



At SoulLife we believe the more you learn – the more opportunities, more rewards and the healthier your business!

## **POLICIES AND PROCEDURES**

June 1, 2018 – Version 1.7

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

#### **1.1 – Welcome to SoulLife**

SoulLife LTD. (“SoulLife™” or “SoulLife” or the “Company”) is a direct selling company that markets products through Independent Consultants. It is important that all Independent Consultants understand that their success is dependent upon the integrity of all who market SoulLife products.

#### **1.2 – Purpose of Policies**

SoulLife Independent Consultants are required to comply with all the terms and conditions set forth in the Agreement (defined below), as well as all federal, provincial and local laws governing their business and their conduct. It is very important that all Independent Consultants read and abide by the Agreement. Please review the information in this document carefully. It explains and governs the relationship between Independent Consultants and the Company.

The purpose of the SoulLife Independent Consultant Agreement is to govern the manner in which an Independent Consultant does business with SoulLife, other Independent Consultants, prospects and customers. SoulLife has developed the following guidelines to assist in the success of the Company and its Independent Consultants. The Company has set standards of acceptable business behaviour to ensure the efficient and ethical operation of your Independent Consultant business. Failure to comply with any part of the Policies and Procedures may result in, among other things, the loss of your Independent Consultant’s right to information regarding your SoulLife account, the loss of the right to receive a commission cheque, fines, suspension, and or termination of your Independent Consultant account. Any questions regarding any policy, guideline should be directed to SoulLife immediately.

## SECTION 2 – INTRODUCTION

### 2.1 – Policies and Procedures Incorporated into Independent Consultant Agreement

SoulLife has established these Policies and Procedures, in their present form and as amended from time to time in its sole discretion of SoulLife, are incorporated into, and form an integral part of, the SoulLife Independent Consultant Agreement. Throughout these Policies and Procedures, when the term “Agreement” is used, it collectively refers to the SoulLife Independent Consultant Application and Agreement, the Terms and Conditions, these Policies and Procedures and the SoulLife Compensation Plan. These documents are incorporated by reference into the SoulLife Independent Consultant Agreement. It is the responsibility of each Independent Consultant to obtain, read, understand, follow and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When enrolling a new Independent Consultant, it is the responsibility of the Enroller to provide the most up-to-date version of these Policies and Procedures and the SoulLife Compensation Plan to the applicant prior to his or her execution of the Independent Consultant Application and Agreement. The most current version of these documents can be found on the Company’s website: **www.SoulLife.com**. The most recent online version of each document shall supersede all other versions.

### 2.2 – Changes to the Agreement

Because international, federal, provincial and local laws, as well as the business environment periodically change, SoulLife reserves the right to amend the Agreement (including, without limitation, the Independent Consultant Application and Agreement, Terms and Conditions, Policies and Procedures, and the Compensation Plan) and its prices and product offerings in its sole and absolute discretion. The Company shall provide or make available to all Independent Consultants a complete copy of the amended provisions by one or more of the following methods: (i) posting on the Company’s website; (ii) electronic mail (e-mail); (iii) voice mail system; (iv) inclusion in Company newsletter; (v) inclusion in product orders or commission cheques; or (vi) special mailings from the Company. The most up-to-date and controlling version will be located at the Company website **www.SoulLife.com**. It is the responsibility of all Independent Consultants to regularly review the website **www.SoulLife.com** for the most recently published amendment(s). Once the amendment(s) are published in accordance with the methods described above, the Independent Consultant(s) may elect to accept the amendment(s) or reject them. Such amendments will be effective 30 days after the applicable date of publishing.

If the Independent Consultant rejects them, their Agreement will terminate and will not be renewed.

As an Independent Consultant, by accepting commissions, enrolling new Independent Consultants, purchasing a product or by otherwise participating in this SoulLife business, an Independent Consultant is considered to have accepted any and all changes to the Agreement.

### **2.3 – Delays**

SoulLife 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, computer failure, cyber-attacks, Internet outages, power outages, labour disputes, riot, war, natural disaster, fire, death, curtailment of a party's source of supply, or government decrees or orders.

### **2.4 – Severability**

If any portion 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.

### **2.5 – Waiver**

SoulLife never gives up its right to require compliance of the Independent Consultants with all aspects of the Agreement, and with all the applicable laws governing the conduct of an Independent Consultant. SoulLife reserves the right to overrule any policy or provision at its discretion, and such waiver will be conveyed in writing by the authorized executives of the Company. The waiver would only apply to that specific Independent Consultant's case. No failure of SoulLife to exercise any right or power under the Agreement or to insist upon strict compliance by an Independent Consultant 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 SoulLife's right to demand exact compliance with the Agreement. Nor shall any delay or omission by SoulLife to exercise any right arising from a breach affect or impair SoulLife's rights as to that or any subsequent breach. The allegation or existence of any claim or cause of action of an Independent Consultant against SoulLife shall not constitute a defense to SoulLife's enforcement of any term or provision of the Agreement.

## **SECTION 3 – ENROLLMENT FOR ALL INDEPENDENT CONSULTANTS**

### **3.1 – Requirements to Become an Independent Consultant**

To become a SoulLife Independent Consultant, each applicant must:

- 1) Be eighteen (18) years of age or older, or the age of majority in his or her province or territory of residence (see Section 4.1 "Legal Age");

- 2) Have a valid Social Insurance Number or an (active) Registered Federal Business Number issued by Canada Revenue Agency;
- 3) Buy the Business Kit and subscribe to the Technology Fee (typically a low monthly charge); and
- 4) Submit a properly completed and signed Independent Consultant Application and Agreement to SoulLife, or submit an equivalent electronic application through the official SoulLife website.

The Company reserves the right to reject any applications for a new Independent Consultant or applications for renewal in its sole and absolute discretion. The Agreement is effective upon acceptance of the Independent Consultant Application and Agreement by SoulLife.

### **3.2 – New Independent Consultant: FOUR WAYS TO REGISTER: i) Internet-Website, ii) E-mail, iii) Fax, or iv) Mail**

In addition to registering online or with a hard-copy Independent Consultant Application and Agreement, an applicant may also register by faxing a properly completed Independent Consultant Application and Agreement to SoulLife. Independent Consultants registering by fax must use a credit card to purchase the monthly Technology Fee and must ensure that they fax both the front and back of the SoulLife Independent Consultant Application and Agreement to SoulLife.

An applicant may also register by scanning and emailing a properly completed Independent Consultant Application and Agreement to SoulLife.

The correct fax number and email address are listed on the SoulLife Independent Consultant Application and Agreement as well as the Company's website.

An applicant may also register by sending a properly completed Independent Consultant Application and Agreement to SoulLife by mail to the following address: SoulLife, Suite 202, 112 Main Street South, Halton Hills, Ontario, L7G 3E4.

### **3.3 – Renewal of a SoulLife Independent Consultant Agreement**

The term of the Agreement is one (1) year from the date of its acceptance by SoulLife. A renewal fee is not required. If the Independent Consultant has had no activity for a period of twelve (12) consecutive months, their Agreement will be cancelled and they will be permanently removed. The Agreement will be renewed provided the Independent Consultants are in good standing, and, but not limited to, remain Active by renewing their monthly Technology Fee, and/or placing orders, and attending events, and/or enrolling or sponsoring new Independent Consultants, and the Agreement has not been cancelled as provided herein.



## **SECTION 4 – OPERATING AS A SOULLIFE INDEPENDENT CONSULTANT AGREEMENT**

### **4.1 – Legal Age**

A person who is recognized as a minor in his or her province or territory of residence may not be a SoulLife Independent Consultant. Independent Consultants shall not target, enroll or recruit minors into the SoulLife program. Commonly, anyone under the age of 18 is considered a minor. If a business or group is enrolled, all controlling principals of the entity must be at least of the age of majority in the province or territory of residence.

### **4.2 – Adherence to the SoulLife Compensation Plan**

Independent Consultants must adhere to the full terms of the SoulLife Compensation Plan as set forth in official SoulLife material and literature. Independent Consultants shall not offer the SoulLife opportunity through, or in combination with, any other system, program, third party, association, group, or method of marketing other than that specifically set forth in official SoulLife literature. Independent Consultants shall not require or encourage other current or prospective Independent Consultants to participate in SoulLife in any manner that varies from the program as set forth in official SoulLife materials. Independent Consultants shall not require or encourage other current or prospective Independent Consultants to execute any agreement or contract other than official SoulLife agreements and contracts in order to become a SoulLife Independent Consultant. Similarly, Independent Consultants shall not require or encourage other current or prospective Independent Consultants to make any purchase from, or payment to, any individual or other entity to participate in the SoulLife Compensation Plan other than those purchases or payments identified as recommended or required in official SoulLife literature.

### **4.3 – Business Entities**

A corporation, partnership, trust or a sole proprietor may apply to be a SoulLife Independent Consultant by completing the forms and answering the questions in the SoulLife Independent Consultant Application and Agreement and submit to SoulLife. The business must also submit the latest copy of the business' registered documents that include all names of shareholders, partners, trustees, members or owners of the business, listed on the official documents supplied by the provincial and federal government. The issued certificate, such as Articles of Incorporation with the business number must also be included.

A SoulLife Independent Consultant Agreement may change its status under the same Enroller from an individual to a partnership, corporation, trust or local equivalent or from one type of entity to another by requesting a Name Change Request Form from SoulLife. The Business Entity form must be signed by all of the shareholders, partners, trustees, members or owners of the relevant Business Entity. Members of the Business Entity are jointly and severally liable for any indebtedness, liability or other obligation to SoulLife. A Business Entity may have a second and

third position only as they are earned as “multiple Business Centers” as described in the SoulLife Compensation Plan.

#### **4.4 – One SoulLife Independent Consultant Agreement per Person and Two per Household**

Except as provided in this Section 4.4, an Independent Consultant may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, member, owner or beneficiary, in only one SoulLife Independent Consultant Agreement. Individuals of the same family unit may not enter into or have an interest in more than two SoulLife Independent Consultant Agreements (see Section 8.5 “No Stacking”). A “family unit” is defined as spouses/common-law partners (as further defined below) and dependent children living at or doing business at the same address. In order to maintain the integrity of the SoulLife Compensation Plan, spouses/common-law partners who wish to become separate SoulLife Independent Consultants must each sign a separate Independent Consultant Application and Agreement, and must have the same Enroller. A person may be “placed” in his or her spouse’s/common law partner’s Independent Consultant Agreement as long as they have the same Enroller. An individual may have a second and third position only as they are earned as “multiple Business Centers” as described in the SoulLife Compensation Plan.

##### **4.4.1 – Actions of Household Members or Business Associates**

If any member of an Independent Consultant’s Immediate Household engages in any activity which, if performed by the Independent Consultant, would violate any provision of the Agreement, such activity will be deemed a violation by the Independent Consultant and SoulLife may take disciplinary action pursuant to the Agreement against the Independent Consultant. Similarly, if any individual associated in any way with a Business Entity (collectively “Business Associates”) violates the Agreement, such action(s) will be deemed a violation by the entity, and SoulLife may take disciplinary action against the Business Entity.

#### **4.5 – Independent Contractor Status**

Independent Consultants are independent contractors, not employees of the Company. Independent Consultants are not purchasers of a franchise, nor hold a license to rights, or a business opportunity. The Agreement between SoulLife and its Independent Consultants does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Independent Consultant. An Independent Consultant has no authority (expressed or implied) to bind the Company to any obligation. Each Independent Consultant shall establish his or her own targets, goals, working hours and methods of marketing and sales, so long as he or she complies with the terms of the Agreement and all applicable laws.

An Independent Consultant is responsible for paying all applicable local, provincial/territory and federal taxes due from all compensation earned as an Independent Consultant of the Company.

Independent Consultants are not eligible for employee benefits, such as unemployment compensation, worker's compensation or minimum wages.

Independent Consultants understand and agree that they are responsible for and will pay (i) all applicable federal and provincial withholding taxes, including source deductions, PST, GST, HST, income tax, other taxes and employment insurance premiums, Canada Pension Plan contributions, worker's compensation contributions or provincial employee health tax contributions and other levies, premiums, licence requirements and fees related to their compensation and activities as an Independent Consultant under the Agreement and (ii) at their own expense, complete all filings, and obtain such licenses as are required by applicable federal, provincial and local laws, rules and regulations, with respect to the Agreement and their activities as an Independent Consultant.

#### 4.6 – Enrolling or Sponsoring

All active Independent Consultants in good standing have the ability to enroll and sponsor (place) others into the SoulLife program. Each prospective Retail Customer, Preferred Customer or Independent Consultant has the ultimate right to choose his or her own Enroller and Placement Sponsor. If two Independent Consultants claim to be the Enroller and/or Placement Sponsor of the same new Independent Consultant, Preferred Customer or Direct Retail Customer, the Company shall presume that the first application received by the Company is controlling.

#### 4.7 – Error Reporting or Questions

If an Independent Consultant has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports or credit card charges, the Independent Consultant must notify SoulLife in writing within sixty (60) days of the date of the purported error or incident in question. SoulLife will not be responsible for any errors, omissions or problems not reported to the Company within sixty (60) days of the purported error or incident in question.

#### 4.8 – Changes to a SoulLife Independent Consultant Agreement

##### 4.8.1 – In General

Each Independent Consultant must immediately notify SoulLife of all changes to the information contained on his or her Independent Consultant Application and Agreement. Independent Consultants may modify their existing Independent Consultant Application and Agreement, **such as changing their Social Insurance Number** (i.e., or change the form of ownership from an individual proprietorship to a Business Entity owned by the Independent Consultant) by submitting a written request for a Name Change Request Form, a properly executed Independent Consultant Application and Agreement, and the appropriate supporting documentation. SoulLife may, at its discretion, require notarized documents before

implementing any changes to a SoulLife Independent Consultant Agreement. Please allow thirty (30) days after the receipt of the completed request by SoulLife for processing.

#### **4.8.2 – Addition of a Co-Applicant**

When adding a co-applicant (either an individual or a business entity) to an existing SoulLife Independent Consultant Agreement, the Company requires a written request, as well as a properly completed Independent Consultant Application and Agreement **containing the applicant and co-applicant's Social Insurance Numbers**, or proper business documents such as Articles of Incorporation showing the names included in the business entity and signatures.

To prevent the circumvention of Section 4.10 (regarding transfers or assignments of a SoulLife Independent Consultant Agreement), the original applicant must remain as the main party to the original Independent Consultant Application and Agreement. If the original Independent Consultant wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her Independent Consultant Agreement in accordance with Section 4.10. If this process is not followed, the Independent Consultant Agreement may be cancelled by SoulLife upon the withdrawal of the original Independent Consultant. All bonus and commission cheques will be sent to the address of record of the original Independent Consultant. Please note that the modifications permitted within the scope of this Section 4.8.2 do not include a change of Enroller or Placement Sponsor. Changes of The Enroller or The Placement Sponsor are addressed in Sections 4.8.3 and 4.8.4 below. There is a processing fee for each change requested, which must be included with the written request and the completed Independent Consultant Application and Agreement.

