



THE PAY IT FORWARD COMPANY



POLICIES AND PROCEDURES

Effective August 14, 2017

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Section 1 – Introduction

1.1 - Code of Ethics

Zilis (hereafter “Zilis” or “the Company”) is a values-based company that prides itself on the quality and character of its Ambassadors (hereinafter “Ambassador”). The following guidelines help ensure a uniform standard of excellence throughout our organization. Every Zilis Ambassador is expected to practice the following ethical behavior when acting in the name of the company:

- A. I will be respectful of every person I meet while doing Zilis related business.
- B. At all times, I will conduct myself and my business in an ethical, moral, legal, and financially sound manner.
- C. I will not engage in activities that would bring disrepute to Zilis, any Zilis corporate officer or employee, me, or other Ambassadors.
- D. I will not make discouraging or disparaging claims toward other Zilis Ambassadors. I will ensure that in all Zilis business dealings I will refrain from engaging in negative language. I will refrain from making any type of slanderous statements.
- E. I will provide support and encouragement to my Customers to ensure that their experience with Zilis is a successful one. I understand that it is important to provide follow-up service and support to my downline.
- F. I will correctly represent all the bonus/compensation plans available through Zilis and the income potential represented therein. I understand I may not use my own income as an indication of others’ potential success, or use compensation checks as marketing materials. I further understand that I may only disclose my Zilis income to recruit a potential Ambassador(s) after I have given a copy of the Income Disclosure Statement to the potential Ambassador(s).
- G. I will abide by all of Zilis’ Policies & Procedures now and as they may be amended in the future.

1.2 - Policies Incorporated Into Ambassador Agreement

These Policies and Procedures (“Policies”), in their present form and as amended at the sole discretion of Zilis, are incorporated into, and form an integral part of, the Zilis Ambassador Agreement (hereafter “Ambassador Agreement”). Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Zilis Ambassador Agreement, these Policies, and the Zilis Compensation Plan. These documents are incorporated by reference into the Ambassador Agreement (all in their current form and as amended by Zilis). It is the responsibility of each Ambassador to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies. When sponsoring a new Ambassador, it is the responsibility of the sponsoring Ambassador to provide the most current version of these Policies and Procedures prior to his or her execution of the Ambassador Agreement.

1.3 - Changes to the Ambassador Agreement, Policies and Procedures, or Compensation Plan

Because federal, state, and local laws, as well as the business environment, periodically change, Zilis reserves the right to amend the Agreement and the prices in its Zilis Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official Zilis Materials. Amendments shall be effective upon publication in Official Zilis Materials, including but not limited to, posting on Zilis’ website, Ambassador Cloud, e-mail distribution, publication in Zilis’ newsletter, product inserts, or any other commercially reasonable method. The continuation of an Ambassador’s Zilis business or an Ambassador’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments. The ability to modify the agreement does not extend to the dispute resolution section in these Policies (Section 9), as those provisions can only be modified by way of mutual consent.

1.4 - Delays

Zilis shall not be responsible for delays and 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, flood, death, curtailment of a party’s source of supply, or government decrees or orders.

1.5 - Policies and Provisions Severable

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

1.6 - 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 Zilis to exercise any right or power under the Agreement or to insist upon strict compliance by an Ambassador 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 Zilis’ right to demand exact compliance with the Agreement. Waiver by Zilis can be effectuated only in writing by an authorized officer of the Company.

Section 2 – Becoming an Ambassador

2.1 - Requirements to Become an Ambassador

To become a Zilis Ambassador, each applicant must:

- A. Be of the age of majority in his or her state of residence;
- B. Reside in the United States or other countries, which have been officially opened by Zilis;
- C. Have a valid Social Security Number or Federal Tax Identification Number;
- D. Submit a properly completed and signed Ambassador Agreement to Zilis via electronically or fax.

2.2 - New Ambassador Registration by the Internet and Facsimile

A prospective Ambassador may self-enroll on the sponsor's web site. In such event, instead of a physically signed Ambassador agreement, Zilis will accept the agreement by accepting the "electronic signature" stating the new Ambassador has accepted the terms and conditions of the Ambassador Agreement. Please note that such electronic signature constitutes a legally binding agreement between the Ambassador and Zilis. Faxed agreements must include both the front and back of the Ambassador Agreement.

2.3 - Ambassador Benefits

Once an Ambassador Agreement has been accepted by Zilis, the benefits of the Compensation Plan and the Ambassador Agreement are available to the new Ambassador. These benefits include the right to:

- A. Receive Ambassador pricing on Zilis products;
- B. Sell Zilis services;
- C. Participate in the Zilis Compensation Plan (receive bonuses and commissions, if eligible);
- D. Sponsor other individuals as Customers or Ambassadors into the Zilis business and thereby build an organization and progress through the Zilis Compensation Plan;
- E. Receive periodic Zilis literature and other Zilis communications;
- F. Participate in Zilis-sponsored support service training, motivational and recognition functions; and
- G. Participate in promotional and incentive contests and programs sponsored by Zilis for its Ambassadors.

2.4 - Terms and Renewal of a Zilis Business

Ambassadors who enroll with a Basic enrollment must renew their Ambassador status annually by submitting an annual renewal fee of \$49. This payment is due on the anniversary of the Ambassador acceptance date. If the Ambassador allows his or her business to expire due to nonpayment of the renewal fee, the Ambassador will lose any and all rights to his or her downline organization unless the Ambassador re-activates within 60 days following the expiration of the agreement.

If the former Ambassador re-activates within the 60-day time limit, the Ambassador will resume the rank and position held immediately prior to the expiration of the Ambassador agreement. However, such Ambassador's paid-as level will not be restored unless he or she qualifies at that payout level in the new month. The Ambassador is not eligible to receive commissions for the time period that the Ambassador's business was expired.

Any Ambassador whose agreement has expired and lapsed the 60-day grace period is not eligible to reapply for a Zilis business for 12 months following the expiration of the Ambassador agreement.

Any Ambassador that does not have any personal commissionable volume for a period of six (6) months will automatically expire. If the Ambassador allows a period of six (6) months to pass with no personal commissionable volume, the Ambassador will lose any and all rights to his or her downline organization unless the Ambassador re-activates within 60 days following the expiration of the agreement.

Any Ambassador terminated by Zilis may not reapply to do business for 12 months from their termination date.

Section 3 – Income Disclosure Policy

In an effort to conduct best business practices, Zilis has developed the Income Disclosure Statement (“IDS”). The Zilis IDS is designed to convey truthful, timely, and comprehensive information regarding the income that Zilis Ambassadors earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective Ambassadors.

