**BUSINESS PLAN, COMPANY POLICIES AND PROCEDURES**
**THE CODE OF PROFESSIONAL CONDUCT**
Forever Living.com, LLC
Forever Living Products Southern Africa
**Effective 16 July 2025**

Table of Contents


1. Introduction ..... 3
2. Definitions ..... 4
3. Preferred Customer ..... 8
4. Bonus Structure / Marketing Plan ..... 8
5. Manager Status and Qualifications ..... 13
6. Leadership Bonus (LB) ..... 15
7. Additional Incentives ..... 16
8. Manager and Beyond Awards ..... 17
9. Gem Bonus ..... 23
10. Earned Incentive Program (Forever2Drive) ..... 24
11. Chairman's Bonus ..... 25
12. FLP Global Rally ..... 28
13. Ordering Procedures ..... 34
14. Responsoring Policies ..... 35
15. International Sponsoring Policies ..... 36
16. Prohibited Activities ..... 37
17. Company Policies ..... 41
18. Legal ..... 44
19. Restrictive Covenants ..... 47
20. Confidential Information and Nondisclosure Agreement ..... 49
21. Warranty, Guarantee, Product Return and Buy Backs ..... 50
22. The Code of Professional Conduct ..... 52

Exhibit 1 – Approved FBO Website ..... 55

# 1 Introduction

1.01 (a) Forever Living Products (FLP) is an international family of companies that produce and market exclusive health and beauty products throughout the world through its unique concept that encourages and supports the use and retail sales of its products through independent Forever Business Owners (FBO). FLP provides each FBO with the best quality products, support staff and marketing plan in the industry. The affiliated companies and their products provide an opportunity for both consumers and FBOs to improve the quality of their lives from use of FLP products, and equal access to success to anyone willing to properly work the program. Unlike most business opportunities, there is little financial risk to FLP's participants, since no minimum capital investment is required, and the Company provides a liberal buyback policy. A monthly FBO Support Fee not to exceed $3, as defined below, is deducted from earned bonuses of those who qualify, but no out-of-pocket payment is required.

(b) FLP does not represent that an FBO will achieve financial success without working or by relying solely on the efforts of others. Compensation in FLP is based upon the sale of its products. Each FBO is an independent contractor whose success or failure depends on personal effort.

(c) FLP has a long history of success. The fundamental goal of the FLP marketing plan is to promote the sale and use of high-quality products to consumers. The primary purpose of the FBO is to promote the sale and use of these products to consumers, directly and by building a sales organization.

(d) The FBO regardless of his/her level in the FLP Marketing Plan is encouraged to make retail sales each month and to keep records of such sales.

(e) A Successful FBO gains current knowledge of the market by attending training meetings, maintaining personal retail customers, and sponsoring other FBOs to sell to retail customers.

(f) The FBO who has questions or needs clarification should contact **FBO Support on Tel: +27 11 043 0900, E-mail: fbosupport@forever.co.za or WhatsApp: +27 64 636 8968**

1.02 (a) Company Policies and the Code of Professional Conduct have been implemented to provide restrictions, rules and regulations for proper sales and marketing procedures and to prevent improper, abusive, or illegal acts. Such Company Policies and the Code of Professional Conduct are revised, modified, and added to, from time to time. Revisions, modifications or amendments to the Company Policies and the Code of Professional Conduct shall be published on the FLP Company website at www.foreverliving.com and shall become effective 30 days after publication.

(b) Each FBO has an obligation to become familiar with the Company Policies and the Code of Professional Conduct in existence at the time of enrollment and as revised, modified or amended by the Company.

(c) Each FBO, upon signing the Forever Business Owner Application form, agrees to abide by FLP Company Policies and the Code of Professional Conduct. Language therein specifically refers to the FBO's contractual commitment to follow FLP Company Policies and the Code of Professional Conduct. The placing of orders for product with FLP is a reaffirmation of such commitment to abide by the Company Policies and the Code of Professional Conduct. Any acts or lack of action, which results in a misuse, misrepresentation or violation of the Company Policies and/or the Code of Professional Conduct, may cause termination of the license granted to use FLP's registered trademarks, service marks, and other marks, including the right to buy and distribute FLP products.

(d) Notwithstanding the foregoing, any revision, modification, amendment to, or termination of (a) the Dispute Resolution/Waiver of Jury Trial agreement contained in these Company Policies and the Code of Professional Conduct (Section 18.01) and/or (b) the agreements contained in the Dispute Resolution Policy referenced therein and available on FLP's Company website at www.foreverliving.com, shall not apply to a dispute of which the Company has actual notice of prior to the effective date of such revision, modification, amendment or termination. The effective date of any such revision, modification, amendment or termination shall be 30 days after the revision, modification, amendment or termination is posted on the FLP Company website at www.foreverliving.com.

## 2 Definitions

**Adjusted Wholesale Price:** The 30% Discounted Price less the applicable Earned Discount, based on current sales level achievement, at which the products are sold to an FBO.

**Accredited Sales:** Product sales made by an FBO to Retail and Preferred Customers or purchased for personal consumption.

**Active FBO:** An FBO who has generated 4 or more Active Case Credits in his/her Home Operating Company during a calendar month, none of which must be personally purchased. However, purchases for the FBO's personal consumption will count as Active Case Credits.

**Bonus**: a cash payment to an FBO for earning applicable incentives.

(a) **Personal or Preferred Customer Bonus:** a payment to an FBO of 5-18% of the SRP of his/her Accredited Sales.

(c) **Volume Bonus (VB):** a cash payment to a qualifying FBO of 3-13% of the SRP of the Accredited Sales of a downline FBO who is not under an Active Downline Manager.

(d) **Leadership Bonus (LB):** a cash payment to a qualifying Manager of 2-6% of the SRP of the Accredited Sales of his/her downline Managers and the FBOs under those downline Managers.

**Business Entity Distributorship**: a Forever Business which has been assigned to a business entity.

**CC:** Case Credit

**Case Credit:** a value assigned to each product to calculate sales activity to determine advancements, bonuses, awards and earned incentives for the FBO as set forth in the FLP Marketing Plan. All Case Credits are calculated on a Month-by-Month basis.

(a) **Active Case Credits:** Case Credits as reflected by an FBO's Accredited Sales.

(b) **Leadership Case Credits:** Case Credits awarded to an Active LB Qualified Manager calculated at 40%, 20%, or 10% of the Open Group Case Credits of his/her 1st, 2nd, or 3rd generation Leadership Bonus Qualified Managers, respectively.

(c) **Preferred Customer Case Credits:** Case Credits as reflected by the Purchases made by a personally sponsored Preferred Customer.

(d) **Open Group Case Credits:** An FBO's Active Case Credits plus the Case Credits as reflected by the Accredited Sales of his/her downline FBO's who are not under a downline Manager.

(e) **Pass-Thru Case Credits:** Case Credits as reflected by the Accredited Sales of a Non-Manager that pass up through an Inactive Manager to the first upline Active Manager. These are not counted as Open Group Case Credits for that Active Manager, but they are counted toward his/her Total Case Credits.

(g) **Total Case Credits:** the total of all the FBO's various case credits.

(h) **NEW Case Credits:** The Open Group Case Credits as reflected by the Accredited Sales of a Recognized Manager's personally sponsored PC/FBO lines that were sponsored after he/she qualified as Recognized Manager. NEW Case Credits will be accumulated for 12 processing months (including the month in which the PC/FBO line was sponsored), or until the PC/FBO line achieves Manager, whichever occurs first.

**CB Manager (CBM):** an FBO who is qualified to receive the annual Chairman's Bonus.

**CBM Lines:** a count of CB Managers in an FBO's sponsorship lines that he/she can use towards qualifying for the Chairman's Bonus

**Domestic:** pertaining to the FBO's Home Country.

**Downline:** all FBOs sponsored under an FBO, regardless of how many generations down.

**Eagle Manager:** A Manager who has achieved Eagle Manager status.

**Eagle Manager Lines:** a count of Eagle Managers in an FBO's sponsorship lines that he/she can use toward obtaining sales levels and/or Eagle Manager titles.

**Earned Discount:** A discount, calculated as a percentage of SRP, of 8-18%, based on the current Sales Level. This discount amount is subtracted from the 30% Discounted Price to determine the Adjusted Wholesale Price.

**Earned Incentive (Forever2Drive):** an incentive program that pays the qualifying FBO an extra cash payment for 36 months.

**Earned Trip:** a travel award for two persons, presented to the FBO who achieves any of various marketing plan incentive programs.

**Forever Business Owner (FBO):** One who chooses to Opt-in to build a Forever business in accordance with the Forever Marketing Plan but has not yet reached the level of Assistant Supervisor. The FBO can purchase products at a 5% discount off the Suggested Retail Price (SRP) and sponsor Retail/Preferred Customers and FBOs. An FBO reaches the level of Assistant Supervisor by generating a total of 2 Open Group Case Credits in any single Operating Company within any 2 consecutive Months.

**FBO Support Fee:** A monthly support fee of up to $3 which will be deducted from the bonuses of all FBOs achieving Assistant Supervisor level and above to support FBO operations. This fee will only be applied in months when a bonus is earned. For example, if an FBO earns $1 in bonus in a month, $1 will be deducted as the FBO Support Fee. If an FBO earns $20 in bonus in a month, $3 will be deducted as the FBO Support Fee. If an FBO earns no bonus in a month, no FBO Support Fee will be collected. The fees will not accrue, and no back payments will be owed. No out-of-pocket payment is required.

**Gem Manager:** a Manager who has developed at least 9 1st Generation Sponsored Recognized Managers, or at least 6 Eagle Manager Lines.

**Home Country:** the country in which the FBO nominates and resides for most of the time. It is in this country that the FBO must qualify to receive his/her Activity Waiver for all other FLP countries.

**Incentive Shares:** The total case credits generated, in accordance with the Chairman's Bonus rules that are used to determine the FBO's share of the bonus pool.

**Inherited Manager:** (see 5.04)

**Leadership Bonus Qualified (LBQ):** a Recognized Manager who has qualified to receive Leadership Bonus for the Month.

**Month:** a calendar month (i.e., Jan 1 through Jan 31).

**Operating Company**: The administrative company under which one or multiple countries use a single database to calculate sales level advancements, bonus payments, and incentive qualifications.

**Opt-in:** The process of electing to participate in the sales/bonus compensation structure in FLP's Marketing Plan as a Forever Business Owner (FBO) and agreeing to abide by the Company Policies and the Code of Professional Conduct, as may be amended from time to time.

**Preferred Customer:** One who registers to purchase products at a 5% discount off the Suggested Retail Price (SRP) but does not wish to be a Forever Business Owner (FBO) and participate in the Company Marketing Plan.

**Preferred Customer Profit:** 25% of the SRP of purchases made by Preferred Customers which is paid to the Sponsoring FBO, until the Preferred Customer has purchased a Start Your Journey Pak or product equaling 2 Case Credits within any 2-consecutive-Month period.

**Qualifying Operating Company:** Any Operating Company that is being used as the Operating Company of Qualification for the Chairman's Bonus Incentive.

**Recognized Manager:** (see 5.01)

**Region:** The region in which the FBO's Home Country is located. Regions include North America, Latin America, Africa, Europe, and Asia.

**Responsored FBO:** an FBO who has changed his/her Sponsor after 12 Months of no activity.

**Retail Customer:** One who purchases FLP products through authorized channels and has not yet applied to be a Preferred Customer.

**Retail Profit:** 30% of the SRP of online Retail Sales.

**Sales Level:** any of various levels achieved by the cumulative Case Credits of the FBO and his/her Downline. These include Assistant Supervisor, Supervisor, Assistant Manager and Manager.

**Sponsor:** an FBO who personally signs up another FBO.

**Sponsored Manager:** (see 5.03)

**SRP:** Suggested Retail Price

**Suggested Retail Price (SRP):** The price, not including taxes, at which the Company recommends that products be sold to Retail Customers. It is upon this price that all bonuses and Earned Discounts are calculated.

**Transferred Manager:** (see 5.04)

**Upline:** the FBOs in the upline genealogy of an FBO.

**Unrecognized Manager:** (see 5.02)

**VB:** Volume Bonus

**Waiver:** awarded to the FBO who completes certain requirements to qualify for bonuses in one Operating Company that is accepted in lieu of those requirements for the following Month in all other Operating Companies.

(a) **Activity Qualification Waiver:** an FBO who is Active with 4 Active Case Credits in his/her Home Operating Company will receive an Activity Waiver for the following Month in all other Operating Companies.

(b) **Leadership Bonus Qualification Waiver:** a Recognized Manager who is Active, or has received an Activity Qualification Waiver, and fulfills the Open Group CC Leadership Bonus requirement in any single Operating Company during the current Month will receive a Leadership Bonus Waiver for the following Month in all other Operating Companies.

**Webstore:** the official online shopping site located at www.foreverliving.com

## 3 Preferred Customer

3.01 The Preferred Customer is solely a consumer of FLP products.

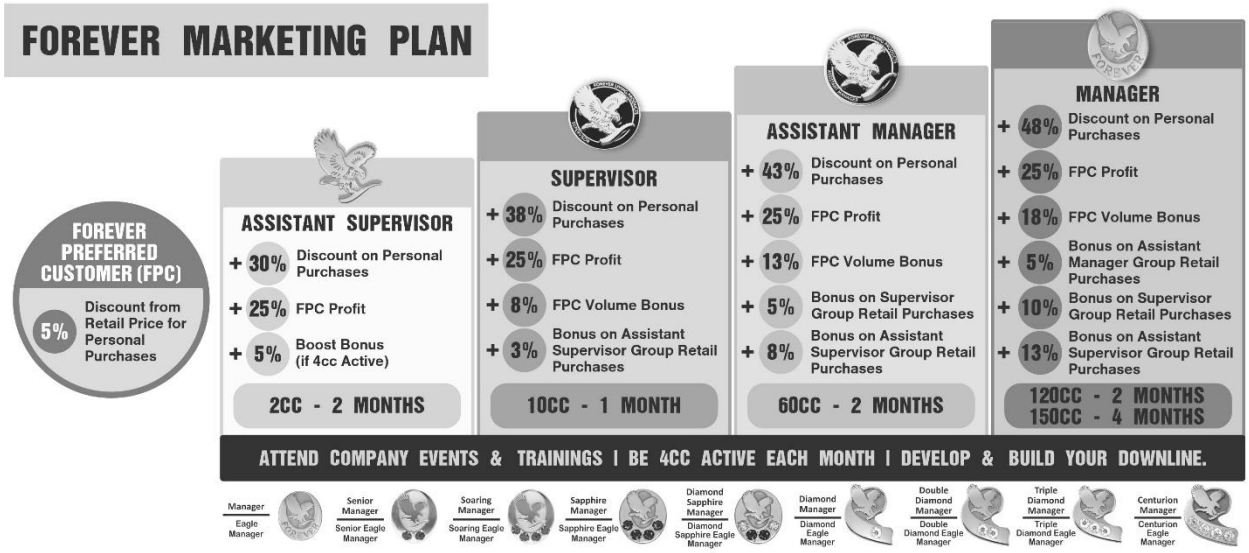
3.02 The Preferred Customer purchases product at a 5% discount off the Suggested Retail Price (SRP).

