

# PRUVIT

## **POLICIES AND PROCEDURES v1.0**

### **1.0 INTRODUCTION**

#### **1.1 Mutual Commitment Statement**

Pruvit Ventures, Inc. (“hereafter as “Pruvit” and the “Company”) recognizes that in order to develop a long-term and mutually rewarding relationship with its participants (“Pruver(s)”) and Customers, Pruvit and Pruvets must acknowledge and respect the true nature of the relationship and support the Customers.

- A. In the spirit of mutual respect and understanding, Pruvit is committed to:
- I. Provide prompt, professional and courteous service and communications to all of its Pruvets and Customers;
  - II. Provide the highest level of quality products, at fair and reasonable prices;
  - III. Exchange or refund the purchase price of any product, service or membership as provided in our *Return Policy*;
  - IV. Deliver orders promptly and accurately;
  - V. Pay commissions accurately and on a timely basis;
  - VI. Expedite orders or checks if an error or unreasonable delay occurs;
  - VII. Roll out new products and programs with Pruver input and planning;
  - VIII. Implement changes in the Compensation Plan or Policies and Procedures that affect the Pruver with input from the Pruvets;
  - IX. Support, protect and defend the integrity of the Pruvit Business Opportunity;
  - X. Offer Pruvets an opportunity to grow with Pruvit with such growth guided by the principles of Servant Leadership.
- B. In return, Pruvit expects that its Pruvets will:
- I. Conduct themselves in a professional, honest, and considerate manner;
  - II. Present Pruvit Corporate and product information in an accurate and professional manner;

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- III. Present the Compensation Plan and Return Policy in a complete and accurate manner;
- IV. Not make exaggerated income claims;
- V. Make reasonable effort(s) to support and train Pruvets and Customers in their downline;
- VI. Not engage in cross-line recruiting, unhealthy competition or unethical business practices;
- VII. Provide positive guidance and training to Pruvets and Customers in their downline while exercising caution to avoid interference with other downlines. As such, a Pruvet is discouraged from providing cross-line training to a Pruvet or Customer in a different organization without first obtaining consent of the Pruvet's or Customer's upline leader;
- X. Support, protect, and defend the integrity of the Pruvit Business Opportunity;
- XI. Accurately complete and submit the Pruvet Agreement and any requested supporting documentation in a timely manner.

## **1.2 Pruvit Policies and Compensation Plan Incorporated into the Pruvet agreement**

- A. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Pruvit Agreement, these Policies and Procedures, and the Pruvit Compensation Plan.
- B. It is the responsibility of the Sponsoring Pruvet to provide the most current version of these Policies and Procedures (available on the Pruvit website) and the Pruvit Compensation Plan to each applicant prior to his, her and/or its execution of a Pruvet Agreement.

## **1.3 Purpose of Policies**

- A. Pruvit is a direct sales company that markets products and services through a network of business owners. To clearly define the relationship that exists between Pruvets and Pruvit, and to explicitly set a standard for acceptable business conduct, Pruvit has established these Policies and Procedures.
- B. Pruvit Pruvets are required to comply with; (i) all of the Terms and Conditions set forth in the Pruvet Agreement, which Pruvit may amend from time to time in its sole discretion; (ii) all Federal, State, Provincial, Territorial, and/or local laws governing his, her and/or its Pruvit business; and (iii) these Policies and Procedures.
- C. Pruvit Pruvets must review the information in these Policies and Procedures carefully. Should a Pruvet have any questions regarding a policy or rule, the Pruvet is encouraged to seek an

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answer from their Sponsor or any other upline Pruver. If further clarification is needed, the Pruver may contact Pruvit Customer Service.

## **1.4 Changes, Amendments, and Modifications**

- A. Because Federal, State, and local laws, as well as the business environment, periodically change, Pruvit reserves the right to amend the Agreement and the prices in its Pruvit Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official Pruvit Materials. ***This provision does NOT apply to the arbitration clause found in Section 13, which can only be modified via mutual consent.***
- B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
  - I. Posting on the official Pruvit website;
  - II. Electronic mail (e-mail); or
  - III. In writing through the Pruvit newsletters or other Pruvit communication channels.

## **1.5 Delays**

Pruvit shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, and/or weather, curtailment of a source of supply, or government decrees or orders.

## **1.6 Effective Date**

These Policies and Procedures shall become effective as of September 29, 2015, and, at such time, shall automatically supersede any prior Policies and Procedures (the “old Policies and Procedures”), and, on that date, the old Policies and Procedures shall cease to have any force or effect.

## **2.0 BASIC PRINCIPLES**

### **2.1 Becoming A Pruvit Pruver**

- A. To become a Pruver, an applicant must comply with the following requirements:
  - I. Be of the age of majority (not a minor) in his or her state of residence;
  - II. Reside or have a valid address in the United States or a U.S. territory;
  - III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);

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- IV. Not be a Pruvit employee, the Spouse of a Pruvit employee or related to an employee of Pruvit and living in the same household as such Pruvit employee.

## **2.2 New Pruver Registration**

- A. A potential new Pruver may self-enroll on the Sponsor's website. In such event, instead of a physically signed Pruver Agreement, Pruvit will accept the Web-enrollment and Pruver Agreement by accepting the "electronic signature" stating the new Pruver has accepted the Terms and Conditions of such Pruver Agreement. Please note that such electronic signature constitutes a legally binding agreement between the Pruver and Pruvit.
- B. Pruvit reserves the right to require signed paperwork for any account, regardless of origin.
- C. If requested, the signed Pruver Agreement must be received by Pruvit within 14 days of enrollment.
- D. Signed documents, including, but not limited to, Pruver personal agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been signed may lead to sanctions, up to and including involuntary termination of the Pruver's position.

## **2.3 Rights Granted**

- A. Pruvit hereby grants to the Pruver a non-exclusive right, based upon the Terms and Conditions contained in the Pruver Agreement and these Policies and Procedures, to:
  - I. Purchase Pruvit products and services;
  - II. Promote and sell Pruvit products and services; and
  - III. Sponsor new Pruvets and Customers in the United States and in countries where Pruvit may become established after the effective date of these Policies and Procedures.

## **2.4 Identification Numbers**

- A. Each Pruver is required to provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to Pruvit on the Pruver Agreement. Pruvit reserves the right to withhold commission payments from any Pruver who fails to provide such information or who provides false information.
- B. Upon enrollment, Pruvit will provide a Pruvit Identification Number to the Pruver. This number will be used to place orders, structure organizations, and track commissions and bonuses.

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## 2.5 Renewals and Expiration of the Pruver Agreement

- A. If the Pruver allows his or her Pruver Agreement to expire due to nonpayment, the Pruver will lose any and all rights to his, her or its downline organization unless the Pruver re-activates within 60 days following the expiration of the Agreement.
- B. If the former Pruver re-activates within the 60-day time limit, the Pruver will resume the rank and position held immediately prior to the expiration of the Pruver Agreement. However, such Pruver's paid as level will not be restored unless he, she and/or an entity qualifies at that payout level in the new month. The Pruver is not eligible to receive commissions for the time period that the Pruver's position was expired.
- C. Any Pruver who was terminated or whose Agreement has expired and lapsed the 60-day grace period is not eligible to re-apply for a Pruvit business for 12 months following the expiration of the Pruver Agreement.
- D. The downline of the expired Pruver will roll up to the immediate, active upline Sponsor.

