

FITLIF Policies and Procedures

SECTION 1 - CODE OF ETHICS

FITLIF, LLC (hereafter “FITLIF” or the “Company”) has made a commitment to provide the finest referral sales experience backed by impeccable service to its Independent Distributors known as “Fit Coaches.” In turn, the Company expects FITLIF Fit Coaches to reflect that image in their relationships with customers and fellow Fit Coaches.

As a FITLIF Fit Coach you are expected to operate your business according to the highest standards of integrity and fair practice in your role as a FITLIF Fit Coach. Failure to comply with the Code of Ethics can result in your termination as a FITLIF Fit Coach. The Code of Ethics, therefore, states:

As a Fit Coach:

- ◆ I will conduct my business in an honest, ethical manner at all times.
- ◆ I will make no representations about the income benefits of being a Fit Coach with FITLIF or the benefits of the FITLIF services other than those contained in officially-approved Company literature.
- ◆ I will provide support and encouragement to my customers and other Fit Coaches to ensure that their experience with FITLIF is a successful one.
- ◆ I will motivate and actively work with Fit Coaches in my downline organization to help them build their FITLIF business. I understand that this support is critical to everyone’s success with FITLIF.
- ◆ I will refrain from making income claims, exaggerating my personal income or the income potential in general and will stress to everyone the level of effort and commitment required to succeed in the business.
- ◆ I will not abuse the goodwill of my association with FITLIF to further or promote other business interests (particularly those which may be competitive to FITLIF) without the prior written consent of FITLIF.
- ◆ I will not make disparaging remarks about other products, services, Fit Coaches, or companies.
- ◆ I will abide by all of the Policies and Procedures of FITLIF as included herein, or as may be amended from time to time.
- ◆ I will not make any payment(s) or promise to pay any prospective or existing Fit Coach in return for such enrollment, continued enrollment, or team building or referring activities with FITLIF.
- ◆ As a Fit Coach I understand that I am expected to contribute to the FITLIF community. This means, I am continually earning the title of Fit Coach by encouraging, supporting and holding my team members accountable. FITLIF is all

about being part of a community. Your contribution in supporting your team members is what creates the most valuable part of FITLIF.

SECTION 2 - INTRODUCTION

2.1 - Policies and Compensation Plan Incorporated into Fit Coach Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of FITLIF, are incorporated into, and form an integral part of, the FITLIF Fit Coach Agreement. Throughout these Policies and Procedures, when the term “Agreement” is used, it collectively refers to the FITLIF Fit Coach Application and Agreement Form, these Policies and Procedures and the FITLIF Compensation Plan. These documents are incorporated by reference into the FITLIF Fit Coach Agreement (all in their current form and as may be amended by FITLIF).

2.2 - Purpose of Policies

FITLIF is a direct sales company that markets products through Independent Fit Coaches. Fit Coaches have the ability to receive commissions and bonuses by referring FITLIF products/services (see FITLIF Compensation Plan). It is important to understand that your success and the success of your fellow Fit Coaches depend on the integrity of those who market our products. To clearly define the relationship that exists between FITLIF and the Fit Coaches, and to explicitly set a standard for acceptable business conduct, FITLIF has established the Agreement. FITLIF Fit Coaches are required to comply with all of the provisions set forth in the Agreement, which FITLIF may amend at its sole discretion from time to time, as well as with all federal, state and local laws governing their FITLIF business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this document carefully. It explains and governs the relationship between you, as an independent contractor, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from the FITLIF corporate office.

2.3 - Changes to the Agreement

Because laws and the business environment periodically change, FITLIF reserves the right to amend the Agreement, the products offered, the compensation plan, and the prices at the Company’s sole and absolute discretion. By signing the Agreement, Fit Coaches agree to abide by all amendments or modifications that FITLIF elects to make. Amendments shall be effective 30 days after publication of notice of amendments. The Company shall provide or make available to all Fit Coaches a complete copy of the amended provisions by one or more of the following methods: (a) posting on the Company’s official website; (b) electronic mail (e-mail); (c) inclusion in Company periodicals; (d) inclusion with commissions or bonus checks; or (e) special mailings. The continuation of your FITLIF business or your acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

