
Solstice International Partners, LLC

STATEMENT OF POLICIES
and
PROCEDURES



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PROCEDURES

Effective September 15th 2008

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SECTION 1 - CORPORATE MISSION STATEMENT

Our mission is to enrich the lives of individuals and families worldwide by serving one another and providing them with superior nutritional products and a rewarding financial opportunity

SECTION 2 - INTRODUCTION

2.1 - Policies and Compensation Plan Incorporated into IBO Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of Solstice International Partners, LLC (hereafter “Solstice International Partners” or the “Company”), are incorporated into, and form an integral part of, the Solstice International Partners Independent Business Owner Agreement (“IBO Agreement”). Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Solstice International Partners IBO Application and Agreement, these Policies and Procedures, the Solstice International Partners Compensation Plan, and the Solstice International Partners Business Entity Application (if applicable). These documents are incorporated by reference into the Solstice International Partners IBO Agreement (all in their current form and as amended by Solstice International Partners). It is the responsibility of each Independent Business Owner (hereafter “IBO”) to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new IBO, it is the responsibility of the sponsoring IBO to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the Solstice International Partners Compensation Plan prior to his or her execution of the IBO Agreement.

2.2 - Purpose of Policies

Solstice International Partners is a direct sales company that markets its products through IBOs. It is important to understand that your success, and the success of your fellow IBOs, depends on the integrity of the men and women who market our products. To clearly define the relationship that exists between IBOs and Solstice International Partners, and to explicitly set a standard for acceptable business conduct, Solstice International Partners has established the Agreement.

Solstice International Partners IBOs are required to comply with all of the Terms and Conditions set forth in the Agreement, as well as all federal, state, and local laws governing their Solstice International Partners 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 manual 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 Solstice International Partners.

2.3 - Changes to the Agreement

Because federal, state, and local laws, as well as the business environment, periodically change, Solstice International Partners reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the IBO Agreement, an IBO agrees to abide by all

amendments or modifications that Solstice International Partners elects to make. Amendments shall be effective 30 days after publication of notice that the Agreement has been modified. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Company's official web site; (2) electronic mail (e-mail); (3) fax-on-demand; (4) voice mail system broadcast; (5) inclusion in Company periodicals; (6) inclusion in product orders or bonus checks; or (7) special mailings. The continuation of an IBO's Solstice International Partners business or an IBO's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

2.4 - Delays

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

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. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

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 Solstice International Partners to exercise any right or power under the Agreement or to insist upon strict compliance by an IBO 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 Solstice International Partners' right to demand exact compliance with the Agreement. Waiver by Solstice International Partners can be effectuated only in writing by an authorized officer of the Company. Solstice International Partners' waiver of any particular breach by an IBO shall not affect or impair Solstice International Partners' rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other IBO. Nor shall any delay or omission by Solstice International Partners to exercise any right arising from a breach affect or impair Solstice International Partners' rights as to that or any subsequent breach.

The existence of any claim or cause of action of an IBO against Solstice International Partners shall not constitute a defense to Solstice International Partners' enforcement of any term or provision of the Agreement.

SECTION 3 - BECOMING AN IBO

3.1 - Requirements to Become an IBO

To become a Solstice International Partners IBO, each applicant must:

- a) Be of the age of majority in his or her state of residence;

- b) Reside in the United States or U.S. Territories or country that Solstice International Partners has officially announced is open for business;
- c) Have a valid Social Security or Federal Tax ID number;
- d) Purchase a Solstice International Partners Starter Kit (optional in North Dakota);
- e) Submit a properly completed IBO Application and Agreement to Solstice International Partners either in hard copy or online format.

3.2 - IBO Benefits

Once an IBO Application and Agreement has been accepted by Solstice International Partners, the benefits of the Compensation Plan and the IBO Agreement are available to the new IBO. These benefits include the right to:

- a) Sell Solstice International Partners products;
- b) Participate in the Solstice International Partners Compensation Plan (receive bonuses and commissions, if eligible);
- c) Sponsor other individuals as Preferred Customers or IBOs into the Solstice International Partners business and thereby, build a marketing organization and progress through the Solstice International Partners Compensation Plan;
- d) Receive periodic Solstice International Partners literature and other Solstice International Partners communications;
- e) Participate in Solstice International Partners-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- f) Participate in promotional and incentive contests and programs sponsored by Solstice International Partners for its IBOs.

3.3 - Term and Renewal of Your Solstice International Partners Business

The term of the IBO Agreement is one year from the date of its acceptance by Solstice International Partners (subject to reclassification for inactivity or cancellation pursuant to Section 11 below). IBOs must renew their IBO Agreement each year by paying an annual renewal fee of \$30 on or before the anniversary date of their IBO Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the IBO Agreement, the IBO Agreement will be canceled. IBOs may elect to utilize the Automatic Renewal Program (“ARP”). Under the ARP, the renewal fee will be charged to the IBO’s credit card on file with the Company.

