



SCIENCES

**POLICIES AND PROCEDURES**

Rules to Live By

**Compliance Department**

**As of May 1, 2018**

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## **SECTION 1 - PURPOSES OF POLICIES AND PROCEDURES**

Quintessential Biosciences, Inc. (herein “Q Sciences” or “The Company”) has developed the following guidelines to assist in the success of The Company and its Ambassadors. These Policies and Procedures will help provide the following benefits:

- Protect the rights of all Ambassadors by providing a framework within which each Ambassador may work in an ethical, effective and secure manner.
- Provide an equal and level playing field of opportunity to all Q Sciences Ambassadors.
- Define the contractual relationship between Q Sciences and its Ambassadors.
- Inform Ambassadors regarding compliance issues and regulatory requirements. Q Sciences requires that all Ambassadors acknowledge, understand and abide by these Policies and Procedures as we work together in promoting the Q Sciences products and opportunity.

## **SECTION 2 - INTRODUCTION**

### **2.1 - Policies and Procedures Incorporated into Ambassador Agreement**

These Policies and Procedures, in their present form and as amended from time to time at the sole discretion of Q Sciences, are incorporated into, and form an integral part of, the Q Sciences Ambassador Agreement. Throughout these Policies and Procedures, when the term “Agreement” is used, it collectively refers to the Q Sciences Ambassador Agreement, these Policies and Procedures, Terms and Conditions, the Q Sciences Compensation Plan, and the Q Sciences Business Entity Form (if applicable) in effect at the time, and as may be amended from time to time at the sole discretion of Q Sciences. These documents are incorporated by reference into the Q Sciences Ambassador Agreement. 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 the Agreement and these Policies and Procedures.

### **2.2 - Purpose of Policies**

Q Sciences is a direct sales company that markets products principally through its Ambassadors. It is important that all Ambassadors understand that their success is dependent upon the integrity of all men and women who market Q Sciences products. To clearly define the relationship that exists between Ambassadors and Q Sciences, and to explicitly set standards for acceptable business conduct, Q Sciences has established the Agreement. Q Sciences Ambassadors 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 business and their conduct. It is very important that all Ambassadors read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between Ambassadors and the Company. Any questions regarding any policy or rule should be directed to Q Sciences.

### **2.3 - Changes to the Agreement**

Because federal, state, and local laws, as well as the business environment periodically change, Q Sciences reserves the right to amend from time to time any aspect of the Agreement (including the Ambassador Enrollment Form, Terms and Conditions, the Policies and Procedures, the Q Sciences Compensation Plan), the pricing for its products, the PV associated with each of its products, or any other aspect of its business in its sole and absolute discretion. The Company shall provide or make available to all Ambassadors a current and complete copy of the

Agreement by one or more of the following methods: (1) posting on the Company's official web site; (2) posting on the Company's back office; (3) electronic mail (e-mail); (4) inclusion in Company periodicals; (5) posting on The Company's social media sites; (6) inclusion in product orders; or (7) special mailings. The most current and only definitive version will be located at [www.QSciences.com](http://www.QSciences.com). It is the responsibility of all Ambassadors to regularly review [www.QSciences.com](http://www.QSciences.com) for the most recently published amended version of the Agreement. Unless otherwise provided, amendment versions of the Agreement shall be effective upon publication on the Company's website. Once the amendment(s) are published, Ambassadors can elect to accept the amendment(s) or reject them. If the Ambassador rejects them, their Agreement will terminate at the end of its term and will not be renewed. If the Ambassador continues to Enroll and/or accept Rebates, Commissions or Bonuses from Q Sciences, such actions shall be deemed acceptance of the amendments and/or amended version of the Agreement.

#### 2.4 - Delays

Q Sciences 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, vendor 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 and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.

#### 2.6 - Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business and the business of its Ambassadors. No failure of Q Sciences 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 Q Sciences' right to demand exact compliance with the Agreement. Waiver by Q Sciences can be affected only in writing by an authorized officer of the Company. Q Sciences' waiver of any particular breach by an Ambassador shall not affect or impair Q Sciences' rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Ambassador. Nor shall any delay or omission by Q Sciences to exercise any right arising from a breach affect or impair Q Sciences' rights as to that or any subsequent breach. The existence of any claim or cause of action of an Ambassador against Q Sciences shall not constitute a defense to Q Sciences' enforcement of any term or provision of the Agreement.

### **SECTION 3 - BECOMING AN AMBASSADOR**

#### **RULES OF CONDUCT**

Each Ambassador promises to:

1. Handle themselves and their business dealings honestly, morally, and legally.
2. Keep their activities honorable to reflect well of themselves and of Q Sciences.

3. Speak well of Q Sciences, as well as competitors.
4. Honestly present the product in keeping with what is set forth in the Q Sciences literature, including references to health claims and benefits.
5. Explain the Compensation Plan honestly and completely as set forth in the Q Sciences Corporate materials. Each Ambassador will respect the privacy of others and keep their personal earnings and the earnings of others private.
6. Take their sponsor and upline responsibilities seriously including readily teaching, training, aiding, encouraging and supporting those in their downline.
7. Abide by the Product guarantee and return policies for themselves and for their customers.
8. Respect the professional relationships between Q Sciences and any of its vendors, advisors, endorsers or affiliates by speaking of them appropriately as set forth in the Q Sciences policies, and refraining from making contact with them.
9. Direct all media inquiries to Q Sciences Compliance Department
10. Maintain a healthy distance between other Sponsors and their Enrollees to avoid a conflict of interest.
11. Adhere to the Agreement in all respects.
12. Conduct their business professionally in order to enhance Q Sciences' reputation, and to help protect the Q Sciences opportunity for all.

### 3.1 - Requirements to Become an Ambassador

To become a Q Sciences Ambassador, each applicant must:

3.1.1 - Be 18 years of age, or 16 years of age with a parent/guardian on the account as a signer.

3.1.2 - Have a valid Social Security or Federal Tax ID number;

3.1.3 - Submit a properly completed and signed Ambassador Application and Agreement to Q Sciences. The Company reserves the right to reject any applications for a new Ambassador, or applications for renewal. The Ambassador Agreement is effective upon acceptance of the Application and Agreement by the Company as defined by the Terms and Conditions section 1.2.

3.1.4 – Purchase a Q Sciences Business Kit (not applicable in North Dakota)

### 3.2 - New Ambassador Registration by Phone, Fax or Internet

In addition to registering online or with a paper hard copy Ambassador Application and Agreement, a potential new Ambassador may call Q Sciences customer service during regular business hours to receive a temporary Ambassador Number and temporary authorization for a new Ambassador. (See the front of the Ambassador Application and Agreement for phone numbers.) The caller must be able to provide all necessary Ambassador Agreement information over the telephone. When phoning in an application, until Q Sciences has received the hard copy with all current information from the Ambassador (by fax, email or mail), the Ambassador's account will be on a hold basis and not allowed to receive commissions.

The new Ambassador's Number and authorization will be valid for 30 days, pending receipt of the completed and signed original Ambassador Application and Agreement by Q Sciences. Once the original Ambassador Application and Agreement is received by Q

Sciences, the new Ambassador Agreement will be extended to one full year from the date on which the Ambassador Number was issued. If the new Ambassador Application and Agreement is not received within the temporary 30-day time period, the temporary authorization shall expire, the Ambassador Number will be canceled, and the Ambassador Application and Agreement will be automatically terminated. An applicant may also register by faxing or emailing a scanned properly completed Ambassador Application and Agreement to Q Sciences.

### 3.3 - Renewal of Your Q Sciences Business

The term of the Ambassador Agreement is one year from the date of its acceptance by Q Sciences. A renewal fee as determined by Q Sciences will be required and billed each successive year on the yearly anniversary date of the Ambassador Agreement. Once the annual renewal fee has been collected, the Agreement will be renewed, provided the Ambassador is in good standing and the Agreement has not been cancelled as provided herein. Q Sciences reserves the right to change the renewal fee in its sole discretion.

## **SECTION 4 - OPERATING A Q SCIENCES BUSINESS**

### 4.1 - Adherence to the Q Sciences Compensation Plan

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

### 4.2 - Business Entities

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a Q Sciences Ambassador by submitting a copy of its organizational documents to Q Sciences, along with a properly completed registration form. If an Ambassador enrolls online, all required documents and registration form must be submitted to Q Sciences within 30 days of the online enrollment. (If not received within the 30-day period, the Ambassador Agreement shall automatically terminate.) A Q Sciences 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 by requesting a Name Change Request Form from the Q Sciences Compliance Department. The Registration form must be signed by all of the shareholders, partners, trustees, members or owners. Members of the entity are jointly and severally liable for any indebtedness or other obligation to Q Sciences.

### 4.3- Minors

A person who is recognized as a minor in his/her state of residence may not be a Q Sciences Ambassador. Ambassadors shall not enroll or recruit minors into the Q Sciences program.

Minors who are at least sixteen years old may enroll as a Q Sciences Ambassador if the parent or guardian of the minor also enrolls as the minor's co-applicant.

4.4 - One Q Sciences Business per Ambassador and Spouse, and Two per Household  
Husbands and wives or common-law couples (collectively "spouses") may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, member, owner, or beneficiary in only one Q Sciences business. Dependent children, 18 or over, living at the same address may own one Q Sciences business.

4.4.1- Actions of Household Members or Affiliated Individuals

If any member of an Ambassador's immediate household engages in any activity which, if performed by the Ambassador would violate any provision of the Agreement, such activity will be deemed a violation by the Ambassador and Q Sciences may take disciplinary action pursuant to the Policies and Procedures against the Ambassador. Similarly, if any individual associated in any way with a corporation, partnership, limited liability company, trust or other entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the entity, and Q Sciences may take disciplinary action against the entity.