#### **4.8.3 – Change of The Enroller**

To protect the integrity of all Marketing Organizations and safeguard the hard work of all Independent Consultants, SoulLife strongly discourages changes in Enrollers or Placement Sponsors. Maintaining the integrity of placement is critical for the success of every Independent Consultant and Marketing Organization. Accordingly, the transfer request of a SoulLife Independent Consultant Agreement from one Enroller to another is subject to review and any change will be at the sole discretion of the Company.

The Independent Consultant seeking to transfer/change submits a properly completed and fully executed Enroller Change Request Form, which includes the written approval of his or her Enroller and immediate five (5) Enroller Upline Independent Consultants. Photocopied or facsimile signatures are not acceptable. The Independent Consultant who requests the transfer must submit a processing fee for administrative charges and data processing. If the transferring Independent Consultant also wants to move any of the Independent Consultants in his or her Marketing Organization, each Downline Independent Consultant must obtain a properly completed Enroller Change Request Form and return it to SoulLife with the processing fee (i.e., the transferring/changing Independent Consultant and each Independent Consultant in his or her Marketing Organization multiplied by the processing fee is the cost to move a SoulLife

organization.) Downline Independent Consultants will not be moved with the transferring/changing Independent Consultant unless all of the requirements of this section are met. Additionally, a change of enroller will be considered in the following two (2) circumstances: In cases involving fraudulent inducement or unethical sponsoring, an Independent Consultant may request that he or she be transferred/ changed to another organization with his or her entire Marketing Organization intact. All requests for transfer/ change alleging fraudulent enrollment practices shall be evaluated on a case-by-case basis and will be made at the sole discretion of the Company. Transferring/changing Independent Consultants must allow thirty (30) days after the receipt of the Enroller Change Request Form by SoulLife for processing while a decision is being made.

#### **4.8.4 – Change of The Placement Sponsor**

New Enrollees that have not been placed under a particular Placement Sponsor at the time of enrollment will, by default, be placed Front Line (as further defined below) to their Enroller. If a Placement Sponsor has not been selected by the end of the first thirty (30) days of enrollment, then their Enroller becomes their Placement Sponsor and changes thereafter must be made in accordance with and through a properly completed and fully executed Placement Sponsor Change Request form, which includes the written approval of his or her immediate nine (9) Placement Sponsor Upline Independent Consultants. The Independent Consultant who requests the change must submit a processing fee for administrative charges and data processing. Changing Independent Consultants must allow thirty (30) days after the receipt of the Placement Sponsor Change Request form by SoulLife for processing while a decision is being made.

#### **4.8.5 – Cancellation and Reapplication**

An Independent Consultant may change Marketing Organizations by voluntarily cancelling his or her SoulLife Independent Consultant Agreement and remaining inactive (i.e., no purchases of SoulLife products for resale, no sales of SoulLife products, no enrolling, no attendance at any SoulLife functions, participation in any other form of Independent Consultant activity, or operation of any other SoulLife Independent Consultant Agreement) for twelve (12) full consecutive calendar months. Following the twelve (12) month period of inactivity, the former Independent Consultant may reapply under a new Enroller. SoulLife will consider waiving the twelve (12) month waiting period under exceptional circumstances. Such requests for waiver must be submitted to SoulLife in writing.

#### **4.9 – Compression of a Marketing Organization**

When a vacancy occurs in a Marketing Organization due to the cancellation or termination of a SoulLife Independent Consultant Agreement, or an Inactive Independent Consultant each Independent Consultant or Customer in the first level immediately below the terminated Independent Consultant on the date of the Cancellation will be moved to the first level (“Front

Line”) of the terminated Independent Consultant’s Placement Sponsor (compresses up one level within the Placement Sponsor tree).

#### **4.10 – Sale or Transfer or Assignment of a SoulLife Independent Consultant Agreement**

Although a SoulLife Independent Consultant Agreement is a privately owned, independently operated Consultant Agreement, the sale, transfer or assignment of a SoulLife Independent Consultant Agreement is subject to certain limitations. If an Independent Consultant wishes to sell his or her SoulLife Independent Consultant Agreement, the following criteria must be met:

- 1) Prior to selling a SoulLife Independent Consultant Agreement, the selling Independent Consultant must notify SoulLife, in writing, of his or her intent to sell the SoulLife Independent Consultant Agreement. No changes in line of enrollment can result from the sale or transfer of a SoulLife Independent Consultant Agreement.
- 2) The transaction must be approved in writing by SoulLife in its sole discretion.
- 3) If the buyer is an active SoulLife Independent Consultant, he or she must first terminate his or her SoulLife Independent Consultant Agreement and wait at least twelve (12) months before becoming eligible to purchase another Independent Consultant Agreement.
- 4) The selling Independent Consultant 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 SoulLife Independent Consultant Agreement.
- 5) The selling Independent Consultant must wait a period of twelve (12) months from the date of the sale, transfer or assignment of their SoulLife Independent Consultant Agreement before her or she will be eligible to again enroll as a SoulLife Independent Consultant.

#### **4.11 – Divorce or Separation of a SoulLife Independent Consultant Agreement**

SoulLife Independent Consultants sometimes operate their SoulLife Independent Consultant Agreements as husband-wife/common-law partners under one individual name, with or without a co-applicant, or through a Business Entity. At such time as a marriage or common-law relationship ends, or a Business Entity dissolves, arrangements must be made to assure that any separation or division of the Business Entity is accomplished so as not to adversely affect the interests and income of other Independent Consultants Upline or Downline of the Consultant Agreement. If the separating parties fail to provide for the best interests of other Independent Consultants and the Company, SoulLife may involuntarily and immediately terminate the Agreement and roll-up their Independent Consultant Agreement and its entire Marketing Organization pursuant to Section 4.9. Under no circumstances will the Downline of divorcing or legally separating spouses/common-law partners or a dissolving Business Entity be divided based on the requests or desires of the divorcing or legally separating parties. Similarly, under no circumstances will SoulLife split commission and bonus cheques between divorcing or legally separating spouses/common-law partners or members of dissolving Business Entities. SoulLife

will recognize only one Downline and will issue only one commission cheque per SoulLife Independent Consultant Agreement per commission cycle. Commission cheques shall be issued to the individual or Business Entity on the Consultant Agreement. In the event that parties to a divorce/separation or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the Independent Consultant Agreement, commissions will continue to be paid to the primary member on the account. If a former spouse/common-law partner or a former Business Associate has completely relinquished all rights in their original SoulLife Independent Consultant Agreement, they are thereafter free to Enroll under any Enroller of their choosing, so long as they meet the waiting period requirements set forth in Section 4.8.5. In such case, however, the former spouse/common-law partner or partner shall have no rights to any Downline in their former Marketing Organization. The former spouse/common-law partner or partner must develop the new Marketing Organization in the same manner as would any other new Independent Consultant.

#### **4.12 – Succession**

Upon the death of or incapacitation of an Independent Consultant, his or her Independent Consultant Agreement 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 Independent Consultant should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a SoulLife Independent Consultant Agreement 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 13 “Financial Distributions”) of the deceased Independent Consultant’s Marketing Organization provided the following qualifications are met. The successor(s) in interest must:

- 1) Execute an Independent Consultant Application and Agreement;
- 2) Comply with terms and provisions of the Agreement;
- 3) Meet all of the qualifications for the deceased Independent Consultant’s status;
- 4) Financial Distributions of a SoulLife Independent Consultant Agreement transferred pursuant to this Section 4.12 will be paid in a single cheque jointly to the legal successor(s) in interest. Such successor(s) must provide SoulLife with an “address of record” to which all Financial Distributions cheques will be sent.
- 5) Properly complete Section 4.13 Transfer Upon Death of an Independent Consultant.

#### **4.13 – Transfer Upon Death of an Independent Consultant**

To effect a testamentary transfer of a SoulLife Independent Consultant Agreement, the successor in interest must provide the following to SoulLife:

- 1) A certified copy of the death certificate;

2) A notarized copy of the will or other instrument establishing the successor's right to the SoulLife Independent Consultant Agreement; and

3) A completed and executed Independent Consultant Application and Agreement.

If the successor in interest is already a SoulLife Independent Consultant, the Company may grant exception to the one Consultant Agreement per Household rule upon written request from the successor in interest.

#### **4.14 – Transfer Upon Incapacitation of an Independent Consultant**

To effect a transfer of a SoulLife Independent Consultant Agreement because of incapacity, a legally appointed representative must provide the following to SoulLife: (i) a notarized copy of an appointment as trustee or other legally appointed representative; (ii) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the SoulLife Independent Consultant Agreement; and (iii) a completed Independent Consultant Application and Agreement executed by the trustee. If the representative in interest is already a SoulLife Independent Consultant, the Company may grant exception to the One (1) Consultant Agreement per Household rule upon written request from the representative in interest.

### **SECTION 5 - RULES OF CONDUCT FOR INDEPENDENT CONSULTANTS**

All Independent Consultants agree to conduct themselves and their business as an Independent Consultant, with honesty, acting ethical and professional at all times, and in accordance with the Agreement. As a SoulLife Independent Consultant, I promise and agree that, among other things:

1) I will conduct myself and my operations and correctly present myself as an Independent Consultant honestly, morally and legally.

2) I will keep my activities honorable to reflect well on myself, other Independent Consultants, and on SoulLife.

3) I will honestly present the product and product information in keeping with what is set forth in the SoulLife current literature, including references to health claims and benefits.

4) I will explain the Compensation Plan honestly and completely as set forth in the SoulLife company resources and marketing materials.

5) I will respect the privacy of others and keep their personal earnings and the earnings of others confidential.

6) I will take my Enroller and my Upline responsibilities seriously, including, without limitation, readily training, aiding and supporting those in my Downline as set forth in the SoulLife company resources and marketing materials.



- 7) I will abide by the product guarantee and return policies.
- 8) I will respect the professional relationships between SoulLife and any of its advisors, endorsers or associates by speaking of them appropriately as set forth in the SoulLife Agreement and refraining from making contact with them.
- 9) I will direct all media inquiries to SoulLife head office and I will never speak on behalf of the Company.
- 10) I will maintain professional business relationships and avoid conflicts of interest with other Independent Consultants and their Enrollees and all their Customers.
- 11) I will adhere to all the Agreements provided by SoulLife.
- 12) I will conduct my Independent Consultant Agreement professionally in order to help protect the SoulLife opportunity for all.
- 13) I will speak well of SoulLife, as well as competing companies in the Direct Selling industry.
- 14) I will not misrepresent the SoulLife products or the Compensation Plan, nor will I engage in disparaging, deceptive, misleading or illegal practices.

## **SECTION 6 – INDEPENDENT CONSULTANT’S RESPONSIBILITIES**

### **6.1 – Changes to Contact Information**

To ensure timely delivery of products, support materials and commission cheques, it is critically important that SoulLife’s files are current. Street addresses are required for shipping since SoulLife product will not be delivered to a post office box. Independent Consultants planning to move should send any change of address, telephone or e-mail to SoulLife’s Corporate Offices – Attention: Consultant Support Department. If an Independent Consultant 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 SoulLife, the most recent one will supersede previous notices or Agreements. Please allow thirty (30) days after the receipt of the notice or Agreement by SoulLife for processing.

### **6.2 – Continuing Development Obligations**

#### **6.2.1 – Ongoing Training**

Successful Independent Consultants perform a bona fide assistance and training function to ensure that their Downline is properly operating their SoulLife Independent Consultant Agreement. Successful Independent Consultants have ongoing contact and communication with the Independent Consultants in their Marketing 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 and the accompaniment of

downline Independent Consultants to SoulLife meetings, training sessions and other functions. Successful Upline Independent Consultants also motivate and train new Independent Consultants in SoulLife product knowledge, effective sales techniques, the SoulLife Compensation Plan and compliance with the Company Policies and Procedures. Communication with and the training of Downline Independent Consultants must not, however, violate Section 10 “Advertising” (regarding the development of Independent Consultants in their Downline Organizations) to ensure that Downline Independent Consultants do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request by SoulLife, every Independent Consultant should be able to provide documented evidence to SoulLife of his or her ongoing efforts, in a positive manner, as a mentor and an Enroller.

### **6.2.2 – Experienced Training**

As Independent Consultants progress through the various levels of leadership, they will become more advanced in sales techniques, product knowledge and understanding of the SoulLife program. They may be called upon from time to time to share this knowledge with lesser experienced Independent Consultants within their Marketing Organization.

### **6.2.3 – Ongoing Sales Responsibilities**

Regardless of their level of achievement, successful Independent Consultants are continually and personally promoting sales through the generation of new customers, through servicing their existing customers and through sales to Retail Customers and Preferred Customers.

### **6.3 – Non-Disparagement**

SoulLife wants to provide its Independent Consultants 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 SoulLife Support Department. Independent Consultants should not, however, disparage, demean or make, verbally or written, negative remarks about SoulLife, other SoulLife Independent Consultants, SoulLife’s products, the Compensation Plan, or SoulLife’s directors, officers or employees, at any time.

### **6.4 – Providing Documentation to Applicants**

An Enroller must provide the most current version of the Policies and Procedures and the Compensation Plan to the individual(s) whom he or she is considering to enroll to become an Independent Consultant before such applicant signs an Independent Consultant Application and Agreement. Current copies of the Policies and Procedures and the Compensation Plan may be found on the official SoulLife website ([www.SoulLife.com](http://www.SoulLife.com)).

## **6.5 – Reporting Policy Violations**

Independent Consultants who become aware of a policy violation by another Independent Consultant should immediately submit a written report of the violation directly to the attention of the SoulLife Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved and any supporting documentation should be included in the report.

## **6.6 – No Claims of Special Treatment**

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

## **SECTION 7 – RULES AND REGULATIONS**

### **7.1 – Identification**

Upon enrollment, the Company will provide a unique Independent Consultant Identification Number to the Independent Consultant by which he or she will be identified. This number will be used for a number of administrative purposes such as: place orders, organize future enrollments, track financial distributions, etc.

### **7.2 – Income Taxes**

Each Independent Consultant is responsible for paying all applicable local, provincial, and federal taxes on any income generated as an Independent Consultant. If an Independent Consultant Agreement is tax exempt, the federal tax identification number must be provided to SoulLife.

### **7.3 – Insurance**

#### **7.3.1 – Business Pursuits Coverage**

SoulLife Independent Consultants may wish to arrange insurance coverage for their Consultant Agreement. Often a homeowner's insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment. Independent Consultants should contact their insurance agent to make certain that their relevant property is protected.

#### **7.3.2 – Product Liability Coverage**

SoulLife maintains insurance to protect the Company and Independent Consultants against product liability claims. SoulLife's insurance policy extends coverage to Independent Consultants so long as they are marketing SoulLife products in the regular course of conduct and in accordance with Company Policies & Procedures and applicable laws and regulations. SoulLife's

product liability policy may not extend coverage to claims or actions that arise as a result of an Independent Consultant's misconduct in marketing the products.

## **7.4 – International Marketing**

Independent Consultants are authorized to sell SoulLife products, and enroll Direct Retail Customers, Preferred Customers, or Independent Consultants only in countries in which SoulLife is authorized to conduct business as announced in Official SoulLife Materials or on the Company website. However, before initiating any SoulLife related activities in any authorized country, an Independent Consultant must first complete and submit the SoulLife International Enrollment Application. Once such application has been received, the Independent Consultant may begin activities in any authorized country in accordance with the applicable terms and conditions of that country. Permissible conduct and activity in unauthorized and/or Not-For-Resale markets is described in Section 7.4.1 below.