SECTION 4 - OPERATING A SOLSTICE INTERNATIONAL PARTNERS BUSINESS

4.1 - Adherence to the Solstice International Partners Marketing Plan

IBOs must adhere to the terms of the Solstice International Partners Marketing Plan as set forth in official Solstice International Partners literature. IBOs shall not offer the Solstice International Partners opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Solstice International Partners literature. IBOs shall not require or encourage other current or prospective Preferred Customers or IBOs to participate in Solstice International Partners in any manner that varies

from the program as set forth in official Solstice International Partners literature. IBOs shall not require or encourage other current or prospective Preferred Customers or IBOs to execute any agreement or contract other than official Solstice International Partners agreements and contracts in order to become a Solstice International Partners IBO. Similarly, IBOs shall not require or encourage other current or prospective Preferred Customers or IBOs to make any purchase from, or payment to, any individual or other entity to participate in the Solstice International Partners opportunity other than those purchases or payments identified as recommended or required in official Solstice International Partners literature.

4.2 - Advertising

4.2.1 - General

All IBOs shall safeguard and promote the good reputation of Solstice International Partners and its products. The marketing and promotion of Solstice International Partners, the Solstice International Partners opportunity, the Compensation Plan, and Solstice International Partners products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and the tremendous opportunity Solstice International Partners offers, IBOs should use the sales tools and support materials produced by Solstice International Partners. The rationale behind this requirement is simple. Solstice International Partners has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that each aspect of Solstice International Partners is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If Solstice International Partners IBOs were allowed to develop their own sales tools and promotional materials notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting a Solstice International Partners business is almost certain. These violations, although they may be relatively few in number, would jeopardize the Solstice International Partners opportunity for all IBOs.

Accordingly, IBOs must submit all written sales tools, promotional materials, advertisements, and other literature to the Company for approval. Unless the IBO receives specific written approval to use such tools, the request shall be deemed denied. By submitting any proposed sales tools, promotional materials, advertisements, or other literature to the Company for approval, the IBO submitting such materials grants to Solstice International Partners an irrevocable, royalty-free license to make use of such materials for advertising and promotional purposes and to distribute or otherwise make the materials available for use by other IBOs.

Solstice International Partners will not permit IBOs sell sales aids to other Solstice International Partners IBOs. Therefore, IBOs who receive authorization from Solstice International Partners to produce their own sales aids may not sell such material to any other Solstice International Partners IBO. IBOs may make approved material available to other IBOs free of charge if they wish, but may not charge other Solstice International Partners IBOs for the material.

Solstice International Partners further reserves the right to rescind approval for any sales

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

4.2.2 - IBO Web Sites

If an IBO desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's replicated website program only. This program permits an IBO to advertise and conduct sales and sponsorship activities on the Internet with a personalized version of the official Solstice International Partners website. These websites seamlessly link directly to the official Solstice International Partners website giving the IBO a professional and Company-approved presence on the Internet. IBOs are not required to subscribe to the Company's replicated website program. However, those who do so will be able to set-up and make use of the replicated website for six months at no charge. Beginning with the seventh month, a monthly hosting fee of \$10 per month will be charged to participating IBOs.

No IBO may independently design a website that uses the names, logos, or product descriptions of Solstice International Partners or otherwise promotes (directly or indirectly) Solstice International Partners products or the Solstice International Partners opportunity. Nor may an IBO use "blind" ads on the Internet that make product or income claims which are ultimately associated with Solstice International Partners products, the Solstice International Partners opportunity, or the Solstice International Partners Compensation Plan. The use of any website or web page (including without limitation auction sites such as eBay) other than an official Solstice International Partners replicated website to in any way promote the sale of Solstice International Partners products, the Solstice International Partners opportunity, or the Compensation Plan is a breach of the Agreement and may result in any of the disciplinary sanctions set forth in Section 9.1.

4.2.3 - Blogs, Chat Rooms, Social Networks, Online Auctions, and other Online Forums

IBOs shall not use online blogs, chat rooms, social networks, online auctions sites, or any other online forum to market, sell, advertise, promote, or discuss Solstice International Partners' products or the Solstice International Partners opportunity.

4.2.4 - Domain Names and Email Addresses

IBOs may not use or attempt to register any of Solstice International Partners' trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Nor may IBOs incorporate or attempt to incorporate any of the Company's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any electronic mail address.

4.2.5 - Trademarks and Copyrights

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

4.2.6 - Media and Media Inquiries

IBOs must not attempt to respond to media inquiries regarding Solstice International Partners, its products, or their independent Solstice International Partners business. All inquiries by any type of media must be immediately referred to the Press Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

4.2.7 - Unsolicited Email

Solstice International Partners does not permit IBOs to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by an IBO that promotes Solstice International Partners, the Solstice International Partners opportunity, or Solstice International Partners products must comply with the following:

- a) There must be a functioning return email address to the sender.
- b) There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
- c) The email must include the IBO’s physical mailing address.
- d) The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- e) The use of deceptive subject lines and/or false header information is prohibited.
- f) All opt-out requests, whether received by email or regular mail, must be honored. If an IBO receives an opt-out request from a recipient of an email, the IBO must forward the opt-out request to the Company.

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

4.2.8 - Unsolicited Faxes

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

either party.

4.3 - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. “Bonus buying” includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an IBO Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an IBO or Preferred Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as IBOs or Preferred Customers (“phantoms”); (d) Purchasing Solstice International Partners products on behalf of another IBO or Preferred Customer, or under another IBO’s or Preferred Customer’s I.D. number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of goods that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product purchases by end user consumers.