4.5- Independent Contractor Status

Ambassadors are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between Q Sciences and its Ambassadors does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Ambassador. Q Sciences may, at its sole discretion, require notarized documents before implementing any requested changes to a Q Sciences independent contractor's business. Please allow thirty (30) days after the receipt of the request by Q Sciences for processing.

4.6- Sponsoring

All Ambassadors in good standing have the right to sponsor others as Ambassadors of Q Sciences. Each prospective Ambassador ultimately has the right to choose who their Sponsor will be. If two Ambassadors claim to be the Sponsor of the same new Ambassador, the Company shall presume the first application received by The Company as controlling. This will also apply to the enrollment of Preferred Customers.

4.7- Changes to a Q Sciences Business

4.7.1- General

Each Ambassador must immediately notify Q Sciences of any changes to the information contained on his or her Ambassador Application and Agreement. Ambassadors may modify their the information in their existing Ambassador Agreement (i.e., change Social Security number to Federal I.D. number, or change the form of ownership from an individual proprietorship to a business entity owned by the Ambassador) by submitting a written request for a Name Change Request Form, a properly executed Ambassador Application and Agreement, and appropriate supporting documentation.

4.7.2- Addition of Co-Applicants



When adding a co-applicant (either an individual or a business entity) to an existing Q Sciences business, the Company requires a written request as well as a properly completed Ambassador Application and Agreement containing the applicant and co-applicant's Social Security Numbers and signatures. To prevent the circumvention of Section 4.9 (regarding transfers and assignments of a Q Sciences business), the original applicant must remain as a party to the original Ambassador Application and Agreement. If the original Ambassador wants to terminate his or her relationship with the Company, he or she may transfer or assign his or her business in accordance with Section 4.7. If this process is not followed, the business may be canceled by Q Sciences upon the withdrawal of the original Ambassador. All bonus and commission earnings will be sent to the address of record of the original Ambassador. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsor. Changes of sponsor are addressed in Section 4.5.3, below. There is a \$25.00 fee for each change requested, which must be included with the written request and the Ambassador Application and Agreement.

#### 4.7.3- Change of Sponsor, Placements, and Transfers

To protect the integrity of all Ambassador organizations and safeguard the hard work of all Ambassadors, Q Sciences strongly discourages changes in sponsorship and placement. Maintaining the integrity of sponsorship and placement is critical for the success of every Ambassador and their organization. Accordingly, the transfer of a Q Sciences Ambassador and their associated organization from one Sponsor or from one placement to another is rarely, if ever, permitted. Requests for a change must be submitted by contacting the Compliance Department, and must include the reason for the requested change. If the change is approved, only one change will be allowed per transferred Ambassador. Transfers will only be considered in the following two (2) circumstances:

4.7.3.1- In cases involving fraudulent inducement or unethical sponsorship. In such purported cases an Ambassador may request that he or she be transferred, together with their entire marketing organization, from their existing sponsor to another Ambassador's organization. All requests for transfer alleging fraudulent inducement or unethical sponsorship enrollment practices shall be evaluated on a case-by-case basis. The final decision to allow such transfer in these incidences shall be made by Q Sciences in their complete and sole discretion.

4.7.3.2 – In cases where an Ambassador simply wants to change their sponsorship or placement. The Ambassador seeking to transfer submits a properly completed and fully executed Sponsor Change Request Form, which includes the written approval of The Company, as well as the written approval of his or her Sponsor and immediate 5 upline Ambassadors. Photocopied or facsimile signatures are not acceptable. The Ambassador who requests the transfer must submit a fee of \$25.00 for administrative charges and data processing. If any downline Ambassadors within the transferring Ambassadors marketing organization also want to transfer with the transferring Ambassador, they must also submit a properly completed Sponsor Change Request Form and return it to Q Sciences with the \$25.00 change fee (i.e., the transferring Ambassador and each Ambassador in his or her marketing organization multiplied by \$25.00 is the cost

to move a Q Sciences organization). Downline Ambassadors will not be moved with the transferring Ambassador unless all of the requirements of this paragraph are met. This specifically includes the written approval of The Company, as well as the written approval of their Sponsor (who is the transferring Ambassador) and the immediate 5 upline Ambassadors. Transferring Ambassadors must allow thirty (30) days after the receipt of the Sponsor Change Request Form by Q Sciences for processing and verifying change requests.

4.7.3.3 – Upon enrollment, a Sponsor has 7 days to place their newly enrolled Ambassador within their organization (such 7 day period will be referred to as the “Placement Suite”). New Ambassador enrollees that have not been placed by their Sponsor within 7 days of enrollment will, by default, be placed by The Company, in its sole discretion, furthest downline in the leg of their Sponsor’s organization with the least organizational volume.

4.7.3.4- Placement of a newly enrolled Ambassador by their Sponsor within 7 days following enrollment, either front line to the Sponsor or downline in their Sponsor’s organization, shall be permanent, except as potentially provided for in Sections 4.7.3, and 5.3. In the event that a newly enrolled Ambassador is placed by The Company, as provided for in section 4.7.3.3 above, the Sponsor shall have 48 hours to re-place the newly enrolled Ambassador. Said re-placement may only occur 1 time. Should the Sponsor not re-place the newly enrolled Ambassador within said 48 hours the position of the newly enrolled Ambassador, as placed by The Company, shall be permanent, except as provided for in sections 4.7.3 and 5.3. Should the Sponsor decide to re-place the newly enrolled Ambassador within said 48 hour time period, the change in placement shall be permanent, except as provided for in section 4.7.3 and potentially section 5.3.

#### 4.7.3.5- Cancellation and Re-application

Upon written notification to the Company, an Ambassador may cancel their Q Sciences business. After a period of not less than six months following the date of cancellation, the former Ambassador may reapply to the Company under a new Sponsor. Q Sciences will consider waiving the six-month waiting period under exceptional circumstances. Such requests for waiver must be submitted to Q Sciences in writing.

#### 4.8- Roll-up of Marketing Organization

Upon the cancellation of an Ambassador, The Company may elect, in their sole discretion, to either compress the remaining downline organization up one level from the cancelled Ambassador position, or retain the cancelled Ambassador position “as is” as a Company position in the marketing organization.

#### 4.9- Sale, Transfer or Assignment of a Q Sciences Business

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

4.9.1- If the buyer is an active Q Sciences Ambassador, he or she must first terminate his or her Q Sciences business simultaneously with the purchase, transfer, assignment or acquisition of any interest in the new Q Sciences business.

4.9.2- The transaction must be approved by Q Sciences in its sole discretion.

4.9.3- 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 Q Sciences business. Further, a selling Ambassador must be at the paid rank of Silver or higher in the Q Sciences Compensation Plan in effect at the time of the proposed sale.

4.9.4- Prior to selling a Q Sciences business, the selling Ambassador must notify Q Sciences, in writing, of his or her intent to sell their Q Sciences business. No changes in the line of sponsorship can result from the sale or transfer of a Q Sciences business.

4.9.5- The selling Ambassador must wait a period of not less than six months from the date of the sale, transfer or assignment of their Q Sciences business before they will be eligible to reapply for enrollment again as a Q Sciences Ambassador.

#### 4.10- Separation of a Q Sciences Business

Q Sciences Ambassadors sometime operate their Q Sciences businesses as a spouse partnership, regular partnership, corporation, limited liability company, or trust. At such time as a marriage ends, or a business entity dissolves, arrangements must be made to ensure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up line or down line of Placement. If the separating parties fail to provide for the best interests of other Ambassadors and the Company, Q Sciences will involuntarily terminate the Ambassador Agreement.

Under no circumstances will the Downline of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will Q Sciences split commission and bonus checks between divorcing spouses or members of dissolving entities. Q Sciences will recognize only one Downline and will issue only one commission check per Q Sciences business per commission cycle. Commission earnings 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, commissions will continue to be paid to the primary member on the account.

If a former spouse or a former entity affiliate has completely relinquished all rights in their original Q Sciences business, they are thereafter free to enroll under any Sponsor of their choosing. In such case, however, the former spouse or partner shall have no rights to any Ambassadors in their former marketing organization. As a newly enrolled Ambassador they must develop their new business in the same manner as would any other newly enrolled Ambassador.

#### 4.11- Succession

Upon the death or incapacitation of an Ambassador, 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 Ambassador should consult an attorney to assist him or her in

the preparation of a will or other testamentary instrument. Whenever a Q Sciences business is transferred by a will or other testamentary process, the legal successor in interest acquires the right to collect all Financial Distributions (as defined in Section 12) of the deceased Ambassador's marketing organization, provided the following qualifications are met. The successor(s) must:

4.11.1- Execute an Ambassador Agreement;

4.11.2- Comply with terms and provisions of the Agreement; and

4.11.3- Meet all of the qualifications for the deceased Ambassador's status.

4.11.4- Bonus and commission earnings of a Q Sciences business transferred pursuant to this section will be paid in a single check jointly to the legal successor(s) in interest. Such successor(s) must provide Q Sciences with an "address of record" to which all bonus and commission checks will be sent.

4.11.5- If the business is bequeathed to multiple legal successors in interest, they must form a business entity and acquire a federal taxpayer identification number. Q Sciences will issue all bonus and commission checks and Form 1099 to the business entity.

#### 4.12- Transfer upon Death of an Ambassador

To affect a testamentary transfer of a Q Sciences business, the successor must provide the following to Q Sciences:

- An original death certificate,
- A notarized copy of the will or other instrument establishing the successor's right to the Q Sciences business, and
- A completed and executed Ambassador Agreement.