3.03 A Preferred Customer can Opt-in to the Marketing Plan as a Forever Business Owner (FBO) at any time and can continue to purchase products at a 5% discount off the Suggested Retail Price (SRP).

3.04 When the Preferred Customer generates 2CC within any 2-consecutive-Month period, he/she is entitled to a 30% discount on subsequent orders and can Opt-in to the Marketing Plan as an FBO at the Assistant Supervisor level.

## 4 Bonus Structure / Marketing Plan

4.01 Upon Opting-in to the Marketing Plan, the FBO has the right to sell FLP products and sponsor Retail/Preferred Customers and FBOs to sell FLP products. The combined sales volume (measured in Case Credits or CC) generated by the FBO and his/her subsequent downline organization qualifies the FBO to receive Sales Level promotions, and increased Discounts and Bonuses as outlined below:



(a) **Assistant Supervisor** is achieved by generating a total of 2 Open Group Case Credits in any single Operating Company within any 2 consecutive Months. The Assistant Supervisor receives:

- 30% Discount on personal orders.
- 30% Retail Profit on online Retail Sales.
- 25% Preferred Customer Profit on the Purchases of personally sponsored Preferred Customers who are purchasing at a 5% discount.

The Active Assistant Supervisor also receives:

- 5% Personal Bonus on personal orders and online Retail Sales
- 5% Preferred Customer Bonus on the purchases of personally sponsored Preferred Customers.
- 5% Personal and Preferred Customer Bonuses forfeited by inactive downline Assistant Supervisors.

(b) **Supervisor** is achieved by generating a total of 10 Open Group Case Credits within any Month. The Supervisor receives:

- 30% Discount plus 8% Earned Discount on personal orders.
- 30% Retail Profit plus 8% Personal Bonus on online Retail Sales.
- 25% Preferred Customer Profit plus 8% Preferred Customer Bonus on the Purchases of personally sponsored Preferred Customers who are purchasing at a 5% discount.
- 8% Preferred Customer Bonus on the Purchases of personally sponsored Preferred Customers who are purchasing at a 30% discount.

The Active Supervisor also receives:

- 3% Volume Bonus on the Personal Accredited Sales of personally sponsored Assistant Supervisors and their Downlines.
- 5% Personal and Preferred Customer Bonuses forfeited by inactive downline Assistant Supervisors.

(c) **Assistant Manager** is achieved by generating a total of 60 Open Group Case Credits within any 2 consecutive Months. The Assistant Manager receives:

- 30% discount plus 13% Earned Discount on personal orders.
- 30% Retail Profit plus 13% Personal Bonus on online Retail Sales.
- 25% Preferred Customer Profit plus 13% Preferred Customer Bonus on the Purchases of personally sponsored Preferred Customers who are purchasing at a 5% discount.
- 13% Preferred Customer Bonus on the Purchases of personally sponsored Preferred Customers who are purchasing at a 30% discount.

The Active Assistant Manager also receives:

- 5% Volume Bonus on the Personal Accredited Sales of personally sponsored Supervisors and their Downlines.
- 8% Volume Bonus on the Personal Accredited Sales of personally sponsored Assistant Supervisors and their Downlines.

- 5% Personal and Preferred Customer Bonuses forfeited by inactive downline Assistant Supervisors.

(d) **Manager** is achieved as soon as 120 Open Group Case Credits are generated within 1 or 2 consecutive Months, or 150 Open Group Case Credits within 3 or 4 consecutive Months. The Manager receives:

- 30% discount plus 18% Earned Discount on personal orders.
- 30% Retail Profit 18% Personal Bonus on Online Retail Sales.
- 25% Preferred Customer Profit plus 18% Preferred Customer Bonus on the Purchases of personally sponsored Preferred Customers who are purchasing at a 5% discount.
- 18% Preferred Customer Bonus on the Purchases of personally sponsored Preferred Customers who are purchasing at a 30% discount.

The Active Manager also receives:

- 5% Volume Bonus on the Personal Accredited Sales of personally sponsored Assistant Managers and their Downlines.
- 10% Volume Bonus on the Personal Accredited Sales of personally sponsored Supervisors and their Downlines.
- 13% Volume Bonus on the Personal Accredited Sales of personally sponsored Assistant Supervisors and their Downlines.
- 5% Personal and Preferred Customer Bonuses forfeited by inactive downline Assistant Supervisors.

(e) Case Credits from multiple Operating Companies may be combined for move up to Supervisor, Assistant Manager and Manager. The level of Assistant Supervisor can only be achieved with case credits generated in a single Operating Company.

(f) Case Credits from multiple Operating Companies cannot be combined for Incentive qualifications except for Global Rally and the New Case Credit requirement for Eagle Manager and Chairman's Bonus.

(g) One month or two consecutive months may be used to accumulate the Case Credits necessary to achieve the levels of Assistant Supervisor, Supervisor, Assistant Manager or 120cc Manager; and three or four consecutive months may be used to accumulate the Case Credits necessary to achieve the 150cc Manager. If the Case Credits for move-up are generated in a single Operating Company, the resulting move-up shall occur in that Operating Company on the exact date that sufficient Case Credits are accumulated, and on the 15$^{th}$ of the month following in all other Operating Companies. If the Case Credits for move-up are generated in multiple Operating Companies, the move-up shall occur in all Operating Companies on the 15$^{th}$ of the following month (with retroactive effect to the 1$^{st}$ of that month) after sufficient Case Credits are accumulated.

(h) An FBO who moves up to Recognized Manager as outlined in Section 4.01, shall be classified as either a Sponsored Manager or a Transferred Manager as follows:

1) If the 120 or 150 Case Credits are generated in a single Operating Company, and the FBO is Active in his/her Home Operating Company during the move up period, the FBO shall be classified as a Sponsored Manager in both the Operating Company in which the 120 or 150 Case Credits were generated, and in his/her Home Operating Company; and as a Transferred Manager in all other Operating Companies.

2) If the 120 or 150 Case Credits are generated in multiple Operating Companies, the FBO shall be classified as a Sponsored Manager in his/her Home Operating Company; and as a Transferred Manager in all other Operating Companies.

(i) The Case Credits from the purchase of any Retail or Preferred Customer will count toward the Activity requirement (4cc) of his/her assigned FBO, but only in the Operating Company in which the purchase was made.

(j) A Sponsor receives full case credits of any personally sponsored Retail or Preferred Customer and ensuing Downline group until that Retail or Preferred Customer achieves the Manager level. Subsequently, if the Sponsor is Leadership Bonus Qualified (LBQ), he/she receives Leadership Case Credits equal to 40% of the Open Group Case Credits of the first LBQ Manager down each sponsorship line, 20% of the Open Group Case Credits of the second LBQ Manager down each sponsorship line, and 10% of the Open Group Case Credits of the third LBQ Manager down each sponsorship line.

(k) An FBO will not pass up the Sponsor on the way to achieving any Sales Level.

(l) There is no re-qualifying for a Sales Level once it is earned unless the Forever Business is terminated or the FBO is Responsored.

4.02 **Preferred Customer 6-month Policy**

(a) A Preferred Customer is eligible to choose a new Sponsor after being a Preferred Customer for 6 full Processing Months, beginning with the month following the date on which the request to join was processed.

(b) A Preferred Customer who chooses a new Sponsor will count as newly sponsored for all applicable incentives.

4.03 **Activity Qualification**.

(a) To qualify for Volume and Leadership Bonuses and all Incentives, an FBO must be Active and meet all other requirements of the Marketing Plan during the calendar month in which the bonuses were accrued.

(b) To be considered Active for the Month in his/her Home Operating Company, an FBO must have a Total of 4 Active Case Credits in the Home Operating Company during that Month. To be considered Active for the Month in a Foreign Operating Company, he/she must have qualified as

Active in the Home Operating Company during the previous Month; or have a Total of 4 Active Case Credits in that Foreign Operating Company during that Month.

(c) Assistant Supervisors who do not achieve Active status will not be paid a Personal Bonus or a Preferred Customer Bonus that month. Supervisors, Assistant Managers and Managers who do not achieve Active Status will not be paid a Volume Bonus that month. Any Bonuses accrued by an FBO who is not Active during the Month will be paid upline to Active FBOs as per the marketing plan.

(d) An FBO who forfeits any Bonus may re-qualify the following month (with no retroactive application) as an Active FBO.

4.04 **Bonus and Profit Calculations and Payments.**

(a) All bonuses are calculated on the Suggested Retail Price (SRP) as set forth in the FBO's monthly recap.

(b) Discounts and Bonuses are calculated according to the level attained at the time an order is accepted. Higher Discounts and Bonuses are effective on the date of move-up to a higher level.

(c) An FBO does not receive a Volume Bonus on any FBO in his/her sponsored group who is at the same level in the marketing plan. However, he/she will receive full Case Credits from such sources for Sales Level advancement and other incentives.

(d) Bonuses are paid on the fifteenth of the month following that in which product was purchased from the Company. Example: bonuses for January purchases are paid on February 15th.

(e) Profits generated by online purchases by Preferred Customers, and Net Retail Profits (Retail Profit less shipping fees) generated by online purchases by Retail Customers, are deposited to the FBO's Global Pay on the first banking day following the 10th, 20th, and last day of the month.

(f) Any 3rd-party charges or fees accrued on payments made to an FBO outside the Country in which the Profits/Bonuses are earned will be the responsibility of the FBO.

(g) An FBO Support Fee is collected from qualifying Assistant Supervisors and above, but no out-of-pocket payment is required.

4.05 **FBO 24-Month Policy:**

(a) An FBO who has not achieved any of the following, during any consecutive twenty-four (24) month period, will be reclassified as a Preferred Customer, retains their current discount level, and will forfeit all sponsored downlines to his/her first upline FBO:

1) held the status of Supervisor or higher for at least one month,

2) sponsored at least one other FBO or Preferred Customer, or

3) earned commissions and/or bonuses.

(b) The Preferred Customer who was reclassified can Opt-in to the Marketing Plan as a FBO at any time and is reinstated to his/her pre-reclassification Sales Level.

4.06 **Record Retention:**

(a) Any FBO (below Manager level), Preferred Customer, or Retail Customer who has no account activity (including, but not limited to, Accredited Sales, product purchases, sponsoring, or earning of commissions and/or bonuses) during any consecutive seven (7) year period, will be deemed inactive and have their data removed or obfuscated from the Company's system in accordance with our Record Retention Policy.

4.07 **Pricing.**

(a) A Retail Customer purchases at the Suggested Retail Price.

(b) A Preferred Customer purchases at a 5% discount from the SRP. Once a Preferred Customer purchases the equivalent of 2CC within 2 consecutive calendar Months, his/her Pricing discount increases from 5% to 30%, effective with the next order. There will be no recalculation of orders wherein the 2CC requirement occurred mid-order.

(c) Once a Preferred Customer achieves the 30% Discount and Opts-In, he/she becomes an FBO at the Assistant Supervisor Level and, if 4CC Active, will receive an additional 5% bonus on personal orders, effective with the next order.

(d) Once an FBO meets the CC requirement for the next Sales Level (Supervisor, A/Manager, Manager), his/her Pricing discount increases to 38%, 43%, 48% respectively, effective with the next order. If the CC requirement occurs mid-order, the FBO will be paid a Personal Bonus of 8%, 13%, 18% respectively, based on the SRP of the portion of the order attributable to the new level achieved.

# 5 Manager Status and Qualifications

5.01 **Recognized Manager:**

(a) An FBO qualifies as a Recognized Manager and receives a gold Manager pin when

1) As soon as his/her entire group generates 120 Open Group Case Credits within 1-2 consecutive Months, or 150 Open Group Case Credits within 3-4 consecutive Months, and

2) If the Case Credits were all generated in a single Operating Company, the FBO must be Active in the same Operating Company each Month during the same period, or, if the Case Credits were generated in multiple Operating Companies, the FBO must be Active in his/her Home Operating Company each Month during the same period; and

3) When there are no other FBOs in his/her Downline who qualify as Manager during the same period.

(b) If an FBO's Downline FBO also qualifies as a Manager in any country during the same period, the FBO will be a Recognized Manager if

1) He/she is an Active FBO each Month during the same period, and

2) He/she has at least 25 Open Group Case Credits from all Operating Companies in the final Month of qualification from FBOs in Downlines other than that of the Manager moving up in the same Month.

5.02 **Unrecognized Manager:**

(a) As soon as an FBO generates 120 Open Group Case Credits within 1-2 consecutive Months, or 150 Open Group Case Credits within 3-4 consecutive Months, and the FBO does not meet the remaining requirements for Recognized Manager, he/she becomes an Unrecognized Manager.

(b) An Unrecognized Manager can qualify for the Earned Discount, Preferred Customer and Volume Bonuses but cannot qualify for Leadership Bonus or any other Manager incentive.

(c) An Unrecognized Manager can re-qualify as a Recognized Manager by meeting the following requirements:

1) Generate a total of 120 Open Group Case Credits within 1-2 consecutive Months, or 150 Open Group Case Credits within 3-4 consecutive Months, and

2) Be an Active FBO each Month during the same period.

3) The re-qualification period cannot start earlier than the last month of his/her Unrecognized Manager qualification

(d) If the re-qualification period starts the last month his/her Unrecognized Manager qualification, the Case Credits that were not associated with a Downline Manager move-up during the last Month of move up to Unrecognized Manager can be counted for the Recognized Manager qualification.