2.4 - Delays

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

2.5 - Policies and Provisions Severable

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

2.6 - Waiver

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

SECTION 3 - BECOMING A FIT COACH

3.1 - Requirements to Become a Fit Coach

To become a FITLIF Fit Coach, each applicant must:

3.1.1 – Pay and maintain the monthly subscription fee (\$99 basic membership, \$199 executive membership) and Affiliates must set their personal goals that are within a healthy lifestyle as defined by the Company;

3.1.2 – Be at least 18 years of age;

3.1.3 – Reside in the 50 United States or other jurisdictions officially opened by the Company;

3.1.4 – Have a valid Social Security or Tax ID number;

3.1.5 – Submit an accepted FITLIF Application and Agreement; and

3.1.6 – Fit Coaches must have achieved their personal health goals as documented by their submitted fitness log entries. See Compensation Plan for further details.

The Company reserves the right to reject any new or renewal applications.

3.2 - Benefits

Once the Application and Agreement have been accepted by FITLIF, the following benefits are available:

- Market and sell FITLIF products/services;
- Participate in the FITLIF Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Fit Coaches into the FITLIF business and thereby, build a marketing organization and progress through FITLIF Compensation Plan;
- Receive periodic FITLIF literature and other FITLIF communications;
- Participate in FITLIF-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional incentives and programs sponsored by FITLIF for its Fit Coaches.

SECTION 4 - OPERATING A FITLIF BUSINESS

4.1 - Adherence to the FITLIF Compensation Plan

Fit Coaches must adhere to the terms of the FITLIF Compensation Plan as set forth in official FITLIF literature.

4.2 – Marketing Materials

Fit Coaches shall not offer the FITLIF opportunity through, or in combination with, any other system, program or method of marketing other than that specifically set forth in official FITLIF literature. Fit Coaches shall not require or encourage others to participate in FITLIF in any manner that varies from the program as set forth in official FITLIF literature. Fit Coaches shall not require or encourage others to execute any agreement or contract other than official FITLIF agreements and contracts in order to become a FITLIF Fit Coach. Similarly, Fit Coaches shall not require or encourage others to make any purchase from, or payment to, any individual or other entity to participate in the FITLIF Compensation Plan other than those purchases or payments identified in official FITLIF literature.

4.3 - Business Entities

A Partnership, LLC or Corporation may operate a FITLIF business upon completion of the Application form, and providing on that form in the appropriate space, a Federal tax ID number. However, an individual may not participate in or have any beneficial interest in more than one (1) FITLIF business of any kind. The person signing the application on behalf of a business entity must have the authority of said entity for entering into the transaction. In addition, by signing for as a business entity, you certify that no person with an interest of debt or equity in the business has had an interest in a FITLIF business within six (6) months of the date of signature.

4.4 - Changes to a FITLIF Business

4.4.1 - General

Each Fit Coach must immediately notify FITLIF of all changes to the information contained in his or her Application and Agreement. Modifications to an existing Agreement can be made by submitting a written request and appropriate supporting documentation to FITLIF.

4.4.2 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Fit Coaches, FITLIF does not allow changes in sponsorship for active Fit Coaches. Maintaining the integrity of sponsorship is critical for the success of every Fit Coach. Accordingly, the transfer of a FITLIF business from one sponsor to another is not permitted.

Exception - A request for a change in sponsor, due to FITLIF error, will be accepted within 30 days of the submission of the original Application and Agreement.

4.4.3 - Cancellation and Re-application

A Fit Coach may legitimately change organizations by:

a) Voluntarily cancelling his or her FITLIF Agreement and remaining inactive (i.e., no purchases of FITLIF products; no sales of FITLIF products; no sponsoring; no attendance at any FITLIF functions, no participation in any other form of Fit Coach activity, and no operation of any other FITLIF business for 6 full calendar months.

Following the 6 calendar month period of inactivity, the former Fit Coach may reapply under a new sponsor. However the former Fit Coach will permanently lose any and all right to their former Downline organization. "Downline" shall mean the organization of Independent Fit Coaches that enroll and are placed under any business.

4.5 - Unauthorized Claims and Actions

4.5.1 - Indemnification

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

4.5.2 - Income Claims and Marketing

In their enthusiasm to enroll prospective Fit Coaches, some individuals are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Fit Coaches may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved.