4.4 - Business Entities

A corporation, limited liability company (LLC), partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be a Solstice International Partners IBO by submitting its Certificate of Incorporation, Certificate of Organization, Partnership Agreement or trust documents (these documents are collectively referred to as the “Entity Documents”) to Solstice International Partners, along with a properly completed Business Entity Registration form. A Solstice International Partners business may change its status under the same sponsor from an individual to a partnership, corporation, LLC, or trust, or from one type of entity to another. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed IBO Application and Agreement. The Business Entity Registration form must be signed by all of the shareholders, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to Solstice International Partners.

To prevent the circumvention of Section 4.24 (regarding transfers and assignments of Solstice International Partners business), if an additional partner, shareholder, member, or other business entity affiliate is added to a business entity, the original applicant must remain as a party to the original IBO Application and Agreement. If the original IBO wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with Section 4.24. If this process is not followed, the business shall be canceled upon the withdrawal of the original IBO. All bonus and commission checks will be sent to the address of record of the original IBO. Please note that the modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 4.5, below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed IBO Application and Agreement. Solstice International Partners may, at its discretion, require notarized documents before implementing any changes to a Solstice International Partners business. Please allow thirty (30) days after the receipt of the request by Solstice International Partners for processing.

4.4.1 - Changes to a Business Entity

Each IBO must immediately notify Solstice International Partners of all changes to type of

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

4.5 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all IBOs, Solstice International Partners strongly discourages in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every IBO and marketing organization. Accordingly, the transfer of a Solstice International Partners business from one sponsor to another is rarely permitted.

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

4.5.1 - Misplacement

In cases in which the new IBO is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, an IBO may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within 15 days from the date of enrollment. The IBO requesting the change has the burden of proving that he or she was placed beneath the wrong sponsor. It is up to Solstice International Partners' discretion whether the requested change will be implemented.

4.5.2 - Upline Approval

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

In cases in which the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by an IBO, Solstice International Partners reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **IBOS WAIVE ANY AND ALL CLAIMS AGAINST Solstice International Partners THAT RELATE TO OR ARISE FROM SOLSTICE**

INTERNATIONAL PARTNERS' DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.

4.5.3 - Cancellation and Re-application

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

4.6 - Unauthorized Claims and Actions

4.6.1 - Indemnification

An IBO is fully responsible for all of his or her verbal and written statements made regarding Solstice International Partners products, services, and the Compensation Plan which are not expressly contained in official Solstice International Partners materials. IBOs agree to indemnify Solstice International Partners and Solstice International Partners' 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 Solstice International Partners as a result of the IBO's unauthorized representations or actions. This provision shall survive the termination of the IBO Agreement.

4.6.2 - Product Claims

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Solstice International Partners may be made except those contained in official Solstice International Partners literature. In particular, no IBO may make any claim that Solstice International Partners products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only so such claims violate Solstice International Partners policies, but they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

4.6.3 - Income Claims

In their enthusiasm to enroll prospective IBOs, some IBOs are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new IBOs may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At Solstice International Partners, we firmly believe that the Solstice International Partners income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, the Federal Trade Commission and several 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 IBOs may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Solstice International Partners as well as the IBO making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Solstice International Partners IBOs do not have the data necessary to comply with the legal requirements for making income claims, an IBO, when presenting or discussing the Solstice International Partners opportunity or Compensation Plan to a prospective IBO, may not make income projections, income claims, or disclose his or her Solstice International Partners income (including the showing of checks, copies of checks, bank statements, or tax records).

4.7 - Trade Shows, Expositions and Other Sales Forums

IBOs may display and/or sell Solstice International Partners products at trade shows and professional expositions. Before submitting a deposit to the event promoter, IBOs must contact the IBO Services department in writing for conditional approval, as Solstice International Partners' policy is to authorize only one Solstice International Partners business per event. Final approval will be granted to the first IBO who submits an official advertisement of the event, a copy of the contract signed by both the IBO and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the IBO Services Department. Solstice International Partners further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products or the Solstice International Partners 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 Solstice International Partners wishes to portray.

4.8 - Conflicts of Interest

4.8.1 - Nonsolicitation

Solstice International Partners IBOs are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, IBOs may not directly or indirectly Recruit other Solstice International Partners IBOs or Preferred Customers for any other network marketing business.

Following the cancellation of an IBO's IBO Agreement, and for a period of six calendar months thereafter, with the exception of an IBO who is personally sponsored by the former IBO, a former IBO may not Recruit any Solstice International Partners IBO or Preferred Customer for another network marketing business. IBOs and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, 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, IBOs and Solstice International Partners agree that this non-solicitation provision shall apply to all markets in which Solstice International Partners conducts business.

The term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Solstice International Partners IBO or Preferred Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. The conduct described in the preceding sentence constitutes recruiting even if the IBO's actions are in response to an inquiry made by another IBO or Preferred Customer.