(e) From the date that an Unrecognized Manager has generated the required Open Group Case Credits, he/she becomes a Recognized Manager and will begin to accrue Leadership Bonuses and Leadership Case Credits on Accredited Sales if he/she is Leadership Bonus Qualified.

5.03 **Sponsored Manager:**

(a) A Manager becomes a Sponsored Manager to his/her immediate upline Sponsor by

1) Qualifying as a Recognized Manager, or

2) Qualifying as a Sponsored Manager from Inherited or Transferred Manager status.

(b) Beginning with the Month following qualification as a Sponsored Manager, he/she can be counted for his/her upline Manager's Gem

Manager Level and for any other incentive that requires Sponsored Managers.

5.04 **Inherited and Transferred Manager:**

(a) A Manager is considered Inherited if he/she is moved to a different Sponsor under the 12-month LBQ rule, or if his/her Sponsor is terminated or responsors. In such a case, he/she becomes an Inherited Manager to his/her new Sponsor.

(b) A Manager is considered Transferred according to Policy outlined in Section 4.01(h) until he/she requalifies as a Sponsored Manager on a Country-by-Country basis.

(c) Inherited and Transferred status does not affect the Volume Bonus or Leadership Bonus paid to any Manager or to his/her upline.

(d) An Inherited or Transferred Manager does not count for the upline Manager's Case Credit reduction for the Earned Incentive Program, or Gem Manager Level.

(e) An Inherited or Transferred Manager can re-qualify as a Sponsored Manager on a Company-by-Company basis by meeting the following requirements:

1) Generate a total of 120 Open Group Case Credits in the Operating Company where he/she is requalifying as a Sponsored Manager within any 1-2 consecutive Months (or 150 Open Group Case Credits within any 3-4 consecutive Months). The re-qualification process can begin with the Month prior to the Month of Transfer.

2) During the re-qualification period, be an Active FBO in his/her Home Country or generate 4 Active Case Credits in the Country where he/she is achieving Sponsored Manager status.

# 6 Leadership Bonus

6.01 After an FBO becomes a Recognized Manager, he/she can qualify for Leadership Bonuses by developing and supporting Downline Managers, and by continuing to sponsor and train FBOs.

6.02 (a) A Recognized Manager who is Active and has 12cc Open Group (or has Activity and Leadership Bonus Waivers) in any Single Operating Company during the current Month is considered Leadership Bonus Qualified (LBQ) in that Single Operating Company during that Month. Pass-Thru Case Credits do not count toward this qualification.

(b) The Open Group requirement (not including Pass-Thru Case Credits) is reduced to 8 Open Group CC if the Manager had 2 downline Active Recognized Managers, each in separate downlines, who each had 25 Total Case Credits during the previous Month. It is further reduced to 4 Active Case Credits if he/she had 3 downline Active Recognized Managers, each in separate downlines, who each had 25 Total Case Credits during the previous Month.

6.03 (a) A Leadership Bonus, based on the total SRP of a Manager's Open Group Accredited Sales of the qualifying month, is paid to his/her upline Leadership Bonus Qualified Managers at the following rates:

1) 6% is paid to the first upline LBQ Manager.
2) 3% is paid to the second upline LBQ Manager.
3) 2% is paid to the third upline LBQ Manager.

6.04 (a) A Manager who is not Active in any Operating Company for three consecutive Months loses eligibility to qualify for Leadership Bonus, even if he/she has no downline Managers.

(b) Leadership Bonus eligibility can be regained by meeting the following requirements in any single Operating Company:

1) Generate a total of 12 Open Group Case Credits each Month for three consecutive Months (even if he/she does not have any downline Managers).
2) Be Active each Month for the same period.

(c) Upon regaining eligibility, Leadership Bonus will accrue each month the Manager is LBQ thereafter, beginning with the fourth Month, which will be paid on the 15th of the fifth month.

6.05 (a) A Manager who is not LBQ at least once in the previous twelve consecutive months, and who is not in the process of regaining Leadership Bonus eligibility, will permanently forfeit all downline Manager lines.

(b) A forfeited Manager line will become an Inherited Manager to the first Leadership Eligible Manager upline from his/her original Sponsor.

## 7 Additional Incentives

7.01 (a) All Company incentive programs are intended to promote sound business building principles. This includes the proper sponsoring and selling of products in usable, resalable quantities. Incentive points and prizes are not transferable and will be awarded only to the FBO who qualifies by building the business in accordance with the letter and spirit of the FLP Marketing Plan and Company Policies and the Code of Professional Conduct.

7.02 (a) Recognition pins will be awarded only to the person(s) whose names appear on the Forever Business Owner Application Form on file at the Home Office.

7.03 (a) In the event an FBO's spouse does not attend an Earned Trip, the FBO may bring a guest provided that the guest is 14 years of age or older.

(b) Earned Trips are limited to the following: Global Rally, Eagle Manager Retreat, and Sapphire thru Platinum Centurion trips.

(c) The Sapphire thru Platinum Centurion trips must be taken within 24 months of qualification.

## 8 Manager and Beyond Awards

8.01 (a) A Manager can combine 1st Generation Sponsored Recognized Managers from all countries for the purpose of being recognized as Senior through Platinum Centurion Manager. However, each 1st Generation Manager can only be counted once.

8.02 (a) All recognition pins for Manager level and above are awarded only at a Company-approved recognition meeting.

8.03 (a) **Recognized Manager:** when an FBO qualifies under the requirements as set forth in 5.01, he/she is recognized as Recognized Manager and receives a gold pin.

8.04 **Eagle Manager Status:**

(a) Eagle Manager Status is earned and renewed each year. A Manager can qualify by meeting the following requirements during the qualification period of May through April, after qualifying as a Recognized Manager:

1) Be Active every month, either in the Home OC or in the Qualifying OC.

2) Be Leadership Bonus Qualified (even if he/she does not have any Manager Lines). Case Credits generated during the months he/she is not Leadership Bonus Qualified will NOT count toward this incentive.

3) Globally accumulate at least 720 Total Case Credits, including at least 100 NEW Case Credits.

4) Support local and regional meetings

The following requirement can be met during the qualification period of May through April, before or after qualifying as a Recognized Manager:

5) Personally sponsor and develop at least 3 new Supervisor lines in any Operating Company.

(b) In addition to the requirements listed above, Senior Managers and above must also develop and maintain Eagle Manager Lines, as outlined in the following schedule. Each Eagle Manager Line must be in a separate sponsorship line, without regard to how many generations down [see 8.04(d) below] and can be in any Operating Company. This requirement is based on the Manager position qualified for at the beginning of the qualification period.

Gem Managers (i.e., Sapphire & higher) may qualify as Eagle at a lower Level, but not lower than Soaring. For example, if a Diamond Manager has 3 Eagle Manager Lines, then he/she qualifies, and will be referred to as a Diamond Manager who is Eagle Qualified.

| | |
|---|---|
| Senior: | 1 Eagle Manager Line |
| Soaring: | 3 Eagle Manager Lines |
| Sapphire: | 3-5 EM Lines (Eagle Qualified)<br>6-9 EM Lines (Sapphire Eagle Mgr) |
| D/Sapphire: | 3-9 EM Lines (Eagle Qualified)<br>10-14 EM Lines (Diamond/Sapphire Eagle Mgr) |
| Diamond: | 3-14 EM Lines (Eagle Qualified)<br>15-24 EM Lines (Diamond Eagle Mgr) |
| D/Diamond: | 3-24 EM Lines (Eagle Qualified)<br>25-34 EM Lines (Double Diamond Eagle Mgr) |
| T/Diamond: | 3-34 EM Lines (Eagle Qualified)<br>35-44 EM Lines (Triple Diamond Eagle Mgr) |
| D/Centurion: | 3-44 EM Lines (Eagle Qualified)<br>45+ EM Lines (Diamond Centurion Eagle Mgr) |
| P/Diamond: | 3-54 EM Lines (Eagle Qualified)<br>55+ EM Lines (Platinum Diamond Eagle Mgr) |
| PD/Diamond: | 3-64 EM Lines (Eagle Qualified)<br>65+ EM Lines (Platinum Double Diamond Mgr) |
| PT/Diamond: | 3-74 EM Lines (Eagle Qualified)<br>75+ EM Lines (Platinum Triple Diamond Mgr) |
| P/Centurion: | 3-84 EM Lines (Eagle Qualified)<br>85+ EM Lines (Platinum Centurion Mgr) |

(c) Responsored FBOs are included in the new Supervisor and NEW Case Credit requirements.

(d) A Manager can combine Eagle Manager Lines from various Operating Companies for the purpose of achieving Eagle Manager status. If a Manager has sponsored the same FBO into multiple Countries, he or she can count a maximum of one (1) Eagle Manager Line under that FBO per Operating Company, but no downline Eagle Manager can be counted more than once.

(e) If an FBO achieves Manager during the qualification period:

1) Any Preferred Customers he/she sponsored during the final month of move-up will count toward the new Supervisor requirement for that qualification period's Eagle Manager Program.

2) The Eagle Manager requirements are NOT prorated; rather, he/she needs to accomplish the 720-Total/100-NEW Case Credits and the 3-new Supervisors during the remainder of the qualification period after achieving Manager Level.

(f) Upon completion of all requirements to achieve Eagle Manager Status, the FBO will be awarded an Earned Trip to attend an Eagle Manager Retreat. The Qualifying FBO may select one location from the two determined by the company. This will include:

1) Airfare for two and three night's lodging.
2) An invitation to the exclusive Eagle Manager's Training.
3) Access to all events relating to the Eagle Manager's Retreat.

The FBO must designate the desired location by May 31 following the qualification period, or permanently forfeit his/her attendance at either Retreat.

(g) An FBO who qualifies as Sapphire, Diamond-Sapphire, or Diamond Eagle will automatically be qualified for the 1%, 2%, or 3% Gem Bonus, respectively, in any single Operating Company, for each of the twelve months beginning with May in which he/she is LBQ.

(h) An FBO can qualify in only one Country. If he/she meets the requirements in multiple Countries, the Country in which he/she has the highest Total Case Credits will be considered the Qualifying Country.

8.04.1 **Global Leadership Team**

(a) Membership in the Global Leadership Team is earned and renewed each year by generating 7,500 Total Case Credits, including at least 50 New Case Credits, during the calendar year after qualifying as a Recognized Manager.

(b) Managers achieving the Global Leadership Team will become members of the GLT for 1 calendar year beginning on January 1 of the year following their qualification, be invited to an exclusive global retreat, and will receive Recognition and Awards at the Global Rally.

(c) Managers must attend the Global Rally to receive Global Leadership Team Awards.

8.05 **Manager Recognition -** A Recognized Manager may qualify for Manager recognition in one of two ways, which cannot be combined.

(a) Accumulate First-Generation Sponsored Recognized Managers; or

(b) Accumulate Eagle Manager Downlines.

(c) Only Eagle Manager downlines developed during years in which the qualifying Manager achieved Core Requirements and that had not qualified and counted under another Eagle Manager in a previous period, will count toward his/her accumulated total. The qualifying Manager must achieve the following Core Requirements during May-April, after qualifying as a Recognized Manager:

1) Be Active every month, either in the Home OC or in the Qualifying OC.

2) Be Leadership Bonus Qualified (even if he/she does not have any Manager Lines). Case Credits generated during the months he/she is not Leadership Bonus Qualified will NOT count toward this incentive.

3) Globally accumulate at least 720 Total Case Credits, including at least 100 NEW Case Credits.

4) Support local and regional meetings

5) Personally sponsor and develop at least 3 new Supervisor lines in any Operating Company.

(d) There is no time limit for the required accumulation of Managers or Eagle Manager Downlines.

(e) A Manager who achieves the Core Requirements during the qualification period can retroactively count Eagle Manager Downlines from each previous qualification period in which he/she also met the Core requirements.

(f) Each Eagle Manager Downline can only be counted once by each upline qualifying Manager.

(g) A Recognized Sponsored Manager who has been removed from the Company's database through Termination or Responsorship will continue to count toward his/her previous Sponsor's Manager pin level.

8.06 **Senior Manager**

a) Accumulate 2 First-Generation Sponsored Recognized Managers; or

b) Accumulate 1 Eagle Manager Downline.

c) The Senior Manager will be awarded a gold pin with 2 garnets.

8.07 **Soaring Manager**

a) Accumulate 5 First-Generation Sponsored Recognized Managers; or

b) Accumulate 3 Eagle Manager Downlines.

c) The Soaring Manager will be awarded a gold pin with 4 garnets.

8.08 **Sapphire Manager**

a) Accumulate 9 First-Generation Sponsored Recognized Managers; or

b) Accumulate 6 Eagle Manager Downlines.

c) The Sapphire Manager will be awarded

1) A gold pin with 4 sapphires, and an all-expense-paid trip to a resort within the Region.

2) A personalized award plaque.

8.09 **Diamond-Sapphire Manager**

a) Accumulate 17 First-Generation Sponsored Recognized Managers; or

b) Accumulate 10 Eagle Manager Downlines.

c) The Diamond-Sapphire Manager will be awarded

1) A gold pin with 2 diamonds and 2 Sapphires, and an all-expense-paid trip to a luxury resort within the Region.

2) A personalized award plaque.

8.10 **Diamond Manager**

a) Accumulate 25 First-Generation Sponsored Recognized Managers; or

b) Accumulate 15 Eagle Manager Downlines.

c) The Diamond Manager will be awarded

1) A gold pin with 1 large diamond, a beautifully designed diamond ring, and an all-expense-paid trip to attend the Company's Level Up incentive.

2) A waiver of case volume requirements for Volume, Leadership, and Forever2Drive Bonuses, provided a minimum of 25 1st Generation Sponsored Recognized Managers are Active each month.

3) A personalized plaque containing the names of the Managers who made the advancement possible.

8.11 **Double Diamond Manager**

a) Accumulate 50 First-Generation Sponsored Recognized Managers; or

b) Accumulate 25 Eagle Manager Downlines.

c) The Double Diamond Manager will be awarded

1) A gold pin with 2 large diamonds, an exclusive pen accessorized with diamonds, and an all-expense-paid trip to South Africa or equivalent destination.

2) A personalized plaque containing the names of the Managers who made the advancement possible.

8.12 **Triple Diamond Manager**

a) Accumulate 75 First-Generation Sponsored Recognized Managers; or

b) Accumulate 35 Eagle Manager Downlines.

c) The Triple Diamond Manager will be awarded

1) A gold pin with 3 large diamonds, an exclusive personalized watch, and an all-expense-paid trip around the world.

