

STATEMENT OF POLICIES AND PROCEDURES

1. **The Company.**

ZURVITA hereinafter "Company," is a direct selling company marketing quality of life benefits and financial services, to the consumer through independent representatives. The policies and procedures herein are applicable to all independent representatives of the Company.

2. **Independent Representatives.**

An independent representative is one who has completed and agreed to a Company Application and Agreement and these Policies and Procedures, and has been accepted by the Company as an independent representative. The Company reserves the right to accept or reject anyone as an independent representative.

3. **Independent Representative's Qualification.**

a) All independent representatives must be of legal age in the state in which they sell Company products or services. The Company will consider married couples as a single independent representative/position. Husbands and wives may not sponsor each other directly or indirectly, nor have different sponsors. If one spouse is already an independent representative, the nonparticipating spouse may elect to become a joint representative, in the same position/distributorship as his/her spouse. If each spouse desires to have his/her own positions in the Company they both must share the same sponsor.

b) Should a husband/wife independent representative divorce, they jointly should notify the Company as to how the position is to be managed thereafter. The Company will continue to pay commission checks in the same manner as before the divorce until it receives written notice signed by both parties or a court decree which specifies how future commission checks should be paid.

4. **Legal Entities.**

a) A partnership, corporation or limited liability company (a "Legal Entity") may be an independent representative. However, no individual may participate in more than one independent representative position. An independent representative position may change status under the same sponsor from an individual to a Legal Entity with proper and complete documentation.

b) To become an independent representative as a Legal Entity or to change status from an individual to one of these forms of Legal Entities, the independent representative must request a Legal Entity

Form from the corporate home office. This form must be submitted detailing all partners, stockholders, members, managers, officers or directors, as applicable, in the Legal Entity. In addition, the independent representative must submit (and keep updated) a complete list of all directors, officers, shareholders, partners, members and managers, as applicable, of the Legal Entity and such other information reasonably requested by the Company from time to time. The individual who submits the form must be authorized to enter into binding contracts on behalf of the Legal Entity. In addition, by submitting the legal entity form, independent representative certifies that no person with an interest in the business has had an interest in an independent representative's position within three months of the submission of the form (unless it is the continuation of an existing position that is changing its form of doing business).

- c) Although the Company offers an independent representative the opportunity to conduct his/her independent representative's position as a Legal Entity, since the independent representative's Legal Entity is under the control of its owners, the actions of individual owners as they may affect the Company and the independent representative position. Therefore, the shareholders, officers, directors, partners, members, managers, agents or employees, as applicable, of a Legal Entity independent representative are personally liable to the Company for the actions of the Legal Entity.

5. Independent Representatives Status and Responsibilities.

Independent representatives are independent contractors of the Company. The agreement between the Company and its independent representatives does not create an employer\employee relationship, agency, partnership, or joint venture between the Company and the independent representatives. Each independent representative shall hold harmless the Company from any claims, damages or liabilities arising out of independent representative's business practices. Independent representatives have no authority to bind the Company to any obligation. Each independent representative is encouraged to set up his\her own hours and to determine his\her own methods of sale, so long as he\she complies with the policies and procedures of the Company.

6. Independent Representatives Business Conduct.

In the conduct of his/her business, the independent representative shall safeguard and promote the reputation of the products and services of the Company and shall refrain from all conduct which might be harmful to such reputation of the Company or to the marketing of such products or

inconsistent with the public interest, and shall avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. Independent representatives agree to conduct their business with the highest standards of honesty and integrity. Independent representatives shall not make negative, disparaging, untrue or misleading comments about the Company, its owners, directors, officers, employees, other representatives of the Company or any other company or such company's products. Independent representatives shall not engage in any activities that may cause harm to the Company or any other independent representative of the Company.

7. Consumer Centered Services and Products.

The Company's program is built upon retail sales of product and services to the ultimate consumer. Independent representatives must fulfill published personal and down-line retail sales requirements to qualify for bonuses, overrides or advancements. An independent representative may not pay for another person's membership.

