



Policies and Procedures

ENZACTA Hong Kong

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INTRODUCTION

Triion Ltd doing business as ENZACTA. (“ENZACTA HONG KONG”) is part of the ENZACTA Worldwide Group of Companies, and a direct selling enterprise that markets its products through Independent Business Owners (“IBOs”). “ENZACTA” as used in this agreement refers to them all unless a distinction is made between any of them. It is important to understand that your success and the success of your fellow IBO’s depend on the integrity of the men and women who market ENZACTA products and services. The Agreement (as defined below) is made to clearly define the relationship between you and us, between you and your Customers and between you and other IBO’s. ENZACTA or its subsidiaries is sometimes referred to as “the Company”, “we”, “us”, and “our”, and the IBO, the IBO Application and Agreement (the “IBO Agreement”) is sometimes referred to as “you” and “your.”

These Policies and Procedures (sometimes hereinafter referred to as the “Policies” or the “P & Ps”), as currently stated and as amended from time to time, are incorporated into and form an integral part of the IBO Agreement. When the term “Agreement” is used herein, it collectively refers to the ENZACTA Independent Business Owner Application (“IBO Application”), these Policies and Procedures, and the ENZACTA Canada Compensation Plan. You have the responsibility to read, understand, and adhere to the most current version of these Policies and Procedures. When sponsoring a new IBO, you must ensure that the new IBO is provided with the opportunity to: (1) review and understand the terms and conditions of the Agreement and (2) read and understand the Policies and Procedures and the Compensation Plan prior to signing the IBO Application. All terms not expressly defined in the body of the Policies are defined in section 9.

SECTION 1. BECOMING AN INDEPENDENT BUSINESS OWNER

- 1.1. Requirement to Become an IBO. To become an ENZACTA IBO, you must:
 - 1.1.1. If you are an individual, be of the age of legal majority in the jurisdiction in which you reside (usually age 18);
 - 1.1.2. If you are a legal entity, be properly registered and in good standing with your governing jurisdiction;
 - 1.1.3. May reside in any country but may only conduct IBO business in an Opened Country, as defined in section 9 below;
 - 1.1.4. Provide, where allowed by law, evidence of identity in the form and manner as the Company may require; and
 - 1.1.5. Submit a true, accurate and properly completed, unaltered or modified IBO Application to the Company either online or on paper.
- 1.2. Application and Acceptance. By completing the IBO Application and submitting it to us, you are applying to become an Independent Business Owner of ENZACTA with an initial title of Independent Business Owner or IBO. Your application is accepted when your data is entered in our database and you are otherwise in compliance with the IBO Application. Upon acceptance, ENZACTA will establish for you an IBO Distributorship, and assign you a position and issue you an identifying IBO Distributorship number. Individuals or businesses must provide ENZACTA with a Social Insurance Number or a Federal Business Identification Number for the individual or entity. All corporations, partnerships, trusts or other entities must provide ENZACTA with certification of their tax identification number.
 - 1.2.1. ENZACTA reserves the right to reject any IBO Application. We will not knowingly accept or tolerate inaccurate or false information. Incomplete, inaccurate, or

unlawful IBO Applications are voidable by us. ENZACTA reserves the right to reject or terminate any Application submitted by an individual with a criminal history at any time at ENZACTA's sole discretion.

- 1.2.2. You are responsible for informing us of any changes affecting the accuracy of your IBO Application and any subsequent information regarding the account information of your IBO Distributorship. To make account changes, such as changes or corrections to the IBO Application or name of record, submit a new IBO Application form, (with the word "Amendment" written at the top), to the IBO Services Department. All amended forms must be complete and signed by all parties to the IBO business. Name changes require legal proof of the change such as marriage certificate or court order.
- 1.2.3. The Application is subject to acceptance by us as stated above before becoming binding with us.
- 1.3. Territory. Acceptance of your IBO Application authorizes you to resell products and operate your IBO Distributorship in the country for which it is specified. You may not sell products in another country other than an Opened Country. If you desire to sponsor in a country ENZACTA has officially opened, but do not reside there, please contact us regarding same. ENZACTA does not grant exclusive territories to any IBO.
- 1.4. IBO Benefits. Once your IBO Application has been accepted by us, the benefits of the Agreement will be available to you as long as your IBO Distributorship is in good standing and you are in compliance with the terms of the Agreement. These benefits include the right to:
 - 1.4.1. Buy ENZACTA products for resale in accordance with the Policies and Procedures;
 - 1.4.2. Participate in the Compensation Plan;
 - 1.4.3. Sponsor other persons;
 - 1.4.4. Receive periodical ENZACTA literature and other ENZACTA communications;
 - 1.4.5. Participate in ENZACTA-sponsored support, services, training, motivational, and recognition functions (upon payment of appropriate charges, if applicable); and
 - 1.4.6. Participate in promotional and incentive contests and programs sponsored by ENZACTA.
- 1.5. No Product Purchase Required. There is no financial or purchase requirement to become an IBO or to enter, maintain, or advance in the Compensation Plan. In order to familiarize new IBOs with ENZACTA products, services, sales techniques, sales aids, and other matters, and for the sole purpose of facilitating sales, ENZACTA requires that new IBOs purchase an ENZACTA IBO Standard Business Starter Kit, and ENZACTA Business Support & Services. ENZACTA will sell these items to new IBOs at its cost price, which may change from time to time, which shall be at or below ENZACTA's cost price of same. Any products or services that an IBO may purchase from ENZACTA, including these starter items, may be returned for refund under the terms of the "IBO Buy-Back Policy" found in section 6.5 below. Any additional products or services that an IBO may choose to purchase from ENZACTA in connection with becoming an IBO or in the future are strictly optional.

Upon acceptance of the Agreement applicants become retail sellers with no option to earn commissions until they are active and have an active IBO on the left and right side.

1.6. Term and Renewal. Subject to the provisions of section 1.7, the IBO Agreement shall have a term beginning on the date of acceptance by the Company and ending on the next scheduled renewal period, or one year from the date thereof (the "Anniversary Date"), whichever is earlier. The IBO Agreement may be renewed on subscription by the IBO for the ENZACTA Business Support & Services plan for the successive year, provided that the IBO has made at least one sale in the prior six (6) month period. Where an IBO's Agreement has failed to renew, the IBO may not reapply under a new sponsor for six (6) months after non-renewal.

1.7. Termination.

The Agreement between you and us may be terminated as follows:

1.7.1. This Agreement may be terminated at any time by either party by written notice, in which case the Agreement shall terminate fourteen (14) days after the date notice was sent to the other party;

1.7.2. This Agreement shall terminate automatically on the first day of the month following six (6) months of no inventory purchase activity by IBO as determined by purchase history;

1.7.3. You may terminate the Agreement at any time, regardless of reason by submitting a notice in writing to the Company submitted by email, fax or postal or overnight delivery. Written notice must include your signature unless it is submitted online.

1.7.4. Without limiting the termination rights provided for in section 1.7.1 above, ENZACTA may also terminate the IBO Agreement, without notice, if the IBO is in breach of the Agreement, and provided the IBO has not rectified that breach within 10 days of being notified of such breach, in writing, by fax, email or postal or overnight delivery and offer an opportunity for you to cure the situation within the notice period of 10 business days. If the breach is not cured in the given notice period to the satisfaction of ENZACTA, the termination will be effective at the end of the notice period.

1.7.5. The parties agree that certain breaches are so egregious, or that potential damages for breach are irreparable, that notice and a cure period is an inadequate remedy. Accordingly, the parties agree that ENZACTA may terminate the IBO Agreement without notice where an IBO is found to be (1) selling products on an internet auction site, (2) use social networking, social media, electronic communication, or personal communication to contact another IBO's organization or discovered *downline* (3) disparaging ENZACTA or its IBOs, or (4) attempting to cross-sponsor or recruit ENZACTA IBO's that you did not personally sponsor into a competing company.

1.8. Effects of Nonrenewal or Termination. When your Agreement with us is terminated, for whatever reason, your IBO rights as set forth in the Agreement also terminate including the right to sell products, to access your *downline* and to receive commission, bonuses or other remuneration resulting from the sales and other activities of your *downline*; however, certain obligations you have shall survive termination, including those obligations set out in sections 2.5 (Confidential Information) and 2.6 (Proprietary Marks). Without limiting the nature of those provisions, immediately upon expiration/termination, the IBO must remove and discontinue the use of all Proprietary Marks (as defined in

section 2.6) and all Confidential Information (as defined in section 2.5) and take all other actions reasonably required by ENZACTA to protect its Confidential Information and Intellectual Property.

An IBO that is terminated may not reapply or tender an IBO Application and Agreement, without an express authorization in writing from the Compliance Department. Any IBO Applications tendered by an IBO that has been previously terminated, and without said written authorization of the Compliance Department are null and void, even if accepted by ENZACTA.

- 1.9. Multiple Positions. An IBO may not apply for or acquire more than a single ENZACTA Independent Business. While two (2) IBOs may exist with the same address, they may not sponsor each other. An IBO may neither sponsor nor be sponsored by a Significant Other (which shall include husbands, wives, and companions). Notwithstanding the foregoing, ENZACTA may provide written authorization to allow for additional IBO Distributorships on a case by case basis, as determined in its sole discretion. Prospective IBO's will have to provide the information required by the Company for it to review prior to allowance of enrollment.
- 1.10. Corporate IBOs, Limited Companies, Sole Proprietorships, Other.
 - 1.10.1. A Business Entity may become an IBO. Business Entities must submit a copy of their business registration/formation number within 30 days of registration. If not received in the appropriate timeframe, commission will not be released until the required documentation is received and recorded by the Company. In addition, the Business Entity must provide any such other formation or governing documents that may be requested by ENZACTA from time to time. An individual authorized by the Business Entity must execute the IBO Agreement. The individual signing on behalf of the Business Entity agrees to personally guaranty the Business Entity's obligations to ENZACTA. The actions of the shareholders, officers, directors, members, managers, trustees and employees must conform to the Policies and Procedures, and shall be attributable to the Business Entity.
 - 1.10.2. ENZACTA, while allowing the above identified Business Entities to be Independent Business Owners, will tie recognition and other awards provided for under the Compensation Plan to the primary applicant (signature on Agreement) as the authorized representative of the Business Entity.
 - 1.10.3. Where ENZACTA provides IBO Distributorships to primary and secondary individual applicants (which may be done at ENZACTA's sole discretion), the primary applicant shall be issued all remuneration checks, and shall be identified as the sole recipient of same for all required governmental tax reporting.
 - 1.10.4. Each entity that holds an IBO position must designate one or two "Active Participant(s)" that personally participate(s) in the IBO's business and is(are) personally responsible for the IBO's commitments to ENZACTA. Any change in ownership of the entity, or any change of Active Participant(s) will be treated by ENZACTA as a transfer of the IBO position and will allow ENZACTA to invoke all of the rights it has under the Policies and Procedures with respect to any such transfer.
- 1.11. Succession and Incapacity. If you die and expressly bequeath in your Last Will and Testament your rights in your IBO Distributorship to another person (the "Beneficiary"), and same is confirmed by a court or to our satisfaction, ENZACTA may recognize the transfer of the IBO Distributorship to the Beneficiary, provided the Beneficiary completes

and delivers a new IBO Application and Agreement within six (6) months of your death. The Beneficiary must demonstrate that they can fulfill the responsibilities, internal requirements, and activities required and expected of an active IBO as stated in the IBO Agreement and Terms and these listed policy and procedures. Otherwise ENZACTA will terminate your IBO Agreement. ENZACTA reserves the right to terminate the IBO Agreement with the Beneficiary if the Beneficiary does not carry out the IBO Distributorship in the same manner and spirit and requirements as previously carried out.

If you are incapable of operating your IBO Distributorship due to incapacity, ENZACTA will recognize your authorized power of attorney to assign an agent to operate the IBO Distributorship during your incapacity. To do so, your authorized attorney must provide proof of your incapacity and proof of his authority that is authentic and which we can verify to be lawful, and such delivers a new IBO Application and Agreement within six (6) months of your incapacity, that your authorized agent must demonstrate that they can comply with the responsibilities and activities required and expected of an active IBO as stated in the IBO Agreement and Terms and these listed policy and procedure requirements. ENZACTA reserves the right to terminate the IBO Agreement with an incapacitated IBO if the authorized listed agent of the power of attorney does not carry out the IBO Distributorship in the same manner and spirit and requirements as previously carried out.

- 1.12. Effects of Divorce and Business Entity Dissolution. ENZACTA will not allow an IBO Distributorship to be partitioned or in any way divided in the event of a divorce or dissolution of the Business Entity.