## 2.6 Business Entities

- A. A corporation, partnership, LLC, or trust (collectively referred to as a "Business Entity") may apply to be a Pruvit Pruver. This Pruver business and position will remain *temporary* until the proper documents are submitted. The Business Entity must submit one of the following documents: Certificate of Incorporation, Articles of Organization, Partnership Agreement or appropriate Trust documents. Pruvit must receive these documents within 14 days from the date the Pruver Agreement was signed.
- B. A Pruvit Pruver may change their status under the same Sponsor from an individual to a partnership, LLC, corporation, trust or from one type of business entity to another.

## 2.7 Independent Business Relationship; Indemnification for Actions

- A. The Pruvit Pruver is an independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, each Pruver's success depends on his or her independent efforts.
- B. The Agreement between Pruvit and its Pruver does not create an employer/employee relationship, agency, partnership, or joint venture between Pruvit and the Pruver.
- C. A Pruvit Pruver shall not be treated as an employee of Pruvit for any purposes, including, without limitation, for Federal, State, or Provincial tax purposes. All Pruver are responsible for paying local, State, Provincial, and Federal taxes due from all compensation earned as a Pruver of Pruvit. Any other compensation received by Pruver from Pruvit will be governed by applicable U.S. or Canadian tax laws (or the tax laws of any other applicable jurisdiction). The Pruver has no express or implied authority to bind Pruvit to any obligation or to make any

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commitments by or on behalf of Pruvit. Each Pruver, whether acting as management of a Business Entity or represented as an individual, shall establish his or her own goals, hours, and methods of operation and sale, so long as he or she complies with the Terms of the Pruver Agreement, these Policies and Procedures and applicable State, Federal and Provincial laws.

- D. The Pruvit Pruver is fully responsible for all of his or her verbal and written communications made regarding Pruvit products, services, and the Compensation Plan that are not expressly contained within official Pruvit materials. Pruvets shall indemnify and hold harmless Pruvit, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by Pruvit as a result of the Pruver's unauthorized representations or actions. This Provision shall survive the termination of the Pruvit Pruver Agreement.

## **2.8 Insurance**

- A. Business Pursuits Coverage. Pruvit encourages Pruvets to arrange insurance coverage for their business. A homeowner's insurance policy does not cover business related injuries, or the theft of, or damage to, inventory or business equipment. Pruvit Pruvets need to contact their insurance agent to make certain their business property is protected. In most instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

## **2.9 Errors or Questions**

- A. If a Pruver has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the Pruver must notify Pruvit in writing within 30 days of the date of the error or incident in question. Any such errors, omissions or problems not reported within 30 days shall be deemed waived by the Pruver.

## **3.0 PRUVIT's PRUVER RESPONSIBILITIES**

### **3.1 Correct Addresses**

- A. It is the responsibility of the Pruver or Customer to make sure Pruvit has the correct shipping address before any orders are shipped.
- B. A Pruver or Customer will need to allow up to 72 hours days for processing after the notice of address change has been received by Pruvit.
- C. A Pruver or Customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

### **3.2 Training and Leadership**

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- A. Any Pruvit Pruver who Sponsors another Pruver into Pruvit must perform an authentic assistance and training function to ensure his or her downline is properly operating his or her Pruvit business. Sponsoring Pruvets should have ongoing contact and communication with the Pruvets in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voice-mail, e-mail, personal meetings, accompaniment of downline Pruvets to Pruvit meetings, training sessions and any other related functions.
- B. A Sponsoring Pruvit Pruver should monitor the Pruvets in his or her downline organizations to ensure that downline Pruvets do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such Pruver should be able to provide documented evidence to Pruvit of his or her ongoing fulfillment of the responsibilities of a Sponsor.
- C. Upline Pruvets are encouraged to motivate and train new Pruvets about Pruvit's products and services, effective sales techniques, the Pruvit Compensation Plan and compliance with company Policies and Procedures.
- D. Marketing product is a required activity in Pruvit and must be emphasized in all recruiting presentations.
- F. We emphasize and encourage all Pruvets to sell Pruvit's products and services to Customers.
- G. Use of Sales Aids. To promote both the products and the opportunity Pruvit offers, Pruvets must use the sales aids and support materials produced by Pruvit. If Pruvit Pruvets develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding Pruvets' good intentions, they may unintentionally violate any number of statutes or regulations affecting the Pruvit business. These violations, although they may be relatively few in number, could jeopardize the Pruvit opportunity for all Pruvets. Accordingly, Pruvets must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the Pruver receives specific written approval to use the material, the request shall be deemed denied. All Pruvets shall safeguard and promote the good reputation of Pruvit and its products. The marketing and promotion of Pruvit, the Pruvit opportunity, the Compensation Plan, and Pruvit products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

### **3.3 Constructive Criticism; Ethics**

- A. Pruvit desires to provide its independent Pruvets with the best products and services and Compensation Plan in the industry. Accordingly, Pruvit values constructive criticism and encourages the submission of written comments addressed to Pruvit Compliance Department.

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- B. Negative and disparaging comments about Pruvit, its products or Compensation Plan, by Pruvit Pruvers made to Pruvit, in the Field or at Pruvit meetings or events, or disruptive behavior at Pruvit meetings or events, serve no purpose other than to dampen the enthusiasm of other Pruvit Pruvers. Pruvit Pruvers must not belittle Pruvit, other Pruvit Pruvers, Pruvit products or services, the Compensation Plan, or Pruvit directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by Pruvit.
- C. **Pruvit endorses the following code of ethics:**
  - I. A Pruvit Pruver must show fairness, tolerance, and respect to all people associated with Pruvit, regardless of race, gender, social class or religion, thereby fostering a “positive atmosphere” of teamwork, good morale and community spirit.
  - II. A Pruver shall strive to resolve business issues, including situations with upline and downline Pruvers, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
  - III. Pruvit Pruvers must be honest, responsible, professional and conduct themselves with integrity.
  - IV. Pruvit Pruvers shall not make disparaging statements about Pruvit, other Pruvers, Pruvit employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.
- D. Pruvit may take appropriate action against a Pruver if it determines, in its sole discretion, that a Pruver’s conduct is detrimental, disruptive, or injurious to Pruvit or to other Pruvers.

## 3.4 Reporting Policy Violation

- A. A Pruver who observes a policy violation by another Pruver should submit an e-mail to [compliance@pruvithq.com](mailto:compliance@pruvithq.com) of the violation directly to the Pruvit Corporate office. The message shall set forth the details of the incident as follows:
  - I. The nature of the violation;
  - II. Specific facts to support the allegations;
  - III. Dates;
  - IV. Number of occurrences;
  - V. Persons involved; and



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## VI. Supporting documentation

- B. Once the matter has been presented to Pruvit, it will be researched thoroughly by the Compliance Department and appropriate action will be taken if required.
- C. This section refers to the general reporting of Policy violations as observed by other Pruvers for the mutual effort to support, protect, and defend the integrity of the Pruvit business and opportunity. If a Pruver has a grievance or complaint against another Pruver which directly relates to his or her Pruvit business, the Procedures set forth in these Policies must be followed.