8. Sponsor's Responsibilities.

Any independent representative who sponsors other independent representatives must fulfill the obligation of performing a bona fide supervisory function in the sale or delivery of product and services and in the training of those he/she sponsors. Independent representatives must be available to provide communication and training with his/her sales organization. Examples of such communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, training sessions, and accompanying individuals to Company training and sharing genealogy information with those sponsored.

9. Taxes.

Each independent representative is responsible for complying with all state and local taxes and regulations with respect to commissions or any other earnings generated as an independent representative of Company products and services.

10. Company Representation.

Independent representatives shall not advertise Company products and/or marketing plans except as specifically approved by the Company. Independent representatives agree to make no false or fraudulent representations about the Company, the products, the Company compensation plan, or income potentials.

11. Monthly Fees.

The recurring independent representative fee will automatically be deducted from the credit card provided on the application form at the time the independent representative joins the Company and purchases the service.

12. Trademark, Trade Names, Advertising.

a) The name of the Company and other names and marks as may be used by the Company are proprietary trade names, trademarks and service marks of and owned by the Company. As such, these marks are of great value to the Company and are supplied to an independent representative for independent representative's use only as expressly authorized in writing. Each independent representative agrees to advertise the Company products and services only through the advertising or promotional materials made available to the independent representative by the Company. Each independent representative agrees not to use any written, printed, recorded or any other material in advertising, promoting or describing any product or service of the Company or the Company business which has not been supplied by the Company, unless such material has been submitted to the Company and approved in writing by the Company before being disseminated, published or displayed.

b) An independent representative may not produce, use or distribute any information relative to the contents, characteristics or properties of Company product or service which has not been provided directly by the Company. This prohibition includes but is not limited to print, audio or video media.

c) An independent representative may not produce, sell or distribute literature, films or sound recordings which are deceptively similar in nature to those produced, published and provided by the Company for its independent representatives, nor may an independent representative purchase, sell or distribute non-company materials which imply or suggest that said materials originate from the Company.

d) Each independent representative agrees to indemnify the Company and hold it harmless from any and all liability including judgments, civil penalties, refund, attorney fees, court costs or lost business incurred by the Company as a result of an independent representative's unauthorized representation concerning the Company of its products or services or use of its trademarks, service marks or copyrights.

13. Internet and Website Policy.

a) The Company maintains an official corporate website. Independent representatives are allowed to advertise on the Internet through an approved Company program which allows independent representatives to choose from

Company home page designs that can be personalized with the independent representative's message and the independent representative's contact information (the "Rep Website"). The Rep Websites link directly to the Company website giving the independent representative a professional and Company-approved presence on the Internet. Only these approved Rep Websites may be used by independent representatives in connection with their Zurvita business.

b) Independent representatives may not advertise or promote their Zurvita business or the Company's products or marketing plan or use the Company's name in any electronic media or transmission, including on the Internet except via a Rep Website. No independent representative may use "blind" ads on the Internet making product or income claims which are ultimately associated with Company products or services or the Company's business plans.

c) Independent representatives may not use the trademarks of the Company or any derivative or abbreviation thereof as a domain name or email address.

d) When using the Rep Websites and the Internet, independent representatives must abide by the guidelines set forth by the Company, including, but not limited to the following, independent representative shall: (i) not make offers or solicitations in the guise of research, surveys or informal communication, when the real intent is to sell products or services or sponsor independent representatives; (ii) whether or not they collect personal information from individual consumers, disclose to the consumer in a prominent place on the Rep Website how the consumer information will be used; (c) provide individual consumers with an opportunity to prohibit the dissemination of personal information collected on-line, and if any consumer requests that his/her personal information not be shared, the independent representative shall refrain from sharing such information; (d) provide individual consumers the option to terminate any further communication between the independent representative and the consumer and if any consumer requests that an independent representative cease communication, the independent representative shall immediately stop communicating upon such request; (e) abide by all laws and regulations regarding electronic communications; (f) not distribute content by use of distribution lists or to any person who has not given specific permission to be included in such a process; spamming or distribution of chain letters or junk mail is not allowed; and (g) not distribute content that is unlawful, harassing, libelous, slanderous, abusive, threatening, harmful, vulgar, obscene or otherwise objectionable material or which could give rise to civil liability or

otherwise violate any applicable local, state, national or international law or regulation.

