to assume the sole defense of the claim.
- B. COSEVA® carries a commercially reasonable amount of product liability insurance. However, COSEVA® does not distribute copies of the policy nor does it disclose the amount of the insurance. Since laws differ according to jurisdiction, COSEVA® encourages its Distributors to consult with an attorney regarding the extent of their own personal legal liability with respect to their independent businesses.
- C. COSEVA® extends no product warranties, either expressed or implied, beyond those specifically articulated in the Contract. COSEVA® disclaims and excludes all warranties regarding possible infringement of any United States or foreign patent, trademark, trade name, copyright, or trade secret by the Distributor's operations and the Distributor shall not have claim therewith.

Section 18 – Taxation

If a Distributor has registered as a withholding agent through a local sales tax agency and submitted a state resell certificate to COSEVA®, the collection of sales tax, VAT, GST, indirect tax (or any other "Sales Tax Equivalent") will be the responsibility of the Distributor. If the Distributor does not provide certification from the appropriate taxing authority, COSEVA® will collect sales tax based on the suggested retail price. The amount of tax is calculated based on the Distributor's local tax rate. It is the responsibility of the Distributor to provide COSEVA an updated copy of its certification for exemption from sales tax each year.

Section 19 – Positioning of Company Leads

Persons who are outside the COSEVA® network often make inquiries to COSEVA® about its Products. If COSEVA® can determine that the inquiring Person received the information from a specific Distributor or that there is a particular Distributor that the Person is acquainted with, every attempt will be made to refer the Person to that Distributor. If an association with a particular Distributor cannot be determined, the Person will be randomly positioned under an existing Distributor. Final judgments with respect to the positioning of leads, remains the right of COSEVA®.

Section 20 – Special Requests

- A. COSEVA® provides numerous services to its Distributors without charge. However, Distributors occasionally make requests that require special time and effort to fulfill. Requests in this category would include copies of receipts, paperwork, in-depth Commission information that must be calculated or extracted, research, banking instructions, stop-payment requests, etc. These and other special requests are available to the Distributor for a cost of fifty (50) USD per hour, plus actual costs, with a minimum charge of fifty (50) USD per request. Costs would include banking fees, photocopy expenses, professional fees, etc.
- B. Distributors may be asked for a signed confirmation of special work requests before the work is started. If a special service is requested due to an error caused by COSEVA®, charges for this request may be waived.

Section 21 – Privacy Policy & Confidentiality Obligations

- A. All information provided by an Applicant on a Distributor Agreement will be used solely for the purposes of evaluating the Distributor Agreement and for related activities of the Distributor.

- B. All information held by COSEVA® with reference to Downline Organizations, including Distributor and Customer names and contact information, is the confidential, proprietary property of COSEVA® and all Distributors are required to treat it as such. The Distributor maintains no ownership with reference to this information and/or data. It may not be sold, disseminated, or provided to any other party. Improper and unauthorized use of COSEVA's confidential information by a Distributor may be cause for termination and/or any other legal remedy available to COSEVA®. These obligations survive the termination of an Independent Business.
- C. A Distributor authorizes COSEVA® to disclose, in COSEVA's sole discretion, its contact information to the Distributor's Upline and to the Distributor's Downline three (3) levels below. The contact information will only be made available for legitimate business use and will not be provided to any Person outside of the Distributor's Upline.
- D. COSEVA® may supply data processing information and reports to the Distributor concerning its Downline Organization, including, but not limited to, names, contact information, purchasing history, and downline structure. This information is confidential and proprietary to COSEVA. Accordingly, the Distributor understands and agrees:
- (i) the information is provided for the exclusive and limited use of the Distributor for the limited purposes to facilitate the training, support and servicing of the Distributor's Downline Organization for furtherance of Distributor Business only;
 - (ii) it will not disclose such information to a third party directly or indirectly (including other Distributors) and that doing so constitutes misuse, misappropriation, and a violation of the Contract, which causes irreparable harm to COSEVA®;
 - (iii) it will not use the information to compete with COSEVA® directly or indirectly; and
 - (iv) the information is, and remains, the property of COSEVA®.
 - (v) The Distributor agrees that any violation of this confidentiality requirement is grounds for termination and will require immediate injunctive relief without bond as an appropriate remedy under applicable law. These obligations survive the termination of an Independent Business.