Moreover, the Federal Trade Commission and the States have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in

network marketing. While Fit Coaches may believe it is beneficial to provide copies of checks, or to disclose their earnings or others, such approaches have legal consequences that can negatively impact FITLIF as well as the individual making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Fit Coaches do not have the data necessary to comply with the legal requirements for making income claims, a Fit Coach may NOT make income projections, income claims or disclose his or her FITLIF income (including, but not limited to, the showing of checks, copies of checks, bank statements or tax records).

When promoting the products and the tremendous opportunity FITLIF offers, Fit Coaches must use only the sales tools and support materials produced by FITLIF. The Company has carefully designed its products, product labels, Compensation Plan and promotional materials to ensure that they are promoted in a fair, truthful manner; that they are substantiated and the material complies with the legal requirements of federal and state laws. Accordingly, Fit Coaches must not produce their own literature, advertisements, sales tools, promotional materials, Internet Web pages, blogs, and/or social media pages.

4.5.3 – Marketing Claims

When promoting FITLIF products/services, Fit Coaches shall not make any verbal or written statement regarding the implementations of FITLIF products/services other than those claims contained in official FITLIF materials. Fit Coaches agree to indemnify FITLIF and FITLIF's directors, officers, employees and agents and hold them harmless from any and all liability, including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by FITLIF as a result of any such statements made by the Fit Coach.

4.6 - Conduct at FITLIF Corporate Events

4.6.1 - No Selling or Recruiting at FITLIF Events

Selling and recruiting at official FITLIF corporate events is not permitted. These activities take away from the primary focus of the event, and can negatively reflect on the professional image of FITLIF as a company. You may, however, offer a business card and/or catalog.

4.6.2 - No Selling or Recruiting for Other Companies at FITLIF Events

FITLIF Fit Coaches shall not sell any products or recruit for any business during FITLIF events. This restriction most specifically applies to sales and recruitment efforts for any other direct sales or marketing program, regardless of the product category, including those that do not compete with FITLIF's product line.

4.7 - Conflicts of Interest

4.7.1 - Competition Policy

Fit Coaches are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"), with the exception of those products in the same generic category as FITLIF products. Fit Coaches may not display FITLIF products with any other products or services in a fashion that might in any way confuse or

mislead a prospective customer, Fit Coach into believing there is a relationship between the FITLIF and non-FITLIF products or services.

4.7.2 – Non-solicitation

During the term of this Agreement, Fit Coaches may not recruit other FITLIF Fit Coaches or customers for any other network marketing business. Following the cancellation of this Agreement for any reason, and for a period of one year thereafter, a former Fit Coach may not recruit any FITLIF Fit Coach, , or customer for another network marketing business, with the exception of Fit Coaches who are personally referred by the cancelled individual. All parties recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States, and business is commonly conducted via the Internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, the Fit Coaches and Company agree that this non-solicitation provision shall apply to all markets in which FITLIF conducts business.

The term “recruit” means actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another FITLIF Fit Coach, or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

4.7.3- Downline Activity (Genealogy) Reports

Downline Activity Reports, made available for Fit Coach and access and viewing through FITLIF’s official website, are considered confidential. The Fit Coach and access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to FITLIF. Downline Activity Reports are provided to Fit Coaches in the strictest of confidence and are made available to Fit Coaches for the sole purpose of providing assistance in working with their Downline Organizations in the development of their FITLIF business. Fit Coaches should use their Downline Activity Reports to assist, motivate and train their Downline. But for this agreement of confidentiality and nondisclosure, FITLIF would not provide Downline Activity Reports to the Fit Coaches. A Fit Coach shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

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

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

4.8 - Cross-Sponsoring

Actual or attempted cross-sponsoring is strictly prohibited. "Cross-sponsoring" is defined as the enrollment of an individual or entity that is already a current customer, Fit Coach of FITLIF, or who has had such an agreement within the preceding 6 calendar months, within a different line of sponsorship. The use of a spouse or relative's name, a straw man, trade names, assumed names or fictitious ID numbers to circumvent this policy is prohibited. Fit Coaches shall not demean, discredit or defame other Fit Coaches in an attempt to entice a Fit Coach to become part of the first Fit Coach's marketing organization. If a prohibited organization transfer occurs, FITLIF shall take disciplinary action against the Fit Coaches who engaged, acquiesced and/or knowingly participated in the improper cross-sponsoring. However, it shall be entirely within FITLIF's discretion where in the genealogical structure, the cross-sponsored organization in question shall be placed or otherwise distributed.