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

- 1.12.1. The spouses may agree in writing that one spouse is assigned all rights to the IBO Distributorship, or all the owners of the Business Entity may agree in writing that a particular individual or Business Entity is assigned all rights to the IBO Distributorship. In such a case the remaining spouse or particular individual shall be required to enter into a new IBO Application and Agreement with ENZACTA, and ENZACTA reserves the right to terminate the IBO Agreement with the remaining spouse or particular individual if the new IBO Distributorship does not carry out in the same manner and spirit and requirements as previously carried out.
- 1.12.2. The parties may continue to operate the IBO Distributorship on a "business-as-usual" basis, whereupon all compensation paid by us will be paid according to the status quo as it existed prior to the divorce 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 IBO Distributorship of (1) divorcing spouses or (2) a dissolving Business Entity ever be divided. For greater certainty, this means that no commission, bonuses or other remuneration shall ever be split between divorcing spouses or owners of a dissolving Business Entity. ENZACTA reserves the right to terminate the IBO Agreement with the remaining spouse or particular individual if the new IBO Distributorship does not carry out in the same manner and spirit and requirements as previously carried out.
- 1.12.3. If a former spouse has completely relinquished all rights in the IBO Distributorship pursuant to a divorce, he or she is thereafter free to enroll under any sponsor without waiting six (6) calendar months upon submission and acceptance by the Company of a copy of the divorce decree. In the case of Business Entity dissolution, those holding an ownership interest in the Business Entity must wait six (6) calendar months from the date of the final dissolution before re-enrolling as

an IBO. In either case, however, the former spouse or equity owners shall have no right to any IBO's in his, her or its former Downline Organization or to any former customer and must develop the new business in the same manner as would any other new IBO.

- 1.13. Changes in Ownership. ENZACTA is not obligated to authorize any sale or transfer of an IBO business.
 - 1.13.1. IBO's may remove a spouse from the IBO Distributorship provided a properly executed Co-Applicant Release Form is submitted to Compliance.
 - 1.13.2. An IBO who is an individual may transfer his or her interest (and the spouse's interest, if applicable) to a Business Entity that is 100% held by one or both spouses by submitting a fully executed Change Form to the Company, provided (1) where the IBO Distributorship is solely owned by the individual, the Business Entity is also solely owned that same individual, and (2) where the IBO Distributorship is owned beneficially by more than one individual, the Business Entity is also solely beneficially by the same individuals, and in the same proportions, and a new IBO Application accompanies the Change Form. ENZACTA shall be entitled to consider same, and approve or deny the IBO Application. If approved, all individuals remain jointly and severally liable for any prior or future indebtedness or other obligations to ENZACTA.
 - 1.13.3. An IBO that is a Business Entity and 100% owned by an individual and/or his spouse may transfer its interest to the individual and/or spouse.
 - 1.13.4. To accomplish a transfer, the IBO must submit one of the following Transfer forms:
 - 1.13.4.1 If adding a spouse, a completed Co-Applicant Form;
 - 1.13.4.2 If removing a spouse, a completed Co-Applicant Release Form;
 - 1.13.4.3 If transferring to a Business Entity, the documents set forth in section 1.13.2 above; and
 - 1.13.4.4 If transferring from a Business Entity to the individual and/or individual and spouse, authorizing resolutions signed by all equity owners and signed by the individual (and spouse, if applicable).
- 1.14. Changes in Form of Business Entity. An IBO that is a Business Entity and desires to change to another type of Business Entity may do so as long as the equity ownership in the Business Entity does not change. All equity holders of the former Legal Entity must confirm with a notarized or other form of authentication signature that they agree to the change. Also, a new IBO Application must be submitted by the new Business Entity. Members of the former Business Entity are jointly and severally liable for any indebtedness or other obligations to ENZACTA.
- 1.15. Sale, Transfer or Assignment of an ENZACTA Business. The Company discourages the sale of IBO Distributorships and the transfer of partial interests in IBO Distributorships, and prohibits the practice of partnering as a subterfuge for transferring interests in IBO Distributorship. If an IBO wishes to sell, transfer, or assign (hereinafter in this section "sell" if used as a verb and "sale" if used as a noun) his or her whole or partial interest in an ENZACTA IBO Distributorship the following criteria must be met:

- 1.15.1. The IBO position being sold must be an active IBO Distributorship for a minimum of six (6) months immediate prior to the time the request for sale is made;
 - 1.15.2. The active IBO Position must be acquired by a Business Entity that is 100% held by one identified individual or by an identified individual and their spouse.
 - 1.15.3. The acquiring IBO may not currently have a beneficial interest in a IBO Distributorship or have had a beneficial interest in an IBO Distributorship within the preceding six (6) months;
 - 1.15.4. The selling IBO may not reapply to become an IBO under another sponsor for a period of not less than six (6) months;
 - 1.15.5. The acquiring IBO shall start afresh for awards and rewards, and any accumulated or past rights to commissions, bonuses or other remuneration attached to the IBO being acquired.
- 1.16. Right of First Refusal. All offers for the sale of a IBO Distributorship are subject to the right of first refusal as generally described herein, and otherwise set out in ENZACTA's Right of First Refusal Rules established by ENZACTA from time to time, and available upon request. Under these Rules, if an IBO receives a Good Faith Offer (as herein defined) to purchase his or her interests in a IBO Distributorship, the IBO shall first offer to sell such interests to the Company on the same terms and conditions contained in the Good Faith Offer. The Good Faith Offer must be only for the payment of a cash amount. If there are other terms of the offer, ENZACTA may exercise its Right of First Refusal upon attributing a value of \$1.00 to any non-cash portion of the offer. The IBO shall deliver the Good Faith Offer in writing to the Company, and the Company shall have fifteen (15) business days in which to accept the offer. A "Good Faith Offer" is an arm's length written offer to purchase the IBO Distributorship by a person that is not currently an IBO, which the Company, in its sole discretion, determines to be a legitimate offer. Evidence of a legitimate offer may include cash or other consideration deposited into an escrow account for the full amount of the Good Faith Offer, evidence of a loan commitment for the full amount of the Good Faith Offer, or other substantial steps taken for the sole purpose of purchasing such IBO Distributorship for the full amount of the Good Faith Offer. If the Company does not exercise its Right of First Refusal, the IBO shall then deliver the Good Faith Offer with supporting documentation as to legitimacy in writing, sequentially, to each of the persons having a sequential right of first refusal under the Right of First Refusal Rules, and each of those persons shall have fifteen (15) business days each, in which to accept the offer. If after that process, no one decides to accept the offer, the IBO Distributorship may be sold pursuant to the provisions of section 1.15 and these Policies.
- 1.17. Line of Sponsorship. No changes in line of sponsorship can result from the sale or transfer of an ENZACTA IBO Distributorship without the approval of the Company.
- 1.18. Compliance Department Approval. Upon complete execution of the Transfer Form, the parties must submit copies of the same to ENZACTA's Compliance department for review and approval. ENZACTA may request additional documentation that may be necessary to analyze the transaction between the buyer and seller.
- 1.19. Changes to the Agreement. Because laws and the business environment periodically change, ENZACTA may find it necessary to amend the Agreement and its prices from time to time. Under the IBO Agreement, ENZACTA has the right to change the Policies and Procedures and the Compensation Plan, from time to time, and that publication of same on the ENZACTA website shall constitute reasonable notice of such changes to all IBO's, and will become binding on all IBO's within 14 days of publication. IBO's who do not wish to be bound by particular changes, are free to exercise their rights under this

Agreement to terminate the IBO Agreement, and ENZACTA will in this instance agree to waive the normal fourteen (14) day notice requirement. IBO's that continue to sponsor new IBO's and/or accept commissions, bonuses or other remuneration from ENZACTA, or purchase products for consumption or resale as an IBO, shall be conclusively deemed to have accepted such amendments.

SECTION 2. OPERATING YOUR INDEPENDENT IBO DISTRIBUTORSHIP

- 2.1. Code of Ethics. ENZACTA is a values-based company and prided itself on the quality and character of the people who become ENZACTA IBOs. The following Code of Ethics helps ensure a uniform standard of excellence and has been established to assist you in operating your IBO Distributorship on a successful basis. You acknowledge reading and understanding the Code of Ethics and agree to be guided by it when operating your IBO Distributorship.
 - 2.1.1. You will actively work to establish and maintain a Customer base.
 - 2.1.2. You will be respectful of every person you meet while operating your independent ENZACTA IBO position including all other IBO's *upline*, *downline*, crossline and the ENZACTA officers and employees.
 - 2.1.3. At all times you will conduct yourself and your business in an ethical, moral, legal, and financially sound manner.
 - 2.1.4. You will not engage in activities that may bring disrepute to ENZACTA, any ENZACTA corporate officer or employee, yourself or other IBO's.
 - 2.1.5. You will not make disparaging or discouraging claims towards other ENZACTA IBO's. You will ensure that in all ENZACTA business dealings you will refrain from engaging in negative language and defamatory statements.
 - 2.1.6. You will be truthful in your representations of ENZACTA products and make no claims regarding the health benefits of ENZACTA products that violate the law.
 - 2.1.7. You will provide support and encouragement to your Customers to ensure that their experience with ENZACTA is a successful one and will clearly state all terms of sale.
 - 2.1.8. You will provide follow-up service and support to your *Downline* Organization as is reasonably necessary to assist them in building a Customer base and a *Downline* Organization.
 - 2.1.9. You will correctly represent the Compensation Plan and will not make income potential representations except in accordance with section 4.2 below.
 - 2.1.10. You shall make personal telephone contact with potential applicants and Customers in a reasonable manner and during reasonable hours to avoid intrusiveness.
 - 2.1.11. When making sales presentations, you shall discontinue it immediately upon the request of the recipient.
 - 2.1.12. You shall take appropriate steps to protect the private information of your Customers and *downline*, including compliance with applicable federal and provincial privacy laws and with ENZACTA's Privacy Policy.

- 2.1.13. You shall respect the lack of commercial experience of potential applicants and actual Customers and *downline*.
 - 2.1.14. You shall not abuse the trust your Customers and *downline* place in you, nor shall you exploit their age, illness, lack of understanding or unfamiliarity with language.
 - 2.1.15. You will not make misleading comparisons of another company's direct selling opportunity, products or services.
 - 2.1.16. You understand that all promotional literature, advertisements and mailings may not contain descriptions or other information that is false, deceptive or misleading. All literature must also contain the address and telephone number of the Company as well as your contact information.
 - 2.1.17. You agree to abide by all aspects of the Agreement, including these Policies and Procedures.
 - 2.1.18. You will not give cash gifts to ENZACTA Employees. ENZACTA employees may not accept cash gifts from IBOs. ENZACTA employees appreciate kindness and may accept small tokens or gifts of appreciation, and welcome letters from an IBO expressing appreciation in recognition of outstanding service. Letters directed to the Executive Team giving praise to an employee are also welcome, and serve in determining employee recognition and awards.
 - 2.1.19. You shall not solicit or encourage employees of ENZACTA, any of their affiliated entities, or their immediate families to be ENZACTA IBOs. No ENZACTA corporate officer, employee, product supplier, agent, representative or consultant or IBO of their immediate family is allowed to be an IBO, or build a *downline* in ENZACTA or any other network marketing or direct selling company without the written consent of ENZACTA. For the purposes of this paragraph, "immediate family" includes any person currently residing in the same home as an officer, employee, product supplier, agent, representative or consultant of ENZACTA or any of its affiliated entities.
- 2.2. Independent Contractor Status. The legal relationship between ENZACTA and you as an IBO is intended to be one of independent contractor, with the specifics of that legal relationship agreed to be as follows:
- 2.2.1. Control - Subject to the terms of the Agreement, and other applicable laws, you as a IBO, shall have complete control and discretion over the operation of your independent businesses including, without limiting the nature of the foregoing, how much or how little time you choose to devote to your businesses, and you shall be entitled to establish your own business goals, business hours, and business methods.
 - 2.2.2. Ownership of Tools – You shall be responsible for the ownership and acquisition of any business tools, equipment, assets, and expenses, and all business goods, services and intangibles that you, in your discretion, believe necessary for the operation of your independent business including, without limiting the generality of the foregoing, the location and appointment of your business office, business cards, letterhead, computer equipment, motor vehicle(s), and other tools and equipment (e.g., phone, office supplies etc.) which you alone deem necessary for operation of your business, all of which shall established and/or acquired at your own expense. You shall also maintain insurance, such as liability, fire and theft

insurance, during the term of the Agreement for the benefit of your business, in amounts as you deem appropriate, and at your own expense.