A copy of the IDS must be presented to a prospective Ambassador (someone who is not a party to a current Zilis Ambassador Agreement) anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one Ambassador earned over a million dollars last year” or “Our average ranking Ambassador makes \$1,000 per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher ranking Ambassadors is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claim is made, you must provide every prospective Ambassador with a copy of the IDS. Copies of the IDS may be printed or downloaded without charge from the company website at www.zilis.com/IDS.

Section 4 – Advertising

4.1 - Adherence to the Zilis Compensation Plan

Ambassadors must adhere to the terms of the Zilis Compensation Plan as set forth in official Zilis Materials. Ambassadors shall not offer the Zilis opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically stated in official Zilis Materials. Ambassadors shall not require or encourage other current or prospective Customers or Ambassadors to participate in Zilis in any manner that varies from the program as set forth in official Zilis Materials. Ambassadors shall not require or encourage other current or prospective Customers or Ambassadors to execute any agreement or contract other than official Zilis agreements and contracts in order to become a Zilis Ambassador. Similarly, Ambassadors shall not require or encourage other current or prospective Customers or Ambassadors to make any purchase from, or payment to, any individual or other entity to participate in the Zilis Compensation Plan other than those purchases or payments identified as recommended or required in official Zilis Materials.

4.2 - Use of Sales Aids

To promote both the services and the opportunity Zilis offers, Ambassadors must use the sales aids and support materials produced by Zilis. If Zilis Ambassadors develop their own sales aids and promotional materials (which includes Internet advertising), notwithstanding Ambassadors’ good intentions, they may unintentionally violate any number of statutes or regulations affecting a Zilis business. These violations, although they may be relatively few in numbers, could jeopardize the Zilis opportunity for all Ambassadors. Accordingly, Ambassadors must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company’s approval prior to use. Unless the Ambassador receives specific written approval to use the material, the request shall be deemed denied. All Ambassadors shall safeguard and promote the good reputation of Zilis and its services. The marketing and promotion of Zilis, the Zilis opportunity, the Compensation Plan, and Zilis services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

4.3 - Intellectual Property

Zilis will not allow the use of its trade names, trademarks, designs, or symbols outside of corporate produced and approved sales aids by any person, including Zilis Ambassadors, without prior written authorization from Zilis. Furthermore, no Ambassador may use, publish, reproduce, advertise, sell, or display in any manner the name, picture or likeness, or voice of another Ambassador without prior written consent from the named Ambassador. This consent must be on file with Zilis’ Compliance department prior to any use.

4.4 - Web Policy

If an Ambassador desires to utilize an Internet web page to promote his or her business, he or she may do so through Company authorized services only.

A. General

It is your obligation to ensure your online marketing activities are truthful, are not deceptive and do not mislead Customers or potential Ambassadors in any way. Websites and web promotion activities and tactics that mislead or are deceptive, regardless of intent, will not be allowed. This may include representation in any manner that you are an authorized representative for Zilis, spam linking (or blog spam), unethical search engine optimization (SEO) tactics, misleading click-through ads (i.e., having the display URL of a PPC campaign appear to resolve to an official Zilis Corporate Site when it goes elsewhere), unapproved banner ads, and unauthorized press releases. Zilis will be the sole determinant of truthfulness as to whether specific activities are misleading or deceptive.

B. Domain Names, email Addresses and Online Aliases

You cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or may be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of Zilis by showing up as the sender of an email.

Examples of the improper use include but are not limited to:

Zilis@msn.com; www.ZilisDirect.com; www.facebook.com/Zilis or derivatives as described herein.

Examples of permitted URLs, email addresses, and online aliases might appear as follows: facebook.com/iloveZilis; jimsmith@ZilisAmbassador.net.

Determinations as to what could cause confusion, mislead or be considered deceptive is at the sole discretion of Zilis. If you have a question whether your chosen name is acceptable, you may submit it to compliance@zilis.com for review before use.

C. Approved Ambassador Websites

The term Ambassador Website refers to the Ambassador website offered by Zilis or an approved vendor to affiliates. The term Social Media website refers to any site that is not specifically prohibited within the terms and conditions of this Agreement, such as Facebook.com, MySpace.com, Twitter.com, YouTube.com, personal blogs or other personal websites.

D. Online Classifieds

You may not use online classifieds (including Craigslist) to list, sell or promote specific Zilis services. You may use online classifieds (including Craigslist) for prospecting, recruiting, sponsoring, and informing the public about the Zilis opportunity provided you follow the other requirements of this agreement such as identifying yourself as an independent representative of Zilis, only using approved images and versions of any trademarked logos and without using fraudulent or misleading product or income claims. If a link or URL is provided, it must link to your Ambassador Website or your Social Media website.

E. Online Retailing

Approved affiliate websites are intended to provide the affiliates with the tools and means for generating leads, prospecting business, communicating with others, selling products and services, and otherwise advancing your Zilis business. You may not sell Zilis services on any other online retail store or ecommerce site, nor may you enlist or knowingly allow a third party (Customer) to sell Zilis products on any online retail store or ecommerce site.

Social Media sites such as Facebook may also be used to promote your Zilis business. You must provide approved Zilis links to your Ambassador replicated website for sales and order processing. All online sales of Zilis products must take place and be produced through the Ambassador Replicated website (or corporate site).

F. Banner Advertising

You may place banner advertisements on a website provided you use Zilis-approved templates and images. All banner advertisements must link to your Ambassador Website. You may not use blind ads or web pages that make non-compliant product or income claims that are ultimately associated with Zilis products or the Zilis business opportunity.

G. Spam Linking

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Any comments you make on blogs, forums, guest books etc. must be unique, informative and relevant.

H. Social Networking Sites

You may use social networking websites (Facebook, MySpace, LinkedIn, blogs, forums and other social shared interest sites) to share information about the Zilis product, mission and business opportunity and for prospecting and sponsoring. However, these sites may not be used to sell or offer to sell specific Zilis services.

Profiles you generate in any social community where you mention or discuss Zilis must clearly identify you as a Zilis Independent Ambassador

and must appear as described herein. When you participate in those communities you must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Zilis' sole discretion and offending Ambassadors will be subject to disciplinary action and/or termination.

You agree that you will immediately take down a non-compliant site at the request of Zilis. Appeals regarding compliance may be submitted after the site has been taken down. Appeals should be directed to the email address set forth in the policy addressing dispute resolutions.

I. Sponsored Links / Pay-Per-Click (PPC) Ads

Sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to your Ambassador Website. The display URL must also be to your Ambassador Website and must not portray any URL that could lead the user to assume they are being led to a Zilis Corporate site, or be inappropriate or misleading in any way.

J. External Websites

You are allowed external websites to promote your Zilis business and the Zilis opportunity. If you wish to use an external website you must do the following:

- a.) Identify yourself as an Independent Ambassador for Zilis.
- b.) Use only the approved images and wording authorized by Zilis.
- c.) Adhere to the branding, trademark, and image usage policies described in this document.
- d.) Agree to modify your website to comply with current or future Zilis policies.