2) A personalized plaque containing the names of the Managers who made the advancement possible.

8.13 **Diamond Centurion Manager**

a) Accumulate 100 First-Generation Sponsored Recognized Managers; or

b) Accumulate 45 Eagle Manager Downlines.

c) The Diamond Centurion Manager will be awarded

1) A gold pin with 4 large diamonds and an all-expense-paid Business Class trip to the Hawaiian Islands or equivalent destination.

2) A professionally produced lifestyle business video.

3) A personalized plaque containing the names of the Managers who made the advancement possible.

8.14 **Platinum Diamond Manager**

a) Accumulate 125 First-Generation Sponsored Recognized Managers; or

b) Accumulate 55 Eagle Manager Downlines.

c) The Platinum Diamond Manager will be awarded

1) A platinum pin and an all-expense-paid Business Class trip to the Great Barrier Reef or equivalent destination.

2) A personalized plaque containing the names of the Managers who made the advancement possible.

8.15 **Platinum Double Diamond Manager**

a) Accumulate 150 First-Generation Sponsored Recognized Managers; or

b) Accumulate 65 Eagle Manager Downlines.

c) The Platinum Double Diamond Manager will be awarded

1) A platinum pin and an all-expense-paid Business Class trip to Bora Bora or equivalent destination.

2) A personalized plaque containing the names of the Managers who made the advancement possible.

8.16 **Platinum Triple Diamond Manager**

a) Accumulate 175 First-Generation Sponsored Recognized Managers; or

b) Accumulate 75 Eagle Manager Downlines.

c) The Platinum Triple Diamond Manager will be awarded

1) A platinum pin and an all-expense-paid Business Class trip to the Maldives/Seychelles or equivalent destination.

2) A personalized plaque containing the names of the Managers who made the advancement possible.

8.17 **Platinum Centurion Manager**

a) Accumulate 200 First-Generation Sponsored Managers; or

b) Accumulated 85 Eagle Manager Downlines.

c) The Platinum Centurion Manager will be awarded

1) A platinum pin and an all-expense-paid Business Class trip to a destination of the FBO's choice
2) A personalized plaque containing the names of the Managers who made the advancement possible

# 9 Gem Bonus

9.01 (a) A Leadership Bonus Qualified Gem Manager who, in the Country of Qualification, has the required number of Active 1st Generation Sponsored Managers during the current Month, or the required number of separate sponsored downlines with an Active Manager who has 25 or more Total Case Credits during the current Month, will receive a Gem Bonus based upon the SRP of the Open Group Accredited Sales of his/her First-, Second- and Third-Generation downline LBQ Managers as per the following schedule:

1) Sapphire Gem Bonus: Sapphire Managers and above can qualify for 1% by having 9 Active 1st Generation Sponsored Managers, or 9 Active Managers, each in a different downline, who generate 25 Total Case Credits.
2) Diamond-Sapphire Gem Bonus: Diamond-Sapphire Managers and above can qualify for 2% by having 17 Active 1st Generation Sponsored Managers, or 17 Active Managers, each in a different downline, who generate 25 Total Case Credits.
3) Diamond Gem Bonus: Diamond Managers can qualify for 3% by having 25 Active 1st Generation Sponsored Managers, or 25 Active Managers, each in a different downline, who generate 25 Total Case Credits.
4) Gem Bonus percentages are not cumulative. Gem Managers receive the highest percentage for which they have qualified.

(b) A Manager may count a foreign First-Generation Manager toward Gem Bonus qualification provided that the foreign Manager has qualified as a Sponsored Manager in the country in which the Manager is qualifying for Gem Bonus. After the foreign Manager qualifies as a Sponsored Manager, he/she will be counted by their Upline toward the Gem Bonus qualification during those months that the foreign Manager has an Activity Waiver from his/her Home Country.

(c) Gem Bonus is paid by each country based on the SRP of the Domestic Open Group Accredited Sales activity of Managers in that country. To qualify for a Gem Bonus from any country, a Manager must have the required number of Active First-Generation Sponsored Managers, or Active 25cc Manager Downlines, in that country for the month in which he/she is qualifying for Gem Bonus.

(d) An FBO who qualifies as Eagle with 6, 10 or 15 Eagle Manager Lines, will automatically be qualified for the 1%, 2%, or 3% Gem Bonus, respectively,

in his/her Home Country, for each of the twelve months beginning with May in which he/she is LBQ.

If a Gem Manager qualifies as Eagle at a level that is lower than his/her actual Gem Position (i.e. a Diamond Manager who qualifies as Eagle with 6 Eagle Manager Lines), he/she will receive the Gem Bonus payout percentage corresponding to his/her Eagle qualification, except for the months in which he/she qualifies for a higher payout percentage as per the Gem Bonus policy (see 9.01(a)).

# 10 Earned Incentive Program (Forever2Drive)

10.01 (a) An Active Recognized Manager is eligible to participate in the Earned Incentive Program.

(b) All Case Credit requirements for the Earned Incentive must be generated in a single Operating Company. AN FBO can qualify for this Incentive in multiple Operating Companies if he/she meets the Case Credit requirements within each Company.

(c) Three levels of the Earned Incentive Program are available:

1) Level 1: The Company will pay a maximum of $400 per month for a maximum of 36 consecutive Months.

2) Level 2: The Company will pay a maximum of $600 per month for a maximum of 36 consecutive Months.

3) Level 3: The Company will pay a maximum of $800 per month for a maximum of 36 consecutive Months.

(d) 3 consecutive months are required to qualify, as outlined in the following table:

EARNED INCENTIVE QUALIFICATION / MAINTENANCE REQUIREMENTS

| Month | Level 1<br>Total Case Credits | Level 2<br>Total Case Credits | Level 3<br>Total Case Credits |
|---|---|---|---|
| 1 | 50 | 75 | 100 |
| 2 | 100 | 150 | 200 |
| 3 | 150 | 225 | 300 |

(e) During the period of 36 Months immediately following qualification, the Manager will receive the maximum payment amount for the level achieved each Month that the Month 3 Case Credit requirement is maintained.

(f) If the Manager's Total Case Credits drop below the Month 3 requirement during any Month, that Month's Earned Incentive payment will be calculated at $2.66 times the Manager's Total Case Credits for that Month.

(g) If the Manager's Total Case Credits drop below 50 in any given month, the Earned Incentive for that month will not be paid. If in the subsequent months, the qualifying Manager's case credits increase to 50 or more, the Earned Incentive will be paid in accordance with the policy as set forth above.

(h) A Manager who has 5 personally sponsored Active Sponsored Recognized Managers during the 3rd qualification Month, or any Month during the 36-Month period, will have the Month 3 requirement reduced to 110, 175, or 240 Total Case Credits for levels 1, 2 or 3, respectively.

(i) For every 5 additional personally sponsored Active Sponsored Recognized Managers during the third qualification Month, or any Month during the 36-Month period, the Month 3 requirement will be reduced by an additional 40, 50 or 60 case credits for levels 1, 2 or 3, respectively.

(j) Case Credits will count toward the qualification and maintenance requirements only during the months in which the qualifying Manager is Active.

(k) Case Credits generated by an Active FBO before becoming a Recognized Manager will count toward the Earned Incentive qualification.

(l) After completing the third qualifying month for an Earned Incentive, a Manager may qualify for a higher Incentive at any time starting with the very next month. For example, if a Manager qualifies for level 1 in January, February, and March with 50, 100, and 150 CC, and then generates 225 CC in April, the Level 1 payment period would be replaced with a new 36-Month payment period for Level 2.

(m) At the end of the 36-Month period, a Manager may re-qualify for a new Earned Incentive using the same qualifications as outlined above. This requalification must be satisfied during any 3 consecutive Months within the last 6 Months of the original 36-Month payment period.

# 11 Chairman's Bonus

11.01 (a) **General**

1) Final acceptance into the Chairman's Bonus Incentive is subject to approval by the Executive Committee. The Executive Committee will consider all the provisions in the Company Policies and the Code of Professional Conduct.

2) An FBO can qualify in only one Operating Company (OC). If he/she meets the requirements in multiple OCs, the OC in which he/she has the highest Total Case Credits will be considered the Qualifying OC.

3) Chairman's Bonus Managers (CBMs) from various OCs are counted for the purpose of achieving Chairman's Bonus. An FBO can count a maximum of 1 CBM per sponsorship line, per OC. If a Manager has sponsored the same FBO into multiple OCs, he/she can count

a maximum of one 1 CBM under that FBO per Operating Company, but no CBM can be counted more than once.

4) A Responsored FBO counts toward all CBM and 600cc Manager requirements.

5) If an FBO achieves Manager during the qualification period, the Chairman's Bonus requirements are NOT prorated; the FBO needs to accomplish the Open Group/NEW Case Credits during the remainder of the qualification period after achieving Manager Level.

6) Pass-Thru Case Credits are not counted towards the Open Group Case Credit requirement; however, they are counted towards the Total Case Credit factor used in determining the payment amount.

(b) **Core Requirements for All Levels.** An FBO**,** after becoming a Recognized Manager, must fulfill all the following requirements in any single OC. They cannot be combined from different OCs.

1) Be Active every month.

2) Be Leadership Bonus qualified (even if he/she does not have any downline Managers). Case Credits generated during the months he/she is not Leadership Bonus qualified will NOT count toward this incentive.

3) The following requirements may be achieved in any OC :

a. Be qualified for the Earned Incentive Program.

b. Purchase products only after 75% of prior product inventory has been utilized.

c. Build the FLP business according to correct MLM principles and Company Policies and the Code of Professional Conduct.

d. Attend and support Company sponsored events.

(c) Chairman's **Bonus Manager (CBM) Level 1.** In addition to the Core Requirements, the following must be achieved in the Qualifying OC, unless otherwise noted:

1) Globally accumulate 700 Open Group Case Credits during the incentive period after becoming a Recognized Manager, the sum of which must include 150 NEW Case Credits. For purposes of calculating Incentive Shares, Case Credits generated outside the Qualifying OC will not be counted.

2) Develop one of the following in any generation:
a. A downline Recognized Manager that accumulates 600 or more Total Case Credits in any single OC during the incentive period after becoming a Recognized Manager. This Manager may be an existing Manager or newly developed during the incentive period.

Or,

b. A downline CBM in any OC.

3) The 600cc Manager's case credits will not be included when calculating the Incentive Shares.

4) Only case credits for the months the 600cc Manager qualifies as Active will count for this requirement.

5) A Responsored FBO counts toward all Level 1 requirements.

6) If an FBO achieves Manager during the qualification period, the Chairman's Bonus requirements are NOT prorated; the FBO needs to accomplish the 700 Open Group/150-NEW Case Credits during the remainder of the qualification period after achieving Manager Level.

(d) **Chairman's Bonus Manager (CBM) Level 2.** In addition to the Core Requirements, the following must be achieved in the Qualifying OC, unless otherwise noted:

1) Globally accumulate 600 Open Group Case Credits during the incentive period after becoming a Recognized Manager, the sum of which must include 100 NEW Case Credits. For purposes of calculating Incentive Shares, Case Credits generated outside the Qualifying OC will not be counted.

2) Develop 3 CBMs in any generation, each in separate downlines, in any Operating Company.

3) A Responsored FBO counts toward all Level 2 requirements.

4) If an FBO achieves Manager during the qualification period, the Chairman's Bonus requirements are NOT prorated; the FBO needs to accomplish the 600 Open Group/100-NEW Case Credits during the remainder of the qualification period after achieving Manager Level.

(e) **Chairman's Bonus Manager (CBM) Level 3**. In addition to the Core Requirements, the following must be achieved in the Qualifying OC, unless otherwise noted:

1) Globally accumulate 500 Open Group Case Credits during the incentive period after becoming a Recognized Manager, the sum of which must include 100 NEW Case Credits. For purposes of calculating Incentive Shares, Case Credits generated outside the Qualifying OC will not be counted.

2) Develop 6 CBMs in any generation, each in separate downlines, in any OC.

3) A Responsored FBO counts toward all Level 3 requirements.

4) If an FBO achieves Manager during the qualification period, the Chairman's Bonus requirements are NOT prorated; the FBO needs

to accomplish the 500 Open Group/100-NEW Case Credits during the remainder of the qualification period after achieving Manager Level.

(f) **Chairman's Bonus Incentive Calculation**.

1) A global bonus pool will be determined and then allocated as follows:

   a. One half of the pool will be paid to those who qualify in Levels 1, 2 and 3.

   b. One third of the pool will be paid to those who qualify in Levels 2 and 3.

   c. One sixth of the pool will be paid to those who qualify in Level 3.

2) The qualifying CBM will be awarded one Incentive Share for each of his/her Total Case Credits generated in the Qualifying OC plus the Incentive Shares generated by the first CBM in each of his/her sponsorship lines in any OC.

3) Each pool division will be divided by the grand total Incentive Shares of all CBMs who qualified for that pool division to determine the money factor for that division. This money factor will be multiplied by the Incentive Shares of each individual CBM to arrive at the payment amount of the Incentive.

(g) **Chairman's Bonus Global Rally Award**.

1) Chairman's Bonus Qualifiers who also qualify for the Global Rally at the 1K Level will be awarded an expense-paid trip to the FLP Global Rally to be recognized and receive his/her bonus. See Section 12.01 (f).

# 12 FLP Global Rally

12.01 (a) An FBO can qualify for a trip for two to the FLP Global Rally, including airfare, lodging, meal and activity allowances, and spending cash, by accumulating 1,500 or more Total Case Credits, including at least 50 New Case Credits, from January 1st thru December 31st of each year. To receive the benefits of this incentive, the qualifying FBO must attend (except where indicated "Not Attending) the training and motivational meetings of the first Global Rally after the qualifying period.

(b) In order to achieve the 500 Case Credit and higher Global Rally awards, an FBO may combine Case Credits from all the countries where he/she has a group.

(c) If the FBO is 4CC Active but not Leadership Bonus Qualified, only the Open Group Case Credits (not including Pass-Thru Case Credits) generated that Month will count for the Global Rally Awards; if the FBO is

not 4cc Active, only the Active Case Credits generated that Month will count for the Global Rally Awards.

(d) An FBO qualifies by generating Total Case Credits and receives Global Rally Awards, as outlined below. Each qualifying FBO will receive either meals provided by the Company, or a meal allowance proportionate to his/her qualification.