### 3.5 Sponsorship

- A. The Sponsor is the person who introduces a Pruver or Customer to Pruvit, helps them complete their enrollment, and supports and trains those in their downline.
- B. Pruvit recognizes the Sponsor as the name(s) shown on the first:
  - I. Physically signed Pruvit Pruver Agreement on file; or
  - II. Electronically signed Pruver Agreement from a website or a Pruvit Pruver website.
- C. A Pruver Agreement that contains notations such as “by phone” or the signatures of other individuals (i.e. Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by Pruvit.
- D. Pruvit recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but Pruvit will not allow Pruvers to engage in unethical sponsoring activities.
- E. All active Pruvers in good standing have the right to Sponsor and enroll others into Pruvit. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Pruver will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Pruver who presented a comprehensive introduction to Pruvit products or business opportunity.

### 3.6 Cross Sponsoring Prohibition

- A. “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an individual, or Business Entity, that already has a signed Pruver Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by Pruvit, sanctions up to and including termination of a Pruver’s position may be imposed.
- B. The use of a Spouse’s or relative’s name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this Policy is not permitted.

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- C. This Policy does not prohibit the transfer of a Pruvit business in accordance with Pruvit Sale or Transfer Policy set forth in these Policies.

## **3.7 Adherence to the Pruvit Compensation Plan**

- A. A Pruver must adhere to the Terms of the Pruvit Compensation Plan as set forth in these Policies and Procedures as well as in official Pruvit literature. Deviation from the Compensation Plan is prohibited.
- B. A Pruver shall not offer the Pruvit opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Pruvit literature.
- C. A Pruver shall not require or encourage a current or prospective Customer or Pruver to participate in Pruvit in any manner that varies from the Compensation Plan as set forth in official Pruvit literature.
- D. A Pruver shall not require or encourage a current or prospective Customer or Pruver to make a purchase from or payment to any individual or other entity as a condition to participating in the Pruvit Compensation Plan, other than such purchases or payments required to naturally build their business.

## **3.8 Adherence to Laws and Ordinances**

- A. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Pruvit Pruvit because of the nature of the business. However, Pruvit Pruvit must check their local laws and obey the laws that do apply to them.
- B. A Pruvit Pruver shall comply with all Federal, State, Provincial and local laws and regulations in their conduct of his or her Pruvit business.

## **3.9 Compliance with Applicable Income Tax Laws**

- A. Pruvit will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US Pruver whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of Pruvit products for resale, or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the Pruver, and a minimum charge of \$20 may be assessed by Pruvit.
- B. A Pruver accepts sole responsibility for and agrees to pay all Federal, State, Provincial and local taxes on any income generated as an independent Pruver, and further agrees to indemnify Pruvit from any failure to pay such tax amounts when due.

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- C. If a Pruver's business is tax exempt, the Federal Tax Identification number must be provided to Pruvit in writing.
- D. Pruvit encourages all Pruvets to consult with a tax advisor for additional information for their business.

## **3.10 One Pruvit Business Per Pruver**

- A. A Pruver may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Pruvit business. No individual may have, operate or receive compensation from more than one Pruvit businesses. Individuals of the same family unit may each enter into or have an interest in their own separate Pruvit businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A "family unit" is defined as Spouses and dependent children living at or doing business at the same address.

## **3.11 Actions of Household Members or Affiliated Parties**

If any member of a Pruver's immediate household engages in any activity which, if performed by the Pruver, would violate any provision of the Agreement, such activity will be deemed a violation by the Pruver and Pruvit may take disciplinary action pursuant to these Policies and Procedures against the Pruver. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Pruvit may take disciplinary action against the Business Entity. Likewise, if a Pruver enrolls in Pruvit as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the Terms and Conditions of the Agreement.

## **3.12 Solicitation for Other Companies or Products**

- A. A Pruvit Pruver may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the Term of this Agreement and for six (6) months thereafter, a Pruvit Pruver may not recruit any Pruvit Pruver or Customer for any other direct sales or network marketing business, unless that Pruver or Customer was personally sponsored by such Pruver.
- B. The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Pruver or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Pruver's actions are in response to an inquiry made by another Pruver or Customer.
- C. During the term of this Agreement any Pruvit Pruver must not sell, or entice others to sell, any competing products or services, including training materials, to Pruvit Customers or Pruvets.

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Any product or service in the same category as a Pruvit product or service is deemed to be competing (i.e., any competing product or service regardless of differences in cost or quality).

- D. However, a Pruver may sell non-competing products or services to Pruvit Customers and Pruvets that they personally sponsored.
- E. A Pruver may not display or bundle Pruvit products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Pruver into believing there is a relationship between the Pruvit and non-Pruvit products and services.
- F. A Pruvit Pruver may not offer any non-Pruvit opportunity, products or services at any Pruvit related meeting, seminar or convention, or immediately following a Pruvit event.
- G. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Pruvit and its Pruvets and would inflict irreparable harm on Pruvit. In such event, Pruvit may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Pruver or such Pruver's positions including termination, or seek immediate injunctive relief without the necessity of posting a bond.

### **3.13 Presentation of the Pruvit Opportunity**

- A. In presenting the Pruvit opportunity to potential Customers and Pruvets, a Pruver is required to comply with the following provisions:
  - I. A Pruver shall not misquote or omit any significant material fact about the Compensation Plan.
  - II. A Pruver shall make it clear that the Compensation Plan is based upon sales of Pruvit products and services and upon the sponsoring of other Pruvets.
  - III. A Pruver shall make it clear that success can be achieved only through substantial independent efforts.
  - IV. A Pruvit Pruver shall not make income projections, claims, or guarantees while presenting or discussing the Pruvit opportunity or Compensation Plan to prospective Pruvets or Customers. A Pruvit Pruver should inform all Pruvets that success requires work.
  - V. A Pruver may not make any claims regarding products or services of any products offered by Pruvit, except those contained in official Pruvit literature.
  - VI. A Pruver may not use official Pruvit material to promote the Pruvit business opportunity in any country where Pruvit has not established a "presence."

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

A copy of the IDS must be presented to a prospective Pruvet anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

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

## 3.14 Sales Requirements Are Governed by the Compensation Plan

- A. Pruvit Pruvets may purchase Pruvit products and then re-sell them at any price they choose unless otherwise specified by Pruvit or by any/its product suppliers on a per product basis. Pruvit will provide suggested selling prices. There are no exclusive territories granted to anyone. No franchise fees are applicable to a Pruvit business.
- B. The Pruvit program is built on sales to the ultimate consumer. Pruvit encourages its Pruvets to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Pruvets must never attempt to influence any other Pruvet to buy more products than they can reasonably use or sell to retail Customers in a month.
- C. Each Pruvit Pruvet commits to personally use, sell, or use in business building at least 70% of every order placed with the Company prior to placing another order, and must be able to certify to such if demanded by the Company or by any regulatory agency. ***Purchasing product solely for the purpose of collecting bonuses or achieving rank is prohibited.*** Pruvit retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

## 4.0 ORDERING

### 4.1 General Order Policies

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- A. “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (b) the fraudulent enrollment of an individual or entity as a Pruver or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Pruvets or Customers (“phantoms”); (d) purchasing Pruvit products or services on behalf of another Pruver or Customer, or under another Pruver’s or Customer’s ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end consumers.

Pruvit recommends that Pruvets use their own credit cards and not allow others to use them. A Pruver shall not use another Pruver’s or Customer’s credit card or debit checking account to enroll in Pruvit or purchase products or services without the account holder’s *written permission*. Such documentation must be kept by the Pruver indefinitely in case Pruvit needs to reference this.