4.8.2 - Sale of Competing Goods

IBOs must not sell, or attempt to sell, any competing non-Solstice International Partners products to Solstice International Partners Preferred Customers or IBOs. Any product in the same generic categories as Solstice International Partners products is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

4.8.3 - IBO Participation in Other Direct Selling Programs

If an IBO is engaged in other non-Solstice International Partners direct selling programs, it is the responsibility of the IBO to ensure that his or her Solstice International Partners business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- a) IBOs shall not display Solstice International Partners promotional material, sales aids or products with or in the same location as, any non-Solstice International Partners promotional material or sales aids, products or services.
- b) IBOs shall not offer the Solstice International Partners opportunity or products to prospective or existing Preferred Customers or IBOs in conjunction with any non-Solstice International Partners program, opportunity, product or service.
- c) IBOs may not offer any non-Solstice International Partners opportunity, products, services or opportunity at any Solstice International Partners-related meeting, seminar or convention, or within two hours and a five mile radius of the Solstice International Partners event. If the Solstice International Partners meeting is held telephonically or on the internet, any non-Solstice International Partners meeting must be at least two hours before or after the Solstice International Partners meeting, and on a different conference telephone number or internet web address from the Solstice International Partners meeting.

4.8.4 - Downline Activity (Genealogy) Reports

Downline Activity Reports are available for IBO access and viewing at Solstice International Partners' official web site. IBO 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 Solstice International Partners.** Downline Activity Reports are provided to IBOs in strictest confidence and are made available to IBOs for the sole purpose of assisting IBOs in working with their respective Downline Organizations in the development of their Solstice International Partners business. IBOs should use their Downline Activity Reports to assist, motivate, and train their downline IBOs. The IBO and Solstice International Partners agree that, but for this agreement of confidentiality and nondisclosure, Solstice International Partners would not provide Downline Activity Reports to the IBO. An IBO shall not, on his or her own behalf, or on behalf of any

other person, partnership, association, corporation or other entity:

- a) Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- b) Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- c) Use the information to compete with Solstice International Partners or for any purpose other than promoting his or her Solstice International Partners business; or
- d) Recruit or solicit any IBO or Preferred Customer of Solstice International Partners listed on any Downline Activity Report, or in any manner attempt to influence or induce any IBO or Preferred Customer of Solstice International Partners, to alter their business relationship with Solstice International Partners.

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

4.9 - Targeting Other Direct Sellers

Solstice International Partners does not condone IBOs specifically or consciously targeting the sales force of another direct sales company to sell Solstice International Partners products or to become IBOs for Solstice International Partners, nor does Solstice International Partners condone IBOs solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should IBOs engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an IBO alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, Solstice International Partners will not pay any of IBO's defense costs or legal fees, nor will Solstice International Partners indemnify the IBO for any judgment, award, or settlement.

4.10 - Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual who or entity that already has a current Preferred Customer or IBO Agreement on file with Solstice International Partners, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, any straw-man or other artifice to circumvent this policy is prohibited. IBOs shall not demean, discredit or defame other Solstice International Partners IBOs in an attempt to entice another IBO to become part of the first IBO's marketing organization. This policy shall not prohibit the transfer of a Solstice International Partners business in accordance with Section 4.24.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. Solstice International Partners may take disciplinary action against the IBO that changed organizations and/or those IBOs who encouraged or participated in the Cross Sponsoring. Solstice International Partners may also move all or part of the offending IBO's downline to his or her original downline organization if the Company deems it equitable and feasible to do so. However, Solstice International Partners is under no obligation to move the

Cross Sponsored IBO's downline organization, and the ultimate disposition of the organization remains within the sole discretion of Solstice International Partners. **IBOs waive all claims and causes of action against Solstice International Partners arising from or relating to the disposition of the Cross Sponsored IBO's downline organization.**

4.11 - Errors or Questions

If an IBO has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the IBO must notify Solstice International Partners in writing within 60 days of the date of the purported error or incident in question. Solstice International Partners will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

4.12 - Governmental Approval or Endorsement

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

4.13 - Holding Applications or Orders

IBOs must not manipulate enrollments of new applicants and purchases of products. All IBO Applications and Agreements, and product orders must be sent to Solstice International Partners within 72 hours from the time they are signed by an IBO or placed by a customer, respectively.

4.14 - Identification

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

4.15 - Income Taxes

Each IBO is responsible for paying local, state and federal taxes on any income generated as an IBO. If a Solstice International Partners business is tax exempt, the Federal tax identification number must be provided to Solstice International Partners. Every year, Solstice International Partners will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000.

4.16 - Independent Contractor Status

IBOs are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between Solstice International Partners and its IBOs does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the IBO. IBOs shall not be treated as an employee for his or her services or for Federal or State tax purposes. All IBOs are responsible for paying local, state, and federal taxes due from all compensation earned as an IBO of the Company. The IBO has no authority (expressed or implied), to bind the Company to any obligation. Each IBO shall establish his or her own goals,

hours, and methods of sale, so long as he or she complies with the terms of the IBO Agreement, these Policies and Procedures, and applicable laws.

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

IBO's Name
Solstice International IBO

All IBOs may list themselves as an “Independent Solstice International Partners IBO” in the white or yellow pages of the telephone directory under their own name. No IBO may place telephone directory display ads using Solstice International Partners’ name or logo. IBOs may not answer the telephone by saying “Solstice International Partners”, “Solstice International Partners Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of Solstice International Partners.

4.17 - International Marketing

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

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

4.18 - Inventory Loading

IBOs must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other IBO to buy more products than they can reasonably use or sell to retail customers in a month.