(e) Any FBO who accumulates 500 or more Case Credits but does not complete the remaining requirements will receive exclusive access to the Rally VIP Zoom Broadcast.

**GLOBAL RALLY EXPERIENCE**

(e) **500 Total Case Credits (0.5K)**

1) Exclusive online access to the Rally Experience.

(f) **Chairman's Bonus Manager Greater Than 1,000 Total Case Credits (CB>1K)**

1) Airfare, Lodging and meals for the Global CB Rally Experience
2) Spending allowance equivalent to $250 USD

(g) **1,500 Total Case Credits (1.5K) (Not Attending)**

1) $2,500 cash bonus

(h) **1,500 Total Case Credits (Including 50 New CC) (1.5K)**

1) Airfare, lodging and meals for the Global Rally Experience
2) Rally Spending allowance equivalent to $500 USD

(i) **2,500 Total Case Credits (including 50 New CC) (2.5K)**

1) Airfare, lodging and meals for the Global Rally Experience.
2) Rally Spending allowance equivalent to $1,000 USD.

(j) **3,500 Total Case Credits (including 50 New CC) (3.5K)**

1) Airfare, lodging and meals for the Global Rally Experience
2) Rally Spending allowance equivalent to $1,500 USD
3) Special local gift/amenity to enhance the Rally experience
4) Use of the VIP checkout in the Rally shopping area

(k) **5,000 Total Case Credits (including 50 New CC) (5K)**

1) Airfare, lodging and meals for the Global Rally Experience
2) Hotel Room upgrade, where possible
3) Rally Spending allowance equivalent to $2,000 USD
4) Special local gift/amenity to enhance the Rally experience
5) Use of the VIP checkout in the Rally shopping area

**GLT RALLY & SUMMIT EXPERIENCE**

(l) **7,500 Total Case Credits (including 50 New CC) (7.5K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Hotel room upgrade, where possible
3) Rally Spending allowance equivalent to $3,000 USD
4) Use of the VIP checkout in the Rally shopping area

(m) **10,000 Total Case Credits (including 50 New CC) (10K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience.
2) Business Class flight accommodation to/from the Rally and EMR, if qualified
3) Luxury Hotel Suite, where possible
4) Rally Spending allowance equivalent to $3,000 USD.
5) Use of the VIP checkout in the Rally shopping area

(n) **12,500 Total Case Credits (including 50 New CC) (12.5K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience.
2) Business Class flight accommodation to/from the Rally and EMR, if qualified
3) Luxury Hotel Suite, where possible
4) Rally Spending Allowance equivalent to $5,000 USD.
5) 2x Exclusive Louis Vuitton bags for first-time 12.5k qualifiers
6) Use of the VIP checkout in the Rally shopping area

(o) **15,000 Total Case Credits (including 50 New CC) (15K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Rally and EMR, if qualified
3) Luxury Hotel Suite, where possible
4) Rally Spending Allowance equivalent to $10,000 USD.
5) Use of the VIP checkout in the Rally shopping area
6) All-expense-paid trip to attend the Company's Level Up incentive

(p) **20,000 Total Case Credits (including 50 New CC) (20K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience.
2) Business Class flight accommodation to/from the Rally and EMR, if qualified
3) Luxury Hotel Suite, where possible
4) Rally Spending Allowance equivalent to $10,000 USD.

5) Business Development Allowance equivalent to $10,000 USD
6) Use of the VIP checkout in the Rally shopping area
7) All-expense-paid trip to attend the Company's Level Up incentive

(q) **25,000 Total Case Credits (including 50 New CC) (25K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Rally and EMR, if qualified
3) Luxury Hotel Suite, where possible
4) Rally Spending Allowance equivalent to $10,000 USD
5) Business Development Allowance equivalent to $15,000 USD
6) Use of the VIP checkout in the Rally shopping area
7) All-expense-paid trip to attend the Company's Level Up incentive

(r) **30,000 Total Case Credits (including 50 New CC) (30K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD
6) Business Development Allowance equivalent to $20,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

(s) **35,000 Total Case Credits (including 50 New CC) (35K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodations to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD
6) Business Development Allowance equivalent to $25,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

(t) **40,000 Total Case Credits (including 50 New CC) (40K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience

2) Business Class flight accommodation to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD
6) Business Development Allowance equivalent to $30,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

(u) **45,000 Total Case Credits (including 50 New CC) (45K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD
6) Business Development Allowance equivalent to $35,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

(v) **50,000 Total Case Credits (including 50 New CC) (50K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD
6) Business Development Allowance equivalent to $40,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

(w) **55,000 Total Case Credits (including 50 New CC) (55K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD

6) Business Development Allowance equivalent to $45,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

(x) **60,000 Total Case Credits (including 50 New CC) (60K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD
6) Business Development Allowance equivalent to $50,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

(y) **65,000 Total Case Credits (including 50 New CC) (65K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD
6) Business Development Allowance equivalent to $55,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

(z) **70,000 Total Case Credits (including 50 New CC) (75K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD
6) Business Development Allowance equivalent to $60,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

(aa) **75,000 Total Case Credits (including 50 New CC) (75K)**

1) Airfare, lodging and meals for the GLT Rally & Summit Experience
2) Business Class flight accommodation to/from the Global Rally and EMR
3) Luxury Hotel Suite, where possible
4) Invitation to the Eagle Managers Retreat
5) Rally Spending Allowance equivalent to $10,000 USD
6) Business Development Allowance equivalent to $65,000 USD
7) Use of the VIP checkout in the Rally shopping area
8) All-expense-paid trip to attend the Company's Level Up incentive

# 13 Ordering Procedures

13.01 (a) Preferred Customers and FBOs order directly from the Company at discounted prices.

(b) All orders with appropriate payment must be submitted to an authorized FLP product center, Customer Care at (888) 440-ALOE (2563), or via the Internet at www.foreverliving.com, by 11:59 p.m.(AZ time) on the last calendar day of the applicable Month to qualify for a bonus generated for that Month.

(c) All orders must be paid in full before processing. Acceptable forms of payment include credit card (Visa, MasterCard, Discover), PayPal, check, or money order.

(d) Any discrepancy in condition or quantities must be reported to Customer Care no later than 10 days after the date the order was placed.

(e) An FBO may not order more than 25 Case Credits in any calendar Month without prior Home Office approval.

(f) The minimum FBO order is 0.7 Case Credits.

(g) All orders are subject to, and all deliveries conditioned on, final acceptance by the Home Office of FLP. Receipt of bonus is evidence of acceptance by the Home Office.

(h) When ordering a product that was the subject of a prior order, the FBO is certifying to the Company that 75% of the prior order of that product has been sold, used or otherwise utilized.

(i) All orders are final. Exchanges and substitutions are not allowed.

(j) This is a standing instruction that refers as a set rule concerning stock that is not collected by an FBO.

1) All ordered stock must be collected within one month (30 days) from the date of purchase.

2) Any stock that is not collected within this time frame will be reallocated to moving stock, as a result, the FBO will forfeit the uncollected stock and will no longer be recoverable.

# 14 Responsoring Policies

14.01 (a) An existing FBO can responsor under a different Sponsor provided that, during the preceding 12 months, he/she has:

1) Been an FBO, and

2) Not purchased any FLP products, and

3) Not sponsored any other individuals into the FLP business.

(b) If there is a second-named person on the responsoring FBO Business, he/she will not be included as part of the responsored FBO Business. Such second-named person is then eligible to responsor under any FBO, having fulfilled the requirements listed in paragraph (a) of this section.

If the second-named person wishes to responsor under the first-named person of an FBO Business that is not being responsored, he/she may do so without having to fulfill the requirements listed in paragraph (a) of this section.

If the spouse of a legally married FBO who is not being responsored wishes to create his/her own Forever Business, he/she must do so by sponsoring directly under his/her spouse or directly under the spouse's Sponsor, without having to fulfill the requirements listed in paragraph (a) of this section.

(c) A responsored FBO begins again as a Preferred Customer under the new Sponsor and loses any downline acquired to that point in all countries into which he/she was previously sponsored. Any Case Credits generated before being responsored cannot be used for any future Level advancement or Incentive qualification.

(d) A responsored Preferred Customer counts as a newly sponsored Preferred Customer for all incentives and promotions.

(e) If the responsoring FBO is a Sponsored Recognized Manager and has any 1st Generation Recognized Managers in his/her organization, these Managers will be classified as Inherited Managers in the newly appointed Sponsor's 1st Generation.

(f) The responsoring Sponsored Recognized Manager will continue to count toward his/her previous Sponsor's Manager pin level.

14.02 (a) If an FBO has different Sponsors in Countries which are subsequently combined into a single Operating Company, he/she may do either of the following:

1) Relinquish the Forever Business and any existing downline in the Country into which he/she last sponsored, provided that he/she has not purchased product or sponsored anyone within the last 12

months in that Country; and retain the Forever Business under the Sponsor who is on his/her original Application Form. He/She will retain the current sales level attained in the Marketing Plan. The downline of the relinquished business will move up to the next upline Sponsor.

2) Retain the separate Forever Businesses; that of the original Sponsor will be the primary in which he/she qualifies as Active each month. Upon so qualifying, the secondary Forever Business will receive an Activity Waiver.

# 15 International Sponsoring Policies

15.01 (a) This policy affects all International Sponsoring after May 22, 2002.

(b) An FBO can be sponsored into a Country outside his/her Home Country by following the procedure outlined below:

1) The FBO must contact the Head Office of his/her Home Country, or the country into which he/she wishes to sponsor, and request to be internationally sponsored into the desired country.

2) The FBO's original ID number will be used in all countries into which he/she is internationally sponsored.

3) The FBO's sponsor will be the person who appears as the sponsor on his/her very first application form accepted by FLP, except in the case of a Responsorship or a Preferred Customer 6-month Sponsor change.

4) The FBO will automatically start at the current attained Sales Level in all countries into which he/she is internationally sponsored.

5) When an FBO achieves a Sales Level with Case Credits from a single Operating Company, it becomes effective in that Company immediately upon qualification and is reflected in all other countries the following month. If the FBO achieves a Sales Level (Supervisor, Assistant Manager, Manager only) with Case Credits combined from multiple Operating Companies, it becomes effective in all countries on the 15th of the month following the qualification.

6) Upon achieving Active status (4cc) in the Home Country, the FBO will be considered Active in all other countries the following month, regardless of the Sales Level he/she has achieved.

7) If an FBO who has not yet achieved Manager in his/her Home Country is moved up to Manager level in a foreign country, and there is no downline FBO who achieves Manager during the same move up period, he/she must be Active during each month of the move up period in order to be a Recognized Manager.

If, however, there is a downline FBO who achieves Manager during the same move up period, he/she must be Active during

each month of the move up period, and have at least 25 Open Group Case Credits during the final month of the move up period, either in the Home Country or in the country of move up from FBOs in Downlines other than that of the Manager moving up in the same Month in order to be a Recognized Manager.

8) When an FBO changes residence to a different country, he/she must notify the old country of residence so that the address can be changed, and a new Home Country assigned.

(c) A Preferred Customer can be registered and assigned to the same FBO in multiple countries, however the Case Credits of his/her purchases cannot be combined from multiple countries for qualification for the 30% discount or to Opt-in as an FBO.

# 16 Prohibited Activities

16.01 (a) The Executive Committee's decision to terminate a Forever Business or to disallow, realign or adjust the Earned Discount, Bonuses, Case Credits, compensation or any incentive awards for any FBO's involvement in activities or omissions that are not in conformance with Company Policies or the Code of Professional Conduct shall be final. Intentional acts of omission and disregard for the Company Policies or the Code of Professional Conduct by an FBO shall be severely dealt with which may include termination and legal action for damages.

16.02 Prohibited activities causing grounds for termination and liability for any damages caused by such acts include, but are not limited to, the following conduct:

(a) **Fraudulent Sponsoring.** An FBO is prohibited from sponsoring individuals without the knowledge of and execution of a Forever Business Owner Application and Agreement by such individuals; the fraudulent sponsoring of an individual as an FBO; or the sponsoring or attempted sponsoring of non-existent individuals as FBOs or Customers ("phantoms") to qualify for commissions or bonuses.

(b) **Bonus Buying.** An FBO is prohibited from ordering more product than required to meet immediate sales needs, and additional products may be purchased only after 75% of that product's inventory has been sold, consumed or otherwise utilized. An FBO is prohibited from purchasing products or encouraging other individuals to purchase products solely for the purpose of qualifying for bonuses, and from using any other mechanism by which strategic purchases are made to maximize commissions or bonuses when an FBO does not have a bona fide use for the products purchased. In order to ensure no inventory loading is occurring:

1) Each FBO who orders product that was the subject of a prior order shall also be confirming and certifying to the Company that 75% of the prior order of that product has been sold or otherwise utilized.

Each FBO should keep accurate records of monthly sales, which records can be subject to inspection by the Company upon reasonable notice. Such records will include reports reflecting inventory on hand at the end of the month.

2) The Company will be liberal in its application of the buy-back policy on termination of a Forever Business, but FLP will not repurchase products or issue refunds on products certified as having been consumed or sold. Falsely representing the amount of product sold or consumed in order to advance in the marketing plan shall be grounds for termination.

3) To discourage the FBO from encouraging other FBOs to circumvent the inventory loading prohibition, the Company will charge back to a terminated FBO's upline any bonuses paid on product returned from a terminating FBO.

(c) **Proxy Purchasing.** An FBO is prohibited from purchasing product in any other than his/her own name.

(d) **Selling to Another FBO.** In addition to retail activities, an FBO is prohibited from selling product to any FBO other than his/her personally-sponsored FBOs, but at not less than 30% discounted price. Any other sale to another FBO, either directly or indirectly, is a prohibited transaction for both the selling and the buying FBO. The equivalent Case Credit of such a prohibited sale shall not be allowed for purposes of meeting the Active requirement or qualification requirement for any other benefits within the Marketing Program. Resulting adjustments shall be made for this non-compliance.

(e) An FBO is prohibited from engaging in activities that are prohibited in all sections of 17.10, 19.02, and 20 as set forth herein.

(f) An FBO is prohibited from appearing in, being referenced in, or allowing the FBO's name or likeness to be featured or referenced in any promotional, recruiting or solicitation materials for another direct sales company.