- 2.2.3. Chance of Profit/Risk of Loss - You agree that all expenses incurred by you as an IBO in the operation of your business shall be incurred on your own account, and be your own responsibility. You also agree that the terms of your compensation as an IBO under the Compensation Plan are entirely set out in the Compensation Plan, and accordingly, the chance of profit and the risk of loss inherent in the Compensation Plan, and inherent in the operation of an IBO's independent business, rests entirely with you, with no "expense reimbursement" or "minimum compensation" being offered or guaranteed by ENZACTA whatsoever.
- 2.2.4. No Power to Bind – While you as an IBO are entitled to inform others that you are an IBO engaged by ENZACTA in an independent status, you shall at no time represent yourself to be an employee of ENZACTA, and shall clarify with others, where necessary, your status as an independent contractor of ENZACTA. You have no authority (expressed or implied), to bind ENZACTA to any obligation, and you shall not be construed as purchaser of a franchise or a business opportunity.
- 2.2.5. No Creation of Employment, Agency, Partnership, Franchise or Joint Venture Relationship – The legal relationship between you and ENZACTA is not intended to create, and does not create, an employer/employee relationship, agency, partnership, franchise or joint venture relationship between you and ENZACTA. You shall not be construed as acting on ENZACTA's behalf, as agent or otherwise.
- 2.2.6. Treatment as Independent Contractor for Tax and Other purposes – Accordingly, and as set out in section 2.3 below, you will not be treated as an employee of ENZACTA for Canadian provincial or federal tax purposes (including, but not limited to: federal income tax withholding or reporting requirements, federal Employment Insurance (EI) and Canada Pension Plan (CPP) deductions, the Goods and Services Tax (GST)/Harmonized Sales Tax (HST), the Quebec Sales Tax (QST), applicable Provincial Sales Tax (PST) and other like taxes, obligations, and provincial employment standards rules and workers' compensation deductions). You shall take all steps necessary to comply with your own tax obligations, including, without limiting the generality of the foregoing, all federal income tax, CPP, EI, GST/HST, QST, provincial income tax and PST, and other like requirements. You shall indemnify ENZACTA from any claims arising from your failure to pay such taxes and, should you be deemed an employee or agent by a competent agency or court in any jurisdiction in which you do business, you shall release us from and indemnify us against any claim arising from such determination.
- 2.2.7. It is your responsibility and you agree to comply with all federal, provincial and local laws and the Agreement in the operation of your IBO Distributorship or the acquisition, receipt, holding, selling, distributing, or advertising of our product or opportunity.
- 2.2.8. You also agree to be fully responsible for all of your verbal and/or written statements made regarding the products, services, and the Compensation Plan which are not expressly contained in Official ENZACTA Materials. You must truthfully and fairly describe the Compensation Plan. No past, potential or actual income claims may be made to prospective IBOs, nor may you use your own incomes as indications of the success assured to others. Commission cheques may not be used as marketing materials. You may not guarantee commissions or estimate expenses to prospects. The provisions of this section survive the termination of the Agreement.

- 2.2.9. You must clearly identify yourself as an “Independent Business Owner” on any business cards, brochures or other materials that you use in your business.
- 2.3. Taxes & Withholding Obligations. As an independent contractor, you are responsible for compliance with HKSAR taxing legislation, as that legislation affects your independent business. For greater certainty in this regard:
- 2.3.1. Income Tax and Personal Assessment – You shall be responsible for payment and or withholding of all relevant Income Tax and Personal Assessment required in respect of your business, or your purchases, under HKSAR Inland Revenue Ordinance. You acknowledge that as an independent contractor, you will not be treated as an employee for purposes of, you shall be responsible for paying taxes due from all compensation earned as an IBO imposed on your business.
- 2.3.2. Profit Tax – If you run the business in a business entity, the HKSAR Inland Revenue Ordinance requires that profits tax shall be charged for each year of assessment on every person carrying on a trade, profession or business in Hong Kong in respect of his assessable profits arising in or derived from Hong Kong for that year from such trade, profession or business. You acknowledge that as an independent contractor, you will be not be treated as an employee for purposes of, you shall be responsible for paying taxes due from all compensation earned as an IBO imposed on your business.
- 2.4. Unfair Competition
- 2.4.1. Non-solicitation after Termination – For a period of twelve (12) calendar months following termination of the IBO Agreement, with the exception of those IBO's you personally sponsored, you may not, directly or indirectly, recruit or attempt to solicit or recruit any IBO or Customer for another Network Marketing business. You and ENZACTA recognize that because Network Marketing is conducted through networks of independent contractors 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 ENZACTA agree that this non-solicitation provision shall apply to all markets in which ENZACTA conducts business. This subsection shall survive termination of the Agreement.
- 2.4.2. No Use of Confidential Information – Notwithstanding any other provisions of this Agreement, during the term and after termination of the IBO Agreement, you may not use our trade secrets and Confidential Information (as defined in section 2.5 below) to solicit, recruit, or attempt to solicit or recruit, whether directly or indirectly, other IBO's or Customers to any other Network Marketing business. Nor may you use our trade secrets or Confidential Information in connection with sales of any other products or services. This subsection shall survive termination of the Agreement.
- 2.4.3. Sale of Competing Goods or Services – While an IBO, you shall not market or sell, or attempt to market or sell any programs, products, or services to your ENZACTA *downline* or other ENZACTA IBOs that compete with our products. Any program, product, service, or Network Marketing opportunity in the same generic categories as our product is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.
- 2.4.4. Targeting Other Direct Sellers – You agree to refrain from systematically targeting members of another Network Marketing business to be an IBO. If any lawsuit, arbitration, or mediation is brought against you alleging that you engaged in such

prohibited activity, you shall indemnify us against all claims, actions, suits, and demands arising from or related to the systematic targeting.

- 2.4.5. Disparagement – You shall not demean, discredit, defame or make misleading comparisons with other companies, competitors of ENZACTA, IBO organizations or systems, or IBO's in an attempt to promote our products, or to entice another individual to become part of your marketing organization or to enroll in ENZACTA. You shall not use financial enticements or other incentives to persuade an IBO to change his or her line of sponsorship or business building system.
- 2.4.6. Line Switching, Cross Sponsoring and Enticement – You agree that maintaining the integrity of the line of sponsorship in an IBO organization is fundamental to network marketing. Accordingly, you agree not to engage in line switching, cross-sponsoring, and enticement. “Line switching” means applying for and becoming an IBO: (a) when already an IBO, (b) when holding a beneficial interest in another IBO Distributorship ; and/or (c) when less than six (6) months have passed since having been an IBO or having held a beneficial interest in another IBO Distributorship . “Cross sponsoring” means the enrollment of another IBO (including an IBO whose IBO Agreement was terminated within the preceding twelve (12) months or who has sponsored or has purchased product in the preceding six (6) months to a different line of sponsorship). “Enticement” means soliciting, encouraging, offering benefits, or in any way aiding another IBO to line switch and/or cross-sponsor.
- 2.4.6.1 You shall not use a spouse’s or relative’s name, trade name, assumed or fictitious names, legal entities, false government issued identification numbers, or fictitious ID numbers to circumvent this policy.
- 2.4.6.2 Because line switching, cross-sponsoring, and enticement can be so detrimental to us and to the IBO involved, you have an affirmative obligation to notify the Compliance department as soon as is reasonably possible if you know of or have reasonable grounds to suspect another IBO has breached these covenants.
- 2.4.6.3 Should you or another IBO breach these covenants, ENZACTA may take any or all of the following actions:
- 2.4.6.4 Terminate the IBO Agreement and related IBO Distributorship in breach;
- 2.4.6.5 Terminate the IBO Agreement and related IBO Distributorship created as a result of line switching (the “second in time IBO Distributorship ”); and leave the IBO Distributorships enrolled by the second in time IBO Distributorships in place and not change sponsorship or placement unless extenuating circumstances and fairness compel otherwise. However, ENZACTA is under no obligation to do so and any move and the ultimate disposition of the organization remains within the sole discretion of ENZACTA.
- 2.4.6.6 You waive all claims against us that arise from or relate to the disposition of such IBO Distributorship .

2.4.7. Unethical Activity – You agree to be ethical and professional at all times when operating your ENZACTA IBO Distributorship . Accordingly, you agree that you will not, nor will you encourage or in any way condone IBO's in your *downline* to participate in unethical activity. Examples of unethical activities include, but are not limited to the following, some of which are further described in these P & P's:

- 2.4.7.1 Making unapproved claims about the product in breach of section 4.1, below;
- 2.4.7.2 Making unapproved income claims in breach of section 4.2, below;
- 2.4.7.3 Making false statements or misrepresentations of any kind, including but not limited to, untruthful or misleading representations or sales offers relating to the quality, availability, grade, price, terms of payment, refund rights, guarantees, or performance of the products;
- 2.4.7.4 Making disparaging comments;
- 2.4.7.5 Promoting product sales in retail chain establishments;
- 2.4.7.6 Use of another IBO's credit card without express written permission;
- 2.4.7.7 Unauthorized use of confidential information;
- 2.4.7.8 Line switching, cross-sponsoring, or enticement;
- 2.4.7.9 Failure to comply with sales requirements;
- 2.4.7.10 Engaging in unauthorized premarket activity;
- 2.4.7.11 Violating the rules for conducting business in a Not for Resale market;
- 2.4.7.12 Personal conduct that discredits the Company and/or its IBOs;
- 2.4.7.13 Violating the laws of your jurisdiction that pertain to your IBO Distributorship ;
- 2.4.7.14 Conducting any business activity in a country that is neither an Open Country or Not for Resale or On The Ground market;
- or
- 2.4.7.15 Breaching the Agreement

- 2.5. Confidential Information. During the term of the Agreement, the Company may supply to you or you may develop yourself various proprietary information including, without limiting the generality of the foregoing, Activity Reports, Customer Lists, *Downline* Lists (or names or addresses or contact information), other IBO lists, trade secrets, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which the Company may deem as confidential (collectively, the “Confidential Information”). As an ENZACTA IBO, you acknowledge that all such Confidential Information (whether in spoken, written or electronic form) is proprietary and confidential to the Company and is transmitted to you in strictest confidence on a “need to know” basis for use solely in your business with the Company. You must use your best efforts to keep such Confidential Information confidential and must not disclose any such information to any third party, directly, or indirectly. You must not use any Confidential Information to compete with the Company or for any purpose other than promoting the Company’s program and its products and services. Upon expiration, nonrenewal or termination of the IBO Agreement, you must discontinue the use of such Confidential Information and promptly return any Confidential Information to the Company. This subsection shall survive the Terminations of the Agreement.
- 2.6. Proprietary Marks and Intellectual Property. The Company’s name, trademarks and service marks (the “Proprietary Marks”), copyrighted materials and trade secrets are proprietary to and owned or licensed by the Company or its affiliates. The use of the Proprietary Marks and copyrighted materials by you must be approved in writing by the Company prior to use and must be in strict compliance with these Policies and Procedures. You are not permitted to use the Company’s Proprietary Marks in your business name, as a domain name or email address, on or in connection with any social or business networking site or in any other electronic media or transmission without the Company’s prior written consent, which can be withheld in its sole discretion. Any right to use the Company’s Proprietary Marks and other intellectual property by you is non-exclusive, and that the Company has the right and sole discretion to grant others the right to use such Proprietary Marks and other intellectual property. Any and all goodwill associated with the Proprietary Marks and other intellectual property (including goodwill arising from your use) inures directly and exclusively to the benefit of the Company and is the property of the Company. On expiration or termination of this Agreement, no monetary amount shall be attributable to any goodwill associated with your use of the Proprietary Marks and other intellectual property.
- 2.7. Activity Reports. ENZACTA desires to protect you, other IBO’s and the Company from unfair and inappropriate competition. We provide you access and viewing of your personal organization through your ENZACTA web site back office. The personal organization and any other IBO’s list, including but not limited to all IBO’s, organization lists, names, addresses; email addresses, and telephone numbers contained in the ENZACTA database, in any form, including but not limited to, hard copies, electronic or digital media (collectively the “Activity Reports”) are our confidential and proprietary property. ENZACTA has derived, compiled, configured, and currently maintain the Activity Reports through the expenditure of considerable time, effort, and monetary resources. Activity Reports, in present and future forms and as amended from time to time, constitute commercially advantageous proprietary assets and trade secrets of the Company, which you shall hold confidential. You and ENZACTA agree that – but for this agreement of confidentiality and nondisclosure – we would not provide Activity Reports to you. Your right to disclose the Activity Reports and information contained therein is expressly reserved by us and may be defined at our discretion.
- 2.7.1. Purpose – Activity Reports are made available to you for the sole purpose of assisting you in working with your *Downline* Organization in the development of your ENZACTA business. You may use your Activity Reports to assist, motivate, and train your *Downline* Organization.