### **7.4.1 – International Marketing Definitions**

**7.4.1.1** – Un-Authorized Markets (Pre-Market) – Prior to the official opening of a country, permissible Independent Consultant activity is limited to providing business cards and conducting, organizing or participating in meetings with no more than six (6) attendees, including the Independent Consultant. 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.

Independent Consultant Pre-Market opening conduct prohibited in all markets includes but is not limited to:

**7.4.1.1.1** – All cold-calling techniques (soliciting persons who are not prior personal acquaintances of the contacting Independent Consultant) are strictly prohibited in unauthorized markets;

**7.4.1.1.2** – Importing or facilitating the importation of, selling, gifting or distributing in any manner, Company products, services or product sample(s);

**7.4.1.1.3** – Placing any type of advertisement or distributing any promotional materials regarding the Company, its products or the opportunity, except for official SoulLife material specifically authorized for distribution in unopened markets as designated by the Company;

**7.4.1.1.4** – Soliciting or negotiating any agreement for the purpose of committing a citizen or resident of an unopened market to the opportunity, a specific Enroller or specific line of sponsorship. Furthermore, Independent Consultants may not sign up a citizen or resident of unopened markets in an authorized country or by using the Independent Consultant Agreement forms from an authorized country, unless the citizen or resident of the unopened market has, at

the time of sign-up, permanent residence and the legal authorization to work in the authorized country.

It is the enrolling Independent Consultant's responsibility to ensure compliance with residency and work authorization requirements. Membership or participation in, or ownership of a corporation, partnership or other legal entity in an Authorized County does not by itself fulfill the residency or legal authorization to work requirements. If a participant to an Independent Consultant Agreement fails to provide verification of residency and work authorization when requested by the Company, the Company may, at its election, declare the Consultant Agreement void from its inception;

**7.4.1.1.5** – Accepting money or other consideration, or being involved in any financial transaction with any potential Independent Consultant either personally or through an agent, for purposes relating to Company products or the opportunity, including renting, leasing or purchasing facilities for the purpose of promoting or conducting Company-related business;

**7.4.1.1.6** – Promoting, facilitating or conducting any type of activity which exceeds the limitations set forth in the Company's Policies and Procedures or which the Company, in its sole discretion, deems to be contradictory to the Company's business or ethical interests in international expansion.

#### **7.4.1.2 – Not-For-Resale**

Reselling of products in countries where residents of the country are allowed to import products for personal use only on a "not-for-resale" basis is prohibited.

### **7.5 – Adherence to Laws and Ordinances**

#### **7.5.1 – Local Ordinances**

There are laws regulating certain home-based businesses. In most cases these ordinances are not applicable to SoulLife Independent Consultants because of the nature of their Independent Consultant Agreements. However, Independent Consultants must obey the laws that do apply to them. If a government official tells an Independent Consultant that an ordinance applies to him or her, the Independent Consultant shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of SoulLife. In most cases there are exceptions to the ordinance that may apply to SoulLife Independent Consultants.

#### **7.5.2 – Compliance with Applicable Laws**

Independent Consultants shall comply with all federal, provincial and local laws and regulations in the conduct of their Independent Consultant Agreements.

## **SECTION 8 – CONFLICTS OF INTEREST**

Independent Consultants may participate in other direct selling or network marketing or multilevel marketing ventures (collectively “Direct Selling Ventures”), and Independent Consultants may engage in selling activities related to non-SoulLife products and services if they desire to do so. If an Independent Consultant elects to participate in another Direct Selling Venture, in order to avoid conflicts of interest and loyalties, Independent Consultants must adhere to the following:

### **8.1 – Non-Solicitation**

During the term of the Agreement, an Independent Consultant shall not engage in any actual or attempted recruitment or enrollment of a SoulLife Independent Consultant for other Direct Selling Ventures, either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of another Direct Selling Venture to any SoulLife Independent Consultant or SoulLife Customer, or implicitly or explicitly encouraging any SoulLife Independent Consultant or Customer to join another Direct Selling Venture.

1) For a period of one (1) year following the Cancellation of an Independent Consultant’s Agreement, the former Independent Consultant is strictly prohibited from recruiting any SoulLife Independent Consultant, Preferred Customer or Direct Retail Customer for another Direct Selling Venture. By signing the Independent Consultant Application and Agreement, each Independent Consultant acknowledges and agrees that the Company is trying to protect legitimate business interests by this prohibition and such prohibition is reasonable in its scope and duration.

2) During the term of the Agreement, an Independent Consultant may not:

a) Produce, offer or transfer any literature, emails, books, CDs, DVDs or other promotional material of any nature for another Direct Selling Venture which is used by the Independent Consultant or any third person to recruit SoulLife Independent Consultants, SoulLife Preferred Customers or SoulLife Retail Customers for that Direct Selling Venture;

b) Sell, offer to sell, or promote any competing non-SoulLife products or services to SoulLife Independent Consultants, Preferred Customers or Direct Retail Customers (any product in the same generic product category as a SoulLife product is deemed to be competing (e.g., any nutritional supplement is in the same generic category as SoulLife’s nutritional supplements, and is therefore a competing product, regardless of differences in cost, quality, ingredients or nutrient content));

c) Offer SoulLife products or promote the SoulLife Compensation Plan in conjunction with any non-SoulLife products, services, business plan, opportunity or incentive; or

d) Offer any non-SoulLife products, services, business plan, opportunity or incentive at any SoulLife meeting, tradeshow, seminar, launch, convention or other SoulLife function, or immediately following such event.

## **8.2 – Targeting Other Direct Sellers**

SoulLife does not encourage Independent Consultants to target the marketing organization of another direct sales company to sell SoulLife products to become Independent Consultants for SoulLife, nor does SoulLife encourage Independent Consultants to solicit or entice members of the marketing organization of another direct sales company to violate the terms of their contract with such other company.

## **8.3 – Cross-Sponsoring**

Actual or attempted cross-sponsoring is strictly prohibited. “Cross-Sponsoring” is defined as the enrollment of an individual or entity that already has a current customer or Independent Consultant Application and Agreement on file with SoulLife, or that has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse’s or relative’s name, trade names, Doing Business As names, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy or any other provision of the Agreement is strictly prohibited. Independent Consultants shall not demean, discredit or defame other SoulLife Independent Consultants in an attempt to entice another Independent Consultant to become part of the first Independent Consultant’s Marketing Organization. Notwithstanding the foregoing, this policy shall not prohibit the transfer of a SoulLife Independent Consultant Agreement in accordance with Section 4.10. If Cross-Sponsoring is discovered, it must be brought to the Company’s attention immediately. SoulLife may take action against the Independent Consultant who changed Marketing Organizations and/or those Independent Consultants who encouraged or participated in the Cross-Sponsoring. SoulLife may also move all or part of the offending Independent Consultant’s downline to his or her original Downline organization if the Company deems it equitable and feasible to do so. However, SoulLife is under no obligation to move the Cross-Sponsored Independent Consultant’s Downline Organization, and the ultimate disposition of the Marketing Organization remains within the sole discretion of SoulLife. Independent Consultants waive all claims and causes of action against SoulLife arising from or relating to the disposition of the Cross-Sponsored Independent Consultant’s Downline Organization.

## **8.4 – Holding Applications or Orders**

Independent Consultants must not manipulate enrollments of new applicants and the purchase of products. All completed Independent Consultant Applications and Agreements, and product orders must be sent to SoulLife within forty-eight (48) hours from the time they are signed by an Independent Consultant or placed by a Retail Customer, respectively (see Section 8.5 “Stacking”).

## **8.5 – No Stacking**

“Stacking” is strictly prohibited. The term Stacking includes: (i) the failure to transmit to SoulLife or the holding of an Independent Consultant Application and Agreement in excess of two (2) business days after its execution (see Section 8.4); (ii) violating the two Independent Consultant Agreements per household rule (see Section 4.4); and/or (iii) enrolling fictitious individuals or Business Entities into the SoulLife program (see Section 11.4 “Bonus Buying Prohibited”).

## **SECTION 9 – COMMUNICATION AND CONFIDENTIALITY WITHIN A SOULLIFE INDEPENDENT CONSULTANT AGREEMENT**

### **9.1 – Downline Activity Reports**

Downline Activity Reports are available for Independent Consultant access and viewing at SoulLife’s official website. Independent Consultant access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets and are owned exclusively by SoulLife. Downline Activity Reports are provided to Independent Consultants in strictest confidence and are made available to Independent Consultants for the sole purpose of assisting Independent Consultants in working with their respective Marketing Organizations in the development of their SoulLife Independent Consultant Agreement. Independent Consultants should use their Downline Activity Reports to assist, motivate and train their Downline Independent Consultants and support their customers. The Independent Consultant and SoulLife acknowledge and agree that, but for this agreement of confidentiality and nondisclosure, SoulLife would not provide Downline Activity Reports to the Independent Consultant. An Independent Consultant shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- 1) Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- 2) Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- 3) Use the information to compete with SoulLife or for any purpose other than promoting his or her SoulLife Independent Consultant Agreement;
- 4) Recruit or solicit any Independent Consultant, Preferred Customer or Direct Retail Customer of SoulLife listed on any Downline Activity Report, or in any manner attempt to influence or induce any Independent Consultant, Preferred Customer or Direct Retail Customer, to alter their business relationship with SoulLife;
- 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 Independent Consultant will return the original and all copies of Downline Activity Reports to the Company; and

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

## **9.2 – Communication Opt-in**

Independent Consultant agrees that SoulLife or a party acting on its behalf may contact you by telephone, text message or email. You consent and agree to SoulLife contacting you in this manner at the telephone number(s) or email address that you provided or as updated. You understand that your carrier's standard rates may apply for phone calls and text messages. You understand that you may opt-out of receiving text messages, emails and phone calls at any time by changing your communication preferences on your website or phoning the SoulLife Support team. You understand that your consent is not a condition of purchase. You consent and agree to the SoulLife's privacy policy, the terms of which are incorporated by reference, when you sign and submit this Independent Consultant Agreement.

## **SECTION 10 – ADVERTISING**

### **10.1 – General**

In order to safeguard and promote the good reputation and established brands of SoulLife and its products and ensure that the promotion of SoulLife, the SoulLife opportunity, the Compensation Plan, and SoulLife products are consistent with the public interest and avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices, all Independent Consultants, except those with significant experience and who have achieved the rank of Chromium Star Director or higher, are encouraged to use the sales aids and support materials produced by SoulLife. The Company has carefully designed its products, product labels, Compensation Plan and promotional materials to ensure that the presentation of each aspect of SoulLife is fair, truthful, substantiated and complies with the vast and complex legal requirements of federal, provincial and other applicable laws.

#### **10.1.1 – Approval of Materials**

In the event that an experienced Independent Consultant, who has achieved the rank of Chromium Star Director or higher, produces supplemental marketing material of any kind including, but not limited to, advertisements of any media type, flyers, brochures, CDs, DVDs, audio recordings, video recordings, posters, or banners, SoulLife requires that such be submitted to the Company's Compliance Department for approval before it may be used or made public. All such proposed materials may be mailed to SoulLife Compliance Department, Suite 202, 112 Main Street South, Halton Hills, Ontario, L7G 3E4, or emailed to **compliance@SoulLife.com**. Unless the Independent Consultant receives specific written approval to use such materials the request shall be deemed denied. Also, SoulLife reserves the right, at its discretion, to edit or

discontinue previously approved Independent Consultant materials. All such materials may not be sold and may only be offered free of charge.

### **10.1.2 – Right to Rescind**

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

### **10.1.3 – Strict Compliance Required**

Independent Consultants may not make any claims stating that documents or materials that they have written or produced have been given approval from the SoulLife 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 SoulLife and the preservation of the opportunity for all, violations of these Policies and Procedures will be strictly enforced. Failure to obtain approval for supplemental marketing materials of any kind and/or failure to implement the Policies and Procedures 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 Independent Consultant Agreement; and/or
- 4) Possible litigation.

### **10.2 – Trademarks and Copyrights**

No Independent Consultant shall use SoulLife’s trade names, trademarks, designs, or symbols without SoulLife’s prior, written permission. For example, except in limited circumstances specifically addressed herein, Independent Consultants may not use or attempt to register “SoulLife,” “Cellenda,” “SoulLife Re-Mineralizer,” “Re-Kick,” “Re-Size,” “Jeff Martin,” “Jordan Fillion”, “SoulLife Evidence” or any other SoulLife’s trademarks, other product names or any derivatives thereof connected with the Company for use in any Internet domain name, Internet/search engine adwords (see Section 10.5.17 “Search Engines”), social pages or blogs, e-mail address, user name, team names, telephone numbers or any other address or title or online aliases that could cause confusion or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from or is the property of SoulLife. Independent Consultants may not produce for sale or distribution any recorded Company events or speeches without the prior written permission from SoulLife. Independent Consultants may not reproduce for sale or other use any recording of Company produced audio or digital media presentations. The names “SoulLife,” “Cellenda” and other names as may be adopted by

SoulLife are examples of proprietary Company trade names, trademarks, certification marks, and service marks. As such, these marks are of great value to SoulLife and are supplied to Independent Consultants for their use only in an expressly authorized manner. Use of SoulLife’s marks on any item not produced by the Company is prohibited except as follows:

Correct Format	Example
<b>Independent Consultant’s Name</b> <b>SoulLife™ Independent Consultant</b>	<b>Jennifer V. Livingston</b> <b>SoulLife™ Independent Consultant</b>

All Independent Consultants must list themselves as a “SoulLife® Independent Consultant” in any advertising medium under their own name. No Independent Consultant may place, use or display ads using SoulLife’s name or logo. Independent Consultants may not answer the telephone by saying “SoulLife,” “SoulLife Corporation,” “SoulLife Canda” or in any other manner that would lead the caller to believe that he or she has reached corporate offices of SoulLife. Similarly, Independent Consultants are prohibited from using the names of persons or companies, trademarks, designs or symbols to further their SoulLife Independent Consultant Agreement without the written consent of the owner.

### 10.3 – Unauthorized Claims and Actions

#### 10.3.1 – Indemnification

An Independent Consultant is fully responsible for all of his or her verbal and written statements made regarding SoulLife products and the Compensation Plan which are not expressly contained in official SoulLife materials. Independent Consultants agree to indemnify SoulLife and its 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 SoulLife as a result of the Independent Consultant’s unauthorized representations or actions. This provision shall survive the termination of the Agreement.

#### 10.3.2 – Product Claims

Under no circumstances may an Independent Consultant make any claims, including through personal testimonials, as to the therapeutic, cures or beneficial properties of any products offered by SoulLife except those contained in official SoulLife materials. In particular, no Independent Consultant may make any claim that SoulLife products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases or particular ailment or signs or symptoms of disease or ailment. Not only are such claims violations of SoulLife policies, but they potentially violate applicable laws, including, but not limited to, federal and provincial laws and regulations governed by Health Canada and the Competition Bureau. An Independent Consultant that provides product experience testimonials in any medium should use care to disclose their affiliation with SoulLife, i.e., “SoulLife® Independent Consultant,” be honest in their testimonial of their personal experience and assert that they are not claiming that their experience is the typical result experienced by consumers.