You are solely responsible and liable for your own website content, messaging, claims, and information and must ensure your website appropriately represents and enhances the Zilis brand and adheres to all Zilis guidelines and policies. Additionally, your website must not contain disingenuous pop-up ads or promotions or malicious code. Decisions and corrective actions in this area are at Zilis' sole discretion. You are encouraged to use the approved Zilis images that are available through the business suite.

K. Zilis Ambassador Image Mandate

When using a Social Media or external website it must contain:

- a.) A Zilis Ambassador Logo from the approved templates.
- b.) Your Name and Title (example: Joan Arc, Independent Ambassador, Zilis).
- c.) A link to your Ambassador Replicated website.

Although Zilis brand themes and images are desirable for consistency, anyone landing on your page needs to clearly understand that they are at an Independent Ambassador site, and not a Zilis Corporate page.

4.5 - Advertised Price

You may not advertise any of Zilis' services at a price LESS than the highest company published price of the equivalent service. No special enticement advertising is allowed. This includes but is not limited to offers of free membership or other such offers that grant advantages beyond those available through the Company.

4.6 - Generic Business Advertisements

If you advertise via newspaper or other advertising venues, the following rules apply:

- A. No advertisement may imply that a job, position, salary, or any type of employment is allowed.
- B. No advertisement may promote, represent, or imply salaried positions, management positions, hourly wages, full or part-time employment, or guaranteed incomes. The Zilis opportunity is not a job, and may not be presented as such. Terms such as "manager trainee," "management positions available," "travel provided," "call for interview," "positions available," "now hiring," and other misleading statements are not allowed.
- C. No specific income can be promised or implied, and any references to compensation must use the word "commissions" to indicate the independent contractor status of Ambassadors.
- D. Advertisements may not contain references to Zilis or its services and may not use any of Zilis' trademarks or trade-names.

Any requests for variances from the above rules must be submitted to Zilis and approved in writing prior to publication. Please direct any inquiries to compliance@zilis.com, or by fax to the attention of the Compliance department at (800) 335-2901.

4.7 - Media and Media Inquiries

Ambassadors must not initiate any interaction with the media or attempt to respond to media inquiries regarding Zilis, its services, or their independent Zilis business. All inquiries by any type of media must be immediately referred to Zilis' Compliance department. This policy is designed to ensure that accurate and consistent information is provided to the public, as well as a proper public image.

4.8 - Unsolicited Email and Fax Communication

Zilis does not permit Ambassadors to send unsolicited emails unless such emails strictly comply with applicable laws and regulations, including, without limitation, the federal CAN SPAM Act. Any email sent by an Ambassador that promotes Zilis, the Zilis opportunity, or Zilis services, 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 they 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 Ambassador’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 Ambassador receives an opt-out request from a recipient of an email, the Ambassador must forward the opt-out request to the Company. Zilis may periodically send commercial emails on behalf of Ambassadors. By entering into the Ambassador Agreement, Ambassador agrees that the Company may send such emails and that the Ambassador’s physical and email addresses will be included in such emails as outlined above. Ambassadors shall honor opt-out requests generated as a result of such emails sent by the Company. Except as provided in this section, Ambassadors may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their Zilis businesses.

Section 5 – Operating A Zilis Business

5.1 - Business Entities

A corporation, partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be a Zilis Ambassador by submitting a Zilis Ambassador Application and Agreement along with its Certificate of Incorporation, Articles of Organization, Partnership Agreement or trust documents (these documents are collectively referred to as the “Entity Documents”) to Zilis. A Zilis business may change its status under the same Sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. To do so, the Ambassador(s) must provide the Entity Documents and Tax Payer Identification Number to Zilis. The Ambassador Application must be signed by all an authorized representative of the entity.

5.1.1 - Changes to a Business Entity

Each Ambassador must immediately notify Zilis of any changes to the type of business entity they utilize in operating their Zilis business, and the addition or removal of business associates. A Zilis business may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. The Ambassador Agreement form must be signed by an authorized representative of the entity.

5.1.2 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Ambassadors, Zilis strictly prohibits changes in sponsorship except for in extreme circumstances. If an Ambassador feels a change in sponsorship is warranted, the request must be made by submitting a completed Sponsor Change Request Form within a seven (7) day period from the date of enrollment, and must contain the signature of the current sponsor. Upon receipt, compliance will investigate fully.

5.1.3 - Change of Placement

A request for change of placement must be submitted within seven (7) days of the date of enrollment and must be requested by the current listed sponsor. An Ambassador can only be moved inside of the same sponsor’s organization. If approved, an Ambassador is placed in the first available open bottom position on the date that the change is made. Ambassadors who have earned commissions or achieved rank are not eligible for placement changes. Please note that decisions made for any change request (sponsor or placement) are at the sole discretion of Zilis.

5.2 - Unauthorized Claims and Action

5.2.1 - Indemnification

An Ambassador is fully responsible for all of his or her verbal and/or written statements made regarding Zilis services and the Compensation Plan, which are not expressly contained in Official Zilis Materials. Ambassadors agree to indemnify Zilis and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by Zilis as a result of the Ambassador's unauthorized representations or actions. This provision shall survive the cancellation of the Ambassador Agreement.

5.2.2 –Endorsements of Zilis Services

No claims as to any services offered by Zilis may be made except those contained in official Zilis Materials.

5.3 - Conflicts

5.3.1 – Non- solicitations

Zilis Ambassadors 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, Ambassadors may not directly or indirectly recruit other Zilis Ambassadors or Customers other than those they have personally sponsored for any other Network Marketing business. Following the cancellation of an Ambassador Agreement, and for a period of one (1) calendar year thereafter, with the exception of an Ambassador who is personally sponsored by the former Ambassador, a former Ambassador may not recruit any Zilis Ambassador or Customer for another Network Marketing business.

5.3.2 - Sale of Competing Goods or Services

During this agreement and for six months thereafter, Ambassadors must not sell, or attempt to sell, any competing non-Zilis programs or services to Zilis Customers or Ambassadors. Any program, product, service, or direct selling opportunity in the same generic categories as the Zilis services are deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

5.3.3 - Targeting Other Direct Sellers

Should Ambassadors engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Zilis services, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an Ambassador alleging that they engaged in inappropriate recruiting activity of its sales force or Customers, Zilis will not pay any of Ambassador's defense costs or legal fees, nor will Zilis indemnify the Ambassador for any judgment, award, or settlement.

5.3.4 - Privacy and Confidentiality

All Ambassadors are required to abide by the Company's Privacy Policy with regard to Ambassador and Customer information.