4.19 - Adherence to Laws and Ordinances

IBOs shall comply with all federal, state, and local laws and regulations in the conduct of

their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to IBOs because of the nature of their business. However, IBOs must obey those laws that do apply to them. If a city or county official tells an IBO that an ordinance applies to him or her, the IBO shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of Solstice International Partners. In most cases there are exceptions to the ordinance that may apply to Solstice International Partners IBOs.

4.20 - Minors

A person who is recognized as a minor in his/her state of residence may not be a Solstice International Partners IBO. IBOs shall not enroll or recruit minors into the Solstice International Partners program.

4.21 - One Solstice International Partners Business Per IBO and Per Household

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

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

An exception to the one business per IBO rule will be considered on a case by case basis if two IBOs marry or in cases of an IBO receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to the IBO Services Department.

4.22 - Actions of Household Members or Affiliated Individuals

If any member of an IBO’s immediate household engages in any activity which, if performed by the IBO, would violate any provision of the Agreement, such activity will be deemed a violation by the IBO and Solstice International Partners may take disciplinary action pursuant to the Statement of Policies against the IBO. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively “affiliated individual”) violates the Agreement, such action(s) will be deemed a violation by the entity, and Solstice International Partners may take disciplinary action against the entity.

4.23 - Requests for Records

Any request from an IBO for copies of invoices, applications, downline activity reports, or

other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

4.24 - Sale, Transfer or Assignment of a Solstice International Partners Business

Although a Solstice International Partners business is a privately owned, independently operated business, the sale, transfer or assignment of a Solstice International Partners business is subject to certain limitations. If an IBO wishes to sell his or her Solstice International Partners business, the following criteria must be met:

- a) Protection of the existing line of sponsorship must always be maintained so that the Solstice International Partners business continues to be operated in that line of sponsorship.
- b) The buyer or transferee must become a qualified Solstice International Partners IBO. If the buyer is an active Solstice International Partners IBO, he or she must first terminate his or her Solstice International Partners business before acquiring any interest in a different Solstice International Partners business.
- c) Before the sale, transfer or assignment can be finalized and approved by Solstice International Partners, any debt obligations the selling IBO has with Solstice International Partners must be satisfied.
- d) The selling IBO 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 Solstice International Partners business.

Prior to selling a Solstice International Partners business, the selling IBO must notify Solstice International Partners' IBO Services Department of his or her intent to sell the Solstice International Partners business. No changes in line of sponsorship can result from the sale or transfer of a Solstice International Partners business.

4.25 - Separation of a Solstice International Partners Business

Solstice International Partners IBOs sometimes operate their Solstice International Partners businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other IBOs and the Company in a timely fashion, Solstice International Partners will involuntarily terminate the IBO Agreement.

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

- a) One of the parties may, with consent of the other(s), operate the Solstice International Partners business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Solstice International Partners to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- b) The parties may continue to operate the Solstice International Partners business jointly on a "business-as-usual" basis, whereupon all compensation paid by Solstice International

Partners will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

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

If a former spouse or former shareholder, partner or member has completely relinquished all rights in the original Solstice International Partners business pursuant to a divorce or entity dissolution, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In either case, the former spouse or business affiliate shall have no rights to any IBOs in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new IBO.

4.26 - Sponsoring

All active IBOs in good standing have the right to sponsor and enroll others into Solstice International Partners. Each prospective Preferred Customer or IBO has the ultimate right to choose his or her own Sponsor. If two IBOs claim to be the Sponsor of the same new IBO or Preferred Customer, the Company shall regard the first application received by the Company as controlling.

4.27 - Succession

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

- a) Execute an IBO Agreement;
- b) Comply with terms and provisions of the Agreement; and
- c) Meet all of the qualifications for the deceased IBO's status.

Bonus and commission checks of a Solstice International Partners business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide Solstice International Partners with an "address of record" to which all bonus and commission checks will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer Identification number. Solstice International

Partners will issue all bonus and commission checks and one 1099 to the business entity.

4.27.1- Transfer Upon Death of an IBO

To effect a testamentary transfer of a Solstice International Partners business, the successor must provide the following to Solstice International Partners: (1) an original death certificate; (2) a notarized copy of the will or other instrument establishing the successor's right to the Solstice International Partners business; and (3) a completed and executed IBO Agreement.

4.27.2- Transfer Upon Incapacitation of an IBO

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

4.28 - Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although Solstice International Partners does not consider IBOs to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

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

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

authorized to call.

- d) You may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.

In addition, IBOs shall not use automatic telephone dialing systems relative to the operation of their Solstice International Partners 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 IBOS

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

To ensure timely delivery of products, support materials, and commission checks, it is critically important that the Solstice International Partners’ files are current. Street addresses are required for shipping. IBOs planning to move should update their personal information via the Back Office function of the IBO’s replicated Solstice International Partners website or send their new address and telephone numbers to Solstice International Partners’ Corporate Offices to the attention of the IBO Services Department. To guarantee proper delivery, two weeks advance notice must be provided to Solstice International Partners on all changes.