- 2.7.2. Limited Use – Your access to your Activity Reports is password protected. Activity Reports are provided to you in strictest confidence. Such Activity Reports shall not be disclosed by you to any third party or used for purposes other than in the performance of your obligations under the Agreement and for our benefit without our prior written consent. Any unauthorized use or disclosure of Activity Report constitutes misuse, misappropriation and a violation of the IBO Agreement and may cause irreparable harm to us.
- 2.7.3. No Improper Disclosure – You shall not, on your own behalf, or on behalf of any other person, directly or indirectly, disclose the password or other access to your Activity Report; or recruit or solicit any IBO listed on any Activity Report or in any manner to influence or induce any IBO to alter the IBO's business relationship with the Company.
- 2.7.4. Breach – In the event you breach any of the covenants of this subsection, ENZACTA may terminate your IBO Agreement and related IBO Distributorship and we may seek injunctive relief to prevent irreparable harm to us, our affiliates or any of our IBO's. ENZACTA may also pursue all appropriate remedies under applicable law to protect our rights to Activity Reports; any failure to pursue such remedies will not constitute a waiver of those rights.
- 2.7.5. No Warranty of Information – All information provided by us, 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 and mechanical error; the accuracy, completeness, and timeliness of orders, denial of credit card and electronic cheque payments; returned product, credit card and electronic cheque chargebacks – the information is not guaranteed by us or any persons creating or transmitting the information. To the extent allowed by law, ALL PERSONAL AND GROUP SALES VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED 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, WE AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO YOU 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 GROUP SALES VOLUMES INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS OR REMUNERATION, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF INFORMATION), EVEN IF WE OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE COMPANY DOES NOT WARRANT THAT ITS PRODUCTS OR SERVICES WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE SYSTEMS OR THAT ON-LINE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. THE COMPANY IS NOT RESPONSIBLE OR LIABLE FOR MAINTAINING ANY IBO OR CUSTOMER DATA OR FOR THE DELETION, CORRUPTION, DESTRUCTION, DAMAGE, LOSS OR FAILURE OF ANY IBO OR CUSTOMER DATA OR FOR ANY THIRD PARTY ACCESS TO ANY IBO OR CUSTOMER DATA.

- 2.8. Identification. Upon enrolling, or at our discretion, you shall, if permitted by law, provide us your government-issued ID number and/or a copy thereof. Upon enrollment, ENZACTA will provide you a unique IBO Distributorship identification number. We will use this number to track all of your business with us.
- 2.9. Product Packaging and Liability. Under no circumstances shall you re-label, or in any way alter or repackage the products. Products are to be sold in their original packaging only.
- 2.10. Insurance. ENZACTA does not extend coverage under any of its policies to IBO's. If you use your personal property (e.g. car or computer) or your home for business use, such property may not be covered for loss or damages and you release us from any claim arising from or related to the operation of your IBO Distributorship. You are responsible as an independent contractor to obtain any insurance required by the province or jurisdiction in which you operate your IBO Distributorship.
- 2.11. Reporting Policy Violations. To assist us in maintaining a level playing field for all IBO's and to maintain the integrity and longevity of the Company, you agree to report violations of the Policies and Procedures immediately to our Compliance department and not to *upline* or *downline* IBO's, complete with all supporting evidence and pertinent information. Our Compliance department can at times more effectively enforce the Policies and Procedures when disclosing the source of the allegations; however, the Compliance department will use its reasonable efforts to honor all requests for confidentiality.
- 2.12. Corporate Tours. In an effort to insure proper operational efficiency, you may visit ENZACTA's corporate facility only by appointment made in advance.
- 2.13. Correct Information. ENZACTA may periodically request that you update your account information, which you agree to do in a reasonable amount of time.
- 2.14. Authorization to Use Name and Likeness. By executing the Agreement, you grant to the Company and its affiliates and agents the absolute, perpetual and worldwide right and license to use, record, publish, reproduce, exhibit, advertise, display and sell in any manner for all purposes, your name, photograph, likeness, voice, testimony, biographical information and image and other information related to your business with the Company (collectively, the "Likeness"), in marketing, promotional advertising and training materials, whether in print, radio or television broadcasts, including cable and satellite transmissions), audio and videotapes on the Internet or in other media materials (the "Publicity Materials") for an unlimited number of times, in perpetuity throughout the universe, without compensation. You waive any right to inspect or approve any Publicity Materials including or accompanying any IBO's Likeness (or the Likeness of any participant in an IBO in the case an IBO is an entity). You further release the Company from any liability or obligation that may arise as a result of the use of your Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). You may withdraw your authorization of any use of your Likeness that has not already been publicized by providing written notice to the Company. You agree that any information given by you including any testimonial is true and accurate.
- 2.15. Privacy Policy & Consent. You understand and agree that certain personal information relating to you and your business will be collected, used and retained by ENZACTA in accordance with ENZACTA's Privacy Policy, as amended from time to time and otherwise in accordance with Canadian federal and provincial privacy laws, and you hereby consent to same. ENZACTA reserves the right to amend or revise the terms of its Privacy Policy without express notice to you, and you consent to any amendments reasonably made. In operating your independent business, you also agree to adopt, implement and

disseminate a privacy policy that complies with all Canadian federal and provincial privacy laws that your business may be subject to, for which you are solely responsible, and such compliance shall be undertaken at your sole expense. You acknowledge that failure to comply with these terms may result in immediate termination of your Agreement. Without limiting your sole responsibility to comply with federal and provincial privacy laws affecting your business, ENZACTA hereby grants you, at no additional charge, for the term of your Agreement, the right to copy and use in your business the ENZACTA Privacy Policy and related privacy policy consents.

SECTION 3. SPONSORSHIP

- 3.1. Sponsoring IBO Responsibilities.
 - 3.1.1. Sponsoring – Any IBO in good standing may act as the Sponsoring IBO for a new IBO. If more than one IBO claims to have introduced a new IBO to ENZACTA, ENZACTA will honor the first original IBO Application form received and accepted by ENZACTA.
 - 3.1.2. Disclosure – You agree to provide the most current version of the Policies and Procedures, and Compensation Plan to potential applicants you are sponsoring and ask them to review same before the applicant signs an IBO Application. Copies of the Policies and Procedures, and the Compensation Plan can be downloaded from your replicated website.
 - 3.1.3. **Assistance – You may assist an applicant in the online enrollment process; however, the applicant must agree to the terms and conditions of the Agreement by clicking to submit the IBO Agreement, or signing a paper document.**
- 3.2. Sponsor/Placement Change. ENZACTA highly discourages sponsor or placement change. However, we recognize such changes are occasionally beneficial. Accordingly, we permit the following exceptions.
 - 3.2.1. Change of Sponsor – To change your sponsor you must submit a Sponsor Change Request to our Compliance department within three (3) business days from the date of enrollment.
 - 3.2.2. Change of Placement – As a sponsor, you may request a change of placement of an IBO you recently sponsored by submitting to our Compliance department a Change of Placement Form within three (3) business days of enrollment. The recently enrolled IBO's placement may be moved only inside your organization and will be placed in the first available open bottom position on the date that the change is made. ENZACTA will not change the placement if your IBO has earned commission, bonuses or other remuneration or achieved rank or earned BV (Business Volume points created from sales) from a or created any BV from them to the *Upline* unless the Company approves.
 - 3.2.3. Other Requests – ENZACTA reserves the discretion to approve or deny any request for a change of sponsor or placement, which approval may not be unreasonably withheld.
- 3.3. Reapplication. If you are not in breach of the Agreement, you may change your sponsorship by voluntarily terminating your IBO Agreement. Following the six (6) month period of termination, you may reapply under a new sponsor, provided complying with the written authorization of the Compliance Department, as required in section 1.8, above.

- 3.4. Recruitment Payment Prohibited. To ensure full compliance with section 55.1 of the Federal *Competition Act*, ENZACTA strictly prohibits you from giving consideration for the right to receive compensation by reason of the recruitment into the Compensation Plan of another IBO, who then gives consideration for the same right. Without limiting the generality of the foregoing, and while you have the right to sponsor/enroll other IBOs into the Compensation Plan, ENZACTA does not pay any bonuses, commissions or other remuneration, or allow IBO to make similar payments, for mere sponsoring/enrolling.
- 3.5. Revenue Generating Events. You acknowledge that there is only one revenue earning event for an IBO, namely the sale of ENZACTA products and services to retail customers, and that payment of all bonuses, commissions and other remuneration to IBOs under the Compensation Plan is properly to be construed as either payment for the inherent mark-up associated with the resale of ENZACTA products and services to retail customers, or as payments in respect of the resale of products to others by a IBO's *downline*, or for the training, motivation and marketing services inherent therein.

Accordingly, you acknowledge that your remuneration shall be ultimately based on the resale of products and services to customers, and that no commissions, bonuses, or other remuneration shall be earned from the mere sponsorship or enrollment of any other IBO, or from your mere personal consumption. You are strictly prohibited from making or representing that compensation is payable for anything other than sale of product or services.

SECTION 4. PROMOTING THE PRODUCT AND OPPORTUNITY

Because many aspects of the ENZACTA opportunity and the products are regulated, compliance with advertising law is important for the longevity of your business and ours. We make every effort to comply with advertising law and expect the same from you. This section describes product and opportunity claims that you may make, and the limitations. It also explains the type and methods of advertising you may use in building your ENZACTA business.

4.1. Product Claims

- 4.1.1. Advertised Price – IBOs may not advertise any ENZACTA products at a price less than the highest company-published, established retail price of one (1) unit or one (1) case of the ENZACTA product plus shipping and applicable taxes. No special enticement advertising is permitted. This includes but is not limited to offers of free membership, free shipping, or other such offers that grant advantage beyond those available through the Company.
- 4.1.2. Recommended Sales Promotion and Sponsor Training – Regardless of an IBO's level of achievement, he or she is encouraged to continue to personally promote sales through the generation of new Customers and through servicing existing Customers. IBO's are also encouraged to motivate and train their new *downline* in product knowledge, effective sales techniques, the Compensation Plan, and compliance with these Policies and Procedures. Additionally, IBO's may find it beneficial to their business to assist and train IBO's he or she sponsors to ensure that *downline* IBO's are properly operating their ENZACTA businesses. IBO's may not charge, for profit, a fee for product or opportunity training meetings without prior, written approval from ENZACTA.
- 4.1.3. Health Claims – No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by ENZACTA may be made except those specific claims contained in official Canadian ENZACTA materials. Such claims may only be repeated or republished in exactly the same format as that published by ENZACTA and the claim must be republished in its

totality (“Permitted Health Claims”). In particular, no claims other than any Permitted Claims may be made that ENZACTA products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases, or that ENZACTA products are manufactured, sold or represented for use in (a) the diagnosis, treatment, mitigation or prevention of a disease, disorder or abnormal physical state or its symptoms in humans; (b) restoring or correcting organic functions in humans; or (c) modifying organic functions in humans, such as modifying those functions in a manner that maintains or promotes health. Any other statements which can be perceived as medical, drug claims or natural health product claims are considered to be in breach of these Policies and Procedures and may violate federal and provincial laws and regulations, including the federal Food and Drugs Act.

- 4.1.4. Other Product Claims – No other product claims or representations regarding ENZACTA products except those that are specifically contained in official Canadian ENZACTA materials. Such claims or representations may only be repeated or republished in exactly the same format as that published by ENZACTA and the claim must be republished in its totality (“Permitted Product Claims”). In particular, no claim or representation other than any Permitted Product Claims may be made regarding the following: (1) the performance, efficacy or life of ENZACTA products or services; (2) the testing of ENZACTA products or services; (3) testimonials or endorsements of ENZACTA products or services; and (4) any matter that would be false or misleading in a material respect. Any other claims are considered to be in breach of these Policies and Procedures and violate federal and provincial laws and regulations, including the federal Competition Act.
- 4.1.5. Governmental Approval or Endorsement – Neither government agencies nor their officials approve or endorse any network marketing companies or products. Therefore, IBO’s shall not represent or imply that ENZACTA, its products, or its Compensation Plan have been approved, endorsed, or otherwise sanctioned by any government agency or official.