- B. Regarding an order with an invalid or incorrect payment, Pruvit will attempt to contact the Pruver by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after 10 business days, the order will be canceled.
- C. Prices are subject to change without notice.
- D. A Pruver or Customer who is a recipient of a damaged or incorrect order must notify Pruvit within 10 calendar days from receipt of the order and follow the Procedures as set forth in these Policies.

## 4.2 Insufficient Funds

- A. All checks returned for insufficient funds will be re-submitted for payment. A \$35 fee will be charged to the account of the Pruver or Customer for all returned checks and insufficient funds.
- B. Any outstanding balance owed to Pruvit by a Pruver or Customer of the Pruver from NSF (non-sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld by Pruvit from a Pruver’s future bonus and commission checks.
- C. All transactions involving returned checks or insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Pruver, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the Customer or Pruver will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or Pruver may be deemed ineligible to purchase Pruvit products or services or participate in the monthly auto ship.

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## **4.3 Sales Tax Obligation**

- A. The Pruver shall comply with all State, Provincial and local taxes and regulations governing the sale of Pruvit products and services.
- B. Pruvit will collect and remit sales tax on Pruver orders unless a Pruver furnishes Pruvit with the appropriate Resale Tax Certificate form. When orders are placed with Pruvit, sales tax is prepaid based upon the suggested retail price. Pruvit will remit the sales tax to the appropriate state, Provincial and local jurisdictions. The Pruver may recover the sales tax when he or she makes a sale. Pruvit Pruvets are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- C. Pruvit encourages each Pruver to consult with a tax advisor for additional information for his or her business.

## **5.0 PAYMENT OF COMMISSIONS & BONUSES**

### **5.1. Bonus and Commission Qualifications**

- A. A Pruver must be active and in compliance with Pruvit Policies and Procedures to qualify for bonuses and commissions. So long as a Pruver complies with the Terms of the Agreement, Pruvit shall pay commissions to such Pruver in accordance with the Compensation Plan.
- B. Pruvit will not issue a payment to a Pruver without the receipt of a completed electronic agreement.
- C. Pruvit reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.

### **5.2 Computation of Commissions and Discrepancies**

- A. In order to qualify to receive commissions and bonuses, a Pruver must be in good standing and comply with the Terms of the Agreement and these Policies and Procedures. Commissions, bonuses, overrides, and achievement levels are calculated each month.
- B. A Pruvit Pruver must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within 30 days of receipt. After the 30-day “grace period” no additional requests will be considered for commission recalculations.
- C. For additional information on payment of commissions, please review the Compensation Plan.

### **5.3 Adjustments to Bonuses and Commissions for Returned Products or Pruver Memberships.**

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- A. A Pruver receives bonuses and commissions based on the actual sales of products and services to end consumers and to Pruvets through product and service purchases. When a product or service is returned to Pruvit for a refund from the end consumer or by a Pruver, the bonuses and commissions attributable to the returned product or service will be deducted from the Pruver who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.
- B. In the event that a Pruver terminates his or her position, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Pruvit, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Pruvit to the terminated Pruver.

## 6.0 REFUND POLICY

### *Customer Sales*

Pruvit offers a one hundred percent (100%) ninety-day money back guarantee for all Customers. If a Customer purchased a product or service through a Pruvets website and is not satisfied with the product or service, the Customer may request a refund from their Pruver.

### *Pruver Purchases*

If you are not 100% satisfied with our products or are unable to sell them, you may return the items for a refund if neither you nor we have terminated the Agreement and the products or services were purchased within twelve (12) months and remain in resalable condition. The refund shall be ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Upon cancellation of the Agreement, the Pruver may return all generic sales aids purchased within one (1) year from the date of cancellation for a refund if he or she is unable to sell or use the merchandise. A Pruver may only return sales aids he or she personally purchased from the Company under his or her Pruver Identification Number, and which are in Resalable condition. Any custom orders of printed sales aids (i.e. business cards, brochures, etc.) whereon the Pruver's contact information is imbedded or hard printed, or has been added by the Pruver, are not able to be returned in resalable condition thus are nonrefundable. Upon Pruvit's receipt of the products and sales aids, the Pruver will be reimbursed ninety percent (90%) of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same credit card account. The Company shall deduct from the reimbursement paid to the Pruver any commissions, bonuses, rebates or other incentives received by the Pruver which were associated with the merchandise that is returned.

## 6.1 Return Process

- A. All returns, whether by a Customer, or Pruver, must be made as follows:



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- I. Obtain Return Merchandise Authorization (“RMA”) from Pruvit; Support@pruvithq.com
  - II. Ship items to the address provided by Pruvit Customer service when you are given your RMA.
  - III. Provide a copy of the invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.
  - IV. Ship back product in manufacturer’s box exactly as it was delivered.
- B. All returns must be shipped to Pruvit pre-paid, as Pruvit does not accept shipping collect packages. Pruvit recommends shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer, or Pruver. If returned product is not received at Pruvit Pruver Center, it is the responsibility of the Customer, or Pruver to trace the shipment and no credit will be applied.
- C. The return of \$500 or more of products accompanied by a request for a refund within a calendar year, by a Pruver, may constitute grounds for involuntary termination.

## **7.0 PRIVACY POLICY**

### **7.1 Introduction**

This Privacy Policy is to ensure that all Customers and Pruvets understand and adhere to the basic principles of confidentiality.

### **7.2 Expectation of Privacy**

- A. Pruvit recognizes and respects the importance its Customers and Pruvets place on the privacy of their financial and personal information. Pruvit will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers’, and Pruvets’ financial and account information and nonpublic personal information.
- B. By entering into the Pruver Agreement, a Pruver authorizes Pruvit to disclose his or her name and contact information to upline Pruvets solely for activities related to the furtherance of the Pruvit business. A Pruver hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline organization and conducting the Pruvit business.

### **7.3 Employee Access to Information**

Pruvit limits the number of employees who have access to Customer’s and Pruvets’ nonpublic personal information.

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## **7.4 Restrictions on the Disclosure of Account Information**

- A. Pruvit will not share non-public personal information or financial information about current or former Customers or Pruvets with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers', or Pruvets' interests or to enforce its rights or obligations under these Policies and Procedures, or Pruvet's Agreement or with written permission from the accountholder on file.

## **8.0 PROPRIETARY INFORMATION AND TRADE SECRETS**

### **8.1 Business Reports, Lists, and Proprietary Information**

- A. By agreeing to the Pruvit Pruvet Agreement, the Pruvet acknowledges that Business Reports, lists of Customer and Pruvet names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by Pruvit pertaining to the business of Pruvit (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to Pruvit.

### **8.2 Obligation of Confidentiality**

- A. During the Term of the Pruvit Pruvet Agreement and for a period of five (2) years after the termination or expiration of the Pruvet Agreement between the Pruvet and Pruvit, the Pruvet shall not;
  - I. Use the information in the Reports to compete with Pruvit or for any purpose other than promoting his or her Pruvit business;
  - II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

### **8.3 Breach and Remedies**

- A. The Pruvet acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Pruvit and to independent Pruvit businesses. Pruvit and its Pruvets will be entitled to injunctive relief or to recover damages against any Pruvet who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees, court costs and expenses.