Because equities often exist in favor of both Upline organizations, Fit Coaches WAIVE ANY AND ALL CLAIMS AND CAUSES OF ACTION AGAINST THE COMPANY FOR ITS DECISION REGARDING THE FINAL DISPOSITION OR PLACEMENT OF THE CROSSSPONSORED ORGANIZATION. "Upline" shall mean the organization of Fit Coaches enrolled and placed above any FITLIF business.

4.9 - Errors or Questions

If you have questions about or believe any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, you must notify the FITLIF Support Department at 7436 Rainbow Heights Road, Fallbrook, CA 92028 in writing, within 15 days of the date of the purported error or incident in question. FITLIF will not be responsible for any errors, omissions or problems not reported to the Company within 15 days.

4.10 – Sales Aids Optional

Other than the materials provided to all Fit Coaches at the time of enrollment (included with the enrollment fee), Fit Coaches are not required to purchase or carry sales aids. Fit Coaches who do so must make his or her own decision with regard to these matters. Absolutely no use of the FITLIF name may be used on marketing materials, including any social media such as Facebook or Instagram. To ensure that Fit Coaches are not encumbered with Company Sales Aids, such Sales Aids may be returned to FITLIF upon cancellation pursuant to the terms of Section 8.2.

4.11 - Governmental Approval or Endorsement

No federal or state regulatory agencies or officials approve or endorse any direct selling program. Therefore, Fit Coaches shall not represent or imply that FITLIF or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

4.12 - Holding Applications or Enrollments

Fit Coaches must not manipulate new enrollments or customer orders. All New Applications and Agreements must be sent within 72 hours from the time they are signed by the prospective Fit Coach.

4.13 - Identification

All Fit Coaches are required to provide their Social Security Number or Federal Tax Identification Number to FITLIF on the Application and Agreement.

Upon enrollment, the Company will provide a unique FITLIF Identification Number to the Fit Coach by which he or she will be identified. This number will be used to place orders and track commissions and bonuses.

4.14 - Income Taxes

Each Fit Coach is responsible for paying local, state and federal taxes on any income generated. Every year, FITLIF will provide IRS Form 1099 (non-employee compensation) earnings statement to each U.S. resident who (a) had earnings of over \$600 in the previous calendar year or (b) made purchases during the previous calendar year in excess of \$5,000 wholesale.

4.15 - Independent Contractor Status

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

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

Name
FITLIF Independent Fit Coach

Fit Coaches may list themselves as a "FITLIF Independent Fit Coach" in the residential telephone directory ("white pages") under their own name. Fit Coaches may not place telephone directory display ads in the classified directory ("Yellow Pages") using FITLIF's name or logo.

Fit Coaches may not answer the telephone by saying "FITLIF" or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of the Company.

Advertising is not limited to print media; it also includes internet advertising and other forms of advertising. Fit Coaches are prohibited from using an internet or email address that utilizes the trade name FITLIF, or includes FITLIF in a portion of the address. It is also prohibited for Fit Coaches to use any website materials on a website that references or relates to FITLIF that is not authorized in writing by FITLIF. It is also prohibited for Fit Coaches to place links to unauthorized websites or webpages onto a website or webpage that has been authorized by FITLIF.

4.16 - Insurance

4.16.1 – Business Insurance Coverage

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy may not cover business related injuries or the theft of or damage to your business. Contact your insurance agent to make sure that your business property is protected.

4.17 - International Marketing

Because of critical legal and tax considerations, FITLIF must limit the marketing and enrollment of FITLIF services and the presentation of the FITLIF business to prospective customers, Fit Coaches located within the 50 United States of America and any other jurisdiction officially opened by FITLIF. Fit Coaches are ONLY authorized to do business in the countries in which FITLIF has announced are open for business in official Company literature.

4.18 - Laws and Ordinances

Fit Coaches shall comply with all federal, state and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In some cases these ordinances are not applicable to Fit Coaches because of the nature of their business. However, Fit Coaches must obey those laws that do apply to them. If a city or county official tells a Fit Coach that an ordinance applies to him or her, compliance is required.

4.19 - Minors

Fit Coaches shall not enroll or recruit individuals under the age of 18 into the FITLIF program.