(g) An FBO is prohibited from any action or failure to act which evidences intentional disregard and gross negligence of Company Policies or the Code of Professional Conduct.

(h) **Selling in Stores.**

1) Except as herein provided in this Section below, an FBO is prohibited from permitting Company products to be sold or displayed in retail stores, military PXs, swap meets, flea markets, or like exhibitions. However, exhibitions for a period of less than one week in a twelve-month period at the same venue are considered temporary and are therefore permitted after receiving written approval from the Home Office.

2) An FBO who has a service-oriented office, barber shop, beauty shop or health club is permitted to display and sell products within that office, shop, or club. However, exterior signs or window displays by such FBO to advertise the sale of Company products are prohibited.

3) An FBO is prohibited from selling or marketing Forever brand product except that it be in its original packaging. However, products may be promoted and served in restaurants by the glass or portion.

(i) **Using Unauthorized Literature.** The Company's prior written approval is required to use, produce, or sell any sales aid or materials, other than those provided by FLP.

1) An FBO is prohibited from promoting or selling any sales aids, training materials, websites or Apps not provided by FLP, except to FBOs within his or her own downline. Such materials offered for sale to his or her own downline must be approved by FLP and be sold at a reasonable price.

(j) **Selling Online.** An FBO is prohibited from transacting the sale of Forever product using any internet based sales channel other than the Company provided retail storefront at foreverliving.com or at an approved independent FBO website as defined in Section 17 herein..

(k) **Selling to Others for Resale.** An FBO is prohibited from selling FLP products to anyone for the purpose of resale or entrusting others to sell FLP products.

(l) **Sponsoring an FBO into Another Company.** An FBO is prohibited from, directly or indirectly, contacting, soliciting, persuading, enrolling, sponsoring or accepting any FBO, FLP customer or anyone who has been an FBO or Customer within the last twelve (12) months, into, or encouraging any such person in any way to promote opportunities in marketing programs of any direct sales company other than FLP.

(m) An FBO is prohibited from disparaging other FBOs, FLP's products/services, the Marketing and Compensation Plan, or FLP's employees to other FBOs or third parties. Any questions, suggestions or comments regarding these issues should be directed in writing to FLP's corporate offices only.

(n) **Making Product Claims.** FBOs may not make any representation, expressly or by implication, that Forever products can prevent, diagnose, treat or cure any disease or medical condition. Forever products that are intended to be ingested into the body are purely nutritional and/or nutritional supplements and are, therefore, regulated throughout the world as food. Forever products that are intended to be used on the body are regulated throughout the world as cosmetics. Forever does not produce or distribute any products that are to be considered or described as a medicine, treatment or cure.

(o) **Making Earnings Claims. Making Earnings Claims.** FBOs may not make any false or deceptive representation, expressly or by implication, regarding the amount or level of income that a prospective FBO can expect to earn. Such representations include, but are not limited to, representations and/or images used to show a dramatically improved, luxurious, or lavish lifestyle.

(p) **Operating Business by Proxy.** A Forever Business, and any resulting downline, created or operated by proxy, either intentionally or inadvertently, is prohibited, and shall be adjusted for compliance with Company Policies and the Code of Professional Conduct by the Executive Committee.

(q) **Exporting Product.** An FBO is prohibited from exporting products for commercial use to a country where said products are not registered, formulated, or labeled in accordance with jurisdiction and law of the country where FBO is attempting to export said products.

(r) **Advertising Price of Product**. An FBO is prohibited from any form of advertising of our products at any price below the Suggested Retail Price. This includes a stated price or any other pricing formula that reduces the price paid for any Forever product to below that of SRP.

(s) An FBO is prohibited from attempting in any manner to induce, coerce or persuade any other FBO to terminate his or her position, cease doing business or reduce his or her business building activities for any reason.

(t) **Improper Conduct.** Forever shall have the exclusive right to terminate an FBO's distributorship, without notice, if he/she engages in conduct that, in Forever's reasonable judgment:

1) is contrary to the spirit of Forever;
2) is unbecoming of a representative or FBO of Forever;
3) is or could be harmful to the interests of Forever; or
4) does or could bring Forever into disrepute.

Upon termination under this Section (t), FBO is forbidden from making derogatory or disparaging statements concerning Forever to any third party.

# 17 Company Policies

17.01 (a) The FBO relationship with FLP is one of a contractual nature. Only adult individuals, 18 years of age or older, may contract with FLP to be an FBO.

1) An FBO is allowed, subject to specific conditions, to register a closely held business entity to hold his/her Forever Business. A closely held business entity shall be defined as a business entity held by the original primary FBO, or if required by law or approved by FLP, two (2) shareholders, owners, members or trustees will be

allowed who must be directly involved in the day-to-day operation of the business (hereinafter referred to as the "Business Entity"). In addition to compliance with all of FLP standard Forever Business requirements and FLP Company Policies and the Code of Professional Conduct, the individual FBO(s) will be required to execute a Forever Business Entity Agreement, which shall supplement, be incorporated and considered part of, the Forever Business Owner Agreement, outlining the additional terms and conditions under which the FBO agrees to operate as a Business Entity. The Forever Business Entity Agreement can be obtained in the Forms and Downloads link available under My Business after signing in as an FBO at foreverliving.com.

2) The FBO is solely responsible for seeking individual professional advice regarding the establishment of a business entity, its tax effects and any other contingent legal issues. FLP explicitly disavows any responsibility and liability pertaining to an FBO's decision to operate his/her Forever Business as a Business Entity. FLP does not represent nor shall give any tax, accounting, or legal advice regarding assigning one's Forever Business to a Business Entity.

3) The Company shall not be liable for any loss of profit, indirect, direct, special, or consequential damages, and for any other losses incurred or suffered by an FBO as a result of transferring one's distributorship from his/her individual name to a business entity.

(b) An FBO is considered an Independent Contractor, and is required to conduct his/her business within the terms of the Forever Business Agreement, and in compliance with the Company Policies and the Code of Professional Conduct that are applicable in the country in which he/she is conducting business.

(c) A Forever Business consists of the person named on the Forever Business Owner Application form on file at the Home Office.

If the spouse of a legally married FBO wishes to create his/her own Forever Business, he/she must do so by sponsoring directly under his/her spouse or directly under the spouse's Sponsor.

If the spouse of a legally married Terminated FBO wishes to create his/her own Forever Business within one year of the date of termination, he/she must do so by sponsoring directly under the Terminated FBO's former Sponsor. However, if joining a year or more after the Termination, the spouse may choose any FBO as his/her Sponsor.

(d) An FBO shall be held responsible to properly manage his/her Forever Business, specifically, but not limited to, preventing family members from using information obtained through such Forever Business to circumvent compliance of Company Policies and the Code of Professional Conduct required or evolving from the Forever Business of the FBO. An FBO's

failure to properly manage his/her Forever Business may result in termination.

(e) In the event that the downlines of an FBO sponsor into a foreign country and the FBO has not previously been sponsored into that country, the FBO will be automatically sponsored into that foreign country and agrees to the prevailing policies and local laws of that foreign country and agrees to be bound by the dispute resolution policies set forth herein.

17.02 FLP agrees to sell the FBO product and pay volume bonuses as provided in the Company Marketing Plan, provided the FBO is not in violation of such FBO's contract with FLP.

17.03 An FBO may develop his/her own marketing techniques, so long as they are not in violation of any Company, state, federal or jurisdictional rules, regulations or statutes.

17.04 Any transfer other than by inheritance of a Forever Business, without prior Company approval, is prohibited and any such transfer shall be void. For the purpose of this provision, a change of beneficial interest of a Trust held Forever Business shall be treated as a transfer, which requires written approval by the Company to be valid.

17.05 Except as herein provided, an FBO is prohibited from, directly or indirectly, changing Sponsors. FLP will only consider the first valid Application received by the Home Office. Subsequent applications shall be disallowed.

17.06 When an FBO changes residence to a different country, he/she must notify the old country of residence so that the address can be changed, and a new Home Country assigned.

17.07 **Errors or Questions.** If an FBO has questions about or believes any errors have been made regarding the Earned Discount, bonuses, downline activity reports, charges, or changes, the FBO must notify FLP within sixty (60) days of the date of the purported error or incident in question. FLP is not responsible for any errors, omissions or problems not reported within sixty (60) days.

17.08 **Voluntary Termination.**

(a) An FBO may terminate his/her Forever Business by submitting a written request, signed by all named individuals appearing on the current approved Forever Business. The effective termination date is the date on which the Home Office accepts the termination request. The terminating FBO forfeits the current sales level and all downlines, including those in foreign countries, established at the time.

(b) Once an FBO terminates, the spouse (if on the same FBO Business) is also considered terminated.

(c) After 12 months, a terminated FBO may reapply subject to Home Office approval. Upon such approval, the FBO will enter as a Preferred Customer and will not have the previous downline organization restored.

(d) If the terminating FBO is a Sponsored Recognized Manager and has any 1st Generation Recognized Managers in his/her organization, these Managers will be classified as Inherited Managers to the newly appointed Sponsor.

(e) The Terminated Sponsored Recognized Manager will continue to count toward his/her previous Sponsor's Manager pin level.

17.09 **Termination or Suspension for Cause.**

(a) Termination means a severance of all domestic and international privileges and contractual rights available to an FBO, including the privilege to buy and distribute the products. The Termination will result in the inability to qualify for Bonuses, and severance of participation in all other benefit programs sponsored by the Company.

(b) A terminated FBO shall, upon demand by FLP, be liable to repay, return or compensate FLP for any benefit programs, prizes, inventories, or bonuses received from FLP from and after the date of the activities causing such Termination. After recouping any costs or damages resulting from the terminated FBO's conduct, forfeited bonuses, caused by such Termination, shall be paid to the next qualifying FBO upline who is not in violation of any of the Company Policies and the Code of Professional Conduct.

(c) After 12 months, a terminated FBO may reapply subject to Home Office approval. Upon such approval, the FBO will enter as a Preferred Customer and will not have the previous downline organization restored.

(d) Suspension is a temporary status that prohibits an FBO from placing orders, receiving profit and bonus payments, and sponsoring other FBOs.

(e) The profits and bonuses of a Suspended FBO shall be held until the FBO is either reinstated or terminated. If reinstated, the withheld payments shall be paid to the FBO; otherwise, they shall be disbursed in accordance to the marketing plan.

(f) If the terminated FBO is a Sponsored Recognized Manager and has any 1st Generation Recognized Managers in his/her organization, these Managers will be classified as Inherited Managers to the newly appointed Sponsor.

(g) The Terminated Sponsored Recognized Manager will continue to count toward his/her previous Sponsor's Manager pin level.

17.10 **Internet Policies.**

(a) **Selling Products Online**. In order to maintain the integrity of FLP's brand name, product line, and the FBO/Customer relationship, an FBO is offered the following Internet website options. First, an FBO may purchase a Company-approved FBO website, FLP360, for marketing products online using a direct link to the Company's Webstore at www.foreverliving.com . Online orders will be fulfilled directly by the Company on this website. This internet link is arranged so that the FLP pages will remain within the

FBO's website. The guests virtually never leave the FBO's website. In the alternative, an FBO may establish an "Approved FBO Website" pursuant to the additional terms and conditions enumerated in Exhibit 1, attached hereto and made part of this Company Policy.

(b) Sponsoring an FBO online via an electronic signature application or online form is prohibited outside of the direct application or link to the official Company website at www.foreverliving.com.

(c) **Electronic Advertising.** Independent FBO websites that have been approved by the Company or are as part of an online banner or display ads that conform to the Company's advertising guidelines and have been approved by Company, will be allowed. Online banners or display ads must be submitted to the Company for approval prior to posting online and must link a user to the Company website or an independent FBO website that has been approved by the Company. All electronic advertising is subject to and controlled by the Company Policies and the Code of Professional Conduct relating to advertising and promotional guidelines.

(d) **Additional Restrictions on Internet Use.** An FBO may not include any Company names or proprietary information (i.e. Forever Living Products, Forever trademarks or tradenames, FLP product names) in your online banners, display ads, and search engine advertisements (i.e. Google Ads) that may confuse visitors as to the identity of the source and/or create the perception in any way that the visitor is visiting the official Company website. You must clearly denote you are an independent Forever Business Owner and only link to your Forever replicated website https://abc.flp.com, where "abc" is the name chosen by the FBO to be their site or to an Approved FBO Website. The display URL or domain must match your landing page.

# 18 Legal

18.01 **Dispute Resolution/Waiver of Jury Trial.**

(a) If a controversy or claim arising out of or relating to the FBO relationship or FLP products cannot be resolved by negotiations, the Company and FBO agree that in order to promote to the fullest extent reasonably possible a mutually amicable resolution of the dispute in a timely, efficient and cost-effective manner, he/she will waive his/her respective rights to a trial by jury and settle the dispute by submitting the dispute to the South African Arbitration Association for binding arbitration in South Africa, in accordance with the written procedures adopted by FLP for resolution of disputes in accordance with the written Dispute Resolution Policy currently in effect and available on the Company's website at www.foreverliving.com. South Africa shall be deemed the sole and exclusive place for jurisdiction and venue of any dispute between the company and the FBO, and if appropriate, under FLP's dispute resolution procedures, a court of competent jurisdiction located in South Africa. The

Forever Business Owner Application and Agreement shall be governed in all respects by the laws of South Africa.

(b) Participating in the international sponsoring program is a privilege that gives each FBO the chance to benefit from FLP's international network of companies. The international sponsoring program is monitored from FLP's home office in Maricopa County, Arizona. An FBO participating in the international sponsoring program agrees and consents to any disputes arising out of or relating to the FBO relationship or FLP products, involving any of the FLP affiliated companies, shall be resolved through binding arbitration in Maricopa County, Arizona, pursuant to Forever Living.com and Forever Living Products International, LLC's current dispute resolution policies as set forth above and stated on FLP's Company website at www.foreverliving.com.

18.02 **Testamentary Transfers.**

(a) The transfer or assignment of a Forever Business is prohibited except in the event of death or legal separation or divorce.

(b) All Forever Business Owner Applications that contain two signatures, regardless of when signed, shall be treated as creating a Joint Tenancy with Right of Survivorship. If the FBO lives in a community property state, the treatment will be that of Community Property with Right of Survivorship. On the confirmation of death of any one of the two signing FBOs, the Forever Business will automatically be transferred to the survivor of the two. This will be the case regardless of what is stated in a Will of the first FBO to be deceased. In addition, this means that when two persons have signed on the Forever Business Owner Application the survivor of the two will be the sole FBO after the death of the first. If an FBO does not wish this result, they must contact the Home Office to express his/her needs and to determine if such needs can be accommodated. Keep in mind that no change in a Forever Business can be made during your lifetime except in the case of a legal separation or divorce.