If the successor is already a Q Sciences Ambassador, the Company, in its sole discretion, may grant exception to the One Ambassador per Household rule upon written request from the successor.

#### 4.13- Transfer upon Incapacitation of an Ambassador

To affect a transfer of a Q Sciences business because of incapacity, a legally appointed representative must provide the following to Q Sciences: (1) a notarized copy of an appointment as trustee or other legally appointed representative; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Q Sciences business; and (3) a completed Ambassador Agreement executed by the trustee.

#### 4.14- 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 Q Sciences in writing within 60 days of the date of the purported error or incident in question. Q Sciences will not be responsible for any errors, omissions or problems not reported to The Company within 60 days.

## **SECTION 5 - RESPONSIBILITIES OF AMBASSADORS**

### **5.1 - Change of Address or Telephone**

To ensure timely delivery of products, support materials, and commission checks, it is critically important that Q Sciences' files are current. Street addresses are required for shipping since most shipping companies cannot or will not deliver to a post office box. Ambassadors planning to move should send any change of address or telephone number to Q Sciences' Corporate Offices - Attention: Customer Service Department. If an Ambassador is presently on the Autoship program, the Autoship will automatically be updated to the new address. If more than one change of address notice or Autoship Agreement has been submitted to Q Sciences, the most recent one will supersede previous notices or Agreements. Please allow thirty (30) days after the receipt of the notice or Agreement by Q Sciences for processing.

### **5.2 - Continuing Development Obligations**

#### **5.2.1 - Ongoing Training**

The Ambassador who enrolls a new Ambassador (the "Sponsor") must perform a bona fide assistance and training function to ensure that his or her newly enrolled Ambassador has the best opportunity for success, and is properly operating his or her Q Sciences business. Ambassadors must have ongoing contact and communication with the Ambassadors in their Downline Organization. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, social media posts and online meetings, and the accompaniment of downline Ambassadors to Q Sciences meetings, training sessions, and other functions. Upline Ambassadors are also responsible to motivate and train new Ambassadors in Q Sciences product knowledge, effective sales techniques, the Q Sciences Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline Ambassadors must not, however, violate Section 8.1 (regarding the creation of Ambassador produced sales aids and promotional materials). Ambassadors must monitor 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 by Q Sciences, every Ambassador should be able to provide documented evidence to Q Sciences of his or her ongoing fulfillment of their responsibilities as outlined herein of a Sponsor.

#### **5.2.2 - Increased Training Responsibilities**

As Ambassadors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, the Compensation Plan and understanding of the Q Sciences program. As such they will be expected to share this knowledge with lesser-experienced Ambassadors within their organization.

#### **5.2.3 - Ongoing Sales Responsibilities**

Regardless of their level of achievement, Ambassadors have an ongoing obligation to continue to personally promote sales through the generation of new customers, through servicing their existing customers and through sales to retail customers who are not Ambassadors.

### 5.3 - Non-disparagement

Q Sciences wants to provide its Ambassadors 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 Customer Services Department.

Ambassadors should not disparage, demean, or make negative remarks about Q Sciences, other Q Sciences Ambassadors, Q Sciences' products, the Compensation Plan, or Q Sciences' directors, officers, or employees.

Verbal abuse in any form will not be tolerated by Q Sciences and is grounds for termination. Any Ambassador who believes they have been abused should report the alleged abuse in writing immediately to Q Sciences Compliance Department. If the abuse is proven, the abusing Ambassador will face disciplinary action. Abuse by a sponsor may also be grounds for a change of sponsorship.

Any retaliation to an Ambassador who has documented proof of abuse and has requested a transfer of sponsorship or placement away from a perpetrator of same, is grounds for immediate cancellation of the Ambassador who was the perpetrator. Also, any false allegations towards another Ambassador are grounds for immediate cancellation.

### 5.4 - Providing Documentation to Applicants

A Sponsor should make their prospective Ambassadors aware of where they can find and review the most current version of the Policies and Procedures and the Compensation Plan before the prospective Ambassadors sign the Ambassador Agreement.

### 5.5 - 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 Q Sciences Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

### 5.6 - Company Claims

No claims may be made or implied that any Ambassador has advantages with or special privileges with The Company, or is in any way exempt from the same obligations and requirements of every other Ambassador.

## **SECTION 6 - CONFLICTS OF INTEREST**

Ambassadors may participate in other direct selling or network marketing or multilevel marketing ventures (collectively "network marketing ventures"), and Ambassadors may engage in selling activities related to non-Q Sciences products and services if they desire to do so. However, if an Ambassador elects to participate in another network marketing venture, in order to remain in good standing with The Company and to avoid conflicts of interest and loyalties, Ambassadors must adhere to the following:

### 6.1 - Non-solicitation

During the term of their Agreement, an Ambassador shall not engage in "Cross Recruiting", which is any actual or attempted recruitment or enrollment of other Q Sciences Ambassadors to

any other network marketing business ventures, either directly or indirectly. This includes, but is not limited to, presenting or assisting in the presentation of another network marketing venture to any Q Sciences Ambassador, or implicitly or explicitly encouraging any Q Sciences Ambassador to join any other network marketing business venture.

6.1.1 - For a period of six months following the cancellation or termination of an Ambassador Agreement, the former Ambassador is prohibited from recruiting any Q Sciences Ambassador, Preferred Customer or Retail Customer to any other network marketing venture.

6.1.2 - During the term of the Agreement, an Ambassador may not:

- a) Produce, offer or transfer any literature, tapes, CDs, DVDs or other promotional material of any nature for another network marketing venture which is used by the Ambassador or any third party to persuade, influence or recruit any other Q Sciences Ambassadors, Preferred Customers or Retail Customers to another network marketing venture;
- b) Sell, offer to sell, or promote any competing non-Q Sciences products or services to Q Sciences Ambassadors, Preferred Customers or Retail Customers (any product in the same generic product category as a Q Sciences product is deemed to be competing; e.g., any nutritional supplement is in the same generic category as Q Sciences' nutritional supplements, and is therefore a competing product, regardless of differences in cost, quality, ingredients or nutrient content);
- c) Offer Q Sciences products or promote the Q Sciences Compensation Plan in conjunction with any non-Q Sciences products, services, business plan, opportunity, or incentive; or
- d) Offer any non-Q Sciences products, services, business plan, opportunity, or incentive at any Q Sciences meeting, seminar, launch, convention, or other Q Sciences function, or immediately following such event.

## 6.2 - Targeting Other Direct Sellers

Q Sciences does not encourage Ambassadors to target specifically the sales force of another direct sales company to sell Q Sciences products or to become Ambassadors for Q Sciences, nor does Q Sciences encourage Ambassadors to solicit or entice members of the sales force of another direct sales company specifically to violate the terms of their contract with such other company.

## 6.3 - Cross Placement

Actual or attempted Cross Placement is strictly prohibited. "Cross Placement" is defined as the enrollment of an individual or entity which already has a current Preferred Customer or Ambassador Agreement on file with Q Sciences, or which has had such an Agreement within the preceding six calendar months, with a different sponsor in a different marketing organization within The Company. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited.

Ambassadors shall not demean, discredit or defame other Q Sciences Ambassadors, particularly in an attempt to entice another Ambassador to become part of their marketing organization.

If Cross Placement is discovered, it must be brought to the Company's attention immediately. Q Sciences may take action against the Ambassador who changed organizations and/or those Ambassadors who encouraged or participated in the Cross Placement. Q Sciences may also move all or part of the offending Ambassadors downline to his or her original downline organization if the Company deems it equitable and feasible to do so. However, Q Sciences is under no obligation to move the Cross-Placement Ambassador's downline organization, and the ultimate disposition of the organization remains within the sole discretion of Q Sciences. Ambassadors waive all claims and causes of action against Q Sciences arising from or relating to the disposition of the Cross-Placement Ambassador's downline organization.

#### 6.4 - Holding Applications or Orders

Ambassadors must not manipulate enrollments of new applicants and purchases of products. All Ambassador Applications and Agreements, and product orders must be sent to Q Sciences within 48 hours from the time they are signed by an Ambassador or placed by a customer, respectively.

#### 6.5 - Stacking

"Stacking" is strictly prohibited. The term "stacking" includes: (a) the failure to transmit to Q Sciences or the holding of an Ambassador Application and Agreement in excess of 48 hours after its execution; (b) violating the two businesses per household rule; and/or (c) enrolling fictitious individuals or entities as Ambassadors or Preferred Customers.

### **SECTION 7 - COMMUNICATION AND CONFIDENTIALITY WITHIN A Q SCIENCES BUSINESS**

#### 7.1 - Downline Activity (Genealogy Reports and the like)

A wide variety of Downline Activity Reports are available for Ambassadors access and viewing in their login protected back office. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets and are owned exclusively by Q Sciences. Downline Activity Reports are available to Ambassadors in the strictest of confidence and are made available to Ambassadors for the sole purpose of assisting Ambassadors in working with their respective downline sales marketing organizations in the development of their Q Sciences business. Ambassadors should use their Downline Activity Reports to assist, motivate, train and support their downline Ambassadors. The Ambassador and Q Sciences agree that, but for this agreement of confidentiality and nondisclosure, Q Sciences would not provide Downline Activity Reports to the Ambassador. An Ambassador shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

7.1.1 - Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;

7.1.2 - Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;

7.1.3 - Use the information to compete with Q Sciences or for any purpose other than promoting his or her Q Sciences business;



7.1.4 - Recruit or solicit any Ambassador, Preferred Customer or Retail Customer of Q Sciences listed on any report, or in any manner attempt to influence or induce any Ambassador, Preferred Customer or Retail Customer, to alter their business relationship with Q Sciences; or

7.1.5 - Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report. Upon demand by The Company, any current or former Ambassador will return the original and all copies of Downline Activity Reports to The Company.