### **10.3.3 – Income Claims**

In their enthusiasm to enroll prospective Independent Consultants, some Independent Consultants are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing and SoulLife in particular. This is counterproductive because new Independent Consultants may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At SoulLife, we firmly believe that the SoulLife income potential is great enough to be highly attractive, without reporting the earnings of others. Moreover, there are laws and regulations that regulate, or even prohibit, certain types of income claims and testimonials made by persons engaged in network marketing. While Independent Consultants may believe it beneficial to provide copies of cheques or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact SoulLife as well as the Independent Consultant making the claim, unless appropriate disclosures required by law are also made concurrently with the income claim or earnings representation. Because SoulLife Independent Consultants do not have the data necessary to comply with the legal requirements for making income claims, an Independent Consultant, when presenting or discussing the SoulLife opportunity or Compensation Plan to a prospective Independent Consultant, may not make income projections, income claims, false or misleading income claims, or disclose his or her SoulLife income (including the showing of cheques, copies of cheques, 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 Independent Consultants, so long as the Independent Consultant who uses such hypothetical examples: (i) provides the prospect with a copy of the most current income disclosure chart prepared by the Company; (ii) makes clear to the prospective Independent Consultant(s) that such earnings are hypothetical, not guaranteed and based on the sale of product and (iii) the prospect's financial success depends entirely on that prospect's individual effort, dedication, and the training and supervision an Independent Consultant provides to his/her Downline.

### **10.3.4 – Use of Celebrity Names, Affiliated Professionals and Likeness**

No names or likeness of a celebrity may be published by Independent Consultants in association with SoulLife without prior written approval of SoulLife and such celebrity.

### **10.3.5 – Interaction with Scientific Advisory Board and other Company Consultants**

SoulLife is uniquely positioned in the marketplace by its special relationship with many preeminent scientific, marketing, public relations, business and legal professionals. In the interest of preserving these relationships for the benefit of all Independent Consultants and the Company, Independent Consultants must: (i) adhere strictly to the Company's advertising policies; and (ii) refrain from any contact with any member of the Company's Board of Directors,

Scientific Advisory Board or other consultant or advisor of the Company, without the express prior written consent of the Company.

### **10.3.6 – Governmental Approval or Endorsement**

Government regulatory agencies do not approve or endorse any direct selling or network marketing companies or programs. Therefore, Independent Consultants shall not represent or imply that SoulLife or its Compensation Plan has been “approved,” “endorsed” or otherwise sanctioned by any provincial or federal government agency.

## **10.4 – Mass Media**

### **10.4.1 – Promotions Utilizing Mass Media Prohibited**

Except as otherwise specifically authorized herein, Independent Consultants may not use any form of media or other mass communication advertising to promote the products or opportunity. This includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, Internet ads, email spam, text messages, telemarketing calls, etc. Products may be promoted only by personal contact or by literature produced and distributed by the Company or by Independent Consultants in accordance with these Policies and Procedures. Independent Consultants may place generic opportunity advertisements in jurisdictions allowing that type of advertisement, but only in accordance with the Policies and Procedures of the Company and in compliance with applicable law. Independent Consultants must contact the Company and seek written authorization prior to any media broadcast, including but not limited to, Internet or television.

### **10.4.2 – Media Interviews**

Independent Consultants 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. Independent Consultants 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 Communications Department of the Company.

## **10.5 – Internet**

### **10.5.1 – General**

Regardless of compliance with the Policies and Procedures set forth herein, all SoulLife Independent Consultants are personally responsible for their online postings and all other online activity that relates to SoulLife.

Therefore, even if a SoulLife Independent Consultant does not own or operate a blog or social media site, if a SoulLife Independent Consultant posts to any such site that relates to SoulLife or which can be traced to SoulLife, the SoulLife Independent Consultant is responsible for the posting and must act in a way that builds, strengthens and enhances SoulLife’s reputation, image and standing in the community. SoulLife Independent Consultants are also responsible for postings which occur on any external website that the SoulLife Independent Consultant owns, operates or controls.

SoulLife Independent Consultants must disclose their full names on all relevant social media profiles that relate to SoulLife and its products or business, and each must conspicuously identify himself or herself as a “SoulLife Independent Consultant.” Anonymous postings or use of an alias is prohibited.

SoulLife Independent Consultants must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory, illegal or vulgar content. Determination of what is inappropriate is at SoulLife’s sole discretion, and offending SoulLife Independent Consultants will be subject to disciplinary action.

SoulLife Independent Consultants may not use blog spam, spam-dexing or any other mass-replicated methods to leave comments on any website, blog or message board. Comments Independent Consultants create or leave online must be useful, unique, relevant and specific to the blog’s article.

As a general rule, SoulLife Independent Consultants may not use any geographic references in the page names/titles or URLs of their SoulLife-related social media or external websites. For purposes of clarification and the avoidance of doubt, other than for a Default URL or an approved amendment to a Default URL, SoulLife Independent Consultants may not use the terms “SoulLife,” “Cellenda” or any derivation thereof, in any external website address or related URL (e.g., [www. CellendaByStephen.com](http://www.CellendaByStephen.com) or [blogger.SoulLifeVancouver.ca](http://blogger.SoulLifeVancouver.ca)).

Any External Website which contains “SoulLife” or “Protandim,” other SoulLife product and program names, or any derivation thereof in the URL, must be transferred to SoulLife or closed/terminated upon demand by SoulLife. In no event may the SoulLife Independent Consultant sell such domain name to any third party without the prior express written consent of SoulLife.

### **10.5.2 – Independent Consultant Websites**

If an Independent Consultant desires to utilize an Internet web page to promote his or her Independent Consultant Agreement, he or she may do so only through the Company’s replicated website program, using the official SoulLife template. This program permits Independent Consultants to advertise on the Internet and to use a home page design that can be personalized with the Independent Consultant’s contact information. These websites give the Independent Consultant a professional and Company-approved presence on the Internet. Online

sales may only be generated from an Independent Consultant's SoulLife replicated website and not from a private website or third-party shopping cart service provider.

An Independent Consultant shall not use "blind" ads on the Internet that make product or income claims which are ultimately associated with SoulLife products, the SoulLife opportunity or the SoulLife Compensation Plan.

### **10.5.3 – Social Media and Other Internet Use**

SoulLife encourages Independent Consultants to each join social media sites, blogs, social media applications, and other sites that have content that is based on user participation and user-generated content, forums, wikis and podcasts to do the following:

- 1) Communicate preliminary information about SoulLife or their involvement with SoulLife;
- 2) Direct users to their SoulLife replicated website; and
- 3) Post SoulLife-produced business support materials provided from SoulLife.

Such use is permitted provided that it (i) is incidental to the primary use of the website or forum, (ii) does not contain any false or misleading information about SoulLife, its products or business opportunities, and (iii) conforms to the other policies set forth herein, including, without limitation, the policies related to the use of SoulLife's trademarks, trade names and other intellectual property.

#### **10.5.3.1 – The Official SoulLife Public Facebook Page (or similar) Pages**

SoulLife has an official public Facebook page which it uses to invite potential customers and investors to investigate the Company. It is not intended to be used by SoulLife Independent Consultants to sell product or promote their business or to interact with other Consultants or consumers. As such, SoulLife Independent Consultants may not place linking information on the public SoulLife Facebook page, nor may they post any pricing, promotions, marketing material, sales, advertisements, events or announcements relating to their businesses. SoulLife reserves the right to remove any messages posted on the official Company Facebook page as determined in its sole discretion.

#### **10.5.3.2 – Private Facebook Groups (or similar) Pages**

SoulLife will also create a private corporate Facebook community for company and Independent Consultant use. Independent Consultants may also create a private group and may utilize such group to educate, discuss and disseminate information about SoulLife, its products, science and business opportunity amongst themselves. Independent Consultants may join these groups only with the consent of SoulLife, and all content and discussions will be password protected and closed to the public. No Independent Consultant shall allow access to or disseminate information from such groups.

#### **10.5.4 – Use of Third-Party Intellectual Property**

If SoulLife Independent Consultants use the trademarks, trade names, service marks, royalty-fee based images, copyrights or intellectual property of any third party in any online posting, it is their responsibility to ensure that they have received the proper license to use such intellectual property and pay the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third party, and the Independent Consultant must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

#### **10.5.5 – Respecting Privacy and Collection and Use of Personal Information**

SoulLife Independent Consultants must always respect the privacy of others in their postings. They must not engage in gossip or advance rumors about any individual, company or competitive products or services. SoulLife Independent Consultants may not list the names of other individuals or entities on their postings unless they have the written permission of the individual or entity that is the subject of their posting.

An Independent Consultant shall take appropriate steps to safeguard the protection of all private information provided by a Customer, a prospective Customer and/or Independent Consultants. Without limiting the foregoing, all Independent Consultants must comply with applicable privacy laws governing the collection, use and disclosure of personal information.

#### **10.5.6 – Professionalism**

SoulLife Independent Consultants must ensure that their postings are truthful and accurate. This requires that they fact-check all material they post online. They should also carefully check their postings for spelling, punctuation and grammatical errors. Use of offensive language is prohibited.

#### **10.5.7 - Prohibited Postings**

SoulLife Independent Consultants may not make any postings or link to any postings or other material that:

- 1) Is sexually explicit, obscene or pornographic;
- 2) Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- 3) Is graphically violent, including any violent images;
- 4) Is solicitous of any unlawful behavior;
- 5) Engages in personal attacks on any individual, group or entity; or



6) Is in violation of any intellectual property rights of the Company or any person or business.

#### **10.5.8 – Responding to Negative Online Posts**

SoulLife Independent Consultants should act and remain positive and not converse with one who places a negative post against them, other SoulLife Independent Consultants or SoulLife. They should report negative posts to the Company at **compliance@SoulLife.com**. Responding to such negative posts simply fuels a discussion with persons carrying a grudge that does not hold themselves to the same high standards as SoulLife, and therefore damages the reputation of SoulLife.

#### **10.5.9 – Cancellation of Your SoulLife Business**

If a SoulLife Independent Consultant’s SoulLife business is cancelled for any reason, he or she must discontinue using the SoulLife name, and all of SoulLife’s trademarks, trade names, service marks and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all external websites that he or she utilizes. If a SoulLife Independent Consultant’s posts on any social media site on which they have previously identified themselves as a SoulLife Independent Consultant representative, they must conspicuously disclose that they are no longer an Independent SoulLife Independent Consultant, and make every attempt to permanently delete their post(s).

#### **10.5.10 – E-mail**

Independent Consultants must use the following disclaimers within any email correspondence when discussing SoulLife or the SoulLife opportunity or program:

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The sender of this email is an Independent Consultant of SoulLife™. Independent Consultants are not employees of SoulLife™. This email message (including attachments) contains information which may be confidential and/or legally privileged. Unless you are the intended recipient, you may not use, copy or disclose to anyone the message or any information contained in the message or from any attachments that were sent with this email. If you have received this email message in error, please advise the sender by email, and delete the message.  
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#### **10.5.11 – Online Classifieds**

Current and former Independent Consultants may not use online classifieds (including, but not limited to, Craigslist, Facebook, Kijiji) to list, sell or retail specific SoulLife products, or the opportunity.

#### **10.5.12 – Online Auction Websites**

SoulLife’s products and program may not be listed on eBay, Facebook or other online auctions, nor may Independent Consultants enlist or knowingly allow or facilitate a third party to sell SoulLife products on eBay, Facebook, or other online auctions.

#### **10.5.13 – Online Retailing**

Independent Consultants may not list or sell SoulLife products on any retail store or ecommerce site, including Amazon.com or the like (with the exception of their own Replicated Website). Additionally, Independent Consultants may not (i) enlist or knowingly allow a third party to sell SoulLife products on any online retail store or ecommerce site or (ii) sell products to a third party that the Independent Consultant has reason to believe will sell such products on any online retail store or ecommerce site.

#### **10.5.14 – Banner Advertising**

Independent Consultants may place banner advertisements on their third-party websites (as described herein below); provided, however, that they only use SoulLife-approved templates and images, and do not list any pricing, discounts or promotions of any SoulLife product on such advertisement. Any SoulLife-related banner advertisements on these websites must link back directly to their Replicated SoulLife Websites.

#### **10.5.15 – Spam Linking**

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

#### **10.5.16 – Digital Media Submission (e.g., YouTube, iTunes, Instagram, etc.)**

Independent Consultants may not upload, submit or publish SoulLife-related materials, such as, video, audio or photo content to any website.

#### **10.5.17 – Search Engines and Search Engine Advertising**

Sponsored links or pay-per-click ads (PPC) are acceptable as described herein. The destination and display URL must be the same. The destination of the PPC must be the external website, not the Independent Consultant’s SoulLife replicated Website, and must not portray any URL that could lead the user to believe they are being directed to a SoulLife corporate website, or be inappropriate or misleading in any way. Independent Consultants cannot use SoulLife’s trade names, trademarks or other copyrights when submitting Google Adwords, Yahoo paid

advertising, MSN Bing, Key Words, etc. to Internet search engines. (See Section 9.2 “Trademarks and Copyrights”)

## **10.6 – Email Spamming and Unsolicited Faxes**

Except as provided in these Policies and Procedures, Independent Consultants may not send or transmit unsolicited faxes, mass e-mail distributions, unsolicited e-mail or “spamming” relative to the operation of their SoulLife Independent Consultant Agreements. The terms “unsolicited faxes” and “unsolicited e-mail” mean the transmission via computer, cellular phone, facsimile or electronic mail, respectively, of any material or information advertising or promoting SoulLife, its products, its Compensation Plan or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or e-mail: (i) to any recipient with that recipient’s prior express invitation or permission; or (ii) to any person with whom the Independent Consultant has an established business or personal relationship. The term “established business or personal relationship” means prior or existing relationship formed by a voluntary two-way communication between an Independent Consultant and a person, on the basis of: (i) an inquiry, application, purchase or transaction by the person regarding products offered by such Independent Consultant; or (ii) a personal or common relationship, which relationship has not been previously terminated by either party.

All communications sent via e-mail, SMS, or facsimile to promote the Company’s products or the Independent Consultant’s business must (i) receive approval from the Company and (ii) strictly comply with applicable laws and regulations including, without limitation, Canada’s Anti-Spam Legislation, as applicable. The Independent Consultant is under obligation to research and comply with all laws concerning unsolicited commercial electronic messages.

Before sending a message, the Independent Consultant when sending an email promoting the Company, its products or opportunities in any way must comply with the following:

- (i) There must be a functioning return e-mail address to the sender.
- (ii) There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- (iii) The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- (iv) The use of deceptive subject lines and/or false header information is prohibited.
- (v) All opt-out requests, whether received by e-mail or regular mail, must be honored. If an Independent Consultant receives an opt-out request from a recipient of an email, the Independent Consultant must forward the opt-out request to SoulLife.