### **8.4 Return of Materials**

- A. Upon demand by Pruvit, any current or former Pruvet will return the original and all copies of all "Reports" to Pruvit together with any Pruvit confidential information in such person's possession.

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## **9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS**

### **9.1 Labeling, Packaging, and Displaying Products**

- A. A Pruvit Pruver may not re-label, re-package, refill, or alter labels of any Pruvit product, or service, information, materials or program(s) in any way. Pruvit products and services must only be sold in their original containers from Pruvit. Such re-labeling or re-packaging violates Federal, and State and Provincial laws, which may result in criminal or civil penalties or liability.
- B. A Pruvit Pruver shall not cause any Pruvit product or service or any Pruvit trade name to be sold or displayed in retail establishments except;
  - I. Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas and beauty salons);
  - II. Where the retail establishment is owned or managed by the Pruver and the store does not exceed \$1 million in annual gross revenue, and there are 5 or fewer stores under common ownership of management.
- C. Pruvit will permit Pruvit Pruvit to solicit and make Commercial Sales upon *prior written approval* from Pruvit. For the purpose of these Policies and Procedures, the term "Commercial Sale" means the sale of;
  - I. Pruvit products that equal or exceed \$5,000 in a single order;
  - II. Products sold to a third party who intends to resell the products to an end consumer.
- D. A Pruver may sell Pruvit products and services and display the Pruvit trade name at any appropriate display booth (such as trade shows).
- E. Pruvit reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the Pruvit opportunity.

### **9.2 Use of Company Names and Protected Materials**

- A. A Pruvit Pruver must safeguard and promote the good reputation of Pruvit and the products and services it markets. The marketing and promotion of Pruvit, the Pruvit opportunity, the Compensation Plan, and Pruvit products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.

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- B. All promotional materials supplied or created by Pruvit must be used in their original form and cannot be changed, amended or altered except with prior written approval from the Pruvit Compliance Department.
- C. The name of Pruvit, each of its product and service names and other names that have been adopted by Pruvit in connection with its business are proprietary trade names, trademarks and service marks of Pruvit. As such, these marks are of great value to Pruvit and are supplied to Pruvit Pruvers for their use only in an expressly authorized manner.
- D. A Pruvit Pruver's use of the name "Pruvit" is restricted to protect Pruvit proprietary rights, ensuring that the Pruvit protected names will not be lost or compromised by unauthorized use. Use of the Pruvit name on any item not produced by Pruvit is prohibited except as follows:
  - I. [Pruver's name] Independent Pruvit Pruver
  - II. [Pruver's name] Independent Pruver of Pruvit products and services.
- E. Further procedures relating to the use of the Pruvit name are as follows:
  - I. All stationary (i.e. letterhead, envelopes, and business cards) bearing the Pruvit name or logo intended for use by the Pruver must be approved in writing by the Pruvit Compliance Department. [Compliance@pruvithq.com](mailto:Compliance@pruvithq.com)
  - II. Pruvit Pruvers may list "Independent Pruvit Pruver" in the white pages of the telephone directory under his or her own name.
  - III. Pruvit Pruvers may not use the name Pruvit or Pruvit in answering his or her telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent Pruvit Pruver."
- F. Certain photos and graphic images used by Pruvit in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Pruvit Pruvers. If a Pruver wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- G. A Pruvit Pruver shall not appear on or make use of television or radio, or make use of any other media to promote or discuss Pruvit or its programs, products or services without prior written permission from the Pruvit Compliance Department.
- H. A Pruver may not produce for sale or distribution any Company event or speech, nor may a Pruver reproduce Pruvit audio or video clips for sale or for personal use without prior written permission from the Pruvit Compliance Department.

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- I. Pruvit reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Pruver.
- J. A Pruver shall not promote non-Pruvit products or services in conjunction with Pruvit products or services on the same websites or same advertisement without prior approval from Pruvit Compliance.
- K. In December 2009, the FTC released Guidelines Concerning the Use of Endorsements and Testimonials in Advertising. The guidelines make clear that any Pruver who provides a testimonial or endorsement about their experience with Pruvit products will be viewed as a statement from the company. Therefore, Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Pruvit may not be made except those contained in official Pruvit literature. In particular, no Pruver may make any claim that Pruvit products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate Pruvit policies, but also they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.
- L. A Pruver shall not state or imply that the KETO//OS product can be taken as part of a weight loss strategy. The KETO//OS product is primarily intended to help elevate blood ketones, which can lead to a decrease in food cravings, increased satiety and improved energy levels. As stated above, a Pruver may not make any claims regarding products or services of any products offered by Pruvit, except those contained in official Pruvit literature.

## **9.3 Faxes and E-mail - Limitations**

- A. Except as provided in this section, a Pruver may not use or transmit unsolicited faxes, email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her Pruvit business. The exceptions are;
  - I. Faxes or e-mailing any person who has given prior permission or invitation;
  - II. Faxing or e-mailing any person with whom the Pruver has established a prior business or personal relationship.
- B. In all States, Provinces or Territories where prohibited by law, a Pruver may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.
- C. All faxes, e-mail or computer broadcasted documents subject to this provision shall include each of the following;

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- I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
  - II. A clear return path or routing information;
  - III. The use of legal and proper domain name;
  - IV. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
  - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - VI. The true and correct name of the sender, valid senders fax or e-mail address, and a valid sender physical address;
  - VII. The date and time of the transmission;
  - VIII. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, a Pruvit Pruver shall not transmit any further documents to that recipient.
- D. All e-mail or computer broadcasted documents subject to this provision shall not include any of the following;
- I. Use of any third party domain name without permission;
  - II. Sexually explicit materials.

## **9.4 Internet and Third-Party Website Restrictions**

- A. A Pruver may not use or attempt to register any of Pruvit's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company's name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- B. A Pruvit Pruver may not sell Pruvit products, services or offer the Business Opportunity using “online auctions,” such as eBay®, Amazon or other external retail websites.
- C. All Pruvit Pruvit may have one (1) Approved third-party website. A third-party website is a Pruvit-approved personal website that is hosted on non-Pruvit servers and has no affiliation with Pruvit. Any Pruver who wishes to develop their own third-party website must submit a properly completed third-party website Application and Agreement along with the proper Website

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registration fee and receive Pruvit's prior written approval before going live with their third-party website. Third-party websites may be used to promote your business and Pruvit's products so long as the third-party website adheres to Pruvit's advertising policies. Moreover, no orders may be placed through third-party websites, and no enrollments may occur through a third-party website. If you wish to use any third-party website, you must do the following:

- a. Identify yourself as a Pruver for Pruvit;
  - b. Use only the approved images and wording authorized by Pruvit;
  - c. Adhere to the branding, trademark, and image usage policies described in this document.
  - d. Adhere to any other provision regarding the use of a third-party website described in this document;
  - e. Agree to give the Compliance Department at Pruvit access to the third-party website and, if the website is password protected, the Compliance Department must receive passwords or credentials allowing unlimited access.
  - f. Agree to modify your website to comply with current or future Pruvit policies.
- D. All marketing materials used on a Pruver's third-party website must be provided by Pruvit or approved in writing by Pruvit.
- E. To avoid confusion, the following three elements must also be prominently displayed at the top of every page of your third-party website:
1. The Pruvit Pruver Logo
  2. Your Name and Title
  3. Pruvit Corporate Website Redirect Button
- F. A Pruver may not use third-party sites that contain materials copied from corporate sources (such as Pruvit brochures, CDs, videos, tapes, events, presentations, and corporate websites). This Policy ensures brand consistency, allows Customers and Pruvets to stay up-to-date with changing products, services and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.
- G. A Pruvit Pruver who currently qualifies at the rank of Circle of Champions may apply to the Compliance Department for an exception to the third-party website policy. To qualify for an exception, the website must serve a unique market that the Pruvit corporate site does not currently serve or intend to serve.
- H. Pruvit products may be displayed with other products or services on a Pruver's third-party website so long as the other products and services are consistent with Pruvit values and are not marketed or sold by a competing network-marketing company.
- I. If the independent Pruvit business of a Pruver who has received authorization to create and post an third-party website is voluntarily or involuntarily canceled for any reason, or if Pruvit revokes its authorization allowing the Pruver to maintain a third-party website, the Pruver shall assign the URL to his/her third-party website to the Pruvit within three (3) days from the date