5.3.5 - The Data Management Rule

The Data Management Rule is intended to protect the Line of Sponsorship (LOS) for the benefit of all Ambassadors, as well as Zilis. LOS information is information compiled by Zilis that discloses or relates to all or part of the specific arrangement of sponsorship within the Zilis business, including, without limitation, Ambassador lists, sponsorship trees, and all Ambassador information generated therefrom, in its present and future forms. The Zilis LOS, constitutes a commercially advantageous, unique, and proprietary trade secret (Proprietary Information), which it keeps proprietary and confidential and treats as a trade secret. Zilis is the exclusive owner of all Proprietary Information, which is derived, compiled, configured, and maintained through the expenditure of considerable time, effort, and resources by Zilis and its Ambassadors. Through this Rule, Ambassadors are granted a personal, non-exclusive, non-transferable and revocable right by Zilis to use Proprietary Information only as necessary to facilitate their business as contemplated under these Policies and Procedures. The Company reserves the right to deny or revoke this right, upon reasonable notice to the Ambassador stating the reason(s) for such denial or revocation, whenever, in the reasonable opinion of Zilis, such is necessary to protect the confidentiality or value of Proprietary Information. All Ambassadors shall maintain Proprietary Information in strictest confidence, and shall take all reasonable steps and appropriate measures to safeguard Proprietary Information and maintain the confidentiality thereof.

5.4 - Cross Sponsoring

Actual or attempted cross-group sponsoring is strictly prohibited. "Cross-group sponsoring" is defined as the enrollment, indirect or otherwise, of an individual or entity that already has a current Customer number or Ambassador Agreement on file with Zilis, or who has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse's or relatives name, trade names, DBAs, assumed names, corporations, partnerships, trusts, Federal Tax Identification Numbers or fictitious identification numbers to circumvent this policy is prohibited. This policy shall not prohibit the transfer of a Zilis business in accordance with the "Sale, Transfer or Assignment of Zilis Business" section of these Policies and Procedures.

5.5 - Governmental Approval or Endorsement

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

5.6 - Identification

All Ambassadors are required to provide their Social Security Number, Federal Employer Identification Number, or their Government Issued ID Number to Zilis either on the Ambassador Agreement or at the company's request. Upon enrollment, the Company will provide a unique Ambassador Identification Number to the Ambassador by which they will be identified. This number will be used to place orders and track commissions and bonuses.

5.7 - Income Taxes

Every year, Zilis will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident as required by the Internal Revenue Service. Each Ambassador is responsible for paying local, state and federal taxes on any income generated as an Ambassador. If a Zilis business is tax exempt, the Federal Tax Identification Number must be provided to Zilis. Any Ambassador that does not provide a valid tax identification number is subject to the federal backup withholding laws and 28% of their commissions and bonus will be withheld and submitted to the IRS.

5.8 - Independent Contractor Status

You are an independent contractor. You are not an agent, employee, Customer, or joint venture with the Company. You may not represent yourself as anything other than an Independent Ambassador. You have no authority to bind Zilis to any obligation. You are responsible for paying your own self-employment taxes, federal income taxes and other taxes required by law. You must obey any federal, state, and local laws, as well as Company rules and regulations pertaining to your independent Zilis Business or the acquisition, receipt, holding, selling, distributing or advertising of Zilis' services or opportunity.

Ambassadors may not answer the telephone by saying "Zilis", "Zilis Incorporated," or by any other manner that would lead the caller to believe that they have reached Zilis's corporate offices. An Ambassador may only represent that he/she is a Zilis Ambassador. Therefore, all correspondence and business cards relating to or in connection with an Ambassador's Zilis business shall contain the Ambassador's name followed by the term "Ambassador."

5.9 - Bonus Buying

Paying the membership fees solely for the purpose of collecting bonuses or achieving rank is prohibited.

5.10 - Stacking

Stacking is the unauthorized manipulation of the Zilis compensation system and/or the marketing plan in order to trigger commissions or cause a promotion of a downline Ambassador in an unearned manner. One example of stacking occurs when a sponsor places participants under an inactive downline participant (who may not know or have any relationship with the clients) in order to trigger unearned qualification for commissioning. Another example of stacking is the manipulative placement of Ambassadors within a downline organization in order to trigger a promotion. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the Ambassador's positions of all individuals found to be directly involved.

5.11 - One Zilis Business Per Ambassador

An Ambassador may operate or have an ownership interest, legal or equitable, as a sole proprietorship, Customer, shareholder, trustee, or beneficiary, in only one Zilis business. No individual may have, operate or receive compensation from more than one Zilis business. Individuals of the same family unit may each enter into or have an interest in their own separate Zilis businesses, only if each subsequent family position is placed front line to the first family member enrolled. A "family unit" is defined as spouses and dependent children living at or doing business at the same address.

5.12 - Succession

Upon the death or incapacitation of an Ambassador, their business may be passed to a designated heir(s). Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Whenever a Zilis business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Ambassador's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute an Ambassador Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Ambassador's rank/status;
- Provide Zilis with an "address of record" to which all bonus and commission checks will be sent. Bonus and commission checks of a Zilis business transferred pursuant to this section will be paid in a single check jointly to the successor(s).
- Form a business entity and acquire a federal Taxpayer Identification Number, if the business is bequeathed to joint successors. Zilis will issue all bonus and commission checks and one 1099 to the business entity.

5.13 - Sale, Transfer, or Assignment of a Zilis Business

Although a Zilis business is a privately owned, independently operated business, the sale, transfer or assignment of a Zilis business is subject to certain limitations. If an Ambassador wishes to sell their Zilis business, the following criteria must be met:

- A. Protection of the existing line of sponsorship must always be maintained so that the Zilis business continues to be operated in that line of sponsorship;
- B. The buyer or transferee must become a qualified Zilis Ambassador. If the buyer is an active Zilis Ambassador, they must first terminate their Zilis business and wait six calendar months before acquiring any interest in the new Zilis business;
- C. Before the sale, transfer, or assignment can be finalized and approved by Zilis, any debt obligations the selling Ambassador has with Zilis must be satisfied; and
- D. The selling Ambassador 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 Zilis business.

Prior to selling a Zilis business, the selling Ambassador must notify Zilis' Compliance department of their intent to sell the Zilis business. No changes in line of sponsorship can result from the sale or transfer of a Zilis business. An Ambassador may not sell, transfer, or assign portions of their business—the position must be sold in its entirety.

5.14 - Separation of a Zilis Business

Zilis Ambassadors sometimes operate their Zilis 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 Ambassadors and the Company in a timely fashion, Zilis will involuntarily terminate the Ambassador 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 Zilis business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize Zilis to deal directly and solely with the other spouse or non-relinquishing shareholder, Customer, or trustee.