Section 22 – Product Claims

- A. The only claims and representations Distributors may make regarding Products are those found in the literature distributed by COSEVA®. All Distributors must read and abide by the concepts taught in the "Distributor Advertising Guide," which may be posted on COSEVA's website at www.COSEVA.com.
- B. No Distributor may imply that the promotion, operation, or organization of COSEVA® has been approved, sanctioned, or endorsed by any governmental regulatory authority. Such statement or implication constitutes grounds for disciplinary action. No Distributor should claim or imply that any Product is approved by the FDA, or by any governmental regulatory agency. The FDA does not require or grant specific approval for individual nutritional products, nor are such products intended to diagnose, treat, cure, or prevent any disease.
- C. A Distributor may not make any expressed or implied medical claims relating to any Product. Under no circumstances may a Distributor prescribe any Product as suitable for a particular ailment. No claims may be made as to therapeutic or curative properties of any Product offered by COSEVA®.

Section 23 – Distributor Advertising and Sales

- A. The following trademarks are the sole property of COSEVA®:



COSEVA®

Advanced TRS™

- B. Distributors may not use COSEVA's COSEVA® or other trademarks, or any confusingly similar variations of its marks, in a manner that is likely to cause confusion, mistake, or deception as to the source of the products or services advertised.
- (i) A Distributor may not use COSEVA's trademarks or any confusingly similar variation of its trademarks (e.g., COSEVA, Advanced TRS, etc.), in a business name, e-mail address, Internet domain name or sub-domain name, telephone number, or in any other address or title.
 - (ii) The Distributor agrees to immediately re-assign to COSEVA® any registration of COSEVA® names, trade names, trademarks, or Internet domain names registered or reserved in violation of this policy. The provisions of this section survive the termination of the Contract.
 - (iii) Distributors may not use COSEVA's trademarks on non-approved Sales Tools.
 - (iv) COSEVA®, in its sole discretion, will determine whether a variation of its trademark is confusingly similar.
- C. COSEVA's literature and media are copyrighted by COSEVA® and may not be duplicated without written consent.
- D. Distributors shall not re-label, alter or repackage any Products. Business Owners may not advertise Coseva Products in Public for a price less than the suggested retail price of the product(s).
- E. If a Distributor selects a business title, the title must clearly state that the Distributor is a "COSEVA® Distributor." A Distributor's title may not imply that the Distributor is an employee or agent of COSEVA®. Each time COSEVA's logo or name is used in writing and in relation to the Distributor; the Distributor must identify itself as an "COSEVA® Distributor" and to appropriately refer to the trademarks, patents and copyrights belonging to COSEVA®.
- F. Distributors may advertise using the following means:
- (i) Newspaper: A Distributor may place a generic business opportunity advertisement in the classified section of a local newspaper, provided the advertisement conforms to all applicable laws and regulations.
 - (ii) Phone Directory: Any Distributor may place a text listing of its name in the white or yellow pages of a telephone directory followed by "COSEVA® Distributor." Graphical and display ads in telephone directories are prohibited.
 - (iii) Electronic Mail Advertisements: All advertisements sent via email, telephone, or facsimile must comply with all anti-spamming laws for the state or country where the intended recipient resides. The Distributor is under obligation to research and comply with all laws concerning unsolicited commercial e-mail. Under United States law, it is unlawful "to use any telephone, facsimile machine, computer, or other device to send an unsolicited advertisement. Electronic mail advertisement means any email message, the principal purpose of which is to promote, directly or indirectly, the sale or other distribution of goods or services to the recipient." (CAN-SPAM Act of 2003.)
- G. COSEVA® encourages Distributors to utilize personal media coverage to expand and build their business; however, certain situations require the Distributor to contact COSEVA's Public Relations Department. These would include:
- (i) instances where the story has national potential;
 - (ii) cases where the story calls for a wider company/product perspective; and/or
 - (iii) when the Distributor is questioned about sales figures and/or business strategies.

Distributors are prohibited from disclosing or including any sales figures or projections, income amounts, or health claims of any kind.

- H. A Distributor may not use a celebrity endorsement without written approval from COSEVA® and the specific, prior, written approval of the endorsing celebrity for each use of the celebrity's name.