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of the cancellation and/or re-direct all traffic to the site as directed by the Pruvit. Pruvit reserves the right to revoke any Pruver's right to use a third-party website at any time if Pruvit believes that such revocation is in the best interest of Pruvit, its Pruvets, and Customers. Decisions and corrective actions in this area are at Pruvit's sole discretion.

- J. Social Media sites may not be used to sell or offer to sell Pruvit products or services. PROFILES A PRUVER GENERATES IN ANY SOCIAL COMMUNITY WHERE PRUVIT IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE PRUVER AS A PRUVIT PRUVER, and when a Pruver participates in those communities, Pruvets must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Pruvit's sole discretion, and offending Pruvets will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Pruvit approved library. If a link is provided, it must link to the posting Pruver's Replicated website or an approved third-party website.
- K. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Pruvets will be subject to disciplinary action.
- L. Pruvets may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Pruvets create or leave must be useful, unique, relevant and specific to the blog's article.
- M. Pruvets must disclose their full name on all Social Media postings, and conspicuously identify themselves as an independent Pruver for Pruvit. Anonymous postings or use of an alias is prohibited.
- N. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Pruvit income opportunity, Pruvit's products and services, and/or your biographical information and credentials.
- O. Pruvets are personally responsible for their postings and all other online activity that relates to Pruvit. Therefore, even if a Pruver does not own or operate a blog or Social Media site, if a Pruver posts to any such site that relates to Pruvit or which can be traced to Pruvit, the Pruver is responsible for the posting. Pruvets are also responsible for postings which occur on any blog or Social Media site that the Pruver owns, operates, or controls.
- P. As a Pruvit Pruver, it is important to not converse with any person who places a negative post against you, other Pruvets, or Pruvit. Report negative posts to Pruvit at support@pruvithq.com. responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Pruvit, and therefore damages the reputation and goodwill of Pruvit.
- Q. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, Pruvit therefore reserves the sole and exclusive right



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to classify certain Social Media sites as third-party websites and require that Pruvit users, or who wish to use, such sites adhere to the Pruvit's policies relating to third-party websites.

- R. If your Pruvit business is cancelled for any reason, you must discontinue using the Pruvit name, and all of Pruvit's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent Pruvit Pruver, you must conspicuously disclose that you are no longer an independent Pruvit Pruver.
- S. Failure to comply with these Policies for conducting business online may result in the Pruver losing their right to advertise and market Pruvit products, services and Pruvit's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.

## **9.5 Advertising and Promotional Materials**

- A. You may not advertise any Pruvit products or services at a price LESS than the highest company published, established retail price of ONE offering of the Pruvit product or service plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.
- C. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Pruvit Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the Pruvit Compliance Department.
- E. Pruvit approval is not required to place blind ads that do not mention Pruvit, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. A Pruver who is currently paid at the Circle of Champions rank may create his or her own ads or promotional materials including the development of commercials, infomercials and additional third-party websites. However, all such materials, and any subsequent changes thereto shall be submitted to the Pruvit Compliance Department for approval.
- I. Circle of Champions are encouraged to work with the Compliance Department prior to the production of commercials, infomercials, or websites.

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- G. Pruvit reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations, and may require the removal of such advertisements from the marketplace without obligation to the affected Pruver.

## **9.6 Testimonial Permission**

- A. By agreeing to the Pruvit Pruver Agreement, a Pruver gives Pruvit permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in the Pruvit Business Opportunity, a Pruver waives any right to be compensated for the use of his or her testimonial or image and likeness even though Pruvit may be paid for items or sales materials containing such image and likeness. In some cases, a Pruver's testimonial may appear in another Pruver's advertising materials. If a Pruver does not wish to participate in Pruvit sales and marketing materials, he or she should provide a written notice to the Pruvit Compliance Department to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

## **9.7 Telemarketing - Limitations**

- A. A Pruvit Pruver must not engage in telemarketing in relation to the operation of the Pruver's Pruvit business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of Pruvit products or services, or to recruit them for the Pruvit opportunity.
- B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have laws that restrict telemarketing practices. Both Federal agencies, as well as a number of States have "do not call" regulations as part of their telemarketing laws.
- C. While a Pruver may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Pruver to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).
- D. "Cold calls" or "state-to-state calls" made to prospective Customers, or Pruvets that promote either Pruvit products, services or the Pruvit opportunity is considered telemarketing and is prohibited.
- E. Exceptions to Telemarketing Regulations

A Pruvit Pruver may place telephone calls to prospective Customers, or Pruvets under the following limited situations;

- I. If the Pruver has an established business relationship with the prospect;

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- II. In response to the prospect's personal inquiry or application regarding a product or service offered by the Pruvit Pruver, within 3 months immediately before the date of such a call;
  - III. If the Pruver receives written and signed permission from the prospect authorizing the Pruver to call;
  - IV. If the call is to family members, personal friends, and acquaintances. However, if a Pruver makes a habit of collecting business cards from everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption;
  - V. Pruvit Pruvets engaged in calling "acquaintances," must make such calls on an occasional basis only and not as a routine practice.
- F. A Pruver shall not use automatic telephone dialing systems in the operation of his or her Pruvit businesses.
  - G. Failure to abide by Pruvit policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Pruver's position, up to and including termination of the position.
  - H. By signing the Pruver Agreement, or by accepting commission checks, other payments or awards from Pruvit, a Pruver gives permission to Pruvit and other Pruvets to contact them as permitted under the Federal Do Not Call regulations.
  - I. In the event a Pruver violates this section, Pruvit reserves the right to institute legal proceedings to obtain monetary or equitable relief.

## **10.0 INTERNATIONAL MARKETING**

### **10.1 International Marketing Policy**

- A. A Pruvit Pruver is authorized to sell Pruvit products and services, to Customers and Pruvets only in the countries in which Pruvit is authorized to conduct business, according to the Policies and Procedures of each country. Pruvit Pruvets may not sell products or services in any country where Pruvit products and services have not received applicable government authorization or approval.
- B. A Pruver may not, in any unauthorized country, conduct sales, enrollment or training meetings, enroll or attempt to enroll potential Customers, or Pruvets, nor conduct any other activity for the purpose of selling Pruvit products and services, establishing a sales organization, or promoting the Pruvit business opportunity.