5.2 - Continuing Development Obligations

5.2.1 - Ongoing Training

Any IBO who sponsors another IBO into Solstice International Partners must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her Solstice International Partners business. IBOs must have ongoing contact and communication with the IBOs 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 IBOs to Solstice International Partners meetings, training sessions, and other functions. Upline IBOs are also responsible to motivate and train new IBOs in Solstice International Partners product knowledge, effective sales techniques, the Solstice International Partners Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline IBOs must not, however, violate Section 4.2 (regarding the development of IBO-produced sales aids and promotional materials).

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

5.2.2 - Increased Training Responsibilities

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

5.2.3 - Ongoing Sales Responsibilities

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

5.3 - Nondisparagement

Solstice International Partners wants to provide its IBOs 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 Compliance Department. Remember, to best serve you, we must hear from you! While Solstice International Partners welcomes constructive input, negative comments and remarks made in the field by IBOs about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other Solstice International Partners IBOs. For this reason, and to set the proper example for their downline, IBOs must not disparage, demean, or make negative remarks about Solstice International Partners, other Solstice International Partners IBOs, Solstice International Partners' products, the Compensation Plan, or Solstice International Partners' directors, officers, or employees.

5.4 - Providing Documentation to Applicants

IBOs must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become IBOs before the applicant signs an IBO Agreement. Additional copies of Policies and Procedures can be downloaded from Solstice International Partners' website.

5.5 - Reporting Policy Violations

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

SECTION 6 - SALES REQUIREMENTS

6.1 - Product Sales

The Solstice International Partners Compensation Plan is based on the sale of Solstice International Partners products to end consumers. IBOs must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for IBOs to be eligible for commissions:

- a) IBOs must satisfy the compensation qualifications requirements associated with their

rank as specified in the Solstice International Partners Compensation Plan.

b) At least 50% of an IBO's sales must be to retail customers.

6.2 - No Territory Restrictions

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

6.3 - Sales Receipts

Any time an IBO makes a sale of a Solstice International Partners product to a retail customer out of the IBO's inventory, the IBO must provide the retail customers with two copies of an official Solstice International Partners sales receipt at the time of the sale. These receipts set forth any consumer protection rights afforded by federal or state law. IBOs must maintain all retail sales receipts for a period of two years and furnish them to Solstice International Partners at the Company's request. Records documenting the purchases made by the IBO's Preferred Customers and online customers will be maintained by Solstice International Partners.

Remember that customers must receive two copies of the sales receipt. In addition, IBOs must orally inform the buyer of his or her cancellation rights as set forth on the receipt.

SECTION 7 - BONUSES AND COMMISSIONS

7.1 - Bonus and Commission Qualifications

An IBO must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as an IBO complies with the terms of the Agreement, Solstice International Partners shall pay commissions to such IBO in accordance with the Compensation Plan. The minimum amount for which Solstice International Partners will issue a check is \$10.00. If an IBO's bonuses and commissions do not equal or exceed \$10.00, the Company will accrue the commissions and bonuses until they total \$10.00. A check will be issued once \$10.00 has been accrued.

7.2 - Adjustment to Bonuses and Commissions

IBOs receive bonuses and commissions based on the actual sales of products to end consumers. When a product is returned to Solstice International Partners for a refund or is repurchased by the Company, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the IBOs who received bonuses and commissions on the sales of the refunded products.

7.3 - Reports

All information provided by Solstice International Partners in online or telephonic downline activity reports, including but not limited to sales data 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 check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by Solstice International Partners or any persons creating or transmitting the information.

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

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, SOLSTICE INTERNATIONAL PARTNERS AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY IBO OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL SALES AND SPONSORSHIP 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 SOLSTICE INTERNATIONAL PARTNERS 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, SOLSTICE INTERNATIONAL PARTNERS 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 Solstice International Partners' online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Solstice International Partners' online and telephone reporting services and your reliance upon the information.

SECTION 8 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

8.1 - Product Guarantee

Solstice International Partners offers a 100% 30-day money-back satisfaction guarantee (less shipping charges) on the first purchase of a Solstice International product made by an IBO, a Preferred Customer, or an online retail customer. It is important to note that this guarantee extends only to the first purchase of any particular Solstice International Partners product made by such a customer and not to any subsequent purchases of any such product. In order to receive the refund, the Preferred Customer or online customer must return the product(s) to Solstice International Partners.

8.2 - Retail Customer Right to Cancel

A retail customer who makes a purchase of any Solstice International Partners product

directly from an IBO (from the IBO's inventory of products and not as a Preferred Customer or from either the Company website or the IBO's replicated website) has three business days after the sale or execution of a contract to cancel the order and receive a **full** refund consistent with the cancellation notice on the order form. When an IBO makes a sale or takes an order from a retail customer who cancels or requests a refund within the three business day period, the IBO must promptly refund the customer's money as long as the products are returned to the IBO in substantially as good condition as when received. Additionally, IBOs must orally inform customers of their right to rescind a purchase or an order within three business days, and ensure that the date of the order or purchase is entered on the order form. All retail customers must be provided with two copies of an official Solstice International Partners sales receipt at the time of the sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

8.3 - Return of Inventory and Sales Aids by IBOs Upon Cancellation

If an IBO's IBO Agreement is cancelled for any reason within one year of the IBO's enrollment, the IBO will receive a 100% refund of the Starter Kit purchase. It is not necessary to return the Starter Kit in order to receive this refund. If an IBO's IBO Agreement is cancelled for any reason following the IBO's renewal of the IBO Agreement, the IBO will receive a 100% refund of the most recent renewal fee paid, provided the materials that the IBO received from the Company following his or her renewal of the IBO Agreement are returned to Solstice International Partners in Resalable condition (See the definition of "Resalable" in Section 12 below).