- B. The parties may continue to operate the Zilis business jointly on a "business-as-usual" basis, whereupon all compensation paid by Zilis will be paid according to the status quo as it existed prior to the divorce or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above. The Company will never remove a party to a position from an Ambassador account without that party's written permission and signature. Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Under no circumstances will Zilis split commission and bonus checks between divorcing spouses or members of dissolving entities. Zilis will recognize only one downline organization and will issue only one commission check per Zilis 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 Ambassador Agreement shall be involuntarily canceled. If a former spouse has completely relinquished all rights in the original Zilis business pursuant to a divorce, they are thereafter free to enroll under any sponsor of their choosing without waiting six (6) calendar months. In the case of business entity dissolutions, the former Customer, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as an Ambassador. In either case, however, the former spouse or business affiliate shall have no rights to any Ambassadors in their former organization or to any former Customer. They must develop the new business in the same manner as would any other new Ambassador.

5.15 - Sponsoring

All Active Ambassadors in good standing have the right to sponsor and enroll others into Zilis. Each prospective Customer or Ambassador has the ultimate right to choose his or her own Sponsor. If two Ambassadors claim to be the Sponsor of the same new Ambassador or Customer, the Company shall regard the first application received by the Company as controlling.

Section 6 – Responsibilities Of Ambassadors

6.1 - Change of Address, Telephone, Email-Address

To ensure timely communications, delivery of support materials and commission checks, it is critically important that Zilis' files are current. Ambassadors planning to move or change their email address must submit an amended Ambassador Agreement complete with the new information or update their backoffice with any changes.

6.2 - Sponsoring Ambassador Responsibilities

6.2.1 - Initial Training

Any Ambassador who sponsors another Ambassador into Zilis must perform a bona fide assistance and training function to ensure that their downline is properly operating their Zilis business. Ambassadors must provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and Compensation Plan to individuals whom they are sponsoring to become Ambassadors before the applicant signs an Ambassador Agreement.

6.2.2 - Ongoing Training Responsibilities

Ambassadors must monitor the Ambassadors in their downline organizations to ensure that downline Ambassadors do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Ambassador should be able to provide documented evidence to Zilis of their ongoing fulfillment of the responsibilities of a Sponsor.

6.3 - Non disparagement

Ambassadors must not disparage, demean, or make negative remarks about Zilis, other Zilis Ambassadors, Zilis' services, the Compensation plan, or Zilis' owners, board members, directors, officers, or employees.

6.4 - Reporting Policy Violations

Ambassadors observing a Policy violation by another Ambassador should submit a written report of the violation directly to the attention of the Zilis Compliance department, complete with all supporting evidence and pertinent information. It is important to understand that information that is submitted will be kept confidential.

Section 7 – Autoship Guidelines

Zilis offers product sales in two forms, Autoship and one-time orders. Autoship orders are made available as a convenience to Zilis Ambassadors and Customers who are continuous consumers of Zilis products. Autoship offers the convenience of a predictable order date and delivery, as well as special discounts for Preferred Customers.

7.1 Ambassadors

Ambassadors receive special discounts on compensation plan qualifications when maintaining an active Autoship profile.

- Autoship profiles must be established in the previous calendar month.
- Optional Autoship dates are the 1st through the 20th date of each month.
- In the event of a non-payment or decline, Ambassadors may resolve the issue by providing alternative payment to Zilis Support up to the 20th day of the calendar month in question. After the 20th day of each month, payment on current month Autoship profiles is no longer optional and requirements must be met through personal volume.

7.2 Autoship Customers

Customers receive special discounted pricing when maintaining an active Autoship profile.

- Customers who desire to receive Preferred Customer status must place an initial product order at the retail price and elect to have their order placed on Autoship the following month.
- Optional Autoship dates are the 1st through the 20th date of each month.
- Beginning the second consecutive month Customers receive Preferred pricing. Autoship contents may be modified month to month by contacting Zilis Support.
- In the event of a credit card decline, Customers may resolve the issue by providing alternative payment to Zilis Support up to the 20th day of the calendar month in question. After the 20th day of each month, payment on current month Autoship is no longer optional.

Section 8 – Commissions

8.1 - Bonus and Commission Qualifications

In order to qualify to receive commissions and bonuses, an Ambassador must be in good standing and comply with the terms of the Agreement and these Policies and Procedures. An Ambassador will qualify to receive commissions and bonuses based on the compensation plan requirements. An Ambassador is not required to maintain a personal membership or make product purchases in order to earn commissions, but may do so if desired for purposes of this section.

8.2 - Errors or Questions

If an Ambassador has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Ambassador must notify Zilis in writing within 30 days of the date of the purported error or incident in question. Zilis will not be responsible for any errors, omissions, or problems not reported to the Company within 30 days.

8.3 - 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 Ambassador Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an Ambassador or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Ambassadors or Customers (“phantoms”); (d) purchasing Zilis services on behalf of another Ambassador or Customer, or under another Ambassador’s or Customer’s ID number, to qualify for commissions or bonuses; and/or (e) “gifting” new Customers or Ambassadors to another Ambassador for the purpose of triggering bonuses; (f) any other mechanism or means to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

8.4 - Reports

All information provided by Zilis, including but not limited to personal sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments, an Ambassador whose Ambassador Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

A Zilis participant 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, or via email to Zilis.

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 Ambassador 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 Ambassador’s Zilis business), may result, at Zilis’ discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Ambassador 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;
- Withholding from an Ambassador all or part of the Ambassador’s bonuses and commissions during the period that Zilis is investigating any conduct allegedly contrary to the Agreement. If an Ambassador’s business is canceled for disciplinary reasons, the Ambassador will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual’s Ambassador Agreement for one or more commission pay periods;
- Involuntary termination of the offender’s Ambassador Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which Zilis deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Ambassador’s policy violation or contractual breach;
- Instituting legal proceedings for monetary and/or equitable relief. Each violation is reviewed on a case-by-case basis, and all disciplinary actions are at the sole discretion of Zilis.

9.2 - Mediation

Prior to instituting 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 ten (10) days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Denton County, Texas, and shall last no more than two (2) business days.

9.3 - 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 confidential 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. Ambassadors waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Denton County, Texas. 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.

NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.

Nothing in these Policies and Procedures shall prevent Zilis 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 Zilis' interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

9.4 - Governing Law, Jurisdiction, and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Denton County, Texas. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of Texas shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the arbitration provision in this Agreement, residents of the State of Louisiana shall be entitled to bring an action against Zilis in their home forum and pursuant to Louisiana law.