4.2. Opportunity Claims.

- 4.2.1. General Prohibition Against Income Claims & Earnings or Lifestyle Representations – To ensure full compliance with section 55 of the Federal Competition Act (“Section 55”), ENZACTA strictly prohibits you and all other IBOs from making any representations relating to compensation under the Compensation Plan, whether to a prospective IBO, customer or otherwise. Without limiting the generality of this prohibition, and because IBOs do not have the data necessary to comply with the legal requirements for making income claims or other earnings or lifestyle representations under Section 55, when presenting or discussing the ENZACTA opportunity or Compensation Plan to a prospective IBO, you are strictly prohibited from making or implying directly or indirectly by any means any income claims or earning or lifestyle representations. This includes a general prohibition against the making of income projections, improved lifestyle claims, hypothetical income examples or disclosures regarding your income from your independent ENZACTA IBO Distributorship (including the showing of cheques, copies of cheques, bank statements, tax records, or other similar demonstrative documents). Furthermore, so that ENZACTA may meet its obligations under Section 55 to ensure that (a) no representations relating to compensation under the Compensation Plan are made by participants in the plan or by ENZACTA representatives, and that (b) that any representations relating to compensation under the Compensation Plan that may be made, constitute or include fair, reasonable and timely disclosure of the information required by Section 55, should you (or any person under ENZACTA’s control) have reason to

believe that this general Prohibition Against Income Claims & Earnings or Lifestyle Representations is being contravened, YOU SHALL HAVE THE POSITIVE OBLIGATION TO INFORM ENZACTA of the facts relevant to the contravention, such that ENZACTA is capable of ensuring that any representations relating to compensation made under the Compensation Plan comply with the provisions of Section 55, or are otherwise corrected.

4.2.2. Limited Right to Make Income Claims, With Timely Disclosure – Without limiting the general Prohibition Against Income Claims & Earnings or Lifestyle Representations and reporting other obligations set out in section 4.2.1 above, at such time as ENZACTA develops and publishes in official ENZACTA Canadian materials or on the Canadian ENZACTA website, either (a) compensation actually received by typical participants in the Compensation Plan or (b) compensation likely to be received by typical participants in the Compensation Plan, having regard to the relevant considerations set out in Section 55 (hereafter, “Fair, Reasonable and Timely Disclosure Information”), you may:

4.2.2.1 Repeat to prospective IBOs any income claims or earnings representations found in official ENZACTA Canadian materials or on the ENZACTA Canadian website, provided immediately noting the Fair, Reasonable and Timely Disclosure Information set out in such materials or website.

4.2.2.2 Make hypothetical income examples to prospective IBOs that are used to explain the operation of the Compensation Plan, and which are based solely on mathematical projections of information set out in the Compensation Plan, provided that in using such hypothetical examples you also immediately provide the Fair, Reasonable and Timely Disclosure Information set out in the then-current ENZACTA Canadian materials, and make clear to the prospective IBOs that such prior income examples are hypothetical.

4.2.3. The terms that an IBO uses when discussing the ENZACTA program are critical. Improper use of terms or the use of improper terms can create a situation that is breaches section 4.2.1 above, and may be in violation of federal Competition Act requirements when in fact the proper discussion of the program reflects the full and complete compliance with all standards. It is the responsibility of all IBO's to fully understand these differences to avoid suspension or termination for false representation or operation of their IBO Distributorship . The following examples are intended to highlight the most common situations.

4.2.4. Future Expansion Claims – IBO's agree to not imply or state that additional products, programs or services will be added to the products; programs and services currently offered by ENZACTA or that improvements to the Business Plan are forthcoming. In addition, IBO's must not assert that specific territories or areas are to be opened or added to territories or areas of ENZACTA operation until the event has been officially announced in writing by ENZACTA.

4.3. Compensation Plan.

Dual Team

You are paid monthly based on your Reward pin for the previous month. You can earn up to the maximum steps or cycles of your Reward title. Example: Reward Gold in June will allow you to earn up to three hundred (300) steps in July.

Leadership Bonus

Is paid based on the lowest Reward pin earned in the last three (3) months.

Award Pin

It is used to publically recognize your achievement in the ENZACTA business.

The Award pin is equal to the highest Reward pin earned and will be recognized for twelve (12) months.

4.3.1. Requirements for the Reward PIN.

Reward pin levels are earned monthly and are used to determine all compensation and monetary benefits. They will be evaluated each Calendar month according to the following requirements:

IBO

- Joined the business by registering with one of the ENZACTA plans.
- Must make a qualifying purchase every six months.

Wholesale Buyer

- Must make a qualifying purchase every six months.

Wholesale Buyer/Retail Seller

- Must make a qualifying purchase every six months.
- Personally sponsor one or more people (one or more of the personally sponsored people must be active in the Calendar month.)

Wholesale Buyer Plus

- Must make a qualifying purchase every six months.
- Personally sponsor one on your team A and one on your team B.
- Must earn one (1) step from the commission table (refer to compensation plan) in the Calendar month.

Associate

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor two (2) or more people who are active in the same Calendar month.
- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn two (2) steps from the commission table (refer to compensation plan) in the Calendar month.

*all of the above must occur in the same month.

Director

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor two (2) or more people who are active in the same Calendar month.
- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn four (4) steps from the commission table (refer to compensation plan) in the Calendar month.

*all of the above must occur in the same month.

Senior Director

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor two (2) or more people who are active in the same Calendar month.
- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn twenty (20) steps from the commission table (refer to compensation plan) in the Calendar month.

*all of the above must occur in the same month.

Bronze

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor four (4) or more people who are active in the same Calendar month.
- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn forty (40) steps from the commission table (refer to compensation plan) in the Calendar month.

*all of the above must occur in the same month.

Silver

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor six (6) or more people who are active in the same Calendar month.
- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn eighty (80) steps from the commission table (refer to compensation plan) in the Calendar month.

*all of the above must occur in the same month.

Gold

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor seven (7) or more people who are active in the same Calendar month.
- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn one hundred forty (140) steps from the commission table (refer to compensation plan) in the Calendar month.

*all of the above must occur in the same month.

Platinum

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor eight (8) or more people who are active in the same Calendar month.

- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn two hundred (200) steps from the commission table (refer to compensation plan) in the Calendar month.

*all of the above must occur in the same month.

Diamond

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor ten (10) or more people who are active in the same Calendar month.
- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn three hundred (300) steps from the commission table (refer to compensation plan) in the Calendar month.
- Must have two (2) Reward Platinums one in the left and one in the right in your downline in the same month. They do not have to be personally sponsored.

*all of the above must occur in the same month.

Blue Diamond

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor twelve (12) or more people who are active in the same Calendar month.
- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn four hundred (400) steps from the commission table (refer to compensation plan) in the Calendar month.
- Must have two (2) Reward Diamonds one in the left and one in the right in your downline in the same month. They do not have to be personally sponsored.

*all of the above must occur in the same month.

Crown Diamond

- Minimum purchase of 160 BV on regular orders or 80 BV on Autoship orders per Calendar month.
- Must sponsor thirteen (13) or more people who are active in the same Calendar month.
- Of the personally sponsored actives, one must be on the left side and one must be on the right side of your business.
- Must earn eight hundred (800) steps from the commission table (refer to compensation plan) in the Calendar month.
- Must have two (2) Reward Blue Diamonds one in the left and one in the right in your downline in the same month. They do not have to be personally sponsored.

*all of the above must occur in the same month.

4.3.2. CAP.

The 70% cap is based on the total BV sales and subtracting the (dual team, Leadership bonus, Builders Reward bonus and any promotion bonus) also subtracting (award/reward incentive's and IBO payouts related to a cost). If the cost of the above for an organization exceeds 70% of BV sales the 70% cap is applied.

The 70% CAP will be applied from a specific IBO organization who has reached the 70% pay out. The Company will determined the exact formula based on the specific IBO organization.

For more specific information about the CAP rules, you can contact an ENZACTA offices in the country of residence.

- 4.4. Advertising and Promotional Materials. Only the promotional and advertising materials produced by the Company or approved in advance in writing by the Company may be used to advertise or promote the Company's business or to sell products and services of the Company, whether written, recorded or online. The Company owns all copyrights in all promotional and advertising materials produced by the Company. The Company's literature and materials may not be duplicated or reprinted without the prior written permission of the Company.
- 4.5. Limitations on Offering. You shall not offer the ENZACTA opportunity through or in combination with any other compensation plan or placement program, other than as specifically set forth in Official ENZACTA Materials. Further, you shall not require or encourage other current or prospective IBOs to participate in ENZACTA in any manner that varies from the programs set forth in Official ENZACTA Materials. Regardless of your rank, you shall not require or encourage other current or prospective IBO's to execute any agreement, contract, or membership, other than those offered by the Company, in order to become an ENZACTA IBO. Similarly, you shall not require or encourage other current or prospective IBO's to make any purchase from, or payment to any individual or other entity to participate in the Compensation Plan other than those purchases or payments identified as recommended or required in the Official ENZACTA Materials.
- 4.6. Internet Advertising.
- 4.6.1. IBO Websites – If you desire to utilize an internet webpage to promote your ENZACTA business, you may do so *only* through ENZACTA's official website, or if available, through ENZACTA approved replicating websites. You may not use personal or third party websites to promote your ENZACTA business or any Proprietary Marks or other intellectual property of ENZACTA. No reference to the above is allowed through third party names or fictitious names to circumvent the policy.
- 4.6.2. Blogs, Chat Rooms, Social Networks, Online Auctions and other Online Forums – Except as otherwise indicated herein, you agree to not use any other website, including but not limited to, online blogs, chat rooms, social networks, online auction sites, video websites, or any other online forum to market, sell, advertise, promote, or discuss ENZACTA's products or services or the ENZACTA opportunity. You agree that this provision is material to the Agreement and if you breach it by advertising our products through an online auction, ENZACTA may terminate the IBO Agreement without notice.

- 4.6.3. Names and Email Addresses – You may not use or attempt to register or sell any of ENZACTA's Proprietary Marks or any derivative thereof, for any internet domain name or email address (e.g. myENZACTACanada.com, getAlfaHFI.com or ALFAPXP@gmail, yournameENZACTACanada.com, etc.) or license plate. As an IBO, you may not use any of the above, or any derivative or confusingly similar variation of its Proprietary Marks, in a manner that it is likely to cause confusion, mistakes or deception as to the source of the product or services advertised.
- 4.6.4. Internet Services or Forums – You may not use ENZACTA Proprietary Marks or any derivative thereof (e.g. ENZACTA, Enzact, Exacta, ENZACTA, etc) for an internet search engine or “pay per click” service. You may not post ENZACTA or any derivative or confusingly similar variation thereof of any internet forum, discussion group, news group or online auction. In addition you may not use the Proprietary Marks for domain or sub-domain names, web site text, meta-tag list, telephone number, or any other address.
- 4.6.5. Assignment – You agree to immediately reassign to ENZACTA any registration of the Proprietary Marks or internet domain names registered to reserve in violation of this policy. You agree to affect any such transfer or assignment without any compensation and at your sole cost and expenses; the provisions of this section survive the termination of the IBO Agreement. Failure to promptly reassign any registration will result in suspension, termination and possible legal proceedings against the IBO.
- 4.6.6. Electronic Advertising – You may not sell market or promote the Company's business, marketing plan, products or services on EBay, Facebook, MySpace, Craig's List or any other business or social networking Internet site. You shall not make offers or solicitations in the guise of research, surveys or informal communication, when the real intent is to sell products or services or sponsor IBOs. If you share personal information collected on-line, you must provide individual consumers with an opportunity to prohibit the dissemination of such information, and if any consumer requests that his or her personal information not be shared, you shall refrain from sharing such information. You shall provide individual consumers the option to terminate any further communication between you and the consumer and if any consumer requests that you cease communication, you shall immediately stop communicating upon such request. You must abide by all laws and regulations regarding electronic communications.
- 4.7. Other Sales Media. ENZACTA products may not be sold or promoted through catalogs or other mass sales media such as magazines, infomercials, television, radio, or other related sales media, unless approved by the Company.
- 4.8. Retail Establishments. You may sell products and sales tools through a retail establishment that is solely owned or majority owned and controlled by the listed IBO in good standing or sell products and sales tools through service establishments (spa, fitness centers, beauty salons, etc.) regardless of ownership. These service establishments must be appointment based and/or service a limited clientele, and the service performed must be health and wellness or beauty/appearance related. Advertising in a service establishment is limited to Official ENZACTA Materials, which may be displayed only in the private membership and/or appointment area of the establishment. Sale must be made by an IBO in good standing. You may not sell or promote products through retail establishments that you have no controlling interest or through any retail chain establishments regardless of ownership interest. A retail establishment is any fixed location where the primary business is to sell products to the public and a retail chain is defined as a collection of retail establishments numbering more than five (5) locations with similar names or any common ownership.