## 7.2 - Web Access Protection

Q Sciences will allow an Ambassador to create or purchase third party websites to enhance their business. An Ambassador may use such a website, provided the website is in strict compliance with Section 8.3 below. Q Sciences has a policy of not giving any of these third-party companies or websites direct access to the information that Q Sciences collects during the enrollment process, or anytime that an Ambassador is registered as an Ambassador with Q Sciences.

7.2.1 - It is a violation of these Policies and Procedures for an Ambassador or a third party to access this data via reverse engineering, keystroke monitoring, or by any other means.

## 7.3 - Communication

An Ambassador agrees that Q Sciences may send them unsolicited Q Sciences messages, whether in the form of e-mails, faxes, text messages, or telephone calls or some other format, whether recorded or in-person, at any time, provided that the message is connected with the business of Q Sciences.

# **SECTION 8 - ADVERTISING**

## 8.1 - General

All Ambassadors shall safeguard and promote the good reputation of Q Sciences, its products and opportunity. The marketing and promotion of Q Sciences, the Q Sciences opportunity, the Compensation Plan, and Q Sciences 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 Q Sciences offers, Ambassadors are encouraged to use the sales aids and support materials produced by Q Sciences. The Company has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that the presentation of each aspect of Q Sciences is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws.

In the event that an Ambassador produces supplemental marketing material of any kind, including but not limited to advertisements of any media type, flyers, brochures, CDs, audio recordings, posters, or banners, Q Sciences requires that it be submitted to the Company's Compliance Department for approval before it can be used or made public. All proposed materials may be mailed to Q Sciences Compliance Department, 2162 Grove Parkway, Suite 150, Pleasant Grove, UT 84062, or emailed to [IBOsuccess@QSciences.com](mailto:IBOsuccess@QSciences.com). Unless the

Ambassador receives specific written approval to use such materials, the request shall be deemed denied. Also, Q Sciences reserves the right, at its discretion, to edit or discontinue previously approved Ambassador materials.

Q Sciences further reserves the right to rescind approval for any sales tools, promotional materials, advertisements or other literature, and Ambassadors waive all claims for damages or remuneration arising from or relating to such rescission.

An Ambassador may not make any claims stating that documents or materials that they have written or produced have been given approval from the Q Sciences Compliance Department, or that they are “compliance approved” even if they have received approval through the Compliance department for their marketing materials. As these compliance policies are vital to the long-term stability of Q Sciences and the preservation of the opportunity for all. Violations of these policies will be strictly enforced. Failure to obtain approval for supplemental marketing materials of any kind and/or failure to implement the policies in any material may result in any of the actions set forth in Section 14.1, including, without limitation, the following:

1. Formal warning letter and/or probation
2. Suspension of commissions
3. Termination of the Ambassador Agreement
4. Possible litigation

#### 8.2 - Interaction with Scientific Advisory Board and other Company Consultants

Q Sciences is uniquely positioned in the marketplace by its special relationship with many preeminent medical, scientific, marketing, PR and business professionals. In the interest of preserving these relationships for the benefit of all Ambassadors and The Company Ambassadors must: (i) adhere strictly to the Company’s advertising policies, and (ii) refrain from any contact with any associate or employee of The Company’s Board of Directors, Scientific Advisory Board, vendor or other consultant to or advisor of The Company, without the express written consent of The Company.

#### 8.3 - Ambassador Web Sites

If an Ambassador desires to utilize an Internet web page to promote his or her business, he or she may do so through The Company’s replicated web site program, using official Q Sciences templates. This program permits Ambassadors to promote on the Internet and to choose from among a variety of home page designs that can be personalized with the Ambassador’s message and the Ambassador’s contact information. These web sites seamlessly link directly to an official Q Sciences enrollment page and shopping cart, giving the Ambassador a professional, Company-approved presence on the Internet. No Ambassador may independently design a web site that uses the name of The Company, its logos or trademarks, or any product names or descriptions of Q Sciences or otherwise promotes (directly or indirectly) Q Sciences products or the Q Sciences opportunity, without the express written consent of Q Sciences. An Ambassador shall not use “blind” ads on the internet that make product or income claims which are ultimately associated with Q Sciences products, the Q Sciences opportunity, or the Q Sciences Compensation Plan. If Ambassadors receive Q Sciences’ consent to develop their own web pages, they shall agree to: (A) Use the text of the Company’s official web site; and (B) Not supplement the content of his or her web site with text from any source other than The Company. Ambassadors who develop or

publish their own web sites must register their site(s) with The Company and receive written approval from The Company prior to the site(s) public availability.

All other content must receive written approval from The Company prior to a site(s) public availability. For additional guidelines, please use the following list of requirements, which is designed to guide you in properly creating your Q Sciences marketing material. Any advertising or promotional material must contain this exact verbiage: “Q Sciences Ambassador”

#### 8.4- Domain Names and Email Addresses

Ambassadors may not use or attempt to register “Q Sciences” or any other product or individual name connected with The Company for use in any Internet domain name. Ambassadors may not incorporate or attempt to incorporate such names, or any derivative thereof, into any electronic mail address. In addition, Ambassadors may not incorporate such terms, or any derivative of any of the foregoing into any domain name, email addresses, user name, team names, telephone numbers or any other address or title. Additionally, Ambassadors must comply with the terms and conditions set forth by each search engine or online advertising network. An Ambassador may purchase keywords for business purposes only, not personal, household or family purposes. Costs associated with search engine or online advertising are the sole responsibility of the Ambassador. An Ambassador must own the Internet property that they are advertising and cannot redirect to a website or other Internet property they do not own. At Q Sciences’ request, the Ambassador must demonstrate that they do own the Internet property or website advertised. Ambassadors must obtain approval from the Q Sciences Compliance Department before submitting or publishing links on search engines, Internet properties or online advertising networks. Purchasing such keywords or other prohibited terms or referencing them in the copy is prohibited.

#### 8.5- Social Networking

Q Sciences Ambassadors are permitted to use Social Networking sites including, without limitation, Facebook, Twitter, Instagram, Pinterest for the promotion of their Q Sciences businesses. However, while promoting the Q Sciences Opportunity using these types of Social Networking sites, Ambassadors must abide by the following guidelines: (1) Ambassadors must register their Social Networking accounts with the Compliance Department; (2) Ambassadors must allow access to their Social Networking accounts so that, at The Company’s discretion, Q Sciences can review site content to assure compliance.

#### 8.6- Use of Celebrity Names

No names of celebrities may be published by Ambassadors in association with Q Sciences without prior written approval of Q Sciences.

#### 8.7- Trademarks and Copyrights

No Ambassador shall use Q Sciences’ trade names, trademarks, designs, or symbols by any person, without its prior, written permission. Ambassadors may not produce for sale or distribution any recorded Company events and speeches without written permission from Q Sciences, nor may Ambassadors reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

The name “Q Sciences” and other names as may be adopted by Q Sciences are proprietary trade names, trademarks and service marks of Q Sciences. As such, these marks are of great value to Q Sciences and are supplied to Ambassadors for their use only in an expressly authorized manner. Use of Q Sciences’ name on any item not produced by The Company is prohibited except as follows: Ambassador Name

All Ambassadors may list themselves as a “Q Sciences Ambassador” in the white or yellow pages of the telephone directory under their own name. No Ambassador may place telephone directory display ads using Q Sciences’ name or logo. Ambassadors may not answer the telephone by saying, “Q Sciences,” “Q Sciences Incorporated,” or in any other manner that would lead the caller to believe that he or she has reached the Q Sciences corporate offices. Similarly, Ambassadors are prohibited from using the names of persons or companies, trademarks, designs, or symbols to further their Q Sciences business without the written consent of the owner.

## 8.8- Mass Media; General Advertising

### 8.8.1- Promotions Utilizing Mass Media Prohibited

Ambassadors may not use any form of media or other mass communication advertising to promote the Products, including mass communication advertising on the Internet. This includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, Internet ads, etc. Products may be promoted only by personal contact or by literature produced and distributed by The Company or by Ambassadors in accordance with these Policies and Procedures. Ambassadors may place generic opportunity advertisements in jurisdictions allowing that type of advertisement, but only in accordance with the Policies and Procedures of the Company.

### 8.8.2- Media Interviews

Ambassadors may not promote the Products or opportunity through interviews with the media, articles in publications, news reports, press releases, or any other public information, trade, or industry information source, unless specifically authorized in writing by The Company. This includes private, paid membership, or “closed group” publications. Ambassadors may not speak to the media on The Company’s behalf, and may not represent that they have been authorized by The Company to speak on its behalf. All media contacts or inquiries should be immediately referred to the Public Relations or Marketing Department of The Company.

## 8.9- Spamming and Unsolicited Faxes

Except as provided in this section, Ambassadors may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail, or “spamming” relative to the operation of their Q Sciences businesses. The terms “unsolicited faxes” and “unsolicited e-mail” mean the transmission via telephone, facsimile or electronic mail, respectively, of any material or information advertising or promoting Q Sciences, its products, its Compensation Plan or any other aspect of The Company which is transmitted to any person. 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 Ambassador Ambassador 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 Ambassador and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Ambassador; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

#### 8.10- Telemarketing

The Federal Trade Commission and the Federal Communications Commission each have regulations 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 Q Sciences does not consider 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 (up to \$11,000 per violation).

Therefore, Ambassadors must not engage in telemarketing in the operation of their Q Sciences businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Q Sciences product or service, or to recruit them for the Q Sciences opportunity. “Cold calls” made to prospective customers or Ambassadors that promote either Q Sciences’ products or services or the Q Sciences opportunity constitute telemarketing and are prohibited. In addition, Ambassadors shall not use automatic telephone dialing systems or random phone lists relative to the operation of their Q Sciences 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. In addition, Ambassadors acknowledge and agree to abide by federal telemarketing guidelines.