- I. Distributors may use only COSEVA®-licensed Internet websites to promote Products or the business opportunity over the Internet. (Please refer to www.COSEVA.com for a list of licensed replicating websites.) Except as set forth in this policy, Distributors may not use the Internet to promote COSEVA®, including its Products or the business opportunity, in any other manner. If a Distributor violates this policy, COSEVA® may require the offending Distributor to immediately disable the website, in addition to taking other disciplinary actions against the responsible Distributor in accordance with Section 8 – Breach of Contract Procedures of these Policies and Procedures. This restriction does not include social media group pages. Distributor websites are also subject to the following restrictions:
- (i) Distributors with a Rank of “Group Leader” or above may create an independent, self-replicating Internet website and a personal training website to promote COSEVA’s Products and business opportunity, subject to the approval by COSEVA. However, all such sites, and any changes thereto, must first be reviewed and approved by COSEVA® as Sales Tools in accordance with Section 25 – “Sales Tools” - of these Policies and Procedures. If approved, the Distributor must enter into a licensing agreement with COSEVA® and the site must display a company-generated “licensed” designation. Changes made to the site after obtaining the initial license require written authorization from a representative of COSEVA’s Distributor Compliance Department.
 - (ii) Distributors may not use any key words or meta-tags to advertise their approved replicated web site on the Internet if the search words or meta-tags explicitly or implicitly present illegal or unsubstantiated health or income claims.
 - (iii) Distributors must obtain written approval from COSEVA® before using any sponsored links on Internet search engines to direct Internet traffic to an authorized COSEVA®-licensed Internet website.

Section 24 – Sales Tools

- A. A Distributor may only use Sales Tools approved by COSEVA® for an Authorized Country or a country subject to an announced Pre-Launch Period.
- B. Materials that are copyrighted or approved by COSEVA® and designed for promoting its Products are approved Sales Tools. (The U.S. entity DBC, LLC is affiliated with COSEVA® and holds many of its copyrights.)
- C. A Distributor must submit for COSEVA’s approval any material it has generated and intends to use as a Sales Tool. The approval process generally requires a minimum of three (3) weeks to complete. COSEVA® alone has sole discretion whether as whether to approve or reject a proposed Sales Tool.
- D. Material generated by a Distributor for use as a Sales Tool is approved only if:
 - (i) the material has been reviewed and approved by COSEVA®,
 - (ii) the material has received a unique Sales Tool approval number and logo provided by COSEVA®, and
 - (iii) the Distributor receives a written authorization from COSEVA® specifically stating the conditions and terms upon which the Sales Tool may be distributed.
- E. To comply with changing laws and regulations, COSEVA® may rescind its prior approval of a Sales Tool and may require the Distributor to remove from the market at its own cost and obligation a previously approved Sales Tool.
- F. The Distributor agrees that if it uses a fulfillment house or other third party to sell or distribute Sales Tools, the Distributor will enter into a contract, to be provided by COSEVA®, with the fulfillment house or third party to ensure that all Distributor and Customer information is protected from disclosure and remains the sole property of COSEVA®.

Section 25 – Retail and Service Establishments, Tradeshows, and Company Events

- A. Except for Retail Establishment sales authorized in Paragraph Section 27 below, a Distributor may not sell Products or promote the business opportunity through Retail Establishments. A Distributor is also prohibited from selling Products to any Person who will ultimately sell those Products through Retail Establishments.
- B. A Distributor may sell Products, offer approved Sales Tools, and promote its business opportunity through a health food Retail Establishment, provided that:
 - (i) the Distributor has received consent from the owner of the establishment,
 - (ii) only one sample or a minimal number of pictures of Product are displayed,
 - (iii) Products are sold from behind the counter, and
 - (iv) the Distributor provides ongoing support to its Customers from the establishment.

COSEVA® alone has sole discretion as to whether a Retail Establishment is an allowable Retail Establishment.

- C. A Distributor may conduct Distributor Business through Service-related Establishments under approved conditions. The following conditions apply for approved Distributor Business in a Service-related Establishment:
 - (i) no Product banners or other Sales Tools may be displayed to the general public in a manner that would attract the public into the Service-related Establishment,
 - (ii) the Distributor provides ongoing support to its Customers from the establishment.

COSEVA® alone has the sole discretion as to whether an establishment is a service-related establishment and a proper place for the sale of Products.