- 4.9. Trade Shows, Expositions and other Sales Forums. ENZACTA provides a Trade Show Request Form in the Backoffice. IBO's may display and/or sell ONLY ENZACTA products at trade shows and professional expositions, with prior written approval from the Compliance Department. Requests are approved on a first-submitted, first-served basis, and a maximum of one representative per event is allowed. Only one event per IBO is allowed at a time. At the completion of each event, an additional request may be made. ENZACTA further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of the products or 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 ENZACTA wishes to portray.
- 4.10. Generic Business Advertisements. If you advertise in a newspaper or other advertising medium the following rules apply:
- 4.10.1. No advertisement may imply that a job, position, salary, or any type of employment is allowed.
- 4.10.2. No advertisement may promote, represent, or imply salaried positions, management positions, hourly wages, full or part-time employment, or guaranteed incomes. The ENZACTA opportunity is not employment, and may not be presented as such. Terms such as "manager trainee", "management position available", "travel provided", "call for interview," "position available," "now hiring," and other misleading statements are not allowed.
- 4.10.3. No specific income can be promised or implied and any reference to compensation must comply with the requirements for disclosure of a typical participant's earnings in section 4.2.
- 4.10.4. Advertisements may not contain references to ENZACTA or our products or the Proprietary Marks (i.e., no product mention, no use of ENZACTA logo or product design or no health claims).
- 4.10.5. You may not use any of ENZACTA's Proprietary Marks in any advertising.
- 4.11. Email Communication. ENZACTA does not permit IBO's to send unsolicited emails unless such emails strictly comply with applicable laws.
- 4.11.1. Requirements – Any email sent by you may not use any Proprietary Marks or other Intellectual Property rights of ENZACTA. Spamming or the distribution of unsolicited emails to a person with whom you have had no prior or existing personal or business relationship, or the sending of chain letters or junk mail is not allowed. You must comply with all laws, rules and regulations regarding electronic communications including, without limitation, the federal CAN SPAM Act, federal and provincial privacy laws, and the Competition Act. ENZACTA may periodically send commercial emails on behalf of IBO's. By entering into the Agreement you agree that we may send such emails and that you're physical and email addresses will be included in such emails as outlined above. You shall honor opt-out requests generated as a result of such emails sent by the Company.
- 4.12. No Unsolicited Fax and Phone Advertising. You are prohibited from using or transmitting unsolicited faxes, making unsolicited telephone calls, or using an automatic telephone dialing system relative to the operation of your ENZACTA businesses. You agree to inform yourself of the laws applicable to telemarketing and to comply with all federal, provincial and local laws governing the telephone solicitations and/or transmittal of faxes.

- 4.13. Telephone Use. You may not answer the telephone by saying “ENZACTA International”, “ENZACTA Canada” or “ENZACTA” or by any other manner that would lead the caller to believe that he or she had reached ENZACTA’s corporate offices. You may only represent that you are an ENZACTA IBO.

IBO’s may place telephone book listings. All listings for telephone publications should read as follows: “ENZACTA Independent Business Owner,” followed by the IBO’s name, address, and telephone number. Display advertisements must be approved in writing by ENZACTA prior to submission.

IBO’s listing a toll free telephone number may not use the ENZACTA name(s), logo(s) or product name(s) for such listing.

- 4.14. Correspondence. An IBO may only represent that he or she is an ENZACTA IBO. All correspondence and approved business cards relating to or in connection with an IBO’s ENZACTA business shall contain the IBO’s name followed by the term “Independent Business Owner”.

- 4.15. Media and Media Inquiries. You must not engage in any interaction with the media or attempt to respond to media inquiries regarding ENZACTA, its products or services, or your independent ENZACTA business. All inquiries by any type of media must be immediately referred to ENZACTA’s Communications department. Additionally, you may not draft, publish, post on the internet or otherwise disperse verbal or written ENZACTA-related press release or statements to the media. This policy is designed to ensure that accurate and consistent information is provided to the public and to maintain the desired public image. You understand that ENZACTA does not allow any audio and/or video recordings of any meetings whether conducted by corporate staff or independent IBO’s without prior written approval from ENZACTA. **You may not record any audio and/or video of employees, Company representatives, speakers, Company functions, meetings, trainings, etc.**

- 4.16. International Marketing. ENZACTA owns the worldwide distribution rights to the ENZACTA products and opportunity. We may elect to open certain countries from time to time and will grant you limited rights to sponsor in those countries. You shall not sponsor outside of our Opened Countries. Also, you shall not distribute products in any country other than your home country of enrollment. Additionally, because of important business, legal, and tax considerations, you shall not resell products to Customers or IBO’s outside of your home country of enrollment. Also, to preserve our rights, you may never secure or attempt to secure approval for our products or business practices; register or reserve the Company’s Proprietary Marks or other intellectual property, or internet domain names, or establish any kind of business or governmental contract on behalf of the Company.

- 4.16.1. Business Models – ENZACTA operates under one of two (2) models in those countries in which we have chosen to do business:

4.16.1.1 On the Ground (OTG) – This is a fully operational business model. Products are properly labeled and legalized for resale in the country. Product is purchased in local currency and commission, bonuses or other remuneration are paid in local currency. Marketing material specific to the country is available for IBO’s residing in that country.

4.16.1.2 Not for Resale (NFR) – This is a business model of limited activity. Residents of an approved NFR market may enroll to purchase product for personal consumption only. They may not sell, distribute, or gift the product in any way to persons outside their

household. They purchase product from our U.S. or designated office and may receive commission, bonuses or other remuneration in U.S. currency where allowable by law. They may furthermore sponsor and enroll other residents of an Opened Country, including both NFR and OTG countries.

- 4.16.2. Qualifications – To sponsor outside your home country of enrollment, your IBO Distributorship must be in good standing: you must request, read, and comply with the Policies and Procedures and such other guides as ENZACTA may have available for the Opened Country.
- 4.16.3. Sponsoring in an Opened Country – Your compliance with this section protects us, you, and our collective ability to conduct business in selected countries. Violation of these policies may result in governmental regulatory action, which may include severe fines, confiscating of property, closure of business operations, or even imprisonment.

Accordingly:

- 4.16.3.1 You shall not engage in blind prospecting without our prior written approval. Many countries have strict privacy laws that forbid blind solicitations. Also, many local laws forbid advertising for leads.
- 4.16.3.2 You may not advertise for leads without prior written consent of our designated officer or employee.
- 4.16.3.3 You shall not import any product into a market for which that product is not officially approved in writing by the Company. Products are labeled and sometimes formulated for specific countries.
- 4.16.3.4 You shall not distribute our sales tools not approved for the country in which it is intended. Promotional statements from one country's literature may not be appropriate or legal in another country.
- 4.16.3.5 You do not have the right to sell product in an Opened Country that is not your home country of enrollment. That right is reserved to IBO's residing and enrolled in an Opened Country. To avoid adverse tax consequences and restitution requirements, you should refer product sales to your *downline* residing in the Opened Country.
- 4.16.3.6 You may not send any unauthorized products to another country. Products to be sold in an Opened Country must be obtained directly from that country's Company office or warehouse.
- 4.16.3.7 You may not seek or participate in media coverage of any kind without prior written approval from us.
- 4.16.3.8 You may not misrepresent products or the ENZACTA opportunity in any country.
- 4.16.3.9 You may not make claims or guarantees of specific earnings potential. You may not make unlawful health claims about our products.

- 4.16.3.10 You must comply with the Policies and Procedures of both the country in which you enrolled and any country in which you desire to sponsor an IBO.
- 4.16.3.11 You must understand and comply with the laws of the Opened Country.
- 4.16.4. Pre Market Activity in a Country Announced for OTG Operations – You may not engage in any business activity in an unopened country unless ENZACTA authorizes such activity in writing. Such written announcement will specify the limited business activities permissible in an unopened market, including the date when pre-market activity may commence and the scope of the pre-market activity. Non-compliance with covenants of this subsection or the limitations set forth in written announcements may result in termination of the IBO Agreement.
- 4.16.5. Sponsoring in a Not for Resale Country – Should the Company implement an NFR program, ENZACTA may permit persons to purchase and import products for personal consumption only. Accordingly, while these Policies and Procedures are inapplicable to sponsored persons residing in an NFR market, you agree to and shall not sell, offer to sell, distribute, import, or gift products in an NFR market, nor shall you encourage, aid or abet a person to do the same without expressed approval from ENZACTA. Meetings must be limited to explaining the ENZACTA product purchase opportunity pursuant to specific written guidelines for each NFR market.
- 4.16.6. Earnings – There may be specific withholding requirements in your home country; when required, ENZACTA will deduct such withholdings from your earnings and remit them to the appropriate government agency and will require the completion of a W8 or other required form.
- 4.16.7. Indemnification – You are fully responsible for statements you make which are not expressly contained in our Official ENZACTA Materials. You agree to indemnify ENZACTA and its 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 ENZACTA as a result of your unauthorized representations or actions. This provision shall survive the termination of the Agreement.
- 4.17. Limitation of Product Warranties. IBO's 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 OFFICIAL ENZACTA MATERIALS. EXCEPT AS EXPRESSLY STATED HEREIN, THE COMPANY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANSHIP OR ANY OTHER WARRANTY ARISING BY LAW, STATUTE, AND USAGE OF TRADE OR COURSE OF DEALING CONCERNING ANY PRODUCT OR SERVICE PURCHASED FROM OR THROUGH THE COMPANY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL SUCH PRODUCTS AND SERVICES ARE PROVIDED "AS IS," "WITH ALL FAULTS," AND "AS AVAILABLE."

SECTION 5. RETAIL SALES AND ORDERING

- 5.1. Selling to End Consumers. The ENZACTA opportunity is built on selling products to end consumers. Your primary opportunity as an IBO is to develop and maintain Customers. ENZACTA also allows you to purchase products that you may use as a sales tool and that you and your family may consume. You agree to not purchase more product than what you can consume or resell to your Customers in a reasonable period of time.
- 5.2. Participation in the Compensation Plan. You must fulfill the following sales requirements to be eligible for participation in the Compensation Plan:
 - 5.2.1. Each order you place must comply with the Seventy Percent rule as set forth in section 6.1.
 - 5.2.2. It is understood that many individuals may choose to enroll as an IBO simply for the purpose of purchasing the ENZACTA products at the lowest possible wholesale price purely for their personal consumption. The Company will view those individuals as wholesale Customers.
 - 5.2.3. Where you make sales to Customers on a person-to-person basis, you must conclude all sales to Customers using the official ENZACTA Sales Contract, which will be part of your ENZACTA Standard Business Starter Kit, and you must provide your Customers with two copies of the Sales Contract at the time of the sale (one to keep and one for your records). The Sales Contract sets forth various consumer protection rights afforded by federal or provincial law, including the 10-day “cooling-off” period. When completing the Sales Contract, you must complete all information required on the Sales Contract. Additional copies of the ENZACTA Sales Contract are available for purchase, or can be downloaded through the back office.
 - 5.2.4. Where you make sales to Customers utilizing ENZACTA’s direct fulfillment option, ENZACTA will provide an electronic version of the Sales Contract to your Customer, on your behalf, on entry of your Customer’s order in your back office.
 - 5.2.5. ENZACTA offers a 100%, 90-day money-back guarantee to customers which is provided for in section 6.9. You are required to honor this Customer satisfaction guarantee and the cancellation and refund policies stated on the retail customer receipt, and ENZACTA reserves the right to honor these matters on your behalf.

SECTION 6. ORDERING

- 6.1. Ordering Products. IBOs order products by placing an order with ENZACTA and making payment. Shipments by common carrier are made to street addresses only.
 - 6.1.1. Upon receipt of an order, IBOs should immediately inspect the shipment to determine whether order is complete and in good condition. If an order is not delivered in complete or proper condition, IBOs should ask the shipper’s representative to show them how to file a claim for damaged or missing materials. ENZACTA IBO Services must be notified of any claim within ten (10) business days.
 - 6.1.2. Before assuming a shipment is lost or missing, an IBO should wait at least fifteen (15) working days from the placing of a mail order, and ten (10) working days from the placing of a telephone, facsimile or internet order. If a shipment is lost or missing, the IBO should then notify ENZACTA’s IBO Services Department. Lost

shipments, if later found and/or delivered, must be reported to the ENZACTA IBO Services Department within seven (7) days of delivery.