e) When using the Rep Website, independent representatives shall not defame, abuse, harass, stalk, threaten or otherwise violate the legal rights (such as rights of privacy and publicity) of others. Independent representatives shall not publish, post, upload, distribute, or communicate any inappropriate, profane, defamatory, infringing, obscene, indecent or unlawful topic, name, material or information. All communications shall respect the rights, opinions and sensitivities of others. Subjects not in support of the operation of an independent representative's Zurvita business, such as religious, political or social commentary should be avoided.

14. No Spam Policy.

It is specific Company policy to prohibit independent representatives from sending unsolicited and/or bulk email (spamming) or information by facsimile relating to the Company's business and products and services. The Company has a zero tolerance policy of spamming practices.

15. Representation of Status.

In all cases, any reference the independent representative makes to him/herself must clearly set forth the independent representative's independent status. For example, if the independent representative has a business telephone, the telephone may not be listed under the Company's name or in any other manner which does not disclose the independent contractor status of the independent representative.

16. Newspaper Advertisements.

Some independent representatives use classified advertising in the newspapers to find prospects. All advertisements must be approved by the Company in advance.

17. Business Cards and Stationery.

Any printed materials, including business cards and stationery, must be approved by the Company in advance. Criteria for approving these materials will include a judgment regarding the quality of the materials as well as properly setting forth the independent status of the independent representative.

18. Telephone Solicitation.

The use of the Company's name or copyrighted materials may not be made with automatic calling devices or "boiler room" operations either to solicit independent representatives or retail customers.

19. Press Inquiries and Media Interviews.

Any inquiries by the media are to be referred immediately to the Company. Independent representatives are prohibited from granting radio, television, newspaper, tabloid, internet, or magazine interviews, or using public appearances, public speaking engagements, or making any type of statement to the public media to publicize the Company, its products or services or their Zurvita businesses, without the express prior written approval of the Company. This policy is to assure accuracy and consistent public image.

20. Endorsements.

Federal and state regulatory agencies do not endorse direct selling programs. Therefore, independent representatives may not represent that the Company's program has been approved or endorsed by any governmental agency.

21. Reproductions.

Independent representatives may not produce or reproduce for sale or personal use products sold by the Company or any Company-produced literature, audio or video material, presentations, events or speeches, including conference calls. Video and/or audio taping of Company meetings and conferences strictly is prohibited. Still photography is allowable at the discretion of the meeting host.

22. Repackaging.

Independent representatives may not re-package products or materials of the Company.

23. Retail Establishments.

Company products may only be displayed and sold in retail establishments where the nature of the business is to make appointments with customers (such as salons, doctors' offices, and health clubs where appointments are made for personal training or classes are scheduled) the sale of such products within such retail facilities must be conducted by an independent representative. Company produced literature, banners, or signage may only be displayed on a shelf, counter, or wall and must be displayed by itself.

24. Trade Shows.

With written authorization from the Company, Company products and opportunity may be displayed at trade shows by independent representatives. Request for participation in trade shows must be received in writing by the Company at least two weeks prior to the show. Written authorization from the Company must be received before participating in the trade show. Company products and opportunity are the only products

and/or opportunity that may be offered in the trade show booth. Only Company produced marketing materials may be displayed or distributed. No independent representative may sell or promote the Company's products or business opportunity at flea markets, swap meets, or garage sales, etc. without prior Company approval.