4.20 - Actions of Household Members or Affiliated Individuals.

If any member of a Fit Coach's household, family, or other affiliated individual engages in any activity that, if performed by the Fit Coach, would violate any provision of the Agreement, such activity will be deemed a violation by the Fit Coach and FITLIF may take disciplinary action against the Fit Coach.

4.21 - One FITLIF Business Per Person and Household Restrictions

A Fit Coach may operate or have an ownership interest in only one FITLIF business. No individual may have, operate or receive compensation from more than one FITLIF business. Individuals of the same family unit may enter into or have an interest in more than one FITLIF Business provided a family member acts as the direct sponsor of the other. A "family unit" is defined as spouses, domestic partners and dependent children living at or doing business at the same address.

An exception to the one-business-per-person rule will be considered on a case-by-case basis if two existing Fit Coaches decide to marry. Requests for exceptions to this policy must be submitted in writing to the FITLIF Compliance Department.

4.22 – Seventy Percent (70%) Rule

FITLIF will strictly adhere to the policy that prior to honoring an order for product by a Fit Coach, the Fit Coach must certify that he/she has sold at retail at least 70% of all prior inventory purchased (should FITLIF ever provide the ability to purchase inventory products/services). Fit Coaches will be allowed to purchase a reasonable amount of product for personal use and enjoyment.

The Company will monitor compliance with this rule, and any fraudulent information supplied or fraudulent certifications provided by the Fit Coach will be grounds for termination. For this reason it is important that the Fit Coach keep accurate sales records.

It is Company policy to strictly prohibit the purchase of products in unreasonable amounts solely for the purpose of qualifying for commissions or advancement within the Compensation Plan. All such forms of frontloading or stockpiling are strictly prohibited.

4.23 - Requests for Records

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

4.24 - Sale, Transfer or Assignment of FITLIF Business

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

- The selling party must offer FITLIF the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. FITLIF shall have fifteen (15) days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- The buyer or transferee must be qualified to become a Fit Coach. If the buyer already operates a FITLIF business, he or she must first terminate his or her FITLIF business, however the six (6) calendar month waiting period may be waived;
- Before the sale, transfer or assignment can be finalized and approved by FITLIF, any debt obligations the selling party has with FITLIF must be satisfied.
- The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a FITLIF business.

Prior to selling a Business Entity interest, the selling party must notify FITLIF's Compliance Department in writing and advise of his or her intent to sell FITLIF's business or Business Entity interest. The selling party must also receive written approval from the Compliance Department before proceeding with the sale.

4.25 - Separation of a FITLIF Business

In the event of a dissolution of marriage of a FITLIF Fit Coach, and a spouse, arrangements must be made to assure that any division of the business assets is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Fit Coaches and the Company, FITLIF may be forced to involuntarily terminate the Agreement.

4.25.1 - During the pendency of a divorce or dissolution, the Company shall treat the business according to the status quo as existed prior to the filing of the divorce or dissolution. Under no circumstances will the Downline Organization of divorcing spouses be divided. Similarly, under no circumstances will FITLIF split commission and bonus checks between divorcing spouses. FITLIF will recognize only one Downline Organization and will issue only one commission check per FITLIF business per commission cycle. Commission checks shall always be issued to the individual whose name appears on the Agreement.

4.26 - Sponsoring

All active Fit Coaches in good standing have the right to sponsor and enroll others into FITLIF. Each prospective Fit Coach has the ultimate right to choose his or her own sponsor. If two parties claim to be the sponsor of the same new applicant, the Company shall regard the first application received by the Company as controlling.

4.27 - Stacking

"Stacking" is strictly prohibited. The term "stacking" includes: (a) violating the one-business-per-household rule and/or (b) enrolling fictitious individuals or entities into the FITLIF Compensation Plan, in an attempt to manipulate the Compensation Plan.

4.28 - Telemarketing

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices.

Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. While you may not consider yourself a "telemarketer" in the traditional sense of the word, these regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

Therefore, Fit Coaches must not engage in telemarketing relative to the operation of their FITLIF businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a FITLIF product or service, or to recruit

them for the FITLIF opportunity. “Cold calls” made to prospective customers or Fit Coaches that promote either FITLIF’s products or services or the FITLIF opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer, Fit Coach (a “prospect”) is permissible under the following situations:

- If the Fit Coach has an established business relationship with the prospect. An “established business relationship” is a relationship between a Fit Coach and a prospect based on the prospect’s purchase, rental or lease of goods or services from the Fit Coach, or a financial transaction between the prospect and the Fit Coach, within the 18 months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service.
- The prospect’s personal inquiry or application regarding a product or service offered by the Fit Coach within the 3 months immediately preceding the date of such a call.
- If the Fit Coach receives written and signed permission from the prospect authorizing the Fit Coach to call. The authorization must specify the telephone number(s) that the Fit Coach is authorized to call.
- You may call family members, personal friends and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship (i.e., you have recently personally met him or her). Bear in mind, however, that if you make a habit of “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.

In addition, Fit Coaches shall not use automatic telephone dialing systems relative to the operation of their FITLIF businesses. The term “automatic telephone dialing system” means equipment which has the capacity to (a) store or produce telephone numbers to be called using a random or sequential number generator and (b) to dial such numbers.

SECTION 5 – RESPONSIBILITIES OF FIT COACHES

5.1 - Change of Address or Telephone

To ensure timely delivery of products, support materials and commission checks, it is critically important that FITLIF's files are current. Fit Coaches planning to move should email the corporate office, at info@fitlif.com their new address and telephone numbers.

5.2 - Continuing Development Obligations

5.2.1 - Ongoing Training

Any Fit Coach who sponsors another individual into FITLIF must perform a bona fide assistance and training function to ensure that his or her Downline is properly operating his or her FITLIF business. Fit Coaches must have ongoing contact and communication with the individuals in their Downline Organizations. Examples of such contact and communication may include, but are not limited to, newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail and the accompaniment of Downline Fit Coaches to FITLIF meetings, training sessions, and other functions. Upline Fit Coaches are also responsible to motivate and train new Fit Coaches in FITLIF product knowledge, effective sales techniques, the FITLIF

Compensation Plan and compliance with Company Policies and Procedures. Fit Coaches cannot charge for training.

Upon request, every Fit Coach and should be able to provide documented evidence to FITLIF of his or her ongoing fulfillment of the responsibilities of a sponsor.

5.2.2 - Increased Training Responsibilities

As Fit Coaches progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the FITLIF program. They will be called upon to share this knowledge with lesser-experienced individuals within their organization. Additionally, the most significant value offered to our members is being part of a like minded community. It's through the process of inviting others to start their own fitness journey that the community is built. And like any healthy community, it requires contribution from its members. Community is the cornerstone of the FITLIF business model and it's through this process that real wellness progress can exist. Doing it alone just isn't as effective as being surrounded by a supportive team. This is why people join fitlif, their monthly membership fee is paying for the right to belong to this community and to receive all of the benefits of this support system. That means, you are expected to add value to the community by offering: encouragement, support and accountability to your team members.

5.2.3 - Ongoing Sales Responsibilities

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

5.3 – Non-disparagement

FITLIF wants to provide its Fit Coaches with the best products, compensation plan and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the FITLIF corporate offices. While FITLIF welcomes constructive input, negative comments and remarks made in the field by Fit Coaches about the Company, its products or Compensation Plan serve no purpose other than to sour the enthusiasm of other FITLIF Fit Coaches. For this reason, and to set the proper example for their Downline or Fit Coaches must not disparage, demean or make negative remarks about FITLIF, other FITLIF Fit Coaches and s, FITLIF's products, the Compensation Plan or FITLIF's directors, officers or employees.

5.4 - Providing Documentation to Applicants

Fit Coaches must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Fit Coaches before the applicant signs an Agreement. Additional copies of Policies and Procedures can be found on the FITLIF website at www.FitLif.com, or in your business center under the forms section.

5.5 - Reporting Policy Violations

Fit Coaches observing a policy violation by another individual should submit a written report of the violation directly to the attention of the FITLIF Compliance Department. Details of the incident(s), such as dates, number of occurrences, persons involved and any supporting documentation, should be included in the report.

5.6 – Honesty Policy

Fit Coaches are required to honestly and accurately assess their progress when completing the monthly Fitness Log. Lying, cheating or falsifying results may be grounds for dismissal. Periodic audits to ensure this policy may also occur.