(vi) The email must include the mailing address of the sender, along with one of: (i) a telephone number with access to an agent or voice messaging system; (ii) an e-mail address; or (iii) a web address.

The unsubscribe function must:

- be able to be “readily performed”;
- be free to the consumer;
- use the same electronic means by which the message was sent (unless not practicable);
- specify an email address or a link to a web page to which the unsubscribe request may be sent that is valid for a minimum of 60 days after the message has been sent; and
- take effect within ten (10) days of the unsubscribe request being sent.

## 10.7 – Telemarketing

The Canadian Radio-television and Telecommunications Commission (“CRTC”), as well as other applicable local authorities, each have regulations that restrict telemarketing practices. Many authorities such as the CRTC have a national “do not call list” and unsolicited telecommunication rules and regulations as part of their telemarketing laws. Although SoulLife does not consider Independent Consultants to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that a Consultant’s inadvertent action of calling someone whose telephone number is listed on a “do not call” registry could cause them to violate the law. Moreover, these regulations must not be taken lightly, as they can carry significant penalties and fines, per violation.

Therefore, Independent Consultants must not engage in telemarketing in the operation of their SoulLife Independent Consultant Agreement. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a SoulLife product or service, or to recruit them for the SoulLife opportunity. “Cold calls” made to prospective customers or Independent Consultants that promote either SoulLife’s products or services or the SoulLife opportunity constitute telemarketing and are prohibited. In addition, Independent Consultants shall not use automatic telephone dialing systems or random phone lists relative to the operation of their SoulLife Independent Consultant Agreements. The term “automatic telephone dialing system” means equipment which has the capacity to: (i) store or produce telephone numbers to be called using a random or sequential number generator; and (ii) to dial such numbers. In addition, Independent Consultants acknowledge and agree to abide by the Canadian Radio-television and Telecommunications Commission Unsolicited Telecommunications Rules. The Independent Consultants must also refer to the rules in the attached Appendix A.

## **10.8 – Advertised Product Price**

Independent Consultants may not advertise SoulLife products at a price less than the suggested retail price of one (i) unit of the SoulLife product. Independent Consultants 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 Independent Consultant is able to sell the Products at a lower price than other Independent Consultants, etc.). Any violation of this Section 10.8 by an Independent Consultant shall constitute a breach of the Agreement and may result in punitive action including, but not limited to, any of the actions set forth in Section 13.

## **SECTION 11 – SALES & SALES RESTRICTIONS**

### **11.1 – Commercial Retail Outlets**

SoulLife strongly encourages the retailing and selling of its products through person-to-person contact. In an effort to reinforce this method of marketing and to help provide a standard of fairness for its Independent Consultant base, Independent Consultants may not display or sell SoulLife products or literature in any retail establishment. Independent Consultants may, however, sell SoulLife products from service establishments which see customers or clients on an appointment basis only such as hair salons, spas or chiropractic clinics, etc. SoulLife will permit Independent Consultants to solicit and make commercial sales upon prior written approval from the Company. The term “commercial sale” means the sale of SoulLife products to a third party who intends to resell such products to an end consumer.

### **11.2 – Trade Shows, Expositions and Other Sales Forums**

Independent Consultants may display and/or sell SoulLife products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Independent Consultants must contact the Company’s Compliance Department in writing for conditional approval, as SoulLife’s policy is to authorize only one SoulLife Independent Consultant per event. Final approval will be granted to the first Independent Consultant who submits an official advertisement of the event, a copy of the contract signed by both the Independent Consultant and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Compliance Department. SoulLife further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services or the SoulLife opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer’s markets, as these events are not conducive to the professional image SoulLife wishes to portray.

### **11.3 – Excess Inventory Purchases Prohibited**

Independent Consultants are not required to carry inventory of products or sales aids. However, Independent Consultants who do so may find selling to customers and building a Marketing

Organization somewhat easier because of the decreased response time in fulfilling customer orders or in meeting a new Independent Consultant's needs. Each Independent Consultant must make his or her own decision with regard to these matters. To ensure that Independent Consultants are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to SoulLife upon the Independent Consultant's Cancellation pursuant to the terms of Section 16. SoulLife strictly prohibits the purchase of products in unreasonable amounts primarily for the purpose of qualifying for commissions, bonuses or advancement in the Compensation Plan. Independent Consultants may not purchase more inventory than they can reasonably resell or consume in a month nor may they encourage others to do so.

#### **11.4 – Bonus Buying Prohibited**

Bonus buying is strictly prohibited. "Bonus buying" includes, but is not limited to the direct or indirect involvement of: (i) the enrollment of individuals or entities without the knowledge of and/or execution of an Independent Consultant Application and Agreement by such individuals or entities; (ii) the fraudulent enrollment of an individual or entity as an Independent Consultant, Preferred Customer or Direct Retail Customer; (iii) the enrollment or attempted enrollment of non-existent individuals or entities as Independent Consultants, Preferred Customers or Direct Retail Customers (see Section 7.5 "Stacking"); (iv) the use of a credit card by or on behalf of an Independent Consultant, Preferred Customer, or Direct Retail Customer when the Independent Consultant, Preferred Customer or Direct Retail Customer is not the account holder of such credit card; and (v) purchasing SoulLife products on behalf of another Independent Consultant or Customer or under another Independent Consultant's Identification Number, or Customer Identification Number to qualify for commissions, bonuses or incentives.

#### **11.5 – Repackaging and Relabeling Prohibited**

Independent Consultants may not repackage, relabel, refill or alter the labels on any SoulLife products, information, materials or programs in any way. SoulLife products must be sold in their original containers only and complete packaging. Such relabeling or repackaging would violate applicable laws, which could result in severe criminal penalties. Independent Consultants should also be aware that civil liability may arise when, as a consequence of the repackaging or relabeling of products, the person(s) using the product(s) may suffer any type of injury or their property is damaged.

### **SECTION 12 – SALES REQUIREMENTS**

#### **12.1 – Product Sales**

The SoulLife Compensation Plan is based upon the sale of SoulLife products to End Consumers. Independent Consultants must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for rebates, bonuses, commissions and advancement to higher levels of achievement. The

following sales requirements must be satisfied for Independent Consultants to be eligible for commissions:

### **12.1.1 – Sales Volume**

Independent Consultants must satisfy the Personal Bonus Value (“PBV”) and Total Group Bonus Volume (“TGBV”) requirements to fulfill the requirements associated with a particular rank as specified in the Soullife Compensation Plan. PBV includes purchases made by the Independent Consultant and Direct Retail Customers, except that personally enrolled Preferred Customer volume will also be included in an Independent Consultant’s PBV for the purposes of rank advancement. All Independent Consultants are still required to meet their monthly PBV as specified in the Compensation Plan. TGBV shall include the total PBV of all Independent Consultants in his or her Marketing Organization plus the Independent Consultant’s PBV.

### **12.1.2 – Complying With the 70% Sales & Consumption Rule**

The Independent Consultant must comply with the 70% Sales Rule as set forth in Section 12.3 below.

### **12.2 – No Territory Restrictions**

There are no exclusive territories granted to anyone.

### **12.3 – 70% Sales & Consumption Rule**

By placing a new product order, an Independent Consultant is deemed to have certified that he or she has sold or consumed at least 70% of all products purchased in prior orders. Each Independent Consultant that receives rebates, bonuses or commissions and orders additional product 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 Independent Consultant 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 constitutes a breach of the Agreement and is grounds for termination. Furthermore, a breach of this requirement entitles the Company to recover any commissions paid to the Independent Consultant for any period of time during which such documentation is not maintained or for which this provision has been breached.

### **12.4 – Sales Receipts**

Independent Consultants will comply with applicable consumer protection laws and regulations including any consumer rights to receive specific notices and any rights to return any Soullife product under applicable provincial consumer protection legislation. When making a sale to a Customer or a consumer, Independent Consultants must provide him/her with an official

SoulLife retail receipt at or prior to the time of the initial sale and every sale thereafter that clearly includes:

- All the terms and conditions of sale, including the total amount the Customer or consumer will be required to pay, including all interest, service charges and fees, and other costs and expenses as required by federal, territorial, provincial and municipal laws.
- Your name and address and a notation stating that you are an Independent Consultant with SoulLife.

These sales receipts must set forth (i) the consumer protection rights afforded by applicable provincial and territorial law for direct sales, including the right to cancel (without any reason) the sale contract up to 10 days after the consumer receives a copy of the contract, and (ii) SoulLife's 30 day return policy. Independent Consultants must duplicate the form and provide one to the consumer and retain a copy for their records. There are two sets of receipts: one for Quebec, another for the remaining twelve provinces and territories.

While SoulLife keeps records of the purchases of your AutoShip, Customers and Retail Customers who purchase directly through SoulLife, it is your responsibility to maintain copies for two (2) years of all sales receipts for your retail Customers and to furnish them to SoulLife upon request. To ensure best business practices, SoulLife may audit these sales receipts at any time.

## **SECTION 13 – FINANCIAL DISTRIBUTIONS**

### **13.1 – Rebates, Bonuses and Commission Qualifications**

An Independent Consultant must be active and in compliance with the Agreement to qualify for rebates, bonuses and commissions ("Financial Distributions"). So long as an Independent Consultant complies with the terms of the Agreement, SoulLife shall pay Financial Distributions to such Independent Consultant in accordance with the Compensation Plan. The minimum amount for which SoulLife will issue a cheque is \$20.00. If an Independent Consultant's Financial Distributions do not equal or exceed \$23.50, the Company will accrue the Financial Distributions until they total \$23.50. A cheque will be issued after \$23.50 has been accrued.

#### **13.1.1 – Cheque Processing Fee**

SoulLife will charge a \$3.50 cheque processing fee for all mailed cheques.

#### **13.1.2 – Replacement Cheque Fee**

If it becomes necessary for SoulLife to reissue a bonus or commission cheque because it has been lost, SoulLife will charge a \$15.00 fee for each replacement cheque provided. The Independent Consultant must contact the Company and report the lost cheque along with any



supporting information. If the lost cheque has not been discovered, and the reported information is sufficient, a cheque will be issued 90 days after the lost cheque report has been successfully completed.

### **13.2 – Adjustment to Rebates, Bonuses and Commissions**

Independent Consultants receive rebates for PBV in excess of 84 PBV and Financial Distributions based on the actual sales of products to end consumers. When a product is returned to SoulLife 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 Independent Consultants who received the Financial Distributions on the sales or purchase of the refunded products.

#### **13.2.1 – Cancellation of the Agreement Within the First 30 Days**

If an Independent Consultant chooses to cancel the Agreement within the first thirty (30) days of enrollment and also chooses to return the product that he or she has ordered, a refund will be issued for the full amount paid less any shipping and handling charges, and rebates, bonuses or commissions that were issued and in accordance to Section 12.2 “Adjustment to Rebates, Bonuses and Commissions.”

### **13.3 – Unclaimed Cheques and Credits**

Independent Consultants must deposit or cash rebate, commission and bonus cheques within six (6) months from their date of issuance. A cheque that remains uncashed after six (6) months will be void. After a cheque has been voided, SoulLife will attempt to notify an Independent Consultant who has an uncashed cheque by sending a monthly written notice to his or her last known address identifying the amount of the cheque and advising that the Independent Consultant can request that the cheque be reissued. There shall be an \$18.50 charge for reissuing a cheque. This charge shall be deducted from the balance owed to the Independent Consultant. Direct Retail Customers, Preferred Customers and Independent Consultants who have a credit on account must use their credit within six (6) months from the date on which the credit was issued. If credits have not been used within six (6) months, SoulLife shall attempt to notify the Independent Consultant, Preferred Customer or Direct Retail Customer on a monthly basis by sending written notice to the last known address, advising the Independent Consultant, Preferred Customer or Direct Retail Customer of the credit.

### **13.4 – Incentive Trips and Awards**

From time to time, the Company may provide incentive trips and other awards to qualified Independent Consultants. These awards or trips may be based on title and high Independent Consultant performance and are provided only to the person(s) listed on a qualifying Independent Consultant Agreement, up to airfare for two (2) such persons and hotel accommodations of one (1) 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. Notwithstanding anything to the contrary herein, and although the Company may pay some or all of the costs of such incentive trips, the Independent Consultant agrees to indemnify and hold harmless the Company from any claim, injury, loss or other damage sustained in association with the trip by the Independent Consultant and/or its guests. The Independent Consultant 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 Independent Consultant and/or the Independent Consultant's guests.

The Company may be required by law to include the fair market value of any incentive awards, trips, etc. on the Independent Consultant's end of the year tax report. The Independent Consultant is liable for all 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 Independent Consultant has made any misrepresentations or has violated the Agreement in becoming eligible for these incentive trips and awards, the Company may charge the Independent Consultant for any costs incurred by the Company or for any benefits or awards received by the Independent Consultant. The Company reserves the right at its sole and absolute discretion to disallow participation for any reason it deems necessary.

### **13.5 – Reports**

For the purposes of this Section 13.5, "SoulLife" means the entity and all of its employees, officers, directors, independent contractors, Independent Consultants, Customers and agents.

#### **13.5.1 – Downline Reports**

Independent Consultant understands that SoulLife regularly provides information to each of its Independent Consultants. This includes, but is not limited to, reports of online or telephonic Downline activity, such as personal and group sales volume, and downline sponsoring activity (the "Information").

#### **13.5.2 – Report Indemnification**

Independent Consultant agrees never to assert any claim of any nature against SoulLife, 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 SoulLife 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 Independent Consultant extends to any act or omission to act by SoulLife such as, but not limited to, the inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the Information. However, this Section 13.5.2 does not apply to claims that may arise as a result of intentional misconduct or reckless disregard of the rights of Independent Consultants on the part of SoulLife.

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

### **14.1 – Breach and Remedies**

Any breach of the Agreement, including these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by an Independent Consultant may result, at SoulLife's discretion, in one or more of the following actions:

- 1) Issuance of a written warning or admonition;
- 2) Issuance of a writing that directs the Independent Consultant to take immediate corrective measures;
- 3) Loss of rights to one or more bonus and commission cheques; in whole or in part;
- 4) The withholding of Financial Distributions during the period that SoulLife is investigating any conduct that allegedly violates the Agreement;
- 5) Suspension of the Agreement for one or more pay periods;
- 6) Cancellation of the Agreement;
- 7) Cancellation of the Agreement of any other of the Independent Consultant's Immediate Household or of a Business Associate who is in association with the breaching Independent Consultant;
- 8) Any other measure expressly allowed by the Agreement of which SoulLife deems necessary to implement and appropriate in order to provide a remedy for injuries caused partially or exclusively by the Independent Consultant's breach; or
- 9) The commencement of legal proceedings for monetary or equitable relief or both.

### **14.2 – Grievances and Complaints**

When an Independent Consultant has a grievance or complaint with another Independent Consultant regarding any practice or conduct in relationship to his or her Marketing Organization, the complaining Independent Consultant should first report the problem to his or her Enroller who should review the matter and try to resolve it with the other party's Enroller. If the matter cannot be resolved, it should be reported in writing to the Company's Consultant Support Department. The Consultant Support Department will review the facts and attempt to resolve the complaint.