- D. A Distributor may not sell or promote Products at bazaars, flea markets, fairs, swap meets, or other similar gatherings. A Distributor may promote and sell Products at tradeshows, except those where COSEVA® announces on its website it will have an exclusive presence.
- E. At COSEVA®-sponsored events, Distributors may not sell or promote non-COSEVA® products or services or use any form of promotion deemed inappropriate by COSEVA®.
- F. A Distributor may not sell or facilitate the sale of Product on Internet websites where an auction is the mode of selling or buying (e.g., eBay, www.ebay.com; shopgoodwill.com; listia.com; uBid.com, etc.). A Distributor may not use a third party to place Product on auction websites. The provisions of this section survive the termination of the Contract. Distributors may not promote for sale Coseva products on reseller websites such as Amazon, VitaCost, etc.

Section 26 – Legal Claims and Disputes

- A. A Distributor shall immediately notify COSEVA® of any potential or actual legal claims from third parties against the Distributor arising from, or associated with, the Distributor's Business or its Downline Organization that may adversely affect COSEVA®. After notifying the Distributor, COSEVA® may take any action necessary to protect itself, including controlling any litigation or settlement of the legal claims. If COSEVA® takes action in the matter, the Distributor shall not interfere or participate in the matter without COSEVA's consent, which shall not be unreasonably withheld.
- B. Alleged violations of the Contract by a Distributor will first be handled under the procedures outlined in Section 8 – Breach of Contract Procedures of these Policies and Procedures.
- C. Any recourse sought by a Distributor against COSEVA® for any reason or against another Distributor for reasons related to the business shall be subject to the arbitration provisions noted in Section 33 – Governing Law and Arbitration .

Section 27 – Unauthorized International and/or Territorial Expansion

- A. COSEVA® will formally announce a Pre-Launch Period for a country that is to become an Authorized Country at least thirty (30) days prior to the official opening of the country. No information regarding business development in a non-Authorized Country will be available until the official announcement of the Pre-Launch Period.
- B. Prior to an announced Pre-Launch Period, Distributor Business in an unopened country is strictly limited. A Distributor may only hand out business cards and participate in small meetings not exceeding eight (8) total persons personally acquainted with the Distributor or the Distributor's contacts. Any other Distributor Business in the unopened country is prohibited, including:
- (i) importing, distributing, offering, or advertising the business opportunity or participation in the Rewards Plan;
 - (ii) advertising a Distributor's travel schedule within the country;
 - (iii) seeking financial or other commitments or arrangements from residents of the country regarding any aspect of an Independent Business; and
 - (iv) participating, either directly or indirectly, in any financial or other commitments or arrangements relating to Distributor Business in the country.
- C. A Distributor who violates these provisions for unopened countries is subject to the remedies outlined in Section 8 – Breach of Contract Procedures or any other applicable section of these Policies and Procedures. In addition, COSEVA® may also:
- (i) withhold from the Distributor, in all markets, traditionally afforded privileges such as recognition at COSEVA® events or in COSEVA® literature for a period of up to one year;
 - (ii) deny any claim of Sponsorship the Distributor may have to a resident of the country;
 - (iii) refuse to pay Commissions to the Distributor and its Upline from Volume generated in the country from the Distributor's Downline Organization; and
 - (iv) exclude the Distributor from participating in the country for a specific period determined by COSEVA®, after which the Distributor must petition COSEVA® in writing for permission to conduct Distributor Business in the country.

Section 28 – Entire Agreement

The Contract contains the entire understanding concerning the subject matter hereof between COSEVA® and the Distributor, and is intended as a final, complete, and exclusive expression of the terms of the parties. This Contract supersedes and replaces all prior negotiations and proposed, but unexecuted agreements, either written or oral. Any prior agreements, promises, negotiations, or representations, either written or oral, relating to the subject matter of this Contract, are of no force or effect. If there is any discrepancy between verbal representations made to the Distributor by any employee or agent of COSEVA® and the terms of the Contract, the express written terms and requirements of the Contract will prevail.

Section 29 – Modifications by the Company

COSEVA® reserves the right to make any modifications to the Contract, provided that the modifications are communicated by COSEVA® to the Distributor at least thirty (30) days prior to taking effect. COSEVA® may communicate these modifications by posting any portion of the modified Contract on COSEVA's website at www.COSEVA.com, or by any other method of communication. The Distributor is deemed to have accepted the modification to the Contract if the Distributor engages in any Distributor Business, renews its Independent Business, or accepts Commissions, after the thirty (30) day period is ended.