5.7 – Release of Liability

As a FITLIF member you are part of a large community seeking to live healthy lives. Part of the structure of this community is sharing and communicating personal progress. FITLIF does not screen and validate all content shared by and between members nor does FITLIF offer any endorsement of content. Always seek proper medical advice before implementation of any tips or suggestions. As a member I understand that I am solely responsible for the choices I make regarding diet, meal planning, exercise, etc. I release, FITLIF and any and all of its shareholders, officers and directors from any and all liability related to any undesired consequences arising from my participation in FITLIF.

SECTION 6 - SALES REQUIREMENTS

6.1 - Product Sales

The FITLIF Compensation Plan is based upon the sale of FITLIF products/services to end user consumers. Fit Coaches must fulfill personal and Downline organization sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement.

6.2 -Sales of FITLIF products through on-line classifieds or auction sites, such as Ebay or craigslist, are prohibited, without the expressed written consent of FITLIF.

6.3 - Territory Restrictions

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

SECTION 7 - BONUSES AND COMMISSIONS

7.1 - Bonus and Commission Qualifications

Fit Coaches must be active and in compliance with the Agreement and these Policies to qualify for bonuses and commissions. So long as a Fit Coach complies with the terms of the Agreement and these policies, FITLIF shall pay commissions to such Fit Coaches in accordance with the Compensation Plan. The minimum amount for which FITLIF will issue a commission payment is \$25.00. If bonuses and commissions do not equal or exceed \$25.00, the Company will accrue the commissions and bonuses until they total \$25.00. Commissions will be issued once \$25.00 has been accrued via check, paycard or direct deposit.

7.2 - Commission Payments and Promotions

7.2.1 - Payments, Calculations, and Bonuses

Commissions will be paid in accordance with the Compensation Plan. Commissions will be calculated according to the level for which a Fit Coach actually satisfied all of the requirements according to the Compensation Plan rather than the highest rank or title achieved. Commission reports will be provided to Fit Coaches on-line, via web access.

7.2.2 - Promotions

Promotions are determined based on business organization and sales activity for each applicable period.

7.3 - Adjustment to Bonuses and Commissions

7.3.1 - Adjustments for Returned Products

Fit Coaches receive bonuses and commissions based on the actual sale of products/services. When a product is returned and a refund is authorized by the Company, the bonuses and commissions attributable to the refunded product(s) will be deducted in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered from the Fit Coaches who received bonuses and commissions on the sales of the refunded product(s).

7.4 - Unclaimed Commissions and Credits

7.4.1 - Fit Coaches must deposit or cash commission and bonus checks within six months from their date of issuance. A check that remains uncashed after six months will be void. There shall be a \$25.00 charge for reissuing a check. These charges shall be deducted from the balance owed to the Fit Coach.

7.5 - Reports

All information provided by FITLIF in online or telephonic Downline Activity Reports, including but not limited to personal and group sales volume (or any part thereof), and Downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors, including the inherent possibility of human and mechanical error; the accuracy, completeness and timeliness of orders; denial of credit card and electronic check payments; returned products; and credit card and electronic check charge-backs, the information is not guaranteed by FITLIF or any persons creating or transmitting the information. 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, FITLIF and/or other persons creating or transmitting the information will in no event be liable to any Fit Coaches 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 volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity and damages that may result from inaccuracy, incompleteness, inconvenience, delay or loss of the use of the information), even if FITLIF or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, FITLIF or other persons

creating or transmitting the information shall have no responsibility or liability to you or anyone else under any tort, contract, negligence, strict liability, products liability or other theory with respect to any subject matter of this agreement or terms and conditions related thereto. Access to and use of FITLIF's online reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is." If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to FITLIF's online reporting services and your reliance upon the information.

SECTION 8 – RETURNS AND SALES AIDS REPURCHASE

8.1 - Retail Sales and Customer Returns

Retail sales to the customer are the foundation of the FITLIF business. The entire commission structure is based upon volume of retail sales referred by the individual Fit Coaches and as well as their entire organization.

Upon enrollment, you will be billed for both your first month and last month's membership fee. With FITLIF there is NEVER any long-term contract and you may cancel your membership at any time. Please note: you must cancel your membership prior to its monthly billing cycle. Once a credit card is billed it cannot be refunded.

To cancel your membership at any time:

Log into your FITLIF business account.