In addition, the cancelled or canceling IBO may return any products or other sales aids held in his or her inventory for a refund, provided a) the products or sales aids were personally purchased from Solstice International Partners by the IBO (purchases from other IBOs or third parties are not subject to refund); b) they are in Resalable condition; and c) they were purchased within one year prior to the date of cancellation. Upon receipt of Resalable products and/or sales aids, the IBO will be reimbursed 90% of the net cost of the original purchase price(s). Shipping charges incurred by an IBO when the products or sales aids were purchased will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an IBO was paid a commission or bonus based on a product that he or she purchased, and such product is subsequently returned for a refund, the commission or bonus that was paid based on that product purchase will be deducted from the amount of the refund.

8.3.1 - Montana Residents

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

8.4 - Procedures for All Returns

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

- a) All merchandise must be returned by the IBO or customer who purchased it directly from Solstice International Partners.
- b) All products to be returned must have a Return Authorization Number which is obtained by calling the IBO Services Department. This Return Authorization Number must be

- written on each carton returned.
- c) The return is accompanied by:
 - i) a completed and signed Product Return Form;
 - ii) a copy of the original dated retail sales receipt; and
 - iii) the unused portion of the product in its original container.
 - d) Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to Solstice International Partners shipping pre-paid. Solstice International Partners does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the IBO. If returned product is not received by the Company's Distribution Center, it is the responsibility of the IBO to trace the shipment.
 - e) If an IBO is returning merchandise to Solstice International Partners that was returned to him or her by a personal retail customer pursuant to Section 8.2 above, the product must be received by Solstice International Partners within ten (10) days from the date on which the retail customer returned the merchandise to the IBO, and must be accompanied by the sales receipt the IBO gave to the customer at the time of the sale.

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

SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1 - Disciplinary Sanctions

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

- Issuance of a written warning or admonition;
- Requiring the IBO 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;
- Solstice International Partners may withhold from an IBO all or part of the IBO's bonuses and commissions during the period that Solstice International Partners is investigating any conduct allegedly violative of the Agreement. If an IBO's business is canceled for disciplinary reasons, the IBO will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's IBO Agreement for one or more pay periods;
- Transfer of a portion or all of the IBO's marketing organization or downline;
- Involuntary termination of the offender's IBO Agreement;
- Suspension and/or termination of the offending IBO's Solstice International Partners website or website access;
- Any other measure expressly allowed within any provision of the Agreement or

which Solstice International Partners deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the IBO's policy violation or contractual breach;

- In situations deemed appropriate by Solstice International Partners, the Company may institute legal proceedings for monetary and/or equitable relief.

9.2 - Grievances and Complaints

When an IBO has a grievance or complaint with another IBO regarding any practice or conduct in relationship to their respective Solstice International Partners businesses, the complaining IBO should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the IBO Services Department at the Company. The IBO Services Department will review the facts and attempt to resolve it. If it is not resolved, it will be referred to the Dispute Resolution Board for final review and determination.

9.3 - Dispute Resolution Board

The purpose of the Dispute Resolution Board is to: (1) review appeals of disciplinary sanctions; and (2) review matters between Solstice International Partners IBOs. After the response or settlement instituted by IBO Services has been denied or otherwise remains unresolved, the Dispute Resolution Board reviews evidence, deliberates, and responds to current outstanding issues on a collective basis.

An IBO may submit a written request for a telephonic or in-person hearing within seven business days from the date of: (1) the written notice by Solstice International Partners of disciplinary action; or (2) the written decision of IBO Services regarding disputes between IBOs. All communication with Solstice International Partners and the IBO seeking resolution of a dispute must be in writing. It is within the DRB's discretion whether a claim is accepted for review. If the DRB agrees to review the matter, it shall schedule a hearing within 30 days of receipt of the IBO's written request. All evidence (e.g., documents, exhibits, etc.) that an IBO desires to have considered by the DRB must be submitted to Solstice International Partners no later than seven business days before the date of the hearing. The IBO shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be present at the hearing. The decision of the Dispute Resolution Board will be final and subject to no further review. During the pendency of the claim before the DRB, the IBO waives his or her right to pursue arbitration or any other remedy.

Following issuance of a sanction, the disciplined IBO may appeal the sanction to the Dispute Resolution Board ("DRB"). IBO's appeal must be in writing and received by the Company within 15 days from the date of Solstice International Partners' cancellation notice. If the appeal is not received by Solstice International Partners within the 15 day period, the sanction will be final. The IBO must submit all supporting documentation with his or her appeal correspondence. If the IBO files a timely appeal of cancellation, the DRB will review and reconsider the cancellation, consider any other appropriate action, and notify the IBO in writing of its decision.

9.4 - Mediation

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

9.5 - Arbitration

If mediation is unsuccessful, **any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** IBOs waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Jacksonville, Florida. 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 which the American Arbitration Panel provides. 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.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent Solstice International Partners 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 Solstice International Partners' 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.