25. Sales Presentations.

At all sales presentations, independent representatives shall truthfully identify themselves, their products, and the purpose of their business to prospective customers. Independent representatives may not use any misleading, deceptive, or unfair sales practices. Explanation and demonstration of products and services offered shall be accurate and complete including, but not limited to, with regard to price, terms of payment, refund rights, guarantees, and after-sales services and delivery. Personal or telephone contacts shall be made in a reasonable manner and during reasonable hours to avoid intrusiveness. Independent representatives must immediately discontinue a demonstration or sales presentation upon the request of the consumer. Independent representatives shall not directly or by implication, denigrate any other company or product. Independent representative shall refrain from using comparisons which are likely to mislead and which are incompatible to the principles of fair competition. Points of comparison shall not be unfairly selected and shall be based on facts which can be substantiated. Independent representative shall not abuse the trust of individual consumers, shall respect the lack of commercial experience of consumers and shall not exploit a customer's age, illness, lack of understanding or lack of language expertise.

26. International Sales.

No independent representative may export or sell directly or indirectly to others who export the Company's products or services, literature, sales aids or promotional material relating to the Company, its products or the Company's program from the United States or its possessions or territories to any other country. Independent representatives who choose to sponsor internationally may do so only in countries in which the Company has registered to operate its business and must comply fully with the rules of operation of the Company's operation in that country.

27. Renewal.

Independent representatives must renew their status annually, and the Company has the right to decline to accept any renewal, in its sole discretion. The annual renewal fee is due on the anniversary date of acceptance of the Independent Representative Agreement. The Company may charge a renewal fee and/or require that independent representative execute a new Independent Representative Agreement upon renewal.

Independent representatives not renewing by the renewal date shall be deemed to have voluntarily terminated their independent representative relationship with the Company.

28. Termination.

- a) The Independent Representative Agreement may be canceled for any reason by either party upon a thirty (30) day prior written notice to the other party.
- b) The Company reserves the right to terminate any independent representative at any time for cause when it is determined that the independent representative has violated the provisions of the Independent Representative's Agreement, including the provisions of these Policies and Procedures. Such involuntary termination shall be made by the Company at its sole discretion. Upon an involuntary termination, the Company shall notify the independent representative by mail at the latest independent representative's address listed with the Company. In the event of a termination, the terminated independent representative agrees to immediately cease representing him/herself as an independent representative of the Company.

29. Returns.

- a) An independent representative who terminates his/her business relationship with the Company has the right to return for repurchase on commercially reasonable terms currently marketable inventory, including required Company-produced promotional materials, sales aids and kits in possession of the independent representative or such materials purchased by the independent representative for resale prior to the date of termination. For purposes hereof, "reasonable commercial terms" shall mean the repurchase of marketable inventory within 12 months from the independent representative's date of purchase at not less than 90% of the independent representative's original net cost less appropriate set-offs and legal claims, if any. In addition, for purposes of this section, products shall not be considered "currently marketable" if returned for repurchase after the product's commercially reasonable usable or shelf life period has passed; nor shall products be considered "currently marketable" if the Company clearly discloses to the independent representative prior to purchase that the products are seasonal, discontinued, or special promotional products and are not subject to the repurchase obligation.
- b) A written request must be submitted, stating the reason for the return of inventory and/or sales materials, and accompanied by proof of payment and a copy of the purchase order form or packing slip.

c) The Company will instruct the independent representative where to ship the product for inventory and verification. Upon receipt and inspection of the return, the Company will process the appropriate refund. The independent representative must pay the cost of return freight.

d) All commissions, overrides and/or bonuses paid to a terminated independent representative and his/her upline as a result of any product returned upon termination must be repaid to the Company from the independent representatives receiving such commissions, overrides and/or bonuses. The Company may deduct such amounts from any commissions or other amounts owed to such independent representatives.