#### 8.11- Unauthorized Claims and Actions

##### 8.11.1- Indemnification

An Ambassador is fully responsible for all of his or her verbal and written statements made regarding Q Sciences products and the Compensation Plan which are not expressly contained in official Q Sciences materials. Ambassadors agree to indemnify Q Sciences and Q Sciences’ directors, officers, employees, and agents, and hold them harmless from any and all liability including, but not limited to, judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Q Sciences as a result of the Ambassador’s unauthorized representations or actions. This provision shall survive the termination of the Ambassador’s Agreement.

##### 8.11.2- Product Claims

No claims, which include personal testimonials, as to therapeutic, curative or beneficial properties of any products offered by Q Sciences may be made except those contained in official Q Sciences materials. In particular, no Ambassador may make any claim that Q Sciences products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases or signs or symptoms of disease. Not only are such claims violations of Q Sciences policies, but they potentially violate federal and state laws and regulations, including the Federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

An Ambassador that provides a product experience testimonial in any medium should use care to disclose their affiliation with Q Sciences (“Q Sciences Ambassador”), be honest in their testimonial personal experience, and assert that they are not claiming that their experience is the typical result experienced by consumers.

#### 8.11.3- Income Claims

In their enthusiasm to enroll prospective Ambassadors, some Ambassadors are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Ambassadors may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At Q Sciences, we firmly believe that the Q Sciences 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 Ambassadors 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 Q Sciences as well as the Ambassador making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Q Sciences Ambassadors do not have the data necessary to comply with the legal requirements for making income claims, an Ambassador, when presenting or discussing the Q Sciences opportunity or Compensation Plan to a prospective Ambassador, may not make income projections, income claims, or disclose his or her Q Sciences income (including the showing of checks, copies of checks, bank statements, or tax records). Hypothetical income examples that are used to explain the operation of the Compensation Plan, and which are based solely on mathematical projections, may be made to prospective Ambassadors, so long as the Ambassador who uses such hypothetical examples makes clear to the prospective Ambassadors that such earnings are hypothetical, and the Ambassador provides the prospect with a copy of the most current income disclosure chart prepared by The Company. Until such time as Q Sciences publishes an official income disclosure statement, Ambassadors may not use hypothetical income examples in the promotion of their Q Sciences businesses.

#### 8.12- 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 Q Sciences or its Compensation Plan has been “approved,” “endorsed” or otherwise sanctioned by any government agency.

## **SECTION 9 - RULES AND REGULATIONS**

### 9.1 - Identification

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

## 9.2 - Income Taxes

Each Ambassador is responsible for paying local, state, and federal taxes on any income generated as an Ambassador. If a Q Sciences business is tax exempt, the Federal tax identification number must be provided to Q Sciences. Every year, Q Sciences will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. distributor 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.

## 9.3 - Insurance

### 9.3.1 - Business Pursuits Coverage

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's policy.

### 9.3.2 - Product Liability Coverage

Q Sciences maintains insurance to protect The Company and Ambassadors against product liability claims. Q Sciences' insurance policy extends coverage to Ambassadors so long as they are marketing Q Sciences products in the regular course of their business and in accordance with Company Policies and Procedures and applicable laws and regulations. Q Sciences' product liability policy may not extend coverage to claims or actions that arise as a result of an Ambassador's misconduct in marketing the products.

## 9.4 - International Marketing

Ambassadors are authorized to sell Q Sciences products, and enroll Preferred Customers and/or Ambassadors only in countries in which Q Sciences is authorized to conduct business, as announced in official Company materials. Ambassadors may begin doing business in any authorized country in accordance with the applicable terms and conditions of that country. Allowed conduct and activity in unauthorized and/or NFR markets is described in 9.4.1 below.

### 9.4.1 - International Marketing Definitions

Un-Authorized markets (Pre-Market) - Prior to the official opening of a country, permissible Ambassador activity is limited to providing business cards and conducting, organizing, or participating in meetings with no more than five (5) attendees, including the Ambassador. Other attendees must be personal acquaintances or acquaintances of personal acquaintances. These meetings must be held in a home or a public establishment but may not be held in a private hotel room. All cold-calling techniques (soliciting persons who are not prior personal acquaintances of the contacting Ambassador) are strictly prohibited in unopened countries. Not For Resale ("NFR") - Countries where residences of the country are allowed to import products for personal use only on a "not-for-resale" basis, but where the re-selling of those products is prohibited.

### 9.4.2 - Authorized Countries

Currently the only markets where Q Sciences is operating are:

Full Business: United States, Canada and South Korea

NFR: Australia, New Zealand, Japan, Denmark, The Netherlands, Germany

## 9.5 - Adherence to Laws and Ordinances

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

9.5.2 - Compliance with Federal, State, and Local Laws - Ambassadors shall comply with all federal, state, and local laws and regulations in the conduct of their businesses.

## **SECTION 10 - SALES**

### 10.1 - Commercial Outlets

Q Sciences strongly encourages the selling of its products through person-to-person interactions. In an effort to reinforce this method of marketing and to help provide a standard of fairness for its Ambassador base, Ambassadors may not display or sell Q Sciences products or literature in any retail establishment, without the prior consent of The Company. Ambassadors may, however, sell Q Sciences products from service establishments that see customers/clients on an appointment basis only. Q Sciences will permit Ambassadors to solicit and make commercial sales upon prior written approval from The Company. The term “commercial sale” means the sale of products to a third party who intends to resell the products to an end consumer.

### 10.2 - Trade Shows, Expositions and Other Sales Forums

Ambassadors may display and/or sell Q Sciences products, at their own expense, at trade shows and professional expositions. Q Sciences expects its Ambassadors to present and conduct themselves professionally in all forums of business.

### 10.3 - Discount or Auction Web Sites

The use of any third-party discount or auction Internet website or web page (including, without limitation, sites such as Amazon or eBay) to in any way to sell Q Sciences products, or to promote the Q Sciences Opportunity, or the Compensation Plan is a breach of the Agreement and may result in immediate termination and a fine of up to \$10,000. Further, Ambassadors that are found in violation of this policy are not eligible to receive a refund on any of the products purchased.

### 10.4 - Excess Inventory Purchases Prohibited

Ambassadors are not required to carry inventory of products or sales aids. Ambassadors who do so may find making retail sales and building a marketing organization somewhat easier because of having product on hand for samples or for display, or because of decreased response time in fulfilling customer orders or in meeting a new Ambassador’s needs. Each Ambassador must make his or her own decision with regard to these matters.

Q Sciences strictly prohibits the purchase of products in unreasonable amounts primarily for the purpose of qualifying for commissions, bonuses or advancement in the Compensation Plan.



Ambassadors may not purchase more inventory than they can reasonably resell or consume in a month, nor may they encourage others to do so.

#### 10.5 - 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 Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an Ambassador, Preferred Customer, or Retail Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Ambassadors, Preferred Customer, or Retail Customers (“phantoms”); (d) the use of a credit card by or on behalf of an Ambassador, Preferred Customer, or Retail Customer when the Ambassador, Preferred Customer, or Retail Customer is not the account holder of such credit card; (e) purchasing Q Sciences merchandise on behalf of another Ambassador, or under another Ambassador’s Number to qualify for commissions or bonuses. Bonus Buying as herein defined shall be considered by The Company as fraudulent activity, and as such The Company may commence legal proceedings against the party or parties involved in the activity.

#### 10.6 - Re-packaging and Re-labelling Prohibited

Ambassadors may not re-package, re-label, refill or alter the labels on any Q Sciences products, information, materials or programs in any way. Q Sciences products must be sold in their original containers only. Such re-labeling or re-packaging would violate federal and state laws, which could result in severe criminal penalties. You should also be aware that civil liability can arise when, as a consequence of the re-packaging or re-labeling of products, the persons using the products suffer any type of injury or their property is damaged.

### **SECTION 11 - SALES REQUIREMENTS**

#### 11.1 - Product Sales

The Q Sciences’ Compensation Plan is based upon the sale of Q Sciences products to consumers. In accordance with the Compensation Plan Ambassadors must fulfill personal and organizational 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 compensation and achievement.

11.1.1 – Ambassadors must satisfy certain requirements to achieve the various ranks and associated commissions and bonuses as specified in the Q Sciences’ Compensation Plan, all as more fully outlined in the Q Sciences Compensation Plan. The current version of the Compensation Plan can be found in its entirety online in the Ambassadors’ back office.

#### 11.1.2 - Advertised Product Price

Ambassadors may not advertise or sell Q Sciences Products at a price less than the suggested minimum retail price to retail customers, nor less than the suggested minimum wholesale price to Preferred Customers.. Ambassadors also agree that all advertising regarding the price of Products will be truthful and will not contain misleading statements (e.g., “lowest price available” which infers that an Ambassador is able to sell the Products at a price lower than other Ambassadors, etc.). Any violation of this Section by

an Ambassador shall constitute a breach of the Agreement and may result in any of the actions set forth in Section 14.

11.1.3 - The Ambassador must comply with the 70% Sales Rule as set forth in Section 11.3 below.