Section 30 – Waiver

Any waiver by COSEVA® of a Distributor's breach of a Contract provision must be in writing and will not be construed as a waiver of any subsequent or additional breach by the Distributor. The failure by COSEVA® to exercise any right or privilege under the Contract will not constitute a waiver of that right or privilege.

Section 31 – Severance

If any term or condition of this Contract is judicially invalidated, prohibited, or otherwise rendered unenforceable in any jurisdiction, it is unenforceable only to the extent of the invalid, prohibited or unenforceable provision in that jurisdiction only, and it will not render unenforceable or invalidate any other provision of the Contract, nor will the Contract be rendered unenforceable or invalidated in another jurisdiction.

Section 32 – Governing Law and Arbitration

- A. The State of Utah, in the United State of America, is the place of origin of this Contract, and is where COSEVA® accepted the offer of an Applicant to become a Distributor and where the Distributor entered into the Contract with COSEVA®. The Contract is therefore to be construed in accordance with the laws of the State of Utah as to Contracts made and to be wholly performed within the State.
- B. Any controversy or claim arising out of or relating to the Contract or the breach thereof, or any controversy or claim relating to the business arising between Distributors shall be settled by mandatory, final, binding, non-appealable arbitration in Salt Lake City, Utah in the United States of America. The arbitration shall be administered by the American Arbitration Association under its Commercial Arbitration Rules and shall be governed by Utah state law. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof and enforcement of the judgment shall be governed by Utah state law.

Section 33 – Successors and Claims

The Contract will be legal and binding upon and inure to the benefit of the parties and their respective successors and assigns.

APPENDIX

The following defined terms apply throughout the Contract, where they are signified by title capitals letters:

Addendum	A supplement section added to the Policies and Procedures that includes information particular to a specific situation or country. If a conflict arises between an Addendum and any other document of the Contract, the terms of the Addendum shall control.
Active Member	A Member remains “active” by maintaining a downline of retail Customers and/or Distributors who place regular orders for product for the purposes of personal use or resale to retail customers. If a Member has no such activity for a period of six (6) consecutive months, the Member is no longer “active” and may have the Member’s status suspended or terminated at COSEVA’s sole discretion.
Authorized Country	A country that COSEVA® has, in writing, specifically acknowledged and sanctioned to be available to all Distributors for Distributor Business.
Automated Clearing House (ACH)	An optional program that authorizes COSEVA® to electronically debit a Distributor’s bank account for the amount of an order.
Automatic Monthly Order (AMO)	An optional program that authorizes COSEVA® to automatically ship Product to a Distributor on a recurring monthly basis.
Back Office	A password accessible portion of COSEVA’s website that allows a Distributor to view information about its Distributor account and Downline Organization.
Beneficial Interest	Any ownership interest directly or indirectly held in an Independent Business by a partner, shareholder, member, beneficiary, trustee or principal; any control over an Independent Business; any receipt of income, whether direct or indirect that is derived from an Independent Business; the receipt of familial support from an Independent Business; spousal support derived from an Independent Business; and any other similar interests that pertain to an Independent Business. A spouse or co-habitant of a Distributor may be deemed to have a Beneficial Interest in the Distributor’s Independent Business.
Business Entity	Any type of business association authorized under the laws of the jurisdiction in which it was organized. This includes, but is not limited to, legally formed: corporations, partnerships, trusts, and limited liability companies.
Commissions	Compensation paid to a Distributor based on the Volume of Products sold by the Distributor and its Downline Organization. Eligibility to receive Commissions is determined by the monthly sales requirements currently in effect, as outlined in the Rewards Plan.
Rewards/ Compensation Plan	The specific plan used by COSEVA® that details the requirements and benefits of the compensation structure for Distributors.
Compress	For Rewards Plan qualifications, Commissions and Sponsorship may move up past inactive and/or unqualified Distributors to the next qualified Distributor in the Upline as provided in the Rewards Plan.
Contract	The documents describing the specific relationship between a COSEVA® Distributor and COSEVA®, comprising the Distributor Agreement, the Statement of Beneficial Interest, the Rewards Plan, the Policies and Procedures and any Addendum(s) thereto, and any other written agreement between the Distributor and COSEVA®, which documents are incorporated herein by reference.
Customer	A non-Distributor that purchases Products at retail price from Coseva
Date of Sign-up	The date COSEVA® receives and accepts an Applicant’s Distributor Agreement bearing an original signature or electronic copy of an original signature