Section 10 – Effect of Cancellation

10.1 - Effect of Cancellation and Termination

So long as an Ambassador remains active and complies with the terms of the Ambassador Agreement and these Policies, Zilis shall pay commissions to such Ambassador in accordance with the Compensation Plan. An Ambassador's bonuses and commissions constitute the entire consideration for the Ambassador's efforts in generating sales and all activities related to generating sales (including, but not limited to, building a downline organization). Following an Ambassador's non-continuation of his or her Ambassador Agreement, cancellation for inactivity, or voluntary or involuntary cancellation (termination) of his or her Ambassador Agreement (all of these methods are collectively referred to as "Cancellation"), the former Ambassador shall have no right, title, claim or interest to the downline organization which he or she operated, or any commission or bonus from the sales generated by the organization. Ambassadors waive any and all rights, including, but not limited to, property rights, in the downline which they may have had. Following an Ambassador's cancellation of his or her Ambassador Agreement, the former Ambassador shall not hold him or herself out as a Zilis Ambassador and shall not have the right to sell Zilis products or services. An Ambassador whose Ambassador Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

A Zilis participant 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, or via email to Zilis. The written notice must include the Ambassador's signature, printed name, address, and Ambassador ID Number.

10.2 - Non-Renewal

An Ambassador may also voluntarily cancel their Ambassador Agreement by failing to pay the \$49 annual renewal fee. Ambassadors have a 60-day grace period to get back into compliance for failure to pay the administrative fee.

Section 11 - Products

Zilis offers various products to its Customers and Ambassadors. Hero points act as credits based upon the hero point value of each product as described in the Zilis catalog available for viewing at www.ziliscatalog.com.

11.1 Indemnification

Ambassadors and Customer agree to indemnify Zilis and hold it harmless from any issues, unsatisfactory product experiences, health issues, disagreements, Customer service problems, complaints or judgments arising out of the use of products sold by Vendor Customer companies. Any and all issues with a Vendor company product or service must be handled directly between the Customer or Ambassador and the Vendor company in question. This provision shall survive the cancellation of the Ambassador Agreement.

11.2 Health Information Disclaimer

The materials contained in Zilis marketing materials as it relates to products offered through Zilis are not intended to be used for the diagnosis or treatment of a health problem. Before using any product offered by Zilis, Ambassadors or Customers should consult their Doctor or licensed medical professional. No information on Zilis websites, marketing materials, conferences, conference calls or any other medium is intended for general informational purposes only and do not address individual circumstances. It is not a substitute for professional medical advice, diagnosis or treatment and should not be relied upon to make decisions about your health.

11.3 Endorsement Disclaimer: information on products

Zilis websites and marketing materials have links to websites and product information as supplied by Vendor companies. References to any product, service or source of information that may be contained should not be considered an endorsement of the product or service available, either direct or implied, by Zilis. Ambassadors and Customers are responsible for doing their own consumer research on individual products before purchase. See the return policy listed in Section 8.5.

11.4 Refund Policy

Customers

Zilis will award a full refund of your purchase upon request made to the company in writing within 30 days and items are returned with approved RMA and in resalable condition to Zilis, LLC. Qualified and eligible products shall receive a full refund less a 20% restocking fee minus all shipping and handling charges associated with your order. In order to facilitate the return process, the Customer must obtain a Return Merchandise Authorization (RMA) Number by contacting Zilis. This number must be written on the outside of the shipping box. If a package is returned

without an RMA Number, the package will be refused and returned and no refund will be issued. Products must be received by Zilis within seven (7) business days after the issuance of the RMA or no refund will be issued and the option of refunding will be forfeited.

If the product was purchased directly from an Independent Ambassador, please contact them for a refund. You will need to return the product and original invoice to the Ambassador, who will refund the product purchase price. Ambassadors are required to provide a refund to any Customer that has purchased product directly from an Ambassador's personal stock within the guidelines established by Zilis.

Ambassadors

Zilis will award a full refund of your purchase, less applicable fees, upon request made to the company in writing within 30 days and items are returned with approved RMA and in resalable condition to Zilis, LLC. Qualified and eligible products shall receive a full refund less a 20% restocking fee minus all shipping and handling charges associated with your order. In order to facilitate the return process, the Ambassador must obtain a Return Merchandise Authorization (RMA) Number by contacting Zilis. This number must be written on the outside of the shipping box. If a package is returned without an RMA Number, the package will be refused and returned and no refund will be issued. Products must be received by Zilis within seven (7) business days after the issuance of the RMA or no refund will be issued and the option of refunding will be forfeited.

In addition, any bonuses and commissions attributable to the refunded service will be deducted from the Ambassador who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the commission is recovered. In the case of Zilis' inability to recover commissions from inactive Ambassadors, the other compensated upline Ambassadors may be subject to commission deductions. This is exclusively the right of Zilis to determine within appropriate state and federal guidelines. In the case of enrollment fees, Ambassadors may cancel any time prior to midnight of the THIRD BUSINESS DAY after the date of the initial enrollment transaction (subject to various state requirements for cancellation).

Damaged Products/Shipments

In the event of a damaged product or product in less than commercially reasonable condition, Customers or Ambassadors must contact Zilis Support in writing or by phone within five business days of delivery of said products. After five business days, products will no longer qualify for replacement. Upon receipt of this notification, Zilis will replace any damaged products at no cost to the Zilis Ambassador or Customer once photos of the damaged shipment are provided to Zilis. Zilis reserves the right to accept or refuse the validity of damaged product photos. Acceptable photos of damaged products must be submitted to Zilis via email to support@zilis.com. If Zilis does not receive acceptable photos of the damaged product with five business days replacement products will not be provided. Note that melted products from Wright Family Products that are sealed within their containers do not constitute damaged products and will not be replaced. A video can be found in the Zilis Ambassador Cloud

or on www.wrightfamilyproducts.com regarding the potential for melting in various Wright Family products. Zilis reserves the right to require damaged products be returned to the company with an approved RMA number. Any damaged products returned to Zilis without an RMA Number will be refused. The responsibility to act in the time frame listed above as a result of any unsatisfactory product resides 100% with the Zilis Ambassador or Customer.

Hero Points

Hero Points are available for refund within 30 days of the purchase to an Ambassador or Customer, minus all shipping and handling charges associated with your order, minus any the value of any already redeemed points and a 20% administrative fee. In addition, any bonuses and commissions attributable to the refunded Hero Points will be deducted from the Ambassador who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the commission is recovered. Redemption of hero points for any related product and or services are final with no refund or credit issued. In the event of a damaged product or product in less than commercially reasonable condition, Customers or Ambassadors must contact Zilis Support in writing or by phone within five business days of delivery of said products. After five business days, products will no longer qualify for replacement. Upon receipt of this notification, Zilis will replace any damaged products at no cost to the Zilis Ambassador or Customer once photos of the damaged shipment are provided to Zilis. Zilis reserves the right to accept or refuse the validity of damaged product photos. Acceptable photos of damaged products must be submitted to Zilis via email to support@zilis.com. If Zilis does not receive acceptable photos of the damaged product with five business days replacement products will not be provided. Note that melted products from Wright Family Products that are sealed within their containers do not constitute damaged products and will not be replaced. A video can be found in the Zilis Ambassador Cloud or on www.wrightfamilyproducts.com regarding the potential for melting in various Wright Family products. Zilis reserves the right to require damaged products be returned to the company with an approved RMA number. Any damaged products returned to Zilis without an RMA Number will be refused. The responsibility to act in the time frame listed above as a result of any unsatisfactory product resides 100% with the Zilis Ambassador or Customer.