### **14.3 – Governing Law and 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 internal laws of the Province of Ontario, without giving effect to conflicts of interests principles.

**14.3.2** – The parties agree that personal jurisdiction and venue for any dispute arising out of or relating to this Agreement are proper exclusively in the province and federal courts located in

the Province of Ontario, and both parties hereby submit to, and waive any objection to, personal jurisdiction or venue in such courts for such purpose.

**14.3.3** – Each party shall bear its own lawyer fees and any other costs and expenses incurred in the resolution of any dispute without regard to the outcome.

#### **14.4 – Injunctive Relief**

The Independent Consultant acknowledges that the covenants set forth in this Agreement relating to the protection of SoulLife’s confidential and/or proprietary information are reasonable and necessary to protect the legitimate interests of SoulLife. The Independent Consultant further acknowledges that his/her breach of such covenants would cause SoulLife irreparable harm, the amount and extent of which would be very difficult to estimate or ascertain. Therefore, the Independent Consultant agrees that SoulLife shall be entitled, without the necessity of posting a bond or other security, to the issuance of injunctive relief to enjoin the Independent Consultant from breaching or threatening to breach such covenants.

SoulLife may also obtain an injunction in connection with or arising out of the Agreement, including but not limited to (i) restraining any unauthorized solicitation of any Independent Consultant, SoulLife employee or Customer, or (iii) any anticipated breach of the Independent Consultant Agreement or the Policies and Procedures by the Independent Consultant. The Independent Consultant agrees that such injunction may be heard and determined by the courts of the province or territory in Canada of SoulLife’s choosing. The Independent Consultant irrevocably and unconditionally submits to the personal jurisdiction of the courts of the province or territory in Canada of SoulLife’s choosing for injunctions, and each of the parties hereto irrevocably and unconditionally agrees that all injunctions may be heard and determined in such court. In any case, injunctive relief shall not be the exclusive remedy available to SoulLife.

### **SECTION 15 – PURCHASES/ORDERS**

#### **15.1 – Direct Retail Customers and Preferred Customers**

Independent Consultants are encouraged to promote SoulLife’s Direct Retail Customer and Preferred Customer programs to their customers. The Direct Retail Customer and Preferred Customer program allow both types of customers to purchase their products directly from SoulLife. Customers simply call SoulLife’s toll-free order number to place their orders, which they may charge to their credit card. SoulLife will send the ordered products directly to the customer. To ensure that Independent Consultants receive the appropriate commissions, Direct Retail Customers and Preferred Customers may not place an order without an Independent Consultant’s Identification Number. Preferred Customers must also enroll in SoulLife’s Autoship program whereby the Preferred Customer will sign up to have a pre-selected package of SoulLife products delivered to his or her home automatically each month. (For clarification as to the difference between Direct Retail and Preferred Customers, please refer to their respective definitions under Section 19).

### **15.2 – Purchasing SoulLife Products**

Each Independent Consultant should purchase his or her products directly from SoulLife under his or her Independent Consultant Number. If an Independent Consultant purchases products from another Independent Consultant or any other source, the purchasing Independent Consultant will not receive the Personal Sales Volume that is associated with that purchase.

### **15.3 – General Order Policies**

On mail orders with invalid or incorrect payment, SoulLife will attempt to contact the Independent Consultant or Customer by phone and/or mail to try to obtain another payment. If these attempts are unsuccessful after five (5) working days the order will be returned unprocessed. No charge-on-delivery or C.O.D. orders will be accepted. SoulLife maintains no minimum order requirements. Orders for products and sales aids may be combined.

### **15.4 – Shipping and Back Order Policy**

SoulLife 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 SoulLife receives additional inventory. Independent Consultants will be charged and given Personal Bonus Value (PBV) on back ordered items unless notified on the invoice that the product has been discontinued. SoulLife will notify Independent Consultants, Preferred Customers and Direct Retail Customers if items are backordered and are not expected to ship within thirty (30) days from the date of the order. An estimated shipping date will also be provided. Back ordered items may be cancelled upon a Direct Retail Customer's, Preferred Customer's or Independent Consultant's request. Direct Retail Customers, Preferred Customers and Independent Consultants may request a refund, credit on account, or replacement merchandise for cancelled back orders. If a refund is requested, the Independent Consultant's Personal Bonus Value (PBV) will be decreased by the amount of the refund in the month in which the refund is issued.

### **15.5 – Order Confirmation**

An Independent Consultant and/or 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 SoulLife of any shipping discrepancy or damage within thirty (30) days of shipment waives an Independent Consultant's right to request a correction.

### **15.6 – Product Abandonment**

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

## **SECTION 16 – PAYMENT AND SHIPPING**

### **16.1 – Deposits**

No monies should be paid to or accepted by an Independent Consultant for a sale to a personal

customer except at the time of product delivery. Independent Consultants should not accept monies from customers to be held for deposit in anticipation of future deliveries.

### **16.2 – Insufficient Funds**

It is the responsibility of each Independent Consultant to ensure that there are sufficient funds or credit available in his or her account to cover the monthly Autoship order, if they choose to participate in Autoship. SoulLife is not obligated to contact Independent Consultants in regard to orders cancelled due to insufficient funds or credit. This type of order cancellation may result in an Independent Consultant's failure to receive product or to meet his or her Personal Bonus Value (PBV) requirements for the month.

### **16.3 – Restrictions on Third Party Use of Credit Cards**

An Independent Consultant shall not permit other Independent Consultants or Customers to use his or her credit card for any purchases from the Company. This kind of activity is typically a violation between the credit card company and the credit card holder agreement.

### **16.4 – Sales Taxes**

SoulLife will not collect and remit sales taxes on behalf of Independent Consultants. If an Independent Consultant has submitted, and SoulLife has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the Independent Consultant will have the responsibility to collect and remit sales taxes to the appropriate authorities and respective provinces. Exemption from the payment of sales tax is applicable only to orders which are shipped to a province 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 province. Any sales tax exemption accepted by SoulLife is not retroactive.

## **SECTION 17 – PRODUCT GUARANTEE, RETURNS AND INVENTORY REPURCHASE**

### **17.1 – Product Guarantee**

Product and marketing materials returned within thirty (30) days after the purchase shall receive a 100% refund, less shipping and handling costs, and less a 10% restocking fee. Only unopened product shall be eligible for a refund, unless defective. Product must be in resalable and restockable condition in order to be eligible for a refund. Resalable is defined as product still in its original packaging, with seals and wrapping in place. All returns must have a Return Merchandise Authorization ("RMA"), issued through Consultant Support. Independent Consultants and Customers are responsible for returning product to the Company within ten (10) business days of receipt of the RMA or the product will not be eligible for return.

### **17.2 – Inventory Repurchase**

Upon cancellation or termination of an Independent Consultant's Agreement, the Independent Consultant may return, for a refund, inventory and sales aids that he/she personally purchased from the Company, within the previous 12 months, if he or she is unable to sell or use the

merchandise. An Independent Consultant may only return products and sales aids purchased by him or her that are in resalable condition. Upon receipt of the products and sales aids, the Independent Consultant will be reimbursed 90% of the net cost of the original purchase price(s), less shipping charges. The Company shall deduct from the reimbursement paid to the Independent Consultant any commissions, bonuses, rebates or other incentives received by the Independent Consultant which were associated with the merchandise that is returned.

Independent Consultants may return inventory or business aids which they have purchased at any time from the Company within the previous 30 day period (without triggering automatic termination of the Agreement). The products and business aids must be in current reusable and resalable condition and will be repurchased at 90% of the Independent Consultant's original purchase price, less appropriate setoffs, legal claims and commissions and bonuses already paid to the Independent Consultant in connection with the sale of the returned product.

#### **17.2.1 – Refused Shipment**

If a shipment is refused whether it is an Autoship or an order that has just been placed, SoulLife will charge a \$10.00 shipment refusal fee to the form of payment on file.

#### **17.3 – Implications of Refunds on Financial Distributions**

Previously paid Financial Distributions may be reversed and future Financial Distributions may be adjusted as a result of product returns or inventory repurchases at the sole discretion of the Company. Any Commissions paid to the Independent Consultant and his or her upline for the product returned by the Independent Consultant or customer may be debited from the respective upline Independent Consultant's account or withheld from present or future commission payments. An Independent Consultant should not rely on existing downline volume at the close of a commission's period, as returns may cause changes to his or her title, rank and/or commissions payout.

### **SECTION 18 – INACTIVITY AND CANCELLATION**

#### **18.1 – Effect of Cancellation**

So long as an Independent Consultant remains Active and complies with the terms of the Agreement, including these Policies and Procedures, SoulLife shall pay Financial Distributions to such Independent Consultant in accordance with the Compensation Plan. An Independent Consultant's Financial Distributions constitute the entire consideration for the Independent Consultant's efforts and activities related to generating sales (including building a Downline Organization). Following an Independent Consultant's non-renewal of his or her Agreement (are collectively referred to as "cancelled" or "cancellation"), the former Independent Consultant 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 marketing organization. An Independent Consultant whose Independent Consultant Agreement is cancelled will permanently lose all rights as an Independent Consultant.

This includes the right to sell SoulLife products and the right to receive future Financial Distributions resulting from the sales and other activities of the Independent Consultant's former Marketing Organization. In the event of cancellation, Independent Consultants agree to waive all rights they may have including, but not limited to, property rights, to their former Marketing Organization and to any Financial Distributions derived from the sales and other activities of his or her former Marketing Organization.

Following an Independent Consultant's cancellation of his or her Agreement, the former Independent Consultant shall not hold himself or herself out as a SoulLife Independent Consultant and shall not have the right to sell SoulLife products. An Independent Consultant whose Agreement is cancelled 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). Independent Consultants may reapply as a new Independent Consultant in accordance with Section 4.8.5 "Cancellation and Reapplication."

### **18.2 – Cancellation and Reclassification Due to Inactivity**

An Independent Consultant has the responsibility to lead his or her Marketing Organization with the proper example in personal production of sales to consumers. Without this proper example and leadership, the Independent Consultant will lose his or her right to receive commissions from sales generated through his or her Marketing Organization. Independent Consultants who personally generate less than 84 in Personal Bonus Value (PBV) for any pay period will not receive a commission for the sales generated through his or her marketing organization for that pay period. If an Independent Consultant has not fulfilled his or her PBV and has not enrolled another Consultant for a period of twelve (12) consecutive calendar months, his or her Agreement shall be cancelled for inactivity. However, if the Independent Consultant has an active autoship at the time of Cancellation, the Independent Consultant will be reclassified as a Preferred Customer. His or her autoship will not be interrupted and he or she may continue to purchase his or her autoship at wholesale prices. SoulLife will notify Independent Consultants that they are being reclassified at least 30 days prior to the reclassification. Cancellation or Reclassification will become effective on the day following the last day of the twelfth month of inactivity. Independent Consultants may reapply as a new Independent Consultant in accordance with Section 4.8.5 "Cancellation and Reapplication.""

### **18.3 – Involuntary Cancellation**

An Independent Consultant's breach of any of the terms of the Agreement may result in any of the sanctions actions in Section 14.1, including the involuntary cancellation of his or her Agreement. Unless otherwise provided for in the cancellation notice, cancellation shall be effective on the date on which written notice is mailed, faxed or delivered to an express courier to the Independent Consultant's last known address (or fax number), or his or her attorney, or when the Independent Consultant receives actual notice of cancellation, whichever occurs first. Readmission, if ever granted, may be either prospective or retroactive and totally discretionary on the part of the Company.



#### 18.4 – Voluntary Cancellation

An Independent Consultant has the right to cancel the Agreement at any time. Cancellation must be submitted in writing to the Company at its principal business address: Suite 202, 112 Main Street South, Halton Hills, Ontario, Canada L7G 3E4. The written notice must include the Independent Consultant's signature, printed name, address and Independent Consultant Identification Number. However, if an Independent Consultant is not in good standing with the Company at the time SoulLife receives notice of cancellation, the consequences of an involuntary cancellation may take effect (as per Section 14). Independent Consultants may reapply as a new Independent Consultant in accordance with Section 4.8.5 "Cancellation and Reapplication."

#### 18.5 – Non-Renewal

An Independent Consultant may voluntarily cancel his or her Independent Consultant Agreement by sending written notice within thirty (30) days of the anniversary date. The Company may also elect not to renew the Agreement upon the Agreement's anniversary date.

### SECTION 19 – DEFINITIONS

**ACCEPTANCE** – means the acceptance by SoulLife of a person's application to become an Independent Consultant by completing an Independent Consultant Application and Agreement and delivering it to SoulLife. "Acceptance" shall be deemed to occur when SoulLife first receives an Independent Consultant Application and Agreement from a person who has decided to become an Independent Consultant.

**ACTIVE** – In order to qualify to receive bonuses on your Downline sales Team, you must be considered "Active" by creating a minimum of 84 in Personal Bonus Value (PBV) during a calendar month, based on a combination of retail sales, PC orders and/or purchases for your own personal use. Upon achieving 84 PBV during a calendar month, you will be considered Active for the qualification month. 84 PBV can be achieved by selling \$140 of product to retail customers. **NOTE:** *Eligibility for receiving bonuses is subject to the Compensation Plan requirements as well as the Company's Policies and Procedures.*

**ACTIVE RANK** – means the current rank of an Independent Consultant, as determined by the SoulLife Compensation Plan, for any calendar month. To be considered "Active" relative to a particular rank, an Independent Consultant must meet the criteria set forth in the SoulLife Compensation Plan for his or her respective rank. (See the definition of "Rank" below.)

**AGREEMENT** – means the contract between the Company and each Independent Consultant which includes the Independent Consultant Application and Agreement, the SoulLife Policies and Procedures, the SoulLife Compensation Plan, Autoship Agreement, and the Business Entity Form (where appropriate), all in their current form or as amended by SoulLife from time to time

in its sole discretion. These documents are collectively referred to as and comprise the “Agreement.”

**AUTOSHIP** – An agreement between a Preferred Customer (“PC”) and the Company whereby the PC provides a credit or debit card number, or authorization for an ACH transfer, to be held by the Company on their behalf, and processed at regular increments for a standing order of product to be automatically shipped to the PC, usually on a monthly basis. This arrangement is a standard part of SoulLife’s Preferred Customer Agreement.

Although Independent Consultants are not eligible for direct participation in the PC program, SoulLife recognizes that some of its Independent Consultants also want the convenience of an Autoship agreement for the purpose of purchasing a regular supply of SoulLife products (in reasonable quantities) for personal use. Therefore, if you choose, you may sign up, through your online Back Office, for a personal standing order and Autoship arrangement. Of course, there is no requirement or obligation to do so.

**BACK OFFICE** – the password-protected area of the company’s website that allows Independent Consultants to view reports, update contact information, alter ordering information, among other administrative features, to help operate the Independent Consultant’s business.

**BONUS** – Not to be confused with Commissions, which are based on your own personal sales. A bonus is the remuneration that is based on the percentage of product sales volume of others downline of the payee in accordance with the respective provisions of the Compensation Plan.

**BONUS QUALIFIED** – You are Bonus Qualified when you are a Consultant in good standing (meaning you are in compliance with all of SoulLife’s published Policies & Procedures and current with all payments of any kind due and payable by you to the Company) and have met the minimum personal sales requirements to be “Active” for the applicable pay period (*see definition of “Active,” above*).