Click on: "Card Configurations" then click on "Show Saved Cards" then click "Delete"

8.2 Right to Cancel

Fit Coaches may cancel the Agreement within three (3) days of execution of their Agreement and receive a full refund of all enrollment fees and any voluntary purchases/subscriptions.

8.2.1 Montana Residents

A Montana resident may cancel his or her Agreement within fifteen (15) days from the date of enrollment, and may return his or her inventory and/or sales aids for a full refund within such time period.

All cancelations or refunds under these provisions must be approved in advance by calling the FITLIF Service Department at (330) 558-8080.

SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures or any illegal, fraudulent, deceptive or unethical business conduct by a Fit Coach may result, at FITLIF's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Fit Coach to take immediate corrective measures;

- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- The withholding of all or part of bonuses and commissions during the period that FITLIF is investigating any conduct allegedly in violation of the Agreement. If a Fit Coach's business is canceled for disciplinary reasons, they will not be entitled to recover any commissions withheld during the investigation period;
- Suspension for one or more pay periods;
- Involuntary termination of the offender's Agreement;
- Any other measure expressly allowed within any provision of the Agreement or that FITLIF deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the policy violation or contractual breach; or
- In situations deemed appropriate by FITLIF, the Company may institute legal proceedings.

9.2 - Grievances and Complaints

When a Fit Coach has a grievance or complaint with another Fit Coach regarding any practice or conduct in relationship to their respective FITLIF businesses, the complaining party should first report the problem to his or her sponsor, who should review the matter and try to resolve it with the other party's Upline sponsor. If the matter cannot be resolved, it must be reported in writing to the Company. The Company will review the facts and determine if a policy violation has occurred and take appropriate action.

9.3 - Arbitration

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association or other recognized arbitration service, under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Fit Coaches waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the County of Medina, Ohio, unless the laws of the state in which a Fit Coach resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions, with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel that the American Arbitration Panel provides. The prevailing party shall be entitled to receive from the losing party, OR each party to the arbitration shall be responsible for its own, costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent FITLIF from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect FITLIF's

interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

9.4 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside in Medina County, State of Ohio. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Ohio shall govern all other matters relating to or arising from the Agreement. Ohio residents are subject to Ohio sales tax added to their membership fee.

9.4.1 - Louisiana Residents: Notwithstanding the foregoing, Louisiana residents may bring an action against the Company with jurisdiction and venue as provided by Louisiana law.

SECTION 10 - INACTIVITY AND CANCELLATION

10.1 - Effect of Cancellation

So long as a Fit Coach remains active and complies with the terms of the Agreement (and these Policies and Procedures), FITLIF shall pay commissions to such individual in accordance with the Compensation Plan. Bonuses and commissions constitute the entire consideration for the all efforts in generating sales and all activities related to generating sales (including building a Downline Organization). Following termination for inactivity, or voluntary or involuntary termination the Agreement (all of these methods are collectively referred to as "termination"), the former Fit Coach shall have no right, title, claim or interest to the marketing organization that he or she operated, or any commission or bonus from the sales generated by the organization. A Fit Coach whose business is terminated will lose all rights as a Fit Coach. This includes the right to sell FITLIF products and services and the right to receive future commissions, bonuses or other income resulting from the sales and other activities of the former Downline sales organization. In the event of termination, Fit Coaches agree to waive all rights they may have, including but not limited to property rights, to their former Downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Downline organization.

Following termination, the former Fit Coach shall not hold himself or herself out as a FITLIF Independent Fit Coach. Any individual terminated shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation/termination (less any amounts withheld during an investigation preceding an involuntary termination).

10.2 - Involuntary Termination

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

10.3 - Voluntary Termination

A Fit Coach has a right to cancel, at any time, regardless of reason. Termination must be submitted in writing to the Company at its principal business address. The written notice must include the individual's signature, printed name, address and FITLIF ID number. Fit Coaches who have resigned may re-apply with FITLIF after 6 months. Fit Coaches are subject to termination due to inactivity (i.e. no sales, no commissions, no sponsoring) after being inactive for 6 full calendar months.

10.4- Complete Agreement

These Policies and Procedures, any and all modifications made by the Company, along with the Application, Terms and Conditions and the Compensation Plan make up the entire agreement.

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