#### 11.2 - No Territory Restrictions

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

#### 11.3 - 70% Sales Rule

By placing a new Product order, an Ambassador is deemed to have certified that he or she has sold or consumed at least 70% of all Products purchased in prior orders. Each Ambassador that receives commissions and/or bonuses, and orders additional Q Sciences products, agrees to retain documentation that demonstrates compliance with this policy, including evidence of Retail Sales, for a period of at least four (4) years. An Ambassador agrees to make this documentation available to The Company at The Company's request. Failure to comply with this requirement or falsely representing the amount of product sold or consumed in order to advance in the compensation plan constitute a breach of the Agreement and is grounds for termination. Furthermore, a breach of this requirement entitles The Company to recover any commissions and/or bonuses paid to the Ambassador and his or her upline for any period of time during which such documentation is not maintained or for which this provision has been breached.

#### 11.4 - Sales Receipts

All Ambassadors must provide their retail customers with two copies of an official Q Sciences sales receipt at the time of the sale, for sales made directly between an Ambassador and a retail customer. These receipts set forth consumer protection rights afforded by federal or state law. Ambassadors must maintain all retail sales receipts for a period of four years and furnish them to Q Sciences at The Company's request. Records documenting the purchases of Ambassador's Retail Customers will be maintained by Q Sciences. Ambassadors must ensure that the following information is contained on each sales receipt: (1) The date of the transaction; (2) The date (not earlier than the third business day following the date of the transaction) by which the buyer may give notice of cancellation; and (3) Name and address of the selling Ambassador. Remember that customers must receive two copies of the sales receipt. In addition, Ambassadors must verbally inform the buyer of his or her cancellation rights.

### **SECTION 12 - REBATES, BONUSES AND COMMISSIONS**

#### 12.1 - Rebates, Bonuses and Commission Qualifications

An Ambassador must be Active and in compliance with the Agreement to qualify for bonuses and commissions ("Financial Distributions"). So long as an Ambassador complies with the terms of the Agreement, Q Sciences shall pay Financial Distributions to such Ambassador in accordance with the Compensation Plan. In the event that an Ambassador request payment of Financial Distributions in the form of a paper check to be mailed to the Ambassador, the minimum amount for which Q Sciences will issue a check is \$20.00. If such Ambassador's Financial Distributions do not equal or exceed \$20.00, the Company will accrue the Financial Distributions for this Ambassador until they total \$20.00. A check will be issued after \$20.00 has been accrued.

12.1.1 - Q Sciences will charge a \$4.00 check processing fee for all mailed checks.

12.1.2 - If it becomes necessary for Q Sciences to reissue a bonus or commission check because it has been lost, Q Sciences will charge a \$15.00 fee for each replacement check provided.

## 12.2 - Adjustment to Rebates, Bonuses and Commissions

Ambassadors receive Financial Distributions based on the sale of products to consumers. When a product is returned to Q Sciences for a refund, the Financial Distributions attributable to the returned 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 Ambassador and/or Ambassadors who received Financial Distributions on the sales or purchase of the refunded products.

12.2.1 - If an Ambassador chooses to cancel their Q Sciences business contract within the first 30 days of enrollment, and also chooses to return the product that they have ordered within their first 30 days, a refund will be issued for the full amount paid for the product, subject to the return provisions outlined in section 13.1, and less any commissions and/or bonuses that were issued in accordance with Section 12.2 and 13.3.

## 12.3 - Unclaimed Commissions and Credits

Ambassadors must deposit or cash commission and/or bonus checks within six months from their date of issuance, in the case of the issuance of a paper check. A check that remains uncashed after six months will be void. After a check has been voided, Q Sciences will attempt to notify an Ambassador who has an uncashed check by sending a monthly written notice to his or her last known address identifying the amount of the check and advising that the Ambassador can request that the check be reissued. There shall be a \$25.00 charge for reissuing a check. This charge shall be deducted from the balance owed to the Ambassador. Preferred Customers and Ambassadors who have a credit on account must use their credit within six months from the date on which the credit was issued. If credits have not been used within six months, Q Sciences shall attempt to notify the Ambassador or the Preferred Customer on a monthly basis, by sending written notice to the last known address advising the Ambassador or the Preferred Customer of the credit. There shall be a \$10.00 charge for each attempted notification. This charge shall be deducted from the Ambassador or Customer's credit on account.

## 12.4 - Incentive Trips & Rewards

From time to time, The Company may provide incentive trips and other awards to qualified Ambassadors. These awards or trips may be based on rank achievement and/or other high Ambassador performance, and are provided only to the persons listed on a qualifying Ambassador Agreement. up to air fare for two such Persons and hotel accommodations of one room. Incentive trips or awards may not be deferred for future acceptance and have no cash value. No payment or credit will be given to those who cannot or choose not to attend trips or to accept awards.

Although the Company may pay some or all of the costs of such incentive trips, the Ambassador agrees to indemnify and hold harmless The Company from any claim, injury, loss or other damage sustained in association with the trip by the Ambassador and/or its guests. The Ambassador cannot make claim upon, or rely upon, any insurance policy of The Company to cover the costs and expenses of any injury, loss or other damage to the Ambassador and/or their guests.

The Company may be required by law to include the fair market value of any incentive awards, trips, etc. on the Ambassador's end of the year tax report. The Ambassador is liable for applicable taxes and agrees to hold The Company harmless from claims of tax liability relating to these incentive trips and awards.

If it is discovered that the Ambassador has made any misrepresentations or has violated any of the Policies and Procedures in becoming eligible for these incentives trips and awards, The Company may charge the Ambassador for any costs incurred by The Company or for any benefits received by the Ambassador. The Company reserves the right at its sole and absolute discretion to disallow participation for any reason it deems necessary.

#### 12.5 - Reports

For the purposes of this paragraph 12.5, "Q Sciences" means the entity and all of its employees, officers, directors, independent contractors, Ambassadors, and agents.

12.5.1 – An Ambassador understands that Q Sciences regularly provides information to each of its Ambassadors. This includes but is not limited to reports of online or telephonic downline activity, such as personal and group sales volume, and downline placement activity ("the Information").

12.5.2 – An Ambassador agrees never to assert any claim of any nature against Q Sciences, including its officers, directors, employees and independent contractors, that arises out of or which is in any way connected with the presentation, compilation, development, publication and dissemination by Q Sciences of the Information, including but not limited to a claim for lost profits, bonuses, commissions, and loss of opportunity. This agreement on the part of each Ambassador extends to any act or omission to act by Q Sciences, such as, but not limited to, the inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the Information. However, this Section 12.5.2 does not apply to claims that may arise as a result of intentional misconduct or reckless disregard of the rights of Ambassadors on the part of Q Sciences.

### **SECTION 13 - PRODUCT GUARANTEE AND INVENTORY RETURNS**

#### 13.1 Product Guarantee, Initial Order

All Q Sciences retail customers, preferred customers and Amabassdors have a thirty (30) day 100% product satisfaction and money back guarantee on up to 200 PV of their initial order. The initial order is defined as the first order of product made by a retail customer, a preferred customer, or an Ambassador. To receive the money back guarantee the product must be returned to Q Sciences. The Customer or Ambassador is responsible for shipping charges to return the

product(s). All returns must have a Return Merchandise Authorization, (“RMA”), issued through Customer Service. Upon receipt of the returned product The Company will refund 100% of the purchase price (less shipping costs) on up to 200 PV of the initial product order.

Q Sciences will refund a maximum of 90% of the purchase price (less shipping costs) of any initial order in excess of 200 PV. Product returned in excess of 200 PV must be unopened in their original packaging with seals in place, and in a resalable and restockable condition. All returns must have a Return Merchandise Authorization, (“RMA”), issued through Customer Service. The Q Sciences Welcome Kit (all products and materials included) are nonrefundable.

### 13.2 Ongoing Product Guarantee, Non Initial Order

For all subsequent or recurring product orders (non initial order), all Q Sciences retail customers, preferred customers and Amabassdors shall have a thirty (30) day 90% product satisfaction and money back guarantee from the date of such non initial order. To receive the money back guarantee the product must be returned to Q Sciences. The Customer or Ambassador is responsible for shipping charges to return the product(s). All returns must unopened in their original packaging with seals in place, and in a resalable and restockable condition. Further, all returns must have a Return Merchandise Authorization, (“RMA”), issued through Customer Service. Upon receipt of the returned product The Company will refund 90% of the purchase price (less shipping costs).

### 13.3 Exceptions to the Refund Policies

Previously paid Financial Distributions (as described in Section 12.2) may be reversed or adjusted as a result of the product returns at the sole discretion of The Company. Any Commissions and/or bonuses paid to an Ambassador and his or her Upline on Product(s) returned by Ambassador or Customer may be debited from the respective Upline Ambassador’s account or withheld from present or future commission and/or bonus payments. An Ambassador agrees that he or she will not rely on existing downline volume at the close of a commission’s period, as returns may cause changes to his or her Rank and/or commissions payout.

### 13.4 - Montana Residents

Montana residents may cancel their Ambassador Agreement within 15 days from the date of enrollment, and may return their Business Kit for a full refund within such time period.

## **SECTION 14 - DISPUTE RESOLUTION AND REMEDIES**

### 14.1 – Remedies; Actions by The Company

Any breach of any aspect of the Agreement, including a breach of any aspect of these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by an Ambassador may result, at Q Sciences’ discretion, in one or more of the following actions:

14.1.1 - Issuance of a written warning or admonition;

14.1.2 - Issuance of a writing that directs the Ambassador to take immediate corrective measures;

14.1.3 - Loss of rights to one or more bonus and commission checks, in whole or in part.

14.1.4 - The withholding from an Ambassador's Financial Distributions during the period that Q Sciences is investigating any conduct that allegedly violates the Agreement.

14.1.5 - Suspension of the individual's Ambassador Agreement for one or more pay periods;

14.1.6 – Cancellation of the Ambassador Agreement;

14.1.7 - Cancellation of any other household members/affiliates Ambassador Agreement which is in association with the breaching Ambassador;

14.1.8 - Any other measure expressly allowed by the Agreement of which Q Sciences deems necessary to implement, and appropriate in order to provide a remedy for injuries caused partially or exclusively by the Ambassador's breach;

14.1.9 - The commencement of legal proceedings for monetary or equitable relief, or both.