(c) If the Distributor application of a legally married person has checked the marital status box as being Married, but the application only contains the signature of one of the married parties, the company will treat the Forever Business as being a Joint Tenancy with Right of Survivorship.

(d) Forever Business Owner applications that have the marital status box checked as being single and with only one signature will be treated by the company accordingly.

(e) To transfer a single person's Forever Business on death, such FBO must have a Will or use of a Grantor's Trust.

(f) The Company recognizes Joint Tenancy with Right of Survivorship and use of Grantor Trusts as legal means of holding a Forever Business and in the event of an FBO's death, a means of transferring the Forever Business to

the Survivor or named beneficiary respectively without having to go through probate proceeding to get the property to the intended heir.

(g) If the Forever Business is held in a Business Entity, the death of the primary shareholder will not remove the Forever Business from the Business Entity so long as the ownership of the Business Entity remains in conformity with Company policies governing ownership of such Business Entity. The transfer will be recognized by the Company when a court order or legal documents addressing the transfer are submitted to and approved by the Company.

(h) Within six (6) months following the date of FBO's death, the surviving FBO, trustee or estate representative shall provide notification of such death to his/her Domestic Home Office of FLP. Such notice is to include a certified copy of the death certificate, a certified copy of the Will or Grantor's Trust, or Court Order, authorizing the transfer of the Forever Business to a qualified successor. After six (6) months from the date of death, FLP may remove the deceased FBO from the Forever Business. Giving timely notification and providing the required documentation for a successor's interest, will be required to prevent a suspension and/or termination of the Forever Business. If based on valid reasons, a request for a reasonable extension of time to provide transfer documents may be submitted to the deceased FBO's FLP Domestic Home Office prior to the end of the six (6) month period. FLP reserves the right to make payments to the joint survivor, beneficiary, trustee or legally authorized personal representative of the estate of a deceased FBO pending the timely submission of appropriate legal documentation.

(i) The inheritable rights to a Forever Business are limited and restricted as follows:

1) The heir must be a person who can qualify as an FBO.

2) Because the heir must be an adult individual, a trust or guardianship may have to be established for multiple heirs or minor children. In the event a trust is established, a copy must be placed on file with FLP. Its terms must clearly allow the trustee to act as an FBO. A guardian or a trustee of a testamentary trust must be appointed by the court of proper jurisdiction and receive specific approval to be FBO on behalf of the minors.

3) A trustee or guardian shall retain the FBO status so long as the Forever Business Owner agreement is not violated, until the beneficiaries have attained the age of majority, and an heir accepts the responsibility of operating the Forever Business with prior approval of the court.

4) A trustee, guardian, spouse or other representative-type FBO shall be responsible for the actions of the beneficiary, ward, or his/her spouse for purposes of following the policy terms of the Forever Business Owner agreement. A violation of Company Policies and

the Code of Professional Conduct by any of the above individuals may result in termination of the Forever Business.

5) The inheritable Forever Business position within the Company Marketing Plan is limited to recognition at no higher than that of Manager. However, bonuses shall be paid at the same levels and requirements as held by the deceased. All Sponsored Managers belonging to the Forever Business will be reclassified as Inherited Managers, who can subsequently qualify as a Sponsored Managers as outlined in Section 5.04(e). Forever Business positions below Manager shall be inherited at that level.

18.03 **Transfers Due to Divorce.**

(a) During a pending divorce or negotiation of a property settlement, FLP will continue to disburse payments to the FBO as was done prior to the pending action.

(b) In the event of divorce or a legal separation, a legally enforceable property settlement agreement may decree the Forever Business be granted to one spouse or the other. The Forever Business cannot, however, be partitioned. Only one adult individual will be entitled to retain the current downline of this Forever Business. The other spouse may choose to establish their own Forever Business at the same level in the Marketing Plan, but no higher than Manager, as established with the ex-spouse. Such other spouse must be sponsored by the original sponsor, or by the ex-spouse. The other spouse's new Forever Business shall be treated by the sponsor as Inherited until re-qualified.

# 19 Restrictive Covenants

19.01 To the extent permitted by law, FLP, its directors, officers, shareholder, employees, assigns and agents (collectively referred to as "Associates") shall not be liable for, and the FBO releases FLP and its Associates from and waives all claims, for any loss of profits, indirect, direct, special or consequential damages, and for any other losses incurred or suffered by the FBO as a result of: (a) FBO's breach of the Forever Business Owner Agreement of FLP Company Policies and the Code of Professional Conduct and Procedures; (b) the promotion or operation of the FBO's Forever Business and FBO's activities related to it; (c) FBO's incorrect or wrong data or information provided to FLP or its Associates; or (d) the FBO's failure to provide any information or data necessary for FLP to operate its business, including without limitation, FBO's enrollment and acceptance into the FLP Marketing Plan and the payment of volume bonuses; or (e) transfers pursuant to death, legal separation or divorce of an FBO.. EACH FBO AGREES THAT THE ENTIRE LIABILITY OF FLP AND ITS ASSOCIATES FOR ANY CLAIM WHATSOEVER RELATED TO THE RELATIONSHIP OF AWARENESS INCLUDING, BUT NOT

LIMITED TO, ANY CAUSE OF ACTION SOUNDING IN CONTRACT, TORT, OR EQUITY, SHALL NOT EXCEED, AND SHALL BE LIMITED TO, THE AMOUNT OF PRODUCTS FBO HAS PURCHASED FROM FLP THAT ARE IN RESALABLE CONDITION.

19.02 **Limited License to Use Company Marks.**

(a) The name "Forever Living Products" and symbols of FLP and other names as may be adopted by FLP including FLP Product names are proprietary trade names and trademarks of the Company.

(b) Each FBO is hereby licensed by FLP to use FLP's registered trademarks, service marks, and other marks (hereinafter collectively referred to as "Marks"), in conjunction with the performance of the FBO duties and obligations under the Forever Business Owner Agreement and the corresponding policies and procedures. All Marks are and shall remain the exclusive property of "FLP". The Marks may only be used as authorized by the Forever Business Owner Agreement and the FLP's corresponding policies and procedures. The license granted herein shall be effective only as long as the FBO is in good standing and in full compliance with FLP's policies and procedures. However, it is prohibited for an fbo to claim any ownership of FLP's Marks (i.e., registering for a domain name using the name "FLP", "Forever Living", or any other FLP Mark in any way, shape or form) unless it has been approved in writing by FLP. These Marks are of great value to FLP and are supplied to each FBO for each FBO's use in an expressly authorized manner only.

(c) FBOs may not use any written, printed, recorded or any other material in advertising, promoting or describing the product or FLP marketing program, or in any other manner, any material which has not been copyrighted and supplied by FLP, unless such material has been submitted to FLP and approved in writing by FLP before being disseminated, published or displayed.

(d) FBOs may not alter any packaging, labels, or directions for use for any FLP Products, or recommend that a Product be used in any way other than as indicated by the Company literature.

## 20 Confidential Information and Nondisclosure Agreement

20.01 (a) Downline reports and all other reports and genealogical information, including, but not limited to, downline sales organization information and commission recap statements, are private, proprietary and confidential to FLP.

(b) Every FBO who is provided with such information must treat it as private and confidential and take care to maintain its secrecy and refrain from making any use thereof for any purpose other than the management of his/her downline sales organization.

(c) An FBO may have access to private and Confidential Information which he/she acknowledges to be proprietary, highly sensitive and valuable to

FLP's business and is being made to him/her solely and exclusively for purposes of furthering the sale of FLP products and prospecting, training and sponsorship of third parties who may desire to become FBOs and to further build and promote his/her FLP business.

(d) "Trade Secret" or "Confidential Information" shall also mean information, including a formula, pattern, compilation, program, device, method, technique or process, that:

1) derives independent economic value, actual or potential, from not being generally known to other persons who can obtain economic value from its disclosure or use; and

2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(e) Whenever FLP makes information available to the FBO, it shall be for the sole purpose of conducting FLP business.

(f) An FBO is prohibited from using, disclosing, duplicating or otherwise making any Trade Secret or Confidential Information available to anyone other than FBOs, without the prior written consent of FLP.

(g) An FBO is prohibited from, directly or indirectly, using, capitalizing upon or exploiting any Trade Secret or Confidential Information for his/her own benefit, or for the benefit of anyone else, other than for the purpose of conducting his/her FLP business.

(h) An FBO shall maintain the confidentiality and security of the Trade Secret and Confidential Information in his/her possession and to protect against disclosure, misuse, misappropriation, or any other action inconsistent with FLP's rights.

(i) Further **Restrictive Covenants.** In consideration to FLP for the receipt of Trade Secret or Confidential Information, the FBO inherently agrees that for the term of the Forever Business, the FBO shall not take or encourage any action, the purpose or effect of which would be to circumvent, breach, interfere with or diminish the value or benefit of FLP's contractual relationships with any FBO. Without limiting the generality of the foregoing, for the term of the Forever Business, the FBO agrees not to directly or indirectly, contact, solicit, persuade, enroll, sponsor or accept any FBO, FLP customer or anyone who has been an FBO or Customer for the last twelve (12) months, into, or to encourage any such person in any way to promote, opportunities in marketing programs of any direct sales company other than FLP.

(j) The agreements contained in the "Confidential Information" section of these policies shall remain forever and in perpetuity. The agreements contained in the "Further Restrictive Covenants" section of these policies shall remain in full force and effect during the term of the previously executed Forever Business Owner Agreement between FLP and the FBO, and thereafter until the later of one (1) year from the latest receipt of any

Confidential Information or twelve (12) months after the expiration and termination of such Forever Business Owner Agreement.

## 21 Warranty, Guarantee, Product Return and Buy Backs

21.01 The following time periods shall apply except where modified by local law.

21.02 FLP warrants satisfaction and guarantees its products are free from defects and substantially conform to product specifications. For all FLP products exclusive of literature and promotional products, this warranty and guarantee shall be for a period ending thirty (30) days from date of purchase.

**Retail/Preferred Customers:**

21.03 (a) Retail/Preferred Customers are guaranteed 100% product satisfaction. Within thirty (30) days from the date of purchase, a Retail/Preferred Customer may

1) Obtain a new replacement for any defective product; or

2) Cancel the purchase, return the product, and obtain a full refund of the purchase price, excluding shipping.

(b) In all cases, proper notice, proof of purchase and timely return of the product is required to be given to the source of purchase. FLP reserves the right to reject repetitive returns.

(c) When FLP products are acquired by Retail/Preferred Customers from or through the Company's Webstore, and subsequently returned for refund, the Profit and Bonus which was disbursed will be charged back to the FBO(s) who benefited from the sale.

(d) When FLP products are acquired from or through an FBO, that FBO is the primary party responsible for customer satisfaction by exchanging the product or refunding the money. In the event there is a dispute, FLP will determine the facts and resolve the issue. If cash is disbursed by FLP, the same will be charged back to the FBO(s) who benefited from the product sale.

**Refund and Buy Back Procedure for the FBO**

21.04 During the respective stated periods of warranty and guarantee, FLP will provide a new replacement of the same such product in exchange for a defective product or for one that has been returned to an FBO by a Retail Customer for lack of satisfaction. Such replacement shall be subject to validation of presented proof of timely purchase. Such purchase must have been by the FBO returning the product. In addition, for replacements of products to an FBO for product returns by Retail Customers, a proof of sale to the Retail Customer and written proof of cancellation along with a signed receipt for return of funds as well as the return of product or empty containers will be required. Repetitive returns of product by the same parties may be rejected.

21.05 (a) FLP shall buy back any unsold, salable FLP product, except literature, that has been purchased within the previous twelve (12) months from any FBO who terminates his/her Forever Business. Such buy back will be accomplished by the terminating FBO first giving written notice to FLP of intent to terminate the Forever Business and forgo all rights and privileges relating thereto. The terminating FBO must return all products for which a refund is being claimed, along with proof of purchase, to FLP.

(b) If the product returned by a terminating FBO was purchased at Preferred Customer Price, the Preferred Customer Profit will be deducted from the FBO to whom it was paid. If the product returned is greater than 1cc, all Bonuses and Case Credits received by the terminating FBO's upline for the products returned will be deducted from the upline. If the Case Credits were used for any level move-ups of the FBO or upline, those move-ups may be re-calculated after deducting the Case Credits to determine if the move-ups should remain in force.

(c) If a terminating FBO returns any Combination Pak, and it is missing some product, the refund and the deductions from the upline will be calculated as if the entire Combo Pak was returned, and then the price of the missing components will be deducted from the refund issued.

(d) After verification of the facts, the FBO will receive a refund check from FLP in the amount equal to the FBO's cost of the products being returned, less the bonuses personally received and the cost of handling, freight and any other appropriate setoffs.

(e) After recouping any costs or damages resulting from the terminated FBO's adverse conduct, if any, FLP will remove the FBO from the FLP Marketing Plan, and his/her entire downline organization will move up directly under the terminating FBO's Sponsor in the current generation sequence.

21.06 The "Buy Back Rule" is designed to impose upon the Sponsor and the Company the obligation to ensure that the FBO is buying products wisely. The Sponsor should make every effort to provide recommended guidelines to the FBO so that he/she purchases only as much product as is required to meet immediate sales needs. Products previously certified as having been sold, consumed, or utilized shall not be subject to repurchase under the "Buy Back Rule."

# 22 Code of Professional Conduct

## 22.01 Integrity, Respect, Diligence

(a) We take great pride in not only on what we achieve, but how we achieve it. In fact, much of the Company's appeal to prospective new Business Owners is its well-deserved legacy of integrity, the respect we show to others and the diligence with which we build successful Forever businesses. As a Business Owner, we invite you to examine more closely your role in maintaining these core values and the underlying standards

of conduct in a manner that will add to our legacy and ensure our long-term mutual success. Failure to abide by the principles outlined in the Code of Professional Conduct may result in disciplinary action up to and including termination.