New Ambassador Enrollment Packs:

Zilis will award a full refund of enrollment packs, less applicable fees, upon request made to the company in writing within 30 days and complete enrollment pack is returned with approved RMA and in resalable condition to Zilis, LLC. Only complete enrollment packs with all products in resalable condition are eligible for refund. Zilis will not refund partial enrollment packs. Qualified and eligible enrollment packs shall receive a full refund less a 20% restocking fee minus all shipping and handling charges associated with your order. In order to facilitate the return process, the Ambassador must obtain a Return Merchandise Authorization (RMA) Number by contacting Zilis. This number must be written on the outside

of the shipping box. If a package is returned without an RMA Number, the package will be refused and returned and no refund will be issued. Products must be received by Zilis within seven (7) business days after the issuance of the RMA in full resalable condition or no refund will be issued and the option of refunding will be forfeited.

Any bonuses and commissions attributable to the refunded enrollment pack will be deducted from the Ambassador who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the commission is recovered. In the case of Zilis' inability to recover commissions from inactive Ambassadors, the other compensated upline Ambassadors may be subject to commission deductions. This is exclusively the right of Zilis to determine within appropriate state and federal guidelines. In the case of enrollment fees, Ambassadors may cancel any time prior to midnight of the THIRD BUSINESS DAY after the date of the initial enrollment transaction (subject to various state requirements for cancellation).

11.5 Expiration of Hero Points

Hero points will expire and no longer be of any value after a period of six (6) months from the date of the order in which Hero Points were generated.

11.6 Purchase Requirement

No product purchase is required in order for an applicant to become an Ambassador or to advance in the Compensation Plan. Ambassadors who have had their Agreement accepted by the Company may buy products at wholesale prices directly from the Company.

11.7 Stockpiling Prohibited

The success of the Company depends on sales to the ultimate consumer and all forms of stockpiling are strictly prohibited including, but not limited to, purchases of products primarily for purposes of qualifying for additional compensation. The Company recognizes that Ambassador may purchase products for Ambassador's own use, however, the Company strictly prohibits the purchase of products in unreasonable amounts in an attempt to qualify for advancement in the Compensation Plan.

11.8 The 70% Rule

In order to qualify for commissions and bonuses, Ambassador shall certify on the product order form that the Independent Ambassador has sold to non-Independent Ambassador consumers or used at least 70% of all products previously purchased. Independent Ambassadors placing telephone orders to the Company are also required to comply with this rule and may be requested by the Company to verify compliance. In its effort to support and enforce the retail sales/70% Rule, the Company, on a quarterly basis, will conduct random audit verification follow-ups. Representatives of the Company will contact Independent Ambassadors to further verify compliance with the 70% Rule. Independent Ambassadors

should maintain records and be prepared to assist the Company representative in their task.

11.9 Preferred Customer Rules

A Preferred Customer must personally opt in to the monthly Auto-Delivery Order program. Invalid Preferred Customer orders are defined as orders submitted as Preferred Customer orders for qualification purposes without the written authorization from the Customer. If a Zilis Independent Ambassador submits a Preferred Customer order without the Customer's consent, the Independent Ambassador will be subject to disciplinary action, including termination. Preferred Customer orders cannot be paid by or shipped to a Zilis Independent Ambassador for any reason. No exceptions.

11.10 Ordering Methods

All orders submitted to the Company shall have the Independent Ambassador's or Customer's Company issued identification number placed thereon to assist the Company in processing and shipping the order properly. Failure to provide this information may result in a delay in processing the order.

11.11 Direct Purchase

Independent Ambassador may purchase Independent Ambassador's product needs directly from the Company. Should an Independent Ambassador obtain product from Independent Ambassador's Sponsor or upline Independent Ambassador's personal inventory and a replacement product order is not placed and processed through the Company, no commissions or overrides will be paid by the Company on such transactions.

11.12 Payment Options

Purchases may be paid by money order, cashier's check, personal check or credit cards, unless specifically stated otherwise by the Company. Preprinted name, physical address and phone number must be on all checks. Personal checks will be accepted only for payments in an amount not greater than \$1,000. In the event a check or credit card is declined; the Independent Ambassador will be contacted for an alternate form of payment and may be subject to an additional processing fee. No orders will be shipped without prior payment. Returned checks are subject to a \$30.00 returned check fee.

11.13 Shipping and Handling

It is the ordering Independent Ambassador's sole responsibility to indicate (a) the method and means of shipping and (b) the destination address.

11.14 Product Delivery

Upon clearance of payment, the Company processes for shipment the products and materials ordered. While our goal at Zilis is for all products to be shipped within one (1) business day of receiving an order, all orders

will be shipped within three (3) business days. If an item is temporarily not available ("TNA"), the consignee will be notified on the packing list included with the shipment. If a TNA should occur, the item(s) will be shipped as soon as available and usually within ten (10) days of the date the original order was received. Back orders may be canceled by Independent Ambassador by written request received by the Company prior to shipment.

11.15 Damaged Goods

The shipping company is responsible for any damage that occurs after it takes physical custody of the products. Therefore, it is important that the damage is reported promptly in order to allow Zilis International to file a claim with the shipper. The purchaser of Company products who receives damaged goods shall comply with the following procedures:

- a) Accept delivery;
- b) Before the driver leaves, note on the delivery receipt the number of boxes that appear to be damaged and require the driver to acknowledge the damage in writing;
- c) Save the damaged products or boxes for inspection by the shipping agent; and
- d) Contact Zilis Support Department to arrange for a replacement order to be shipped and a damaged goods claim to be filed.

11.16 Price Changes

Prices for the Company's products, services and literature are subject to change without prior notice.

11.17 Receipts for Retail Pricing

Independent Ambassador will provide all retail purchasers of the Company products with written receipts. Although the Company provides a suggested retail price as a guideline, Independent Ambassador may sell the products at whatever retail price they and their Customers may agree upon, as long as the price is not below the Preferred Customer price.