9.6 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Duval County, State of Florida. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Florida shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the mediation and arbitration provisions in Sections 9.4 and 9.5, residents of the State of Louisiana shall be entitled to bring an action against Solstice International Partners in their home forum and pursuant to Louisiana law.

SECTION 10 - PAYMENT

10.1 - Returned Checks

All checks returned by an IBO's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the IBO. After

receiving a returned check from a customer or an IBO, *all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to Solstice International Partners by an IBO for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.*

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

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

10.3 - Sales Taxes

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

By virtue of its business operations, Solstice International Partners is required to charge sales taxes on all purchases made by IBOs and Preferred Customers, and remit the taxes charged to the respective states. Accordingly, Solstice International Partners will collect and remit sales taxes on behalf of IBOs, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If an IBO has submitted, and Solstice International Partners has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the IBO. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Solstice International Partners is not retroactive.

SECTION 11 - INACTIVITY, RECLASSIFICATION & CANCELLATION

11.1 - Effect of Cancellation

So long as an IBO remains active and complies with the terms of the IBO Agreement and these Policies and Procedures, Solstice International Partners shall pay commissions to such IBO in accordance with the Compensation Plan. An IBO's bonuses and commissions constitute the entire consideration for the IBO's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an IBO's non-renewal of his or her IBO Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her IBO Agreement (all of these methods are collectively referred to as "cancellation"), the former IBO shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **An IBO whose business is cancelled will lose all rights as an IBO. This includes the right to sell Solstice International Partners products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the IBO's former downline sales organization. In the event of cancellation, IBOs 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 an IBO's cancellation of his or her IBO Agreement, the former IBO shall not hold himself or herself out as a Solstice International Partners IBO and shall not have the right to sell Solstice International Partners products or services. An IBO whose IBO Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

11.2 - Cancellation Due to Inactivity

If an IBO has not earned a commission for six consecutive months (and thus become "inactive"), his or her IBO Agreement shall be canceled for inactivity.

11.2.1 - Reclassification Following Cancellation Due to Inactivity

If an IBO does not earn a commission or bonus for six consecutive months, his or her IBO Agreement will be cancelled for inactivity. If he or she is on the Company's Autoship program (a Preferred Customer), the Preferred Customer Agreement shall remain in force.

11.3 - Involuntary Cancellation

An IBO's violation of any of the terms of the Agreement, including any amendments that may be made by Solstice International Partners in its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary cancellation of his or her IBO Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, or delivered to an express courier, to the IBO's last known address (or fax number), or to his/her attorney, or when the IBO receives actual notice of cancellation, whichever occurs first.

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

11.4 - Voluntary Cancellation

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

11.5 - Non-renewal

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

SECTION 12 - DEFINITIONS

Active Preferred Customer — A Preferred Customer who purchases Solstice International Partners products pursuant to the Preferred Customer Autoship program and whose account has been paid for the current month.

Active IBO — An IBO who has received a commission during the preceding six months.

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

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

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

Downline Activity Report — An online, real time report generated by Solstice International Partners that provides critical data relating to the identities of IBOs, sales information, and enrollment activity of each IBO’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to Solstice International Partners and is accessed via the Solstice International Partners website IBO login button. For those IBOs who have subscribed to the Solstice International Partners replicated website program, the report is accessed through the back office of such websites.

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

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

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

Marketing Organization — The Preferred Customers and IBOs sponsored below a particular IBO.

Official Solstice International Partners Material — Literature, audio or video tapes, and other materials developed, printed, published and distributed by Solstice International Partners to IBOs.

Personal Production — Moving Solstice International Partners products to an end consumer for personal use.

Preferred Customer — A retail customer who enters into a Preferred Customer Agreement with Solstice International Partners and agrees to automatically purchase a selection of Solstice International Products each month. *See the definition of “Retail Customer” below.*

Rank — The “title” that an IBO has achieved pursuant to the Solstice International Partners Compensation Plan.

Recruit — For purposes of Solstice International Partners’ Conflict of Interest Policy (Section 4.8), the term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Solstice International Partners IBO or Preferred Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. Except in California, the foregoing conduct constitutes recruiting even if the IBO’s actions are in response to an inquiry made by another IBO or Preferred Customer.

Resalable — Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to Solstice International Partners within one year from the date of purchase; 5) the product contains current Solstice International Partners labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

Retail Customer — An individual or entity that purchases Solstice International Partners products, but who is not an IBO, or an immediate household family member of an IBO.

Retail Sales — Sales to a Retail Customer. If a sale is made to a customer who subsequently submits a Solstice International Partners IBO Agreement within 30 days from the date of the sale, or if an immediate household family member of the customer submits a Solstice International Partners IBO Agreement within 30 days of the sale, such sale shall not constitute a Retail Sale. An IBO’s personal purchases from Solstice International Partners do not constitute Retail Sales.

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

Sponsor — An IBO under whom an enroller places a new IBO or Preferred Customer, and is listed as the sponsor on the IBO or Preferred Customer Application and Agreement.

Starter Kit — A selection of Solstice International Partners training materials and business support literature that each new Independent Marketing IBO is required to purchase. The Starter Kit is sold to IBOs at the Company’s cost.

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