#### 14.2 - Grievances and Complaints

When an Ambassador has a grievance or complaint with another Ambassador regarding any practice or conduct in relationship to their respective Q Sciences businesses, the complaining Ambassador should first report the problem to his or her Sponsor, who should review the matter and try to resolve it with the other party's upline Sponsor. If the matter cannot be resolved, it must be reported in writing to the Customer Service Department at The Company. The Customer Service Department will review the facts and attempt to resolve it.

#### 14.3 - Governing Law; Resolution of Disputes

14.3.1 - The interpretation and enforcement of this Agreement is governed by and shall be construed and interpreted in accordance with the laws of the State of Utah, without giving effect to conflicts of interest principles.

14.3.2 - Except as provided for in 14.3.5, all disputes between the parties that in any way are connected to or that arise out of this Agreement shall be resolved by arbitration only. Unless both parties agree otherwise, arbitration shall be conducted only by and before the American Arbitration Association (the "AAA"), and only in Salt Lake County, Utah, pursuant to the Commercial Arbitration Rules of the AAA.

14.3.3 - All arbitration shall be conducted by a panel of three arbitrators, with one arbitrator being selected by each party and the two arbitrators so selected jointly choosing the third arbitrator.

14.3.4 - As a condition precedent to the filing of any claim to initiate an arbitration proceeding, the party who believes that a dispute exists, or that a breach (i.e., a default) of this Agreement has occurred, shall provide notice of the dispute or breach to the other and 15 calendar days opportunity to cure that breach or otherwise convince the

complaining party that no claim is necessary. If the party giving the notice is not satisfied with the explanation or cure and believes that a dispute still exists, that party may then file an arbitration claim. The notice shall be in sufficient detail to fairly and reasonably apprise the other of each alleged dispute or default.

14.3.5 - If either party to this Agreement believes that it will suffer irreparable damage as a result of the actions of the other party, it may seek injunctive relief, but only injunctive relief, in any state or federal court as follows:

14.3.5.1 - If the party asserting the dispute or claim is the Ambassador, a judicial application for injunctive relief must be filed in a state or federal court in Salt Lake County, Utah;

14.3.5.2 - If the party asserting the dispute or the claim is Q Sciences, a judicial application for injunctive relief must be filed (i) in a state or federal court in Salt Lake County, Utah, or (ii) in a state or federal court in any state in which the Ambassador has an office, or (iii) in the state identified as the IBO's business address in its Application to be Ambassador.

14.3.6 - Each party shall bear its own attorneys' fees and the costs and expenses charged by the AAA and its arbitrators, or by a court or both, without regard to the outcome.

14.3.7 - An arbitration award shall contain a narrative explanation of the basis for the award, including, if appropriate, references to the applicable provisions of the Agreement, the relevant law, and conduct of the parties.

#### 14.4 - Governing Law, Jurisdiction and Venue

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

### **SECTION 15 - ORDERING**

#### 15.1 - Retail Customers and Preferred Customers

Ambassadors are encouraged to promote Q Sciences' Retail Customer and Preferred Customer Programs to their customers. The Retail Customer and Preferred Customer Program allow both types of customers to purchase their products directly from Q Sciences. Customers may simply call Q Sciences to place their orders, or more typically order product from Q Sciences over the internet. In both instances, the customer can charge their order to their Credit Card. Q Sciences will see that the ordered products are sent directly to the customer. To ensure that Ambassadors receive the appropriate commission, Retail Customers and Preferred Customers may not place an order without an Ambassador's ID Number. Preferred Customers must also enroll in Q Sciences' Autoship program whereby the Preferred Customer will sign up to have a pre-selected package of Q Sciences products delivered to his or her home automatically each month. (For clarification, as

to the difference between Retail and Preferred Customers, please refer to their respective definitions under Section 18, “Definitions.”)

#### 15.2 - Purchasing Q Sciences Products

Each Ambassador should purchase his or her products directly from Q Sciences. If an Ambassador purchases products from another Ambassador or any other source, the purchasing Ambassador will not receive the Personal Volume that is associated with that purchase.

#### 15.3 - General Order Policies

On mail orders with invalid or incorrect payment, Q Sciences will attempt to contact the Ambassador or the retail or preferred customer by phone and/or email to try to obtain another payment. If these attempts are unsuccessful after five working days, the order will be returned unprocessed. No C.O.D. orders will be accepted. Q Sciences maintains no minimum order requirements. Orders for products and sales aids may be combined.

#### 15.4 - Shipping and Back Order Policy

Q Sciences will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out of stock, it will be placed on back order and sent when Q Sciences receives additional inventory. Ambassadors will be charged and given Personal Volume on back ordered items unless notified on the invoice that the product has been discontinued. Q Sciences will notify Ambassadors, Preferred Customers, and Retail Customers if items are back-ordered and are not expected to ship within 30 days from the date of the order. An estimated shipping date will also be provided. Back ordered items may be cancelled upon a Retail Customer’s, Preferred Customer’s, or Ambassador’s request. Retail Customers, Preferred Customers, and Ambassadors may request a refund, credit on account, or replacement merchandise for canceled back orders. If a refund is requested, the Ambassador’s Personal Volume will be decreased by the amount of the refund in the month in which the refund is issued.

#### 15.5 - Confirmation of Order

An Ambassador and/or the recipient of an order must confirm that the product received matches the product listed on the shipping invoice and is free of damage. Failure to notify Q Sciences of any shipping discrepancy or damage within thirty days of shipment waives an Ambassadors or customers right to request a correction.

### **SECTION 16 - PAYMENT AND SHIPPING**

#### 16.1 - Deposits

In the event a product sale occurs in person between an Ambassador and a Retail Customer, no monies should be paid to or accepted by an Ambassador for the sale except at the time of product delivery. Ambassadors should not accept monies from Retail Customers to be held for deposit in anticipation of future deliveries.

#### 16.2 - Insufficient Funds

It is the responsibility of each Ambassador to ensure that there are sufficient funds or credit available in his or her account to cover the monthly Autoship order. Q Sciences is not obligated to contact Ambassadors in regard to orders canceled due to insufficient funds or credit. This type



of order cancellation may result in an Ambassadors failure to receive product or to meet his or her Personal Volume requirements for the month.

#### 16.3 - Restrictions on Third Party Use of Credit Cards

An Ambassador shall not permit another Ambassador to use his or her credit card.

#### 16.4 - Sales Taxes

By virtue of its business operations, Q Sciences is required to charge sales taxes on all purchases made by Ambassadors, Preferred Customers, and Retail Customers, and remit the taxes charged to the respective states. Accordingly, Q Sciences will collect and remit sales taxes on behalf of Ambassadors, based on the suggested wholesale price of the products sold to Ambassadors and Preferred Customers, and based on the suggested retail price of the products sold to Retail Customers, according to applicable tax rates in the state to which the shipment is destined. If an Ambassador has submitted, and Q Sciences 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 Ambassador. Exemption from the payment of sales tax is applicable only to orders that 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 Q Sciences is not retroactive.

### **SECTION 17 - INACTIVITY AND CANCELLATION**

#### 17.1 - Effect of Cancellation

So long as an Ambassador remains active and complies with the terms of the Ambassador Agreement, including these Policies and Procedures, Q Sciences shall pay Financial Distributions (as described in Section 12) to such Ambassador in accordance with the Compensation Plan. An Ambassador's Financial Distributions constitute the entire consideration for the Ambassador's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an Ambassadors non-renewal of his or her Ambassador Agreement, cancellation for inactivity, or voluntary or involuntary cancellation 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 marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. An Ambassador whose business is cancelled will permanently lose all rights as an Ambassador with Q Sciences.

This includes the right to sell Q Sciences products and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Ambassador's former downline sales marketing organization. In the event of cancellation, Ambassadors 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 Ambassador's cancellation of his or her Ambassador Agreement, the former Ambassador shall not hold himself or herself out as a Q Sciences Ambassador and shall not have the right to sell Q Sciences products. An Ambassador whose Ambassador 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).

#### 17.2 - Cancellation Due to Inactivity

An Ambassador Agreement may be cancelled for inactivity by The Company if an Ambassador fails to place a product order or generate a customer sale for a period of six consecutive calendar months. Should cancellation occur such cancellation will become effective upon notice from The Company on the day following the last day of the sixth month of inactivity.

#### 17.3 - Involuntary Cancellation

An Ambassador's breach of any of the terms of the Agreement may result in any of the sanction actions in Section 14.1, including the involuntary cancellation of his or her Ambassador Agreement. Unless otherwise provided for in the cancellation notice, cancellation shall be effective on the date on which written notice is mailed, faxed, emailed, or delivered to an express courier, to the Ambassador's last known physical or email address (or fax number), or to his/her attorney, or when the Ambassador receives actual notice of cancellation, whichever occurs first.

#### 17.4 - Voluntary Cancellation

An Ambassador has the right to cancel the Agreement at any time. Cancellation must be submitted in writing to The Company at its principal business address: 2162 Grove Parkway, suite 150, Pleasant Grove, UT, 84062. The written notice must include the Ambassador's signature, printed name, address, and Ambassador Number. However, if an Ambassador is not in good standing with The Company at the time Q Sciences receives notice of cancellation, the consequences of an involuntary cancellation may take effect (as per Section 14).

#### 17.5 - Non-renewal

An Ambassador may voluntarily cancel his or her Ambassador Agreement by sending written notice within 30 days of their anniversary date. At the discretion of Q Sciences, The Company may also elect not to renew an Ambassador's Agreement upon the Agreement's anniversary date.