22.02 **Effort, Sacrifice and Dedication**

(a) Forever Business Owners teach the principles of direct sales and network marketing to their teams, emphasizing that, like any other worthy pursuit, it requires effort and sacrifice to be successful. The flexibility and benefits afforded by the Forever Opportunity are earned by those who dedicate themselves to a routine of hard work over an extended period of time.

22.03 **FBOs Are Builders**

(a) Forever Business Owners are builders. They build their individual retail businesses, their first line sponsored business and their multi-generational team. There is no place for tearing down, dismantling, or discouraging others from building their respective businesses.

22.04 **No Medical, Lifestyle or Income Claims**

(a) Forever Business Owners are truthful when prospecting by not making exaggerated claims about the Company, the capabilities of its products or the rewards available within its Marketing Plan whether in person or via social media. This includes medical claims and false or deceptive income projections of any kind.

22.05 **Loyalty**

(a) Forever Business Owners are loyal to the Company, its staff and representatives, and fellow Business Owners at all times, avoiding gossip, criticism and internal 'politics'.

22.06 **Proud Professional Direct Seller**

(a) Forever Business Owners look and act the part of a proud professional direct seller and network marketer.

22.07 **Teach Good Networking Principles**

(a) Forever Business Owners teach their Downline Business Owners and teams good principles of networking and personal conduct.

22.08 **Positive Attitude**

(a) Forever Business Owners display a positive attitude in both speech and behavior, whether in person or via social media, to all Business Owners, in a spirit of co-operation and teamwork.

22.09 **Support Fellow Business Owners**

(a) Forever Business Owners are willing to help their own teams as well as give support to fellow Business Owners and their teams so that all benefit from a successful, vibrant, active local community of Business Owners.

22.10 **Compliance with Company Policies, Code of Professional Conduct, DSA Code of Ethics**

(a) Forever Business Owners are aware of and comply with all aspects of the Company Policies, Code of Professional Conduct, and the DSA Code of Ethics.

22.11 **Participation in Company Events**

(a) Forever Business Owners at the Manager Level attend a majority of Company events and promote Company events to their team.

22.12 **Lead by Example**

(a) Forever Business Owners lead by example by sponsoring new frontline Business Owners, achieving monthly 4 Case Credits and striving to qualify as Leadership Managers and to achieve the Earned Incentive, Chairman's Bonus, Eagle Manager Retreat and Global Rally.

22.13 **Avoid Excessive Product Purchasing**

(a) Forever Business Owners encourage those they sponsor to carry product inventory appropriate to their needs for personal consumption and direct sales activity and to avoid excessive buying.

22.14 **Integrity in Sponsoring**

(a) Forever Business Owners insist that prospective Business Owners are sponsored under the Business Owner who introduced them to the Forever Opportunity; and refrain from sponsoring another Business Owner's prospect.

22.15 **Dealing with Challenges, Issues and Problems**

(a) Forever Business Owners deal with challenges, issues, and problems personally and do not share them with Business Owners who are not personally involved, nor post them on social media. They use proper lines of communication for seeking answers or expressing concerns, beginning with their sponsor and moving upline or to the Company for further inquiry.

22.16 **Refrain from Promoting Non-Forever Product or Service**

(a) Forever Business Owners refrain from promoting and/or selling any non-Forever product or service without prior written approval of the International Home Office.

22.17 **Excessive Charges for Meeting Attendance**

(a) Forever Business Owners refrain from promoting or hosting events, seminars, webinars, or meetings, regardless of venue or modality, within the Forever universe of FBOs where the charge for such activity exceeds the reasonable break-even costs of producing/conducting the activity. The purpose for all similar activities is to generate interest in, and income through, the Forever Marketing Plan.

22.18 **Meetings in Company Facilities**

(a) Forever Business Owners demonstrate their willingness to help fellow FBOs, regardless of Sponsorship line, by inviting them and their guests to meetings conducted in Company facilities.

22.19 **Persuading FBOs to Terminate**

(a) Forever Business Owners refrain from, in any manner, inducing, coercing, or persuading any other Business Owner to terminate his or her position, cease doing business or reduce his or her business building activities for any reason.

22.20 **Advertisement of Selling Price of Product**

(a) Forever Business Owners refrain from any form of advertising of our products at any price below the Suggested Retail Price. This includes a stated price or any other pricing formula that reduces the price paid for any Forever product to below that of SRP.

## Exhibit 1 – Approved FBO Website

## Terms and Conditions

### 1. General

An FBO may only advertise and sell Company products via a personal Forever web shop on www.foreverliving.com or an approved independent FBO website (an "Approved FBO Website"), in accordance with the criteria specified in the *Company Policies and Procedures, The Code of Professional Conduct* ("Company Policy"). In addition to compliance with all the FLP standard requirements defined in the Company Policy, the FBO must comply with the terms and conditions of this Exhibit 1, which supplement, are incorporated, and considered part of the Company Policy, outlining the additional terms and conditions required for an Approved FBO Website.

An FBO shall only display and offer for sale Company products on an independent website that satisfies the terms and conditions set out in the Company Policy and this Exhibit and that has been authorized two months in advance in writing by the Company, which authorization shall not be unreasonably withheld (such authorized independent website is referred to as an "Approved FBO Website").

An FBO must notify the Company in advance of the URL(s) and trade name(s) of the Internet site it wishes to use for its Approved FBO Website, and of any changes to these throughout the term of the agreement. URLs and tradenames may not in any way be detrimental to the luxurious character and prestigious image of the Company and the Company products.

An FBO shall keep an up-to-date list of any URLs that it uses for advertising and sale of Company products and provide this to the Company at the first working day of each month.

In the event that an FBO intends to substantially revise its Approved FBO Website, the FBO must notify the Company in advance of the revised website being launched and the Company will check that the criteria in this Exhibit are still being met. The revised Approved FBO Website should be authorized in advance in writing by the Company before its launch, which authorization shall not be unreasonably withheld.

**Presentation**. An FBO with an Approved FBO Website shall ensure that its Approved FBO Website:

(a) Does not use the name "Forever Living", "Forever Living Products" or any protected trademarks, brands, business names, and/or other names of the Company or any of its affiliates or product names used by the Company, alone or in combination with other names, letters or figures, as a domain name for its Approved FBO Website, unless approved by the Company in advance in writing;

(b) Immediately provides for identification of the Approved FBO Website as a website of an independent FBO, by clearly stating the name of the FBO and the addition "Independent Forever Business Owner" at all times on the Approved FBO Website;

(c) Only displays Company products on the Approved FBO Website, unless prior approval from the Company has been obtained;

(d) Is professionally designed and formatted to a standard commensurate with the brand image of the Company. The environment of the Approved FBO Website must at all times be consistent with the character and image of the Company and the Company Products. The Approved FBO Website shall not detract from Company's brand image by, for example, its name, signage, content (including messages, images, links and other elements) and/or overall 'look and feel';

(e) Displays photographs of all Company products available for sale, capable of display by users at a resolution in excess of 72 pixels per inch (ppi). All photographs of the Company products must be obtained from the Company, subject to such terms and conditions as may be imposed on their use, or approved by the Company in advance;

(f) Includes descriptions of the Company products for sale. AN FBO shall only include product descriptions that are provided by or authorized by the Company;

(g) Supplies accurate and non-misleading information regarding Company products. In accordance with Section 16.02(n) of the Company Policy, an FBO may not state or claim, implicitly or explicitly, that Company products can prevent, diagnose, treat or cure any illness or medical condition. Company products that are intended to be ingested should only be marketed as foodstuff or food supplement and are registered as foodstuff worldwide. Company products that are intended to be used on the body are registered as cosmetic products worldwide. The Company does not manufacture or distribute any products that can be considered pharmaceutical products or can be considered and/or described as intended for curing or treatment;

(h) Is easily navigable and facilitates a search function and categorization by product category, product line and product;

(i) Is optimized for use with standard screen resolutions and web browsers;

(j) Displays the FBO's URL address in the address bar of the web browser at all times during the ordering process;

(k) Contains a link to the official Company website, www.foreverliving.com, to facilitate an access for customers. The Approved FBO Website shall not link to sites which detract from the Company's brand image;

(l) Does not contain, refer to, or is linked to, pages containing illegal, infringing, obscene, or pornographic material or pages that promote violence, discrimination, or contain hate speech;

(m) Must be hosted by a reputable Internet Service Provider, on a reliable high-quality server and provided with sufficient bandwidth to deal with average customer demand without significant reductions in speed or reliability. If the Approved FBO Website is hosted by a third-party platform, the FBO shall ensure that customers do not visit the Approved FBO Website through a site carrying the name or logo of the third-party platform. The Approved FBO Website must be very reliable and accessible, with at least 99.9% availability and a very low latency.

**Marketing**. AN FBO shall:

(a) Comply with all applicable laws and regulations at all times, including but not limited to those on data protection and privacy (including the General Data Protection Regulation (EU) No 2016/679), distance selling, e-commerce, consumer protection and product liability, misleading and comparative advertising, unfair competition, defamation, electronic signatures, and intellectual property rights;

(b) Prevent delivering or selling Company products that are forbidden by local laws and regulations (i.e., labelling laws, differing formulation requirements, ingredient bans, sales restrictions) and/or that are not registered by the Company in the potential sale territory.

(c) Operate the Approved FBO Website exclusively under the FBO's own name and shall not authorize any third party to link to the Approved FBO Website in any manner that could confuse visitors as to the identity of the owner and operator of the Approved FBO Website;

(d) Not authorize any third party to frame the Approved FBO Website (i.e. present content of the Approved FBO Website within any third party website) or to "deep link" to any (sub)page within the Approved FBO Website that is not clearly branded with the FBO's name (i.e. link to an internal or subsidiary page that is located one or several levels down from the home page of Approved FBO Website). If the FBO becomes aware that any third party is "deep linking" to any (sub)page that contains Company products, the FBO will use commercially reasonable efforts to prevent such deep linking;

(e) Not use any licensed pictures, videos, or other advertising and marketing materials on the Approved FBO Website, unless the use of such materials has been provided or approved by the Company;

(f) In accordance with Section 19.02(c) of the Company Policy, shall not use on the Internet any written, printed, recorded, or any other material in advertising, promoting or descriptions of the Company product or the Company marketing program, or in any other manner, any material which has not been copyrighted and supplied by the Company, unless such material has been submitted to the Company and approved in writing by

the Company before being disseminated, published, or displayed. Such approval shall not be unreasonably withheld;

(g) Ensure that electronic advertisements, such as online banners, display ads, and search engine advertisements (e.g., Google AdWords), could not confuse visitors as to the identity of the source and provides for identification of the advertisement as that of an independent FBO. It should not create the perception in any way that the visitor is visiting the official Company website. Any electronic advertisements need to contain a link to the FBO's personal Company web shop on www.foreverliving.com or the Approved FBO Website;

(h) Ensure that all messages of an FBO in relation to the Company or the Company products on social media (e.g. Facebook, Twitter, and YouTube) comply with all applicable laws and regulations, general terms and conditions of the social media platform, the Company Policy and this Exhibit. A social media page should clearly state to which independent FBO it belongs to prevent deception of consumers. The social media page may be linked to the FBO's personal Forever web shop on www.foreverliving.com or Approved FBO Website. It is the sole responsibility of the FBO who creates and maintains the social media pages to ensure that all messages placed by it or third parties comply with all conditions. Messages that have been placed but which do not comply with the conditions should be deleted immediately;

(i) Record all Company product sales made via the Approved FBO Website and make details available to the Company at its reasonable request.

**Sales and After Sales Service**. An FBO selling on the Internet shall ensure that its Approved FBO Website provides for:

(a) Appropriate references or contact possibilities to motivate the customer to seek advice from a trained FBO in the course of personal discussions in order to maintain the Company principle of personal sales of Company products, also when selling on the Internet. In particular, the Approved FBO Website shall contain the FBO's name, address, and other appropriate contact details to facilitate a personal consultation;

(b) Security of information and payments using such encrypted security software in accordance with industry standards and any applicable laws and regulations. Where payments for Company products are accepted via the Approved FBO Website or a designated third-party payment system, all payment details and other customer data must be adequately protected through the use of at least 128-bit encryption and the maintenance of a valid current security certificate in respect of the Approved FBO Website;

(c) A returns policy, including an efficiently operating return service, in accordance with the stipulations set out in Section 21.03(a) of the

Company Policy. As Section 21.03(d) of the Company Policy applies accordingly, the FBO is primarily responsible for customer satisfaction by exchanging any products or refund of any money paid in case of a return;

(d) Clear representation of at least the following information:

(i) Details of the independent FBO;

(ii) Description of the Company products offered by the FBO, their prices, delivery costs, and details;

(iii) Payment methods and a safe payment system;

(iv) Clear description of the ordering process, including information on the rights of a customer to cancel a purchase in accordance with applicable consumer protection laws;

(v) Applicable sales terms and conditions, which should be available at all times during the ordering process;

(vi) Information on contact possibilities for the buyer (including telephone number and email address of the FBO) for consumer related questions, including but not limited to return shipments or guarantees.

(vii) An FBO will be responsible for shipping & handling of orders placed on his or her own independent website. Forever Living Products will only facilitate delivery to the webshop owner (FBO). Shipping and handling should fulfil the usual quality standards as provided via the Company itself. This includes shipping information, and a reasonable estimation of the delivery time.

(e) Each FBO should keep accurate records of monthly sales, which records can be subject to inspection by the Company upon reasonable notice. Such records will include reports reflecting inventory on hand at the end of the month.

**2. Indemnification**.

By creating an Approved FBO Website, the FBO agrees to fully defend, indemnify, and hold harmless the Company and its related entities (including, without limitation, its officers, directors, and employees) from and against any losses arising out of or relating to any third-party claim concerning (a) your or any third-party end users' use of an Approved FBO Website; (b) breach of the Terms and Conditions or violation of applicable law by you, end users, or your content; or (c) a dispute between you and any end user. You will reimburse us for reasonable attorneys' fees, as well as our employees' and contractors' time and materials spent responding to any third-party subpoena or other compulsory legal order or process associated with third-party claims described in (a) through (c) above at our then-current hourly rates.

**3. Penalties**.

Failure to adhere to these Terms and Conditions may result in penalties including, but not limited to, suspension or even termination, including liability for any damages caused, of the FBO's Forever business, right to use the Company's registered trademarks, service marks and other marks, and right to sell or distribute Company products. The Company also reserves the right to pursue any other legal remedies available under the law for breach of these Terms and Conditions.