Distributor	A Person who has entered into the Contract with COSEVA®. If more than one individual is listed on the Distributor Agreement, then 'Distributor' may refer to all individuals collectively, with each individually retaining all Distributor rights and obligations. A Distributor is also referred to as a "Member" in this Agreement and includes both customers and Distributors.
Distributor Agreement	The application and agreement submitted by an Applicant to become a Distributor. In signing the Distributor Agreement, an Applicant certifies that it has read and will abide by the terms and conditions of the Contract.
Distributor Business	Activities determined at the sole discretion of COSEVA® to be a promotion of COSEVA's Products or business opportunity. Some of these activities include but are not restricted to: signing a Distributor Agreement; advertising, selling or exhibiting Product; hosting, conducting, or speaking at COSEVA®-related meetings or events; purchasing, exchanging, or returning Products; and sponsoring new Distributors.
Distributor Kit	A welcome packet purchased by the Distributor upon enrollment that includes information about COSEVA® and various business promotion materials.
Independent Business	The relationship between a Distributor and COSEVA® as defined by the Contract, including the Distributor's Downline Organization and the right to Commissions.
Downline Organization	An organization comprised of Distributors who have been personally sponsored or recruited by those in a direct chain of Sponsorship to any particular Distributor.
Front Line	The Distributors who appear on the first level of the immediate Downline Organization of any particular Distributor through Sponsorship and/or Placement.
Goods and Service Tax (GST)	A transactional tax on the supply of most goods and services in certain countries.
Order	A Distributor's Product order, shipped to a single address.
Person	A formal or legal context referring to an individual, a Business Entity, or any other entity with a distinct separate existence.
Placement	The positioning of a Distributor in a Downline Organization by a Sponsor.
Pre-Launch Period	A period of time announced by COSEVA® prior to a country becoming an Authorized Country during which a Distributor may begin Distributor Business within that country.
Print on Demand	Personalized Sales Tools made available by COSEVA® for Distributors.
Product	Any product or service offered by COSEVA®.
Rank	The current level of the Independent Business according to the Rewards Plan. The Rank of a Distributor, which will affect the Distributor's Commissions, may fluctuate and depends on the Distributor meeting various qualifications outlined in the Rewards Plan.
Retail Establishment	Any enterprise where the sale of merchandise constitutes a portion of its regular business or any permanent place of sale freely accessible to the public.
Retail Sales	Sales made to Customers.
Sales Tool	Any information or material used by a Distributor to promote or sell Products.
Service-related Establishment	An enterprise where the general public does not have ready access unless through appointment or membership, and/or where the primary function of the enterprise is the rendering of professional services rather than selling merchandise. These establishments would include private or restricted-access offices, businesses, or private associations.
Sponsor	A Distributor who has directly recruited another Distributor in its Downline Organization. Also referred to as an "Enroller"
Statement of Beneficial Interest	A document required as part of the Contract if an Applicant is applying as a Business Entity. The Statement of Beneficial Interest must list all persons who are partners, shareholders, principals, officers, directors, trustees, beneficiaries, or who otherwise have any direct or indirect Beneficial Interest in or control over the Business Entity.
Title	The highest level achieved by a Distributor in accordance with the requirements of the

	Rewards Plan.
UniLevel Commission	A monthly Commission paid to qualified Distributors according to the Rewards Plan.
Upline	The single-line hierarchy of Sponsors and/or Distributors extending upward from the Placement of a Distributor.
Value-Added Tax (VAT)	A transactional tax levied on the supply of taxable goods or services in certain countries. It is added to a product on each stage of its production, from raw materials to finished product.
Volume	A value assigned to a Product for Commission purposes.
Wholesale Cost	The price COSEVA® charges Distributors for Products plus applicable shipping.
Will Call	An COSEVA®-approved location where a Distributor may pick up Products.
COSEVA®	COSEVA®, a Utah company, or any lawful assignee, successor, subsidiary, or affiliate regardless of geographic location.