- 6.1.3. IBOs who sign delivery releases with a common carrier, authorizing the carrier to deliver orders without a signature, agree to release ENZACTA from responsibility for the delivery.
- 6.1.4. All ENZACTA products should be stored in a cool, dry, and hygienically safe area, or as otherwise directed by the label. As a general rule, the products should be kept at least four inches (4") above the floor. Do not store products anywhere they will be subject to extreme temperatures, including in vehicles. ENZACTA is not responsible for product that is damaged due to improper storage.
- 6.1.5. IBOs who have had at least one cheque or bank draft returned for "insufficient funds" or "closed account" may lose ordering privileges until the sufficiency of funds is resolved. In some cases, an IBO may lose cheque or bank draft privileges. An IBO agrees that ENZACTA will assess an administrative charge for rejected cheque or bank drafts, in proportion to its own costs.
- 6.1.6. IBOs understand that they are not eligible for a monetary refund for product purchased or entitled to the Retail Customer Product Satisfaction Guarantee. A terminating IBO may return product pursuant to section 6.5 of below.
- 6.1.7. Prepaid orders received before 5:00 p.m. Central Time at ENZACTA on the last working day of the Volume Period is included in that Volume Period's business.
- 6.2. Mail or E-mail Orders. IBOs may order product by mail for email. The Product Price List & Order Form is required for all product mail orders and must be completed and submitted to ENZACTA. Two or more IBOs may not combine orders on the same order form. Orders must meet the following requirements:
 - 6.2.1. Orders Forms submitted without payment in full may be returned to the IBO by mail. Order Forms that are short of funds may be filled with products in the dollar amount that does not exceed the funds submitted with the order minus shipping and tax. If payment for an order is insufficient, ENZACTA reserves the right, in its discretion, to withhold products from the order. Any negative consequences arising out of the return or partial fulfillment of an incomplete order fall upon the IBO who placed the order.
 - 6.2.2. Payment must accompany all Order Forms. Payment for orders should be by personal cheque, certified cheque, money order, bank draft or credit card. ENZACTA does not accept COD (cash on delivery) orders.
 - 6.2.3. ENZACTA is not responsible for orders that are delayed in transit, or for an order that does not arrive at the ENZACTA office complete with a valid form of payment. Mail Orders must be received by ENZACTA on or before the last business day of the Commission Period to be counted toward that Commission Period's Personal Sales Volume ("PSV").
- 6.3. Telephone & Facsimile Orders. Credit Card orders may be placed by telephone, facsimile or internet. If an order is made by one of these methods, IBO's should not mail in the original order form. Personal orders placed inappropriately will be grounds for termination at the discretion of ENZACTA. Orders placed via telephone, facsimile or internet are subject to the following provisions:

- 6.3.1. The funds for any purchase must be approved prior to a sale. If ENZACTA is informed that an IBO's credit card is not approved, the product order will be deleted unless the IBO has an alternate payment method.
- 6.4. The Seventy Percent Rule. You shall personally sell or use in business building at least 70% of annual product orders placed with the Company. You agree to verify such uses if required by the Company or by any regulatory agency.
- 6.5. Inventory Loading Prohibited. To ensure full compliance with the Competition Act, ENZACTA strictly prohibits the supply of a product or services to IBOs or prospective IBOs in amounts that are commercially unreasonable. You are not required to carry inventory of products or services or sales aids. If you decide to carry an inventory of ENZACTA products or services or sales aids, you may find that this facilitates making retail sales and building a marketing organization because of the decreased response time in fulfilling customer orders or in meeting a new IBO's needs. You must make your own decision with regard to these matters. ENZACTA strictly prohibits the purchase of products or services or sales aids primarily for the purpose of qualifying for commissions, bonuses or advancement in the Compensation Plan. You may not purchase more inventory than you can reasonably resell or consume in a month nor may you encourage others to do so. IBOs who breach this prohibition may be subject to termination. In addition, IBOs may not impose personal purchase requirements. They may not require a new IBO to purchase a minimum amount of product. IBOs may say that an IBO must generate a certain amount of personal sales volume to qualify for earnings under the ENZACTA Compensation Plan. Personal Sales Volume is clearly defined in the Compensation Plan as the purchase volume of both the IBO and his or her customers.
- 6.6. Buying Rank Prohibited. Purchasing product for the purpose of achieving rank is prohibited. ENZACTA retains the right to limit the amount of purchases you may make if we reasonably believe those purchases are being made solely for rank instead of for resale or business building. We may revoke a rank advancement if it was earned in violation of this policy.
- 6.7. Restricted Ordering Practices. You shall not order product through any IBO other than one in which you have beneficial interest unless you have prior written permission to do so from the IBO and us (which can be withheld in our sole discretion); this written permission must be on file with us. If you violate the provisions of this section, ENZACTA may restrict or deduct volume and remuneration paid to you and to all IBO's who earned such remuneration. The deduction of volume and remuneration will occur in the month in which the related sales occur, and shall continue every commission period thereafter until all volume and remuneration are recovered from you and the IBO's who received compensation from such sales.
- 6.8. Return of Product and Sales Aids. As disclosed to you in section 9 of the IBO Application, there is an IBO Buy-back Guarantee, by which you may return Products in your inventory and other purchases to ENZACTA for Refund as follows:
- 6.8.1. Inventory and Starter Kits – You may return any Products held in your inventory or starter kits for a refund for any reason, (i) provided such return is made within NINETY DAYS of original purchase, and (ii) in the case of Products, the returned Product is in Currently Marketable condition (as defined below in section 9). Upon receipt of a returned and Resalable Product or starter kit, you shall be reimbursed 100% of the amount paid for the same, less a 10% re-stocking fee. Shipping charges incurred by you on the original purchase of the physical item will not be refunded, and you shall bear all shipping charges necessary to return the Products or starter kit to ENZACTA for refund.

- 6.8.2. **Services** - You may cancel any services contracts or arrangements you have purchased for a refund for any reason, (i) provided written notice (the "Cancellation Notice") is provided to ENZACTA of the same, specifying the specific service(s) subject to cancellation (the "Cancelled Service(s)"). Where the Cancellation Notice is provided to ENZACTA prior to the 15th day of the calendar month, you shall be reimbursed 100% of the amount paid for the applicable Cancelled Service(s) for that particular month, and no further payments shall be required from you for the Cancelled Service(s). Where Cancellation Notice is provided to ENZACTA on or after the 15th day of the calendar month, but prior to the start of a new calendar month, you shall be reimbursed 50% of the amount paid for the applicable Cancelled Service(s) for that particular month, and no further payments shall be required from you for the Cancelled Service(s), such reduced refund amount being commercially reflective of your consumption and use of the Cancelled Service(s) during the first half of the applicable month. In no circumstances shall you be refunded for amounts paid in respect of Cancelled Service(s) in any month PRIOR TO the calendar month in which the Cancellation Notice is delivered, such policy being commercially reflective of your consumption and use of the Cancelled Service(s) during those prior calendar months.

Where you have been paid a commission, bonus, or other remuneration in respect of a product or service that is subsequently returned, that amount will be deducted or set off from you in accordance with section 7.3 of these Policies and Procedures, and section 6.7 below.

- 6.9. **Refused Product.** If you order products and then refuse delivery, your order will be subject to the restocking fee and other procedures for return therein, and ENZACTA may charge you for the return shipping costs.
- 6.10. **Refund Procedures.** To receive a refund, you must comply with the following:
- 6.10.1. Obtain a Return Merchandise Authorization (RMA) number by contacting our customer service department. This RMA number must be written on the exterior of each carton returned. RMAs are valid for thirty (30) days from the date of issue.
- 6.10.2. Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement. All returns must be shipped to ENZACTA pre-paid. ENZACTA does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be borne by you. If returned product is not received by the Company's distribution center, it is your responsibility to trace the shipment.
- 6.10.3. If you are sending product that was returned to you by your Customer, the product must be received by us within ten (10) days from the date on which your Customer returned the product to you and it must be accompanied by a copy of the sales receipt you gave to the Customer at the time of sale.
- 6.11. **Refund to Customers.** If you resell product directly to your Customer, you agree to honour ENZACTA's Customer Satisfaction Guarantee and provide a full refund of all monies paid if the Customer returns the product to you within ninety (90) days of the sales transaction. No refund will be issued to IBO's against a Customer return.
- 6.12. **Retail Customer Product Refund / Exchange Policy.** IBO's provide retail customers a 100% money-back Guarantee for ninety (90) days from the date of purchase. If an IBO fails to honor the Guarantee and refund policy of ENZACTA, the IBO will be held responsible to repay ENZACTA for any amount refunded by ENZACTA. An IBO requesting an exchange under this refund policy must do the following:

6.12.1. Send a signed statement from the dissatisfied retail customer, stating an affirmation and verification that they received a full refund from the IBO along with a request for a product exchange, and reason for product exchange request.

6.12.2. Pay shipping costs to the ENZACTA home office for returned packages and related correspondence.

This retail customer Guarantee is in addition to any sale cancellation and refund rights provided under applicable provincial consumer protection laws.

6.13. Charge-Backs. IBOs who initiate credit card “charge backs” are deemed to have “Disputed Balances.” A charge back occurs when the IBO contacts their credit card company directly to dispute a balance, instead of contacting ENZACTA to resolve any dispute. The IBO receiving credit for the order in question will have commissions suspended and applied toward the Disputed Balance until the dispute is resolved to the satisfaction of ENZACTA. IBOs who initiate a “charge back” will lose the right to use credit cards as payment for ENZACTA purchases. *upline* IBO’s understand and agree that they may be held responsible for “charge backs” initiated by their *Downline* IBO’s and that ENZACTA reserves the right to debit any disputed balances initiated by *Downline* IBO’s from the IBO’s compensation or credit card of record.

6.14. Product Abandonment. An order transaction is considered complete only when the order has been paid for and delivery method has been satisfied. If these conditions are not met within ninety (90) days from the date of order, ENZACTA reserves the right to determine the final outcome of the order and you release us from any further obligation or liability.

6.15. Restrictions on Third Party Use of Credit Cards and Chequing Account Access. You may not facilitate any ENZACTA purchase using a credit card or payment method other than your own.

6.16. Sales/Transaction Taxes. See section 2.3 Taxes and Withholding Obligations.

6.17. Autoship. Autoship is our automatic ordering program. While enrollment is optional, Autoship ensures that you have (1) an adequate inventory with which to service your Customers, (2) adequate product for demonstration and sampling purposes; and (3) if desired, and adequate inventory for personal use. The Autoship program eliminates the inconvenience of placing monthly orders manually.

6.17.1. Cycle of Autoship – Autoship orders are initiated on a monthly basis on a date chosen by the IBO from the first (1st) to the twenty fifth (25th) day of the month. If enrolled for Autoship, your order will be processed on the same day every month and shipped the next available business day.

6.17.2. Autoship Status – You can modify, deactivate, or reactivate your Autoship profile at any time. However, any modification or cancellation must be made at least three (3) business days prior to the established Autoship date.

6.17.3. Autoship – Autoship as a great way to ensure that you never run out of product to service customers, to share with prospects, and to personally consume. It is not, however, required in order to remain active or qualify for compensation. In fact, Autoship is optional, and IBO’s should indicate that Autoship is optional for becoming an IBO and for earning compensation.