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## **11.0 CHANGES TO A PRUVER BUSINESS**

### **11.1 Modification of the Pruver Agreement**

- A. A Pruvit Pruver may modify his or her existing Pruver Agreement (i.e., change a social security number to a Federal ID number, add a Spouse or partner to the account, or change the form of ownership from an individual to a Business Entity owned by the Pruver) by submitting a written request, accompanied by a new Pruver Agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a “crossed out” or “white-out” version of the first Agreement), and any appropriate supporting documentation.

### **11.2 Change Sponsor or Placement for Active Pruvvers**

- A. Maintaining the integrity of the organizational structure is mandatory for the success of Pruvit and our independent Pruvvers. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first 72 hours of initial enrollment as a Pruver. Furthermore, such changes may only occur within the same organization.
- B. Sponsors may make “Placement changes” from one Pruver to another for personally Sponsored (frontline) Pruvvers during the first 72 hours of enrollment.
- C. New Pruvvers or their original Sponsor may request a change of Sponsor or Placement within the first 72 hours of enrollment for the purpose of structuring an organization. The new Pruver Agreement must be received within the calendar month for commission calculations to be effective with the requested change.
- D. To change or correct the Sponsor, a Pruver must comply with following procedures;
  - I. Submit a Sponsor Transfer Form;
- E. Upon approval, the Pruver’s downline, if any, will transfer with the Pruver.
- F. After the first 72 hours from initial enrollment, Pruvit will honor the Sponsor/Placement as shown:
  - I. On the most recently signed Pruver Agreement on file; or
  - II. Self-enrolled on the website (i.e., electronically signed Web Agreement).
- G. Pruvit retains the right to approve or deny any requests to change Sponsor or Placement, and to correct any errors related thereto at any time and in whatever manner it deems necessary.

### **11.3 Change Sponsor or Placement for Inactive Pruvvers**

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- A. At the discretion of Pruvit, Pruvets who did not participate in an auto ship or have not ordered products or services for at least 12 months, and who have not tendered a letter of resignation, are eligible to re-enroll in Pruvit under the Sponsor/Placement of their choice.
- B. Upon written notice to Pruvit that a former Pruver wishes to re-enroll, Pruvit will “compress” (close) the original account. A new Pruvit ID number will then be issued to the former Pruver.
- C. Such Pruver does not retain former rank, downline, or rights to commission checks from his or her former organizations.
- D. Pruvit reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

## **11.4 Change Organizations**

- A. If a Pruvit Pruver wishes to transfer organizations, he or she must submit a letter of resignation to the Pruvit Customer Service Department and remain inactive (place no orders, or be on an auto ship) with or in Pruvit for 6 months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. Pruvit retains the right to approve or deny any request to re-enroll after a Pruver’s resignation.
- C. If re-enrollment is approved, the former Pruver will be issued a new Pruvit ID number and will be required to submit a new Pruver Agreement. The Pruver will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.

## **Unethical Sponsoring**

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Pruver from another Pruver or influencing another Pruver to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported in writing to the Pruvit Compliance Department within the first 90 days of enrollment. If the reports are substantiated, Pruvit may transfer the Pruver or the Pruver’s downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Pruvets. Pruvit remains the final authority in such cases.
- C. Pruvit prohibits the act of “Stacking.” Stacking is the unauthorized manipulation of the Pruvit compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Pruver in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the

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termination of the independent consultant positions of all individuals and/or entities found to be directly involved.

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

## 11.6 Sell, Assign or Delegate Ownership

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for Pruvit to place restrictions on the transfer, assignment, or sale of a position.
- B. A Pruvit Pruver may not sell or assign his or her rights or delegate his or her position as a Pruver without *prior written approval* by Pruvit, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Pruvit.
- C. Should the sale be approved by Pruvit, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.
- D. To request corporate authorization for a sale or transfer of a Pruvit position, the following items must be submitted to the Pruvit Compliance Department;
  - I. A Sale/Transfer of Position Form properly completed, with the requisite signatures.
  - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
  - III. A Pruvit Pruver Agreement completed and signed by the Buyer;
  - IV. Payment of the \$100 administration fee;
  - V. Any additional supporting documentation requested by Pruvit.
- E. Any debt obligations that either Seller or Buyer may have with Pruvit must be satisfied prior to the approval of the sale or transfer by Pruvit.
- E. A Pruvit Pruver who sells his or her position is not eligible to re-enroll as a Pruvit Pruver in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

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## 11.7 Separating a Pruvit Business

- A. Pending a divorce or dissolution of a partnership or other business entity, the parties must adopt one of the following methods of operation;
  - I. One of the parties may, with the written consent of the other(s), operate the Pruvit business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize Pruvit to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee;
  - II. The parties may continue to operate the Pruvit business jointly on a “business as usual” basis, whereupon all compensation paid by Pruvit will be paid in the name designated as the Pruvit or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, Pruvit will pay compensation to the name on record and in such event, the IBO named on the account shall indemnify Pruvit from any claims from the other business owner(s) or the other Spouse with respect to such payment.
- B. Pruvit recognizes only one Downline organization and will issue only one commission check per Pruvit business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will Pruvit split commission and/or bonus checks.
- C. If a relinquishing Spouse, partner or owner of the business has completely relinquished (“Relinquishing Party”), in writing, all rights to the original Pruvit business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Pruver or active Customer in the former organization, and must develop a new business in the same manner as any other new Pruvit Pruver. A Pruver in the Relinquishing Party’s former Downline who wishes to transfer to the Relinquishing Party’s new organization or to any other organization, must comply with the requirements in Section 13.5.

## 11.8 Succession

- A. Upon the death or incapacity of a Pruver, the Pruver’s business may be passed on to his or her legal successors in interest (successor). Whenever a Pruvit business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Pruver’s sales organization. The successor must:
  - I. Complete and sign a new Pruvit Pruver Agreement;
  - II. Comply with the Terms and provisions of the Pruver Agreement; and

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- III. Meet all of the qualifications for the last rank achieved by the former Pruver.
- B. Bonus and commission checks of a Pruvit business transferred based on this section will be paid in a single check to the successor. The successor must provide Pruvit with an “address of record” to which all bonus and commission Payments will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.
- C. If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a Federal taxpayer identification number. Pruvit will issue all bonus and commission payments and one 1099 Miscellaneous Income Tax form to the managing business entity only.
- D. Appropriate legal documentation must be submitted to Pruvit Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Pruvit business, the successor must provide the following to Pruvit Compliance Department;
  - I. A certified copy of the death certificate; and
  - II. A notarized copy of the will or other appropriate legal documentation establishing the successor’s right to the Pruvit business.
- E. To complete a transfer of the Pruvit business because of incapacity, the successor must provide the following to the Pruvit Compliance Department;
  - I. A notarized copy of an appointment as trustee;
  - II. A notarized copy of the trust document or other appropriate legal documentation establishing the trustee’s right to administer the Pruvit business; and
  - III. A completed Pruver Agreement executed by the trustee.
- F. If the successor is already an existing Pruver, Pruvit will allow such Pruver to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the 6-month period, the Pruver must have compressed (if applicable), sold or otherwise transferred either the existing position or the inherited position.
- G. If the successor wishes to terminate the Pruvit position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, Pruvit may grant a 1 month bereavement waiver and pay out at the last “paid as” rank.