**BONUS VALUE (BV)** – Every SoulLife product carries an assigned Bonus Value, which is used for the calculation of upline bonuses. This “BV” is usually based on 60% of Suggested Retail Price (rounded up to the nearest whole dollar). Occasionally a low profit margin product may be assigned a Bonus Value that is lower than 60%.

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

**BUSINESS CENTRE(S)** – see Marketing Organization.

**BUSINESS KIT** – (Sometimes referred to as a ‘Starter Kit’), the SoulLife Business Kit contains business tools and marketing materials to help aid Independent Consultants.

**CANADA’S ANTI-SPAM LEGISLATION**- *An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic*

*Means of Carrying out Commercial Activities, and to Amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act.*

**CANCELLATION** – means the termination of an Independent Consultant Agreement. Cancellation may be either voluntary or involuntary, through non-renewal or inactivity.

**COMMISSION** – The payment the Company pays to a Consultant for purchases by retail customers from (or recorded through) the Consultant’s replicated website and, with respect to Enhanced Commissions only, purchases by the Consultant’s personally enrolled Preferred Customers.

**COMMISSIONABLE VOLUME** – means all SoulLife products on which Financial Distributions are paid. BUSINESS KITS, clothing and sales aids do not contain Commissionable Volume.

**COMPANY** – means SoulLife LTD.

**COMPENSATION PLAN** – (Sometimes called the “Marketing Plan”.) The official set of definitions and performance requirements, as published in the SoulLife Consultant Manual, by which Consultants get paid Commissions and Bonuses.

**COMPRESSION (Levels)** – Level Bonuses are earned by and paid to Independent Consultants that are Active and Qualified at a particular rank. When a Consultant fails to meet the minimum Active requirement (*see definition of “Active,” above*), the Company's computer searches downline until it finds a Consultant who is considered Active no matter how far downline it has to search. That qualified Consultant’s PBV then “Compresses” to include all the BV that may have been generated by all non-Active Consultants in between to create the next level, until it has satisfied its payout requirements with three Active Consultant levels. The term “Compression” is used to describe the temporary condition that occurs when a Consultant fails to meet the Active requirement for a particular pay period. “Compression” does not apply to Enroller Residual Bonuses or Enroller Cheque Match Bonuses. (*See also “Compression-Management Generations,” “Compression-Executive Generations” and “Rollup.”*)

**COMPRESSION (Management Generations)** – Management Generation Bonuses are earned by and paid to qualified Iron Star Managers or higher rank Consultants. Should any SoulLife Consultant not meet the monthly maintenance qualifications for her rank status during a pay period she will be “Paid As” the rank for which she does meet the qualifications. If an Iron Star Manager or higher rank Consultant fails to meet the minimum monthly requirements for Iron Star Manager, she will not receive Management Generation Bonuses. However, for the purpose of paying upline Qualified Iron Star Managers or above, the BV created in that non-Qualified Consultant’s generation will still be counted as a Management Generation, but will be subject to compression.

The Company's software system will search through every Leg of that Consultant's entire downline until it finds a Qualified Iron Star Manager or higher rank. It will then "compress" the non-Qualified Management Generation BV with that of the first qualified downline Management Generation, to create a "Compressed Qualified Management Generation" for payment purposes. This compression process will continue through three Qualified Management Generations, no matter how deep in the genealogy the computer must search until the payout requirements of this Compensation Plan have been satisfied with Qualified Management Generations, or until it reaches the last Consultant in that Leg.

The term "Management Compression" is used to describe the temporary condition that occurs when someone fails to meet her Iron Star Manager maintenance requirements for a particular pay period. "Management Compression" does not apply to Enroller Residual Bonuses or Enroller Cheque Match Bonuses. (See also "Compression-Levels," "Compression-Executive Generations" and "Rollup".)

**COMPRESSION (Executive Generations)** – When a Consultant qualifies for the rank of Chromium Star Director, that Consultant "breaks away," and the volume subsequently created by all other Consultants and Management Generations in that Consultant's downline until another Qualified Chromium Star Director is reached is designated as part of that Consultant's Leader Group. When a Downline Consultant earns the rank of Chromium Star Director, he "breaks away," creating a 1st Executive Generation for the original Chromium Star Director or higher rank Consultant.

Executive Generation Bonuses are earned by and paid to qualified Chromium Star Directors or higher rank Consultants. If a Chromium Star Director or higher rank Consultant fails to meet the minimum monthly maintenance for Chromium Star Director, they will not receive Executive Generation Bonuses. However, for the purpose of paying upline Qualified Chromium Star Directors or above, the BV created in that non-Qualified Consultant's generation will still be counted as an Executive Generation, but will be subject to compression.

The Company's computer will search through every Leg of that Consultant's entire downline until it finds a Qualified Chromium Star Director or higher rank. It will then compress the non-Qualified Executive Generation BV with that of the first qualified downline Executive Generation, to create a "Compressed Qualified Executive Generation" for payment purposes. This compression process will continue through three Qualified Executive Generations, no matter how deep in the genealogy the computer must search until the payout requirements of this Compensation Plan have been satisfied with Qualified Executive Generations, or until it reaches the last Consultant in that Leg.

The term "Executive Compression" is used to describe the temporary condition that occurs when someone fails to meet her Chromium Star Director maintenance requirements for a particular pay period. "Executive Generation Compression" does not apply to Enroller Residual

Bonuses or Enroller Cheque Match Bonuses. (See also “Compression-Levels,” “Compression-Management Generations” and “Rollup”.)

**CONSULTANT (Independent Consultant)** – The generic name for an independent contractor who has signed an Independent Consultant Application and Agreement form with the Company, and whose Consultant Application and Agreement the Company has accepted. Upon acceptance of such Agreement by the Company, a Consultant is eligible to purchase the Company's products at a wholesale price for resale and can enroll and sponsor other people into her Downline Sales Team. A Consultant is eligible to earn Commissions and Bonuses in accordance with the terms and provisions of the Compensation Plan.

***NOTE:** Independent Consultants will be required to pay a nominal monthly Technology Fee to cover a portion of the Company's cost of providing replicated website and online Back Office access to the Independent Consultant. Any Independent Consultant that does not meet her Active requirement (see definition of “Active,” above) for a period of six (6) continuous months will be reclassified by the Company as a “Preferred Customer”(if they were participating on Autoship as an Independent Consultant), thereby waiving her monthly technology fee requirement. As a Preferred Customer, she will be able to continue purchasing SoulLife products at Independent Consultant wholesale price for personal use, but her personal SoulLife website will be turned off and she will no longer be eligible to receive any bonuses on the basis her downline team's sales. To reactivate as an Independent Consultant, she must notify the Company in writing of her intent to reactivate and re-establish Active status within 90 days of the time she was notified by the Company of her reclassification. If she has not reactivated within this 90-day grace period, the reclassification will become permanent and her downline, if any, will Roll Up.*

**CUSTOMER PROSPECT** – A person to whom you want to offer the SoulLife products.

**CONSULTANT PROSPECT** – A person to whom you want to offer the SoulLife business opportunity.

**CUSTOMER** – means Direct Retail or Preferred Customer. Customers may purchase product for personal use only and may not resell product. Direct Retail, Preferred Customer or End Consumer. An Independent Consultant is not and may not act as a Customer.

**DIRECT RETAIL CUSTOMER** – means a customer who purchases directly from SoulLife at retail prices and who is not an Independent Consultant, and is not a Preferred Customer. Customers may purchase product for personal use only and may not resell product. An Independent Consultant is not and may not act as a Direct Retail Customer.

**DOWNLINE or DOWNLINE ORGANIZATION** – means the network of Independent Consultants and Customers who exist in an Independent Consultant's Marketing Organization. Your

Downline consists of all Consultants on your Level 1, Level 2, Level 3, etc, through unlimited depth (*see "Level"*). Independent Consultant understands that (i) Independent Consultant does not have any ownership or possessory right, title or interest in any downline individual, entity, organization or in any materials generated by SoulLife or created by Independent Consultant or any other individual or entity to the extent that it consists, in whole or in part, of any information about SoulLife downlines or any part of the Agreement; (ii) the sole property interest of an Independent Consultant with respect to downlines is the contractual right to receive commissions as set forth in the Agreement; and (iii) that SoulLife is the sole owner of any and all downline rights, titles, interests and materials.

**DOWNLINE ACTIVITY REPORT** – means a monthly report generated by SoulLife that provides critical data relating to the identities of Independent Consultants, Customers, sales information and enrollment activity of each Independent Consultant’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to SoulLife. It is owned solely by SoulLife. This report can be accessed by Independent Consultants in their respective Back Office.

**ENROLL** – To sign and submit an Independent Consultant Application and Agreement form to SoulLife for the purpose of becoming an Independent Consultant for the Company.

**ENROLLEE** – means the Independent Consultants and Customers who have been enrolled as SoulLife Independent Consultants or Customers by another Independent Consultant or Customer, as the case may be.

**ENROLLER** – means the Independent Consultant who enrolls a new Independent Consultant or Customer into SoulLife. The Enroller may “place” the new Independent Consultant or Customer under himself or herself, or may place the new Independent Consultant or Customer under any eligible downline. The person whom the new Independent Consultant or Customer is placed under is the new Independent Consultant’s “Placement Sponsor.” The same Independent Consultant may be a new Independent Consultant’s “Enroller” and “Placement Sponsor.” See the definition of “Placement Sponsor” below. The SoulLife Independent Consultant who introduces an Enrollee to the opportunity, explains the program, assists in the enrollment, and provides preliminary training to the Enrollee.

**EXECUTIVE GENERATION BONUS VALUE (EGBV)** – When you become a Chromium Star Director and a Consultant in your downline becomes a Chromium Star Director, that Chromium Star Director becomes your 1st Executive Generation and she will begin earning the 2% “Leader Generation” bonus. But, as long as you meet your maintenance qualification as a Chromium Star Director, you will begin receiving a 3% Executive Generation bonus on that Chromium Star Director’s total Leader Generation BV. This becomes your 1<sup>st</sup> Executive Generation and the volume is now known as your Executive Generation Bonus Value (EGBV).

**FINANCIAL DISTRIBUTIONS** – means the rebates, commission, bonuses and other compensation paid by SoulLife to Independent Consultants pursuant to the Compensation Plan and the Agreement.

**FRONT LINE** – Refers to all Consultants that are directly, personally sponsored (Level 1) by a particular Independent Consultant or by the Company.

**GENEALOGY** – The complete set of relationships (as defined by “Enroller Levels,” “Sponsor Levels” and “Legs”) between a Consultant and his Upline and Downline. It is the “family tree” of any Independent Consultant. The term “Genealogy” generally refers to your “Sponsor Tree” unless your “Enroller Tree” is specified. The Enroller Tree typically overlays the Sponsor Tree.

**GENERATION** – All Consultants in all Legs of the Personal Group of an Iron Star Manager (for Management Generations) or the Leader Group of a Chromium Star Director (for Executive Generations), down to the next Iron Star Manager or Chromium Star Director (or higher rank, respectively) in each branch of each Leg of that person’s downline, and all the PBV of all those Consultants within the Generation.

**GROUP SALES VOLUME (GV)** – means the commissionable value of the SoulLife products generated by an Independent Consultant’s Marketing Organization in a given month, not including the Personal Sales Volume (PV) of the subject Independent Consultant. (Independent Consultant Business Kits and non-product sales aids generate no Group Sales Volume.

**IMMEDIATE HOUSEHOLD** – means an Independent Consultant and his or her legal or common law spouse or partner and their dependent family members residing at the same address.

**INDEPENDENT CONSULTANT** – means an independent contractor who has signed and completed the official SoulLife Independent Consultant Application and Agreement and whose Agreement has been accepted by SoulLife. An Independent Consultant is required to meet certain qualifications and is responsible for the training, motivation, support and development of the Independent Consultants in their respective Marketing Organization. Independent Consultants are entitled to purchase SoulLife products at wholesale prices, enroll Customers and new Independent Consultants, and participate in the Compensation Plan. Preferred Customers and Direct Retail Customers are not Independent Consultants. On occasions, Independent Consultants might be mistakenly called “Distributors”, “Business Builders”, “Advocates”, “Enrollers”, “Promoters”, “Leaders”, “Directors”, “Coaches” as they may be titled as such in other direct selling organizations.

**INDEPENDENT CONSULTANT AGREEMENT** – means the contractual rights granted to the Independent Consultant pursuant to the Agreement to create, maintain and receive compensation from SoulLife relating to the operation of a Marketing Organization.



**INDEPENDENT CONSULTANT IDENTIFICATION NUMBER** – is the unique number assigned by SoulLife to each Independent Consultant to facilitate internal record keeping by SoulLife with respect to that Independent Consultant.

**LEADER GROUP BONUS VALUE (LGBV)** – As a Chromium Star Director, you may begin to qualify for the “Leader Group Bonus”—a 2% BV bonus based on all your downline Management Team's volume. This includes all the volume created by Zinc Star Manager or lower rank Independent Consultants to unlimited depth until reaching another Chromium Star Director or higher ranked Consultant. This is called Leader Group Bonus Value (LGBV). It is important to understand that the “Leader” Group is not level sensitive and provides an outstanding method for sales leaders to earn significant income on their personal Leader Group.

**LEG** – Each personally sponsored Consultant on your first level is part of your total Downline and is a separate “Leg.” You and your entire Sales Team (Downline) are one “Leg” to your sponsor.

**LEVEL** – The people you personally sponsor are your first level. The ones they sponsor are your second level. The ones your second level sponsors are your third level, etc. The Level portion of the Compensation Plan is based on fixed Sponsorship genealogical relationships and pays override bonuses based on the PBV generated by Consultants at each level.

**MAINTENANCE** – The standard of performance involving a Consultant that is required for that Consultant to continue being “Paid As” a particular rank after meeting the initial qualification requirements for that rank.

**MANAGEMENT GENERATION BONUS VALUE (MGBV)** – When you become an Iron Star Manager and a Consultant in your downline becomes an Iron Star Manager, that new Iron Star Manager exits your “Personal Group” and becomes your “1st Management Generation.” As long as you are Qualified as a Iron Star Manager, you will receive a 3% Management Generation Bonus Value (MGBV) Bonus on that Iron Star Manager or higher rank’s Personal Group BV. This is in addition to the bonus you will continue to receive on your Levels 1 through 5 in the Marketing Phase of the plan.

**MARKETING ORGANIZATION(S)** – means the Independent Consultants and Customers who are enrolled or sponsored in a particular Independent Consultant’s Downline.

**OFFICIAL SOULLIFE MATERIAL** – means literature, audio or digital recordings and other materials developed, printed, published and distributed by SoulLife to Independent Consultants and the public.

**ORGANIZATIONAL SALES VOLUME (OV)** – means the commissionable value of SoulLife products generated by an Independent Consultant’s Marketing Organization in a given month, including the Independent Consultant’s Personal Sales Volume (PSV).