## **SECTION 18 - DEFINITIONS**

**Acceptance** - means your acceptance of the offer of Q Sciences to become an Ambassador by completing the Ambassador application and delivering it to Q Sciences. "Acceptance" shall be deemed to occur when Q Sciences first receives an application from a person who has decided to become an Ambassador.

**Ambassador** – An affiliate of Q Sciences who is an Ambassador who has the potential to earn commissions under the Q Sciences Compensation Plan.

**Active Ambassador** - An Ambassador who satisfies the minimum monthly Personal Volume requirements, as set forth in the Q Sciences Compensation Plan, to ensure that he or she is eligible to receive bonuses and commissions. An Active Ambassador is one who maintains a minimum monthly order of at least 100 PV.

**Agreement** - The contract between The Company and each Ambassador, including the Ambassador Application and Agreement, the Q Sciences Policies and Procedures, the Q Sciences Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by Q Sciences from time to time in its sole discretion. These documents are collectively referred to as the “Agreement.”

**Breach** - “Breach”, “Default” and “Violation” mean an actual or alleged transgression or violation of any part of the Agreement.

**Cancellation** - The termination of an Ambassador’s business. Cancellation may be either voluntary or involuntary, and may also occur through non-renewal or inactivity.

**Commissionable Products** - All Q Sciences products on which Financial Distributions are paid. Starter Kits and sales aids are not commissionable products.

**The Company** - The term “The Company” as it is used throughout the Agreement means Q Sciences.

**Downline** - “My downline”, “my downline marketing organization”, “my downline sales organization”, or “my downline sales marketing organization” means the network of Ambassadors who exist under an Ambassador either by sponsorship or placement pursuant to the Agreement. Any similar reference is only used for simplicity purposes. Ambassadors understands that: (a) An Ambassador does not have any ownership or possessory right, title or interest in any downline individual, entity, organization, or in any materials generated by Q Sciences or created by Ambassadors, or any other individual or entity to the extent that it consists, in whole or in part, of any information about Q Sciences downlines or any part of the Agreement; (b) the sole property interest of an Ambassador with respect to downlines is the contractual right to receive bonuses and commissions as set forth in the Agreement; and (c) that Q Sciences is the sole owner of any and all downline rights, titles, interests and materials.

**Downline Activity Reports** - A variety of monthly reports available in an Ambassador’s back office that provides critical data relating to the identities of Ambassadors, Retail and Preferred Customers, sales information, and enrollment activity of an Ambassador’s entire sales marketing organization, among other information and data. These reports collectively contains confidential and trade secret information which is proprietary to Q Sciences. All reports are owned solely by Q Sciences.

**Downline Leg** – Each individual Ambassador, and the entirety of their respective sales marketing organization, that is enrolled or placed immediately underneath or front line to an Ambassador represent one “leg” in that Ambassador’s sales marketing organization.

**End Consumer** - A person who purchases Q Sciences products for the purpose of personal consumption rather than that of reselling them to someone else.

**Enrollee** - The Ambassadors who have been signed up as Q Sciences Ambassadors by another Ambassador. An Enroller would be the Ambassador that enrolled an Enrollee.

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

**Level** - The layers of downline Ambassadors in a particular Ambassador's sales marketing organization. This term refers to the relationship of an Ambassador relative to a particular upline Ambassador, determined by the number of Ambassadors between them who are related by sponsorship or placement. For example, if A is enrolled or placed directly under or front line to B, and B is the directly under or front line to C, and C is directly under or front line to D, and D is the directly under or front line to E, then E is on A's fourth level.

**Sales Marketing Organization** - The entirety of Ambassadors who are in the downline, either by sponsorship or placement, of a particular Ambassador.

**Official Q Sciences Material** - Literature, audio or video tapes, and other materials developed, printed, published and distributed by Q Sciences to Ambassadors.

**Organizational Volume (OV)** - The total volume of all Q Sciences products sold throughout the entirety of an Ambassador's Downline Sales Marketing Organization. OV for an Ambassador, however, does not include their Personal Volume nor their Customer Volume.

**Personal Production** – Refers to an Ambassador's rate of success in enrolling other Ambassadors to their Sales Marketing Organization, and generating Customer Sales.

**Personal Volume or Point Value (PV)** – When referring to the purchase of products by an Ambassador personally for their own use, the total point value of such products purchased by the Ambassador are referred to as Personal Volume or PV. PV may also refer to the commissionable value of each Q Sciences product. In this context, PV refers to Point Value. The Company in its sole discretion determines the Point Value associated with each Q Science product. All commissions and bonuses paid to Ambassadors on the sale of Q Sciences products under the Q Sciences Compensation Plan are based on Point Value.

**Personally Enrolled Active Ambassador (PA)** – The number of an Ambassador's personally enrolled Ambassadors who meet the definition of an Active Ambassador under the Q Sciences Compensation Plan. An Active Ambassador is one who maintains a minimum monthly order of at least 100 PV.

**Customer Volume (CV)** - The aggregation of all Point Values for each product sold to customers by an Ambassador during a given month equates to an Ambassador's Customer Volume or CV.

**Placement Sponsor** – The Ambassador whom either the Sponsor or The Company places a newly enrolled Ambassador directly under per Section 4.5.3.3.

**Preferred Customer** – A customer who has completed a Q Sciences Preferred Customer Application and Agreement who participate in the Q Sciences Autoship program whereby they

receive a recurring automatic order each month. Preferred Customers purchase products at Ambassador wholesale pricing.

**Rank** – The title that an Ambassador has achieved pursuant to the Q Sciences Compensation Plan. "Pin Rank" refers to the highest Rank an Ambassador has ever achieved pursuant to the Compensation Plan. "Paid Rank" or "Rank" refers to the Rank an Ambassador has most recently achieved and for which the Ambassador is currently paid pursuant to the Compensation Plan.

**Cross Recruiting** – For purposes of Q Sciences' Conflict of Interest Policy (Section 6), the term "Cross Recruiting" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any way, either directly or indirectly through a third party, another Q Sciences Ambassador, Retail Customer or Preferred Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes cross recruiting even if the Ambassador's actions are in response to an inquiry made by another Ambassador or Retail or Preferred Customer.

**Retail Customer** – A customer who purchases products directly from Q Sciences and/or an Ambassador at retail prices, and who is not an Ambassador or Preferred Customer.

**Sponsor** – The Sponsor is the Ambassador who enrolls a new Ambassador into Q Sciences. As outlined in Section 4.5.3.3, upon enrollment, a Sponsor has 7 days to place their newly enrolled Ambassador within their organization. This 7 day holding period is referred to as "The Placement Suite". Upon enrollment, a Sponsor has 7 days to place their newly enrolled Ambassador within their organization. New Ambassador enrollees that have not been placed by their Sponsor within 7 days of enrollment will, by default, be placed by The Company, in its sole discretion, furthest downline in the leg of their Sponsor's organization with the least organizational volume. Placement of a newly enrolled Ambassador by their Sponsor within 7 days following enrollment, either front line to the Sponsor or downline in their Sponsor's organization, shall be permanent, except as potentially provided for in Sections 4.5.3, and 5.3. In the event that a newly enrolled Ambassador is placed by The Company, as provided for in section 4.5.3.3 above, the Sponsor shall have 48 hours to re-place the newly enrolled Ambassador. Said re-placement may only occur 1 time. Should the Sponsor not re-place the newly enrolled Ambassador within said 48 hours the position of the newly enrolled Ambassador, as placed by The Company, shall be permanent, except as provided for in sections 4.5.3 and 5.3. Should the Sponsor decide to re-place the newly enrolled Ambassador within said 48-hour time period, the change in placement shall be permanent, except as provided for in section 4.5.3 and potentially section 5.3.

**Restockable and Resalable** – Products and sales aids shall be deemed "restockable and 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) the product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) products are returned to Q Sciences within 30 days from the date of purchase; 5) the product expiration date has not elapsed; and 6) the product contains current Q Sciences labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item shall not be resalable.

**Roll-Up** – The method by which a vacancy may be filled in a Sales Marketing Organization at the discretion of The Company left by an Ambassador whose Ambassador Agreement has been cancelled.

**Retail Price** – The price at which Q Sciences suggests Ambassadors sell a particular product to Retail Customers. It is also the price at which Q Sciences sells a particular product to Retail Customers who purchase Q Sciences products directly from Q Sciences over the internet.

**Upline** – The Ambassador or Ambassadors above a particular Ambassador in the line of sponsorship and/or Placement to The Company. Conversely stated, it is the line of sponsorship and/or placement that links any particular Ambassador to The Company.

**Wholesale Price** – The price of a particular Q Science product that is paid to the Company by Ambassadors and Preferred Customers.

**Max Leg Percentage** – Maximum percentage of volume from any one leg in an Ambassador's sales organization or downline that counts towards Rank qualification.

**Qualified Organizational Volume (QOV)** – An Ambassador's resulting OV after Max Leg Percentages are applied to qualify an Ambassador for Rank. An Ambassador's PV and CV are not included in their OV and, therefore, not included in their QOV.

**Care and Share Rewards** – A program by Q Sciences whereby an Ambassador or Preferred Customer who maintain a minimum Autoship order of a least 100 PV can earn an ongoing free 100 PV Autoship order when they Sponsor three or more Preferred Customers, who together have a combined minimum monthly Autoship order of at least 300 PV. An Ambassador or Preferred Customer can have their free monthly Autoship order increased to 200 PV when the combined monthly minimum Autoship of their Preferred Customers volume reaches 600 PV or more. Volume generated from free product through Care and Share Rewards is not commissionable.