11.18 Sales Tax

To ensure compliance with the sales and use tax requirement of each state, unless required otherwise by state law, the Company may, at its option, collect and remit all applicable sales and use taxes on products, promotional materials and services sold to Independent Ambassadors and retail Customers based on the suggested retail price of the product. The applicable rate of tax due shall be based on the address to which the product and/or material are shipped. If Independent Ambassador requests a tax exempt purchase for products purchased for resale (not for personal use), Independent Ambassador shall provide the Company with a true and correct copy of a current resale certificate from the applicable state.

11.19 Shipping Loss

The Company will track all deliveries shipped. Independent Ambassador should contact the Company immediately upon being made aware of any shipping problem.

11.20 Inaccurate Delivery

If a product is shipped in error by the Company, the unsorted merchandise may be returned at the Company's expense provided the following steps are taken:

- a) Independent Ambassador or retail Customer notifies the Company within five (5) days of receipt of the order;
- b) A copy of the shipping or packing slip shall be enclosed with the proper forms required by the Company completed and executed by Independent Ambassador or retail Customer; and
- c) Products shall be returned in original containers and shall be packed properly to prevent damage in return shipment.

11.21 Refused Shipments

Should Independent Ambassador refuse delivery on any order placed with the Company, the Company shall have the right to place Independent Ambassador in suspension pending resolution of the refusal of delivery. Neither Independent Ambassador nor a retail Customer shall refuse any shipment from the Company unless prior approval of the Company has been obtained. Should the receiving party of any order shipped from the Company refuse to accept delivery and the shipment is returned to the Company, the ordering Independent Ambassador's status will be suspended pending resolution of the delivery refusal. Non-accepted delivery charges will be debited to Independent Ambassador's account. If the Company determines that a valid reason exists for refusing shipment, it will instruct the Independent Ambassador or retail Customer on the proper procedure for a return.

11.22 Retail Outlets

The integrity of the Company's marketing plan is built upon person-to-person, one-on-one and in-home presentation methods of sale. Selling Company products through any chain of retail stores, including but not limited to drugstores, pharmacies, supermarkets, health food stores, shopping mall booths and the like, restaurants or online shopping malls including, but not limited to, eBay, Craigslist, etc. is strictly prohibited. Selling Company products by Independent Ambassadors through retail outlets or professional offices that are not part of chains and are owned or operated by the Independent Ambassador is acceptable.

11.23 Service-Oriented Establishments

It is permissible to take orders for Company products in businesses such as health spas, health resorts or similar establishments.

11.24 Medical Offices

Medical doctors and other health professionals may sell Company products from their offices only if the doctor or health professional is an Independent Ambassador.

11.25 Trade Shows

Company products or services and opportunity may be displayed at trade shows by Independent Ambassadors. Request for participation in trade shows must be received in writing by the Company at least two weeks prior to the show. Only Company produced marketing materials may be displayed or distributed. No Independent Ambassador may sell or promote the Company's products or services or business opportunity at flea markets, swap meets or garage sales.

11.26 International Sales

No independent Ambassador may export or sell directly or indirectly to others who export the Company's products, literature, sales tools or promotional material relating to the Company, its products or services or the Company's program from the United States or its possessions or territories to any other country. Independent Ambassadors who choose to sponsor internationally may do so only in countries in which the Company has registered to operate its business and must comply fully with the Rules of Operation of a Company Independent Ambassador in that country. Any violation of this rule constitutes a material breach of this contract and is grounds for immediate termination of the Independent Ambassador position.

11.27 Product/Services Claims

Independent Ambassador shall make no claim, representation or warranty concerning any product or service of the Company, except for those contained in the official Company materials. Independent Ambassador can only promote benefits of Zilis products using language contained in the official Company materials. Independent Ambassadors may not make any medical, therapeutic, curative or treatment claims regarding any Zilis product. Independent Ambassadors may only use "Before" and "After" photos provided by the Company. The use of any unauthorized "Before" and "After" photos is prohibited.

11.28 Promotional Items

All promotional items that bear the Company name or logo shall be purchased solely from the Company or its approved supplier unless prior written permission is obtained from the Company.

11.29 Telemarketing

Telemarketing is strictly prohibited. The Federal Trade Commission and 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 the Company does not consider Independent Ambassadors 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.

a) Therefore, Independent Ambassadors must not engage in telemarketing in the operation of their Company businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Company product or service or to recruit them for the Company opportunity. “Cold calls” made to prospective Customers or Ambassadors that promote either Company products or services or the Company opportunity constitute telemarketing and are prohibited. However, a telephone call placed to a prospective Customer or Ambassador (a “prospect”) is permissible under the following situations:

b) 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 (3) months. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not a routine practice;

c) The prospect’s personal inquiry or application regarding a product or service offered by the Ambassador happens within the three (3) months immediately preceding the date of such a meeting;

d) If the Ambassador has an established business relationship with the prospect. An “established business relationship” is a relationship between an Ambassador and a prospect based on the prospect’s purchase, rental or lease of goods or services from the Ambassador or a financial transaction between the prospect and the Ambassador within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service; and

e) If the Ambassador receives written and signed permission from the prospect authorizing the Ambassador to call. The authorization must specify the telephone number(s) which the Ambassador is authorized to call.

f) In addition, Ambassadors shall not use automatic telephone dialing systems relative to the operation of their Company 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 12 – Definitions

AGREEMENT: The contract between the Company and each Ambassador; includes the Ambassador Agreement, the Zilis Policies and Procedures, and the Zilis Compensation Plan, all in their current form and as amended by Zilis in its sole discretion. These documents are collectively referred to as the “Agreement.”

CANCEL: The termination of an Ambassador’s business. Cancellation may be either voluntary, involuntary, or through non-renewal.

COMPENSATION PLAN: The guidelines and referenced literature for describing how Ambassadors can generate commissions and bonuses.

Customer: A Customer who purchases Zilis services and does not engage in building a business or selling the service.

AMBASSADOR: An individual, who purchases product, generates sales and business building commissions.

LINE OF SPONSORSHIP (LOS): A report generated by Zilis that provides critical data relating to the identities of Ambassadors, sales information, and enrollment activity of each Ambassador’s organization. This report contains confidential and trade secret information which is proprietary to Zilis.

ORGANIZATION: The Customers and Ambassadors placed below a particular Ambassador.

OFFICIAL ZILIS MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Zilis to Ambassadors.

PLACEMENT: Your position inside your Sponsor’s organization.

RECRUIT: For purposes of Zilis’ Conflict of Interest Policy, the term “Recruit” means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Zilis Ambassador or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

SPONSOR: An Ambassador who enrolls a Customer or another Ambassador into the Company, and is listed as the Sponsor on the Ambassador Agreement. The act of enrolling others and training them to become Ambassadors is called “sponsoring.”

UPLINE: This term refers to the Ambassador or Ambassadors above a particular Ambassador in a sponsorship line up to the Company. It is the line of sponsors that links any particular Ambassador to the Company.