SECTION 7. REMUNERATION

- 7.1. Commission Qualifications. As an IBO, you are entitled to receive certain commission, bonuses or other remuneration from us pursuant to the then current Compensation Plan if you are in compliance with the terms of the IBO Agreement.
- 7.2. No Earnings Guarantee. You are neither guaranteed a specific income nor assured any level of profit or success. Your profit and success can come only through the successful retail sale of our products and the retail sales, use and consumption of our products by other IBOs in your *downline*.
- 7.3. Adjustments to Remuneration. When a product is returned to us for a refund, the remuneration attributable to the returned product(s) will be deducted from the commission period in which the refund is given, and continuing every commission period thereafter until the remuneration attributable to the returned product(s) is recovered from the IBO's who received same on the sales of the refunded products, or set-off against the refund payable, in ENZACTA's discretion.
- 7.4. Errors or Questions. If you have questions about or believe any errors have been made regarding remuneration, personal organization, or charges; you must notify the Company within sixty (60) days of the date of shipment or incident in question. ENZACTA will not be responsible for any errors, omissions, or problems not reported to the Company. Since many IBO's and ENZACTA are making plans and planning future activities based upon existing business volumes, if you do not make such an inquiry within the sixty day period, any claim will be deemed waived.
- 7.5. Placing of a Hold on an IBO's Cheque or EFT. IBOs agree that ENZACTA may debit or place a hold on an IBO's cheque or EFT for any amount the IBO owes ENZACTA. IBOs who attain a Bronze rank or above will have any standing monthly orders debited from their cheque or EFT if other provided payment types are declined by the banking provider, at ENZACTA's sole discretion. Provided, however, that no IBO may make a claim against ENZACTA for lost remuneration in the event that any such standing monthly order is not fulfilled in the event of a cheque or EFT dishonor or failure of a credit card to clear.
- 7.6. Issue of a Replacement Cheque for a Lost Cheque. Upon request, ENZACTA will issue a replacement cheque for a lost cheque; however, a \$25.00 service fee will be assessed on any request made within six (6) months of the issue date of the cheque. After six (6) months from date of original issue, uncashed cheques will be cancelled by ENZACTA, with no further recourse to the payee.
- 7.7. Obligation of the IBO to Monitor Missing Cheques or EFTs. ENZACTA makes every effort to ensure that ENZACTA IBO's receive their cheques or EFTs. However, it is ultimately the obligation of the IBO to monitor missing cheques or EFTs, and to ensure ENZACTA has their proper address or EFT information. Accordingly, cheques or EFTs that are returned to ENZACTA for any reason beyond ENZACTA's control shall be held for claiming by the IBO for a maximum of six (6) months from date of original issue, after which same will be cancelled by ENZACTA, with no further recourse to the payee.

SECTION 8. BREACH OF CONTRACT AND REMEDIES

- 8.1. Remedies for Breach. In the event of a breach or failure to perform your obligations under the IBO Agreement, ENZACTA has numerous remedies, including, but not limited to, recovery of any and all monies paid pursuant to the IBO Agreement and termination of the IBO Agreement. Nothing herein shall prevent us from seeking other available remedies.

- 8.2. Complaints. When you have a complaint with another IBO regarding any practice or conduct in relationship to that IBO, you should try to resolve it with the other IBO. If the matter involves interpretation or violation of the Agreement by that IBO, you must report it in writing either through email, fax or postal delivery to the Compliance Department, which will review the facts and attempt to resolve the matter.
- 8.3. Mediation. If you have a dispute with the Company, prior to instituting arbitration, you and ENZACTA agree to meet in good faith and attempt to resolve such dispute arising from or relating to the Agreement through non-binding mediation. An 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 own attorney fees, costs, and individual expenses associated with conducting and attending the mediation.
- 8.4. Arbitration. If mediation is unsuccessful, except as set forth herein, any controversy or claim arising out of or relating to the IBO Agreement and/or your business shall be settled by arbitration.
- 8.4.1. Governing Law, Venue and Arbitration – Hong Kong is the place of origin of the IBO Agreement and venue where the Company accepted the offer of an applicant to become an IBO. The Agreement is governed by and to be construed in accordance with the laws of the HKSAR without reference to the conflict of laws principles thereof, and the arbitration provisions herein are governed by the HKSAR, except as such requirements may be specifically varied and modified by the terms set forth herein. You submit to the arbitral jurisdiction set forth herein and, with respect to any matters not determined by or subject to arbitration, to the HONG KONG JUDICIARY.
- 8.4.2. Mandatory Arbitration – Except as set forth herein, any controversy or claim arising between the Company and you, including any controversy or claim arising out of or relating to the Agreement or the breach thereof or matters arising from any fiduciary or other common law duty owed by the IBO to ENZACTA, shall be resolved by mandatory, binding arbitration in HONG KONG JUDICIARY.
- 8.4.3. Arbitrator – There shall be one (1) arbitrator, who shall be impartial, independent, and mutually agreed upon by both parties to the arbitration within thirty (30) days following receipt of the written demand for arbitration. If the parties do not reach agreement on a single arbitrator within such period, the parties shall obtain an arbitrator pursuant to the Rules.
- 8.4.4. Process and Power – The arbitration shall be conducted in accordance with these Policies and the Rules. The arbitration and all proceedings associated therein are private proceedings and not subject to any public right of access. The arbitrator shall have the authority to enter appropriate protective orders to preserve the confidentiality of the proceedings and information exchanged in discovery. The arbitrator shall have the authority, power, and jurisdiction to grant both legal and equitable relief, including temporary, preliminary, and permanent injunctive relief. The arbitrator shall also have authority to determine whether any particular issue is subject to arbitration under the Agreement. The decision of the arbitrator shall be final and binding on the parties and may, if need be, be reduced to a judgment in any court of competent jurisdiction. At the request of any party, the arbitrator shall make and provide to the parties written findings of fact and conclusions of law. This agreement to arbitration shall survive any termination or expiration of the Agreement.

- 8.4.5. Costs – The parties shall equally share the assessed costs associated with the arbitration, including all arbitrator fees, providing however, that the prevailing party in any appeal to the Appeals Panel shall be entitled to recover its share of the costs of such appeal from the non-prevailing party. The parties shall each bear their own attorney fees in connection with the arbitration and any appeal, irrespective of which party prevails and any demand or request for such fees.
- 8.4.6. Actions Not Subject to Arbitration – Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use or registration of any Proprietary Marks or other intellectual property or Confidential Information of the Company without the Company's prior written consent. The Company may seek any applicable remedy in any applicable forum with respect to these disputes.
- 8.4.7. Limitation on Arbitration – Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of the Policies and Procedures, Compensation Plan or the IBO Agreement.
- 8.4.8. Breach Of Contract Additional Provisions – ENZACTA may take the following actions against you, the IBO, and/or your IBO Distributorship if we find that you breached the Agreement:
- 8.4.8.1 We may issue a written warning.
 - 8.4.8.2 We may suspend payment of all or part of your Compensation Plan earnings during the period that we investigate your breach.
 - 8.4.8.3 We may suspend your right to operate your IBO Distributorship for one or more pay periods.
 - 8.4.8.4 We may terminate your IBO Agreement.
 - 8.4.8.5 We may institute legal proceedings for monetary and/or equitable relief.
 - 8.4.8.6 We may transfer or reassign some or all of your *Downline* Organization to another IBO's *Downline* Organization.
 - 8.4.8.7 We may take any other measures expressly allowed within any provision of the Agreement or which we deem practicable to implement and appropriate to resolve damages caused partially or exclusively by your contractual breach.
 - 8.4.8.8 We are not required to take any or all of these actions in connection with any breach and we may take any portion of the actions above without having resorted to a lesser level of action.
- 8.5. Other Remedies. Nothing in these Policies and Procedures shall prevent us from terminating the IBO Agreement or applying to and obtaining from any court having jurisdiction a writ attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect our interest prior to, during or following the filing of any arbitration or other proceedings or pending the rendition of a decision or award in connection with any arbitration or other legal proceedings. In the

event that ENZACTA seeks an injunction or other preliminary relief, you agree that such relief shall be granted without our having to post a bond or other form of indemnity.

- 8.6. Non-Waiver Provisions. No failure of ENZACTA to exercise any power under these Policies and Procedures or to insist on strict compliance by an IBO with any obligation or provision herein, and no custom or practice of the parties at variance with these Policies and Procedures, shall constitute a waiver of ENZACTA's right to demand exact compliance with these Policies and Procedures. Waiver by ENZACTA can be affected only in writing by an authorized officer of ENZACTA. ENZACTA's waiver of any particular default by an IBO shall not affect or impair ENZACTA's right with respect to any subsequent default, nor shall it affect in any way the right or obligation of any other IBO, nor shall any delay or omission by ENZACTA to exercise any right arising from default affect or impair ENZACTA's right as to that or any subsequent default.
- 8.7. No Liability. The Company is not responsible for interrupted, inaccessible or unavailable networks, servers, satellites, Internet service providers, websites, or other connections; or for miscommunications, failed, jumbled, scrambled, delayed, or misdirected computer, and telephone or cable transmissions; or for any technician malfunctions, failures or difficulties. TO THE EXTENT PERMITTED BY LAW, THE COMPANY SHALL NOT BE LIABLE FOR AND EACH IBO RELEASES THE COMPANY FROM, AND WAIVES ALL CLAIMS FOR ANY LOSS OF PROFITS, INDIRECT, DIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR ANY OTHER LOSS INCURRED OR SUFFERED BY AN IBO AS A RESULT OF (A) THE BREACH BY AN IBO OF THE IBO AGREEMENT AND/OR THE TERMS AND CONDITIONS OF THE POLICIES AND PROCEDURES; (B) THE OPERATION OF THE IBO'S BUSINESS; (C) ANY INCORRECT OR WRONG DATA OR INFORMATION PROVIDED BY THE IBO; OR (D) THE FAILURE TO PROVIDE ANY INFORMATION OR DATA NECESSARY FOR THE COMPANY TO OPERATE ITS BUSINESS, INCLUDING, WITHOUT LIMITATION, THE ENROLLMENT AND ACCEPTANCE OF AN IBO INTO THE COMPENSATION PLAN OR THE PAYMENT OF COMMISSIONS AND BONUSES.
- 8.8. Force Majeure. The Company shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as acts of terrorism, natural disasters, strikes, labor difficulties, fire, war, acts or omissions of third parties, disruptions in communication systems, government decrees or orders or curtailment of a party's usual source of supply.

SECTION 9. DEFINITIONS

- 9.1. IBO. An independent contractor who's Independent Business Owner Application has been accepted by ENZACTA, and is otherwise in good standing.
- 9.2. Autoship. A program in which ENZACTA automatically ships products to you, and for which you have voluntarily enrolled.
- 9.3. Beneficial Interest. The equity or other ownership or profits interest in an IBO Distributorship.
- 9.4. Commissions, Bonuses or Other Remuneration. Monies earned by you under the terms of the Compensation Plan, and in respect of sales of products by you or your *downline*, and representing payment for the inherent mark-up associated with the resale of ENZACTA products and services to retail customers, or as payments in respect of the resale of products to others by your *downline*, or for the training, motivation and marketing services inherent therein.

- 9.5. Business Entity. A corporation, partnership, limited liability company, trust or other legal entity.
- 9.6. Compensation Plan. The method by which you earn the commissions, bonuses and other remuneration described above, and as described in the Company's literature.
- 9.7. Currently Marketable. Means that the products are returned within three (3) months of purchase and are in Resalable (as defined below) condition; however, Products shall not be considered Currently Marketable if returned for repurchase after the products' commercially reasonable usable or shelf life period has passed.
- 9.8. Customer. Retail end consumers of the product.
- 9.9. IBO Distributorship. The collective rights arising from the Agreement granted to you to purchase, sell, distribute, and promote the ENZACTA products and ENZACTA IBO opportunity.
- 9.10. Group Volume (GV). The point value of products sold in the *downline* in your *Downline* Organization.
- 9.11. Official ENZACTA Material. Literature, audio or video tapes, and other materials developed, printed, published and distributed by ENZACTA to IBO's.
- 9.12. Opened Country. A country that ENZACTA has officially opened for business using an OTG or NFR model.
- 9.13. Personal Enrollment Tree. Your *Downline* Organization of IBO's you personally sponsored and those IBO's that they personally sponsor.
- 9.14. Personal Sales Volume (PSV). The accumulated point value of products that you purchase for sale to your customers, or for limited personal consumption or use.
- 9.15. Personally Enrolled Activity Report (PEAR). A report generated by ENZACTA that provides information relating to the identities of IBO's, sales information, and sponsoring activity of IBO's in your *Downline* Organization. This report contains confidential and trade secret information which is proprietary to the Company.
- 9.16. Placement. Your position inside your sponsor's *Downline* Organization.
- 9.17. Downline Organization. The structure of your *downline* sales organization.
- 9.18. Resalable. Product shall be deemed "resalable" if each of the following elements is satisfied: (1) they are unopened and unused, (2) original 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, and (4) the product contains current ENZACTA labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as seasonal item, shall not be resalable.
- 9.19. Sales Tools. Any audio or visual device used to promote the ENZACTA products and/or opportunity. It may be printed, electronic; a logo used on clothing, decals, or in any other form.
- 9.20. Sponsor. An IBO who introduces an IBO applicant to the Company and is listed as the sponsor on the IBO Application.

- 9.21. Volume. The point value assigned to product sold for purposes of calculating commission, bonuses or other remuneration under the Compensation Plan.
- 9.22. Business Volume Business Volume is the conversion of all the Personal Volume (PV) purchased or earned from a downline business.
- 9.23. Personal Volume Bonus Comes from your personal general purchase
- 9.24. International Business Volume Is BV from IBOs in another country that are in your downline. The amount of IBV received is based on whether you are the one who sponsored the IBO(s) in the country the IBV was generated.