## **11.9 Resignation/Voluntary Termination**



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- A. A Pruver may immediately terminate his or her position by submitting a written notice or email to the Pruvit Compliance Department at [compliance@pruvithq.com](mailto:compliance@pruvithq.com). The written notice must include the following:
  - I. The Pruver's intent to resign;
  - II. Date of resignation;
  - III. Pruvit Identification Number;
  - IV. Reason for resigning; and
  - V. Signature.
- B. A Pruvit Pruver may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Pruver who has voluntarily resigned is not eligible to reapply for a position or have any financial interest in a or any Pruvit business for 6 months from the receipt of the written notice of resignation.

## **11.10 Involuntary Termination**

- A. Pruvit reserves the right to terminate a Pruver's position for, but not limited to, the following reasons:
  - I. Violation of any Terms or Conditions of the Pruver Agreement;
  - II. Violation of any provision in these Policies and Procedures;
  - III. Violation of any provision in the Compensation Plan;
  - IV. Violation of any applicable law, ordinance, or regulation regarding the Pruvit business;
  - V. Engaging in unethical business practices or violating standards of fair dealing; or
  - VI. Returning over \$500 worth of products, services and/or sales tools for a refund within a 12 month period.
- B. Pruvit will notify the Pruver in writing *by certified mail, return receipt requested or overnight documented mail*, at his or her last known address of its intent to terminate the Pruver's position and the reasons for termination. The Pruver will have 15 calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice. Pruvit will then have 30 calendar days from the date of receipt of the Pruver's response to render a final decision as to termination.

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- C. If a decision is made by Pruvit to terminate the Pruver's position, Pruvit will inform the Pruver in writing that the position is terminated effective as of the date of the written notification.
- D. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by Pruvit. The former Pruver shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Pruvit products or services. Pruvit will notify the active Upline Sponsor within 10 days after termination. The organization of the terminated Pruver will "roll up" to the active Upline Sponsor on record.
- E. The Pruvit Pruver who is involuntarily terminated by Pruvit may not reapply for a position, either under his or her present name or any other name or entity, without the *express written consent of an officer of Pruvit*, following a review by the *Pruvit Compliance Committee*. In any event, such Pruver may not re-apply for a position for 12 months from the date of termination.

## 11.11 Effect of Cancellation

- A. Following a Pruver's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Pruver:
  - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Pruver's former organization or any other payments in association with the Pruver's former independent position;
  - II. Effectively waives any and all claims to property rights or any interest in or to the Pruver's former Downline organization;
  - III. Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, and less any other amounts owed to Pruvit.

## 12.0 DISCIPLINARY SANCTIONS

### 12.1 Imposition of Disciplinary Action - Purpose

- A. It is the spirit of Pruvit that integrity and fairness should pervade among its Pruvets, thereby providing everyone with an equal opportunity to build a successful business. Therefore, Pruvit reserves the right to impose disciplinary sanctions at any time, when it has determined that a Pruver has violated the Agreement or any of these Policies and Procedures or the Compensation Plan as they may be amended from time to time by Pruvit.

### 12.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following:

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- I. Monitoring a Pruver's conduct over a specified period of time to assure compliance;
- II. Issuance of a written warning or requiring the Pruver to take immediate corrective action;
- III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until Pruvit receives adequate additional assurances from the Pruver to ensure future compliance;
- IV. Suspension from participation in Company or Pruver events, rewards, or recognition;
- V. Suspension of the Pruvit Pruver Agreement and position for one or more pay periods;
- VI. Involuntary termination of the Pruver's Agreement and position;
- VII. Any other measure which Pruvit deems feasible and appropriate to justly resolve injuries caused by the Pruver's Policy violation or contractual breach; OR
- VIII. Legal proceedings for monetary or equitable relief.

## **13.0 DISPUTE RESOLUTION**

### **13.1 Grievances**

- A. If a Pruvit Pruver has a grievance or complaint against another Pruver regarding any practice or conduct relating to their respective Pruvit businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the Pruvit Compliance Department as outlined below in this Section.
- B. The Pruvit Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Pruvets involved.
- C. Pruvit will confine its involvement to disputes regarding Pruvit business matters only. Pruvit will not decide issues that involve personality conflicts or unprofessional conduct by or between Pruvets outside the context of a Pruvit business. These issues go beyond the scope of Pruvit and may not be used to justify a Sponsor or Placement change or a transfer to another Pruvit organization.
- D. Pruvit does not consider, enforce, or mediate third party agreements between Pruvets, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:

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- I. The Pruvit Pruver should submit a letter of complaint (e-mail will be accepted) directly to the Pruvit Compliance Department. The letter shall set forth the details of the incident as follows;
  - a. The nature of the violation;
  - b. Specific facts to support the allegations;
  - c. Dates;
  - d. Number of occurrences;
  - e. Persons involved; and
  - f. Supporting documentation.
  
- II. Upon receipt of the written complaint, Pruvit will conduct an investigation according to the following procedures;
  - a. The Compliance Department will send an acknowledgment of receipt to the complaining Pruver;
  - b. The Compliance Department will provide a verbal or written notice of the allegation to the Pruver under investigation. If a written notice is sent to the Pruver, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by Pruvit
  - c. The Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case by case basis, and the length of time to reach a resolution will vary.
  - d. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Pruver calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
  
- E. Pruvit will make a final decision and timely notify the Pruvit Pruvets involved.

## 13.2 Arbitration

- A. **Any controversy or claim arising out of or relating to the Pruvit Pruver agreement, these Policies and Procedures, or the breach thereof, the Pruver’s business or any dispute between Pruvit and the Pruver, shall be settled by binding and confidential arbitration administered by the American Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Any such arbitration shall be held in Melissa, Texas. There shall be one arbitrator, who shall have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the American Arbitration Association.

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- B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including reasonable attorney's fees and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.
- C. This agreement to arbitration shall survive any termination or expiration of the Pruver agreement.
- D. Nothing in these Policies and Procedures shall prevent Pruvit from applying for or obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect Pruvit interests or its Confidential Information prior to, during or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.
- E. **NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.**
- F. These Policies and Procedures and any arbitration involving a Pruver and Pruvit shall be governed by and construed in accordance with the laws of the state of Texas, without reference to its principles of conflict of laws.

## **13.3 Severability**

- A. If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

## **13.4 Waiver**

- A. Only an officer of Pruvit can, in writing, affect a waiver of the Pruvit Policies and Procedures. Pruvit's waiver of any particular breach by a Pruver shall not affect Pruvit's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Pruver.
- B. The existence of any claim or cause of action of a Pruver against Pruvit shall not constitute a defense to Pruvit's enforcement of any term or provision of these Policies and Procedures.

## **13.5 Successors and Claims**

The agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

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## 14.0 GOVERNING LAW

These Policies and Procedures shall be governed by and construed in accordance with the Laws of the State of Texas and the exclusive jurisdiction of the United States courts.

## 15.0 Pruvit GLOSSARY OF TERMS

**ACTIVE PRUVER:** A Pruver who satisfies the minimum volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

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

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

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

**CUSTOMER:** A Customer who purchases Pruvit products and does not engage in building a business or retailing product.

**PRUVER:** An individual who purchases product, generates retail sales and business building commissions.

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

**ORGANIZATION:** The Customers and Pruvets placed below a particular Pruver.

**OFFICIAL PRUVIT MATERIAL:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Pruvit to Pruvets.

**PLACEMENT:** Your position inside your Sponsor’s organization.

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

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**RESALABLE:** Products shall be deemed “resalable” if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labelling has not been altered or damaged, 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current Pruvit labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

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

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