**PAID AS** – Independent Consultants who have earned various title designations (or “rank”) according to their sales performance will retain those titles indefinitely, even if they do not meet



the specified maintenance requirements for a particular pay period. Notwithstanding their title designation, they will not be eligible to be paid at their title rank during any pay period in which they do not meet the maintenance requirements for their title rank. Rather, they will be paid at the highest rank for which they actually satisfy all qualifications for the pay period. The rank at which an Independent Consultant is actually paid is their “PAID AS” rank.

**PERSONAL BONUS VALUE (PBV)** – The accumulated Bonus Value of all products purchased by you, your Preferred Customers and your retail customers who purchase merchandise from (or whose purchases are recorded through) your SoulLife replicated website during a given pay period are combined to determine your “Personal Bonus Value” (PBV) for that pay period.

**PERSONAL GROUP** – For purposes of this Compensation Plan, a Personal Group consists of a Iron Star Manager or higher rank Consultant at the top of a Sales Team, and every Consultant, Cobalt Star Manager and Copper Star Manager below that person in that Team, through each and every Leg, until another Iron Star Manager is reached in any particular Leg.

**PERSONAL GROUP BONUS** – As an Iron Star Manager you may begin to qualify for the “Personal Group” bonus—a minimum 3% bonus on your entire Personal Group which includes the PBV of every Independent Consultant, Cobalt Star Manager and Copper Star Manager to unlimited depth until reaching another Iron Star Manager or higher rank Independent Consultant. The sales volume on which you are paid is called Personal Group Bonus Value (PGBV). It is important to understand that the “Personal Group” is not Level sensitive and provides an outstanding method to enhance your income. As you progress in rank to Zinc Star Manager, your Personal Group bonus may increase up to 4%.

**PERSONAL RETAIL SALES (PRS)** – The Suggested Retail Price of all your personal sales each month, including retail customers and products purchased at a discount by Preferred Customers, and/or your own purchases for personal use. The 20% Base Retail Commission is paid on the combination of orders that come through your replicated website and sales from inventory that have been recorded through your replicated website. Although you are not paid a base commission for sales to your personally enrolled Preferred Customers, your 20% retail commission is applied as a loyalty discount to your PCs. However, their purchases are counted at full suggested retail price (SRP) toward your Enhanced Commission requirements.

**PLACEMENT SPONSOR** – means the Independent Consultant or Customer under whom the Enroller places a new Independent Consultant or Customer.

**PREFERRED CUSTOMER (PC)** – means a customer who has completed a SoulLife Preferred Customer Application and Agreement and purchases products directly from SoulLife at wholesale prices. Preferred Customers participate in SoulLife’s program and receive a selection of SoulLife products automatically each month. Customers may purchase product for personal use only and may not resell product. An Independent Consultant is not and may not act as a Preferred Customer. Independent Consultants who fail to meet the Active requirement for a

period of six (6) months will be reclassified as PCs, if they were participating in Autoship as Independent Consultant. (See “NOTE” under definition of “Consultant,” above.)

**QUALIFIED** – An Active Consultant that is qualified to be “Paid As” a particular rank is considered Qualified at that rank (see “Paid As”).

**QUALIFIED LEG** – A leg that contains at least one Active Consultant and has a total of at least \$300 PBV somewhere in the depth of the leg is considered to be a Qualified Leg (see definition of “Active,” above).

**QUICK START** – Refers to an optional package that includes product(s), sales aid(s) and materials.

**RANK** – A progressive set of titles that designate achievement by an Independent Consultant of specific performance standards, with corresponding increased percentages and/or depths of bonus participation under the Compensation Plan. You will always carry the title of the highest rank status you reach, but are paid at the rank for which you qualify each month (see “Paid As”).

**RECRUIT** – means, for purposes of SoulLife’s Conflict of Interest Policy (Section 8 of the Company’s Policies & Procedures), actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another SoulLife Independent Consultant or Customer, Direct or Retail, to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Independent Consultant’s actions are in response to an inquiry made by another Independent Consultant or Customer.

**RENEWAL** – SoulLife Independent Consultants must renew their Consultant Agreement each year no later than the anniversary date of their joining the Company. If a Consultant does not renew his or her relationship with SoulLife, he or she will be dropped from the computer files and any sponsored Consultants will be rolled up to the next Active Consultant. If he or she wishes to rejoin SoulLife at a later date, he or she may not reclaim his or her previous rank or Downline, but must join at the standard entry level in the program (See “Roll-up”).

**REPLICATED WEBSITE** – Is a company approved website offered to Independent Consultants to attract prospective Customers and Prospective Consultants. Commonly the website is a templated version with some or no customization features for each Consultant. Each Independent Consultant can promote their unique landing page (to their website) to prospective customers and prospective Independent Consultants.

**RESTOCKABLE and RESALABLE** – means products and sales aids if each of the following elements is satisfied: (i) they are unopened and unused; (ii) packaging and labeling has not been altered or damaged; (iii) 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; (iv) products are returned to SoulLife within thirty (30) days from the date of purchase; (v) the

product expiration date has not elapsed; and (vi) the product contains current SoulLife labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued or as a seasonal item, shall not be resalable.

**RETAIL COMMISSION** – Commission paid by the company to a Consultant for orders placed by retail customers on a Consultant’s SoulLife replicated website.

**RETAIL SALES** – Sales of SoulLife products to the end users of those products.

**ROLL-UP** – The permanent form of Compression. When a Consultant terminates his or her Consultant Agreement, does not exercise his yearly renewal or fails to reactivate as a Consultant within 90 days of his notification of being reclassified as a Preferred Customer by the Company, his entire Downline rolls upline to the next qualified Consultant. (*see “Compression-Levels,” “Compression-Management Generations” and “Compression-Executive Generations”*).

**SALES TEAM** – Your Sales Team consists of you and the people that you directly enroll as Consultants, and the people that they enroll as Consultants, and so on, to infinite depth. There is no limit to how wide or deep your Sales Team can grow (*see “Downline” and “Leg”*).

**SPONSOR** – When used as a noun, the term “Sponsor” refers to the Independent Consultant who is immediately upline to another Consultant in the genealogy structure. When used as a verb, the term “sponsor” refers to the act of enrolling an individual or entity as a SoulLife Independent Consultant or as a Preferred Customer.

**SUGGESTED RETAIL PRICE (SRP)** – This is the retail price as suggested by the Company. A Consultant may sell the product for whatever price he chooses, subject to certain mass market restrictions set forth in the Company’s Policies & Procedures.

**TEAM RETAIL SALES (TRS)** – The combined total, based on Suggested Retail Price, of all your own Personal Retail Sales (PRS), plus the PRS of everyone on your Sales Team (also known as your “Downline”), through infinite depth.

**TECHNOLOGY FEE** – the ongoing monthly maintenance fee for all Independent Consultants, whether they are active or not, to maintain their personal website and any additional technology and media service that the company manages on a daily basis and provides to the Independent Consultants.

**THE 60% RULE** – As it pertains to Iron Star Managers and Zinc Star Managers, no more than 60% of their TGBV from any one Leg may be applied to meet their TGBV quota.

**THE 40% RULE** – As it pertains to Chromium Star Directors or higher ranks, no more than 40% of their TGBV from any one leg may be applied to meet their TGBV quota.

**TOTAL GROUP BONUS VALUE (TGBV)** – The Personal Bonus Value (PBV) created by all your downline Consultants through unlimited depth is totaled to calculate your Total Group Bonus Value. This TGBV is used to determine your qualification for earning rank promotions

and in rank maintenance in various phases of the Compensation Plan. It is usually subject to the 40% or 60% rule (*see definitions above*).

**UPLINE** – The term “Upline” refers to that portion of either your Enroller or Sponsor genealogy that precedes you. Your upline consists of the Consultant who is your Enroller and/or Sponsor, and his or her Enroller and/or Sponsor, and his or her Enroller and/or Sponsor, etc., all the way to the Company (*see also “Enroller” and “Sponsor”*).

**WHOLESALE PRICE** – means the price of the products that is paid to the Company by Independent Consultants or Preferred Customers. The wholesale price is also called the Independent Consultant Cost.

## **ADDENDUM A TELEMARKETING RULES**

### **A. RULES APPLICABLE TO TELEPHONE AND FAX**

The Canadian federal government operates a national Do-Not-Call registry that requires businesses to refrain from calling Customers who register on the national “Do-Not-call” list (DNCL). You are prohibited from placing unsolicited telemarketing calls to Customers that make a do-not-call request in one of two ways:

1. the Customer can register his or her telephone number on the national DNCL
2. the Customer can ask the caller directly not to be called again

There are significant penalties associated with calling a Customer after a do-not-call request has been made. Accordingly, when calling Customers to offer or sell SoulLife products, these procedures should be followed.

#### **Exceptions to the National Do-Not-Call List**

Subject to the ‘Important Note’ below, you are permitted to call Customers that have registered their telephone numbers on the national DNCL, provided:

- (a) You have an “existing business relationship” with such person, meaning Customers who:
  - (i) have purchased something from you within the last 18 months, or
  - (ii) have made an inquiry about SoulLife products or the SoulLife opportunity within the last 6 months, or
  - (iii) have a written contract with SoulLife currently in existence or that expired within the last 18 months, or

- (iv) You have obtained express written permission from the Customer to make such calls.

**Important Note:** If Customers in any of these categories above request that they not be called, YOU MUST COMPLY WITH SUCH REQUEST.

### **Cold Calls to Customers Not Within an Exception Category**

If you call a person who has registered their telephone number on the DNCL, you have violated Canadian federal law. Customers who have registered on the DNCL who still receive telemarketing calls will be able to file a complaint against you with the Canadian Radio-television Telecommunications Commission (CRTC). Violators of the DNCL registry rules will be subject to a fine of up to \$15,000 CDN per violation.

It is your responsibility to ensure you do not call Customers who have been registered on the DNCL for more than 31 days. The 31 days will provide a grace period to allow you time to update your telemarketing lists.

In addition to subscribing to the national DNCL, you are still required to maintain your own do-not-call list and to honour a Customer's request not to be called.

You must not sell, rent, lease or publish the list or disclose any portion of the list to an individual outside your organization, including affiliates.

You will be required to pay a fee to subscribe to the DNCL.

Recommendations:

Limit business-generating telephone calls to former Customers and prospective recruits who fall within the "exception" categories identified above.

Maintain a database for any Customer or prospective recruit that has requested that you not call them again. Once a name and telephone number is entered into this database, it must be maintained for a period of at least three (3) years.

### **B. OTHER CRTC TELEMARKETING RULES YOU NEED TO COMPLY WITH**

In addition to the new DNCL rules, you must also abide by the following CRTC rules.

Contacting Customers

#### **1. Telephone Calls:**

- (a) Calling hours are restricted to weekdays (Monday to Friday) between 9:00 AM and 9:30 PM and weekends (Saturday and Sunday) between 10:00 AM and 6:00 PM. Restrictions hours refer to the time zone of the Customer receiving the telephone calls.

- (b) At the beginning of a call you:
  - (i) must identify your name, corporate name and/or trade name
  - (ii) must provide the purpose of the call
  - (iii) upon request you must provide a local or toll-free number allowing the Customer access to speak to an employee or other representative of yours;
  - (iv) must provide the name and address of an employee or other representative of yours, to whom the Customer can write.
- (c) The telephone call shall be answered either by a live operator or a voicemail system to take messages for the Customer. The voicemail must inform Customers that their call will be returned within three (3) business days.
- (d) You must return Customer's call within three (3) business days.
- (e) You must display the originating calling number or an alternate number where the call originator can be reached (except where the number display is unavailable for technical reasons).
- (f) Sequential dialing is prohibited.
- (g) Random dialing and calls to non-published numbers are permitted, except to numbers that are registered on the national DNCL; are emergency lines; and are associated with healthcare facilities.
- (h) Your own do not call list must be maintained and remain active for three (3) years effective within fourteen (14) days from the date of the Customer's do not call request.
- (i) A Customer's request not to be called that is made during the telemarketing call shall be processed at that time. The Customer shall not be asked to call elsewhere to make their request.

If you use a predictive dialing device to initiate a call, you shall not exceed, in any calendar month, a five (5) percent abandonment rate. You shall maintain records of actual abandonment rates for a period of three (3) years from the date each monthly record is created.

## 2. **Automatic Dialing and Announcing Devices (ADADs) Prohibited:**

ADADs are equipment that store and dial telephone numbers automatically. They are typically used alone or with other devices to deliver a pre-recorded or synthesized voice message to the telephone number called. Use of ADADs in connection with your business is strictly prohibited.

**C. APPLICABLE PROVISIONS OF THE CANADIAN *COMPETITION ACT***

You must also comply with the following provisions contained in this Canadian legislation:

No person shall engage in “telemarketing” (which term includes promoting the supply of use of - products or promoting any business interest) unless:

- (a) disclosure is made, in a fair and reasonable manner at the beginning of each telephone communication, of the identity of the person on behalf of whom the communication is made, the nature of the product or business interest being promoted and the purposes of the communication.
- (b) disclosure is made, in a fair, reasonable and timely manner, of the price of any product whose supply or use is being promoted and any material restrictions, terms or conditions applicable to its delivery

No person who engages in telemarketing shall make a representation that is false or misleading.

**D. FAX RULES (INCORPORATING ADDITIONAL CRTC REQUIREMENTS)**

Independent Consultants may not use a “blast fax” or similar program or service to send messages by fax. Independent Consultants may only send fax messages to individuals with whom the Independent Consultants has an existing business relationship (“EBR”) and to any individuals that have provided their prior express written permission to receive fax messages from the Independent Consultants.

All faxes sent to those with whom the Independent Consultants has an EBR are subject to the following rules:

- (a) The Independent Consultants must obtain the recipient's fax number either through the recipient's voluntary communication of such number, within the context of the EBR, or from a directory, advertisement or site on the Internet to which the recipient voluntarily agreed to make available his or her fax number for public distribution.
- (b) Faxes must include a clear and conspicuous notice on the first page that the recipient may opt-out of receiving any further fax advertisements from the Independent Consultants (“Do-Not-Fax request”).
- (c) Faxes must include a domestic contact telephone number where the sender can be reached as well as a fax machine number for the recipient to transmit a Do-Not-Fax request.
- (d) Faxes must include at least one cost-free mechanism that the recipient can use to transmit a Do-Not-Fax request to the Independent

Consultants, such as a Web site address, email address, or toll-free number.

- (e) Independent Consultants must accept and process Do-Not-Fax requests 24 hours a day, 7 days a week, and all requests must be honored fully within 30 days.

All faxes must include, at the top of the first page of the fax in font size 12 or larger:

the date and time the fax is sent;

- (f) the identity of the sender (which must be the Independent Consultants's personal or business name); and
- (g) the telephone number of the sending fax machine and of the Independent Consultants

Calling hours are restricted to weekdays between 9:00AM and 9:30PM and weekends between 10:00AM and 6:00PM. Restrictions refer to the time zone of the called party.

DO NOT FAX lists are to be maintained by the calling party and remain active for three years.

The sender must give a unique registration number to all persons who request to be added to the DO NOT FAX list. Names and numbers must be added within 7 days of the called party's request.

Sequential dialing is not permitted and fax calls are not permitted to emergency lines or healthcare facilities.