30. Buyer's Right to Cancel.

Federal law grants a buyer the right to cancel certain sales without penalty prior to midnight of the third business day after the transaction. This rule covers retail consumer sales of \$25.00 or more that occur away from the seller's main office. The Company's sales order form contains all legally required notices. Two copies must be given to the buyer by independent representatives on every sale. In addition, independent representatives must orally inform the buyer of the three-day right to cancel at the time the buyer purchases the goods.

31. Solicitation.

During the term of this Agreement, an independent representative may not, directly or indirectly, on his/her own behalf or on behalf of any other person or entity, divert, solicit or hire any customer, independent representative, or employee of the Company to terminate or alter his/her business or contractual relationship with the Company.

32. Proprietary Information.

The Company will provide access via the independent representative's website "back-office" to company data, information and reports concerning the independent representative's down-line sales organization. Each independent representative agrees that such information is proprietary and confidential to the Company and is transmitted to the independent representative in confidence. Each independent representative agrees that he/she will not disclose such information to any third party directly or indirectly, nor use the information to compete with the Company directly or indirectly. The independent representative and the Company agree that, but for this agreement of confidentiality and nondisclosure, the Company would not provide the above confidential information to the independent representative. Each independent representative acknowledges that the genealogy may contain information concerning an independent representative, including, but not limited, to an independent representative's

name, address, phone number, products and earnings, and each independent representative consents to the dissemination of the genealogy.

33. Vendor Confidentiality.

The Company's business relationship with its vendors, manufacturers and suppliers is confidential. An independent representative shall not contact, directly or indirectly, or speak to or communicate with any representative of any supplier or manufacturer of the Company except at a Company-sponsored event at which the representative is present at the request of the Company.

34. Death or Incapacitation.

Upon the death or incapacity of the independent representative, his/her rights to bonuses and marketing position, together with independent representative responsibilities, shall pass to his/her successors in interest upon written application and approval by the Company. The successor independent representative must fulfill all responsibilities of the independent representative and execute the then current Independent Representative Agreement.

35. Transfer of Independent Representative Position.

a) An independent representative may not sell, assign or otherwise transfer his/her independent representative position, marketing position or other independent representative rights without written approval by the Company. The selling independent representative must provide the Company with a copy of all documents which detail the transfer, including, without limitation, the name of the purchaser, the purchase price and terms of purchase and payment.

b) The Company possesses the right of first refusal with respect to any sale, assignment or transfer of any independent representative position. An independent representative wishing to sell, assign or transfer his/her business must first provide the Company with the right and option to make such a purchase or receive such transfer in writing on the same terms and conditions as any outstanding or intended offer. The Company will advise the independent representative within 10 business days after receipt of such notice of its decision to accept or reject the offer.

c) If the Company fails to respond within the 10-day period or declines such offer, the independent representative may make the same offer to the independent representative's sponsor. If the sponsor declines the offer, the independent representative may sell the independent representative's position to any person or entity who is not an independent representative, married to or a dependent of an independent representative or who has any

interest in an independent representative, but on the same terms and conditions as offered to the Company and/or sponsor.

d) Upon a sale, transfer or assignment being approved in writing by the Company, the purchaser must assume the position of the selling independent representative and must execute a current Independent Representative Agreement and all such other documents as reasonably be required by the Company.

e) An independent representative who sells his/her independent representative's position shall not be eligible to re-qualify as an independent representative for a period of at least six months after the sale.

36. Agreement.

These Policies and Procedures are incorporated into the Independent Representative Agreement.

37. Amendment.

The Company expressly reserves the right to alter or amend prices, these Policies and Procedures, products and services and the Compensation Plan at anytime. Such amendments are automatically incorporated as part of the Independent Representative Agreement and will be communicated to the independent representative by posting on the Company website or through other Company communications. The cashing of a company commission check or acceptance of bonuses or commissions constitutes acceptance and agreement of such changes.

38. Sponsoring Rights.

a) All independent representatives have the right to sponsor others. In addition, every person has the ultimate right to choose his/her own sponsor. If two independent representatives should claim to be the sponsor of the same new independent representative, the Company shall regard the first application received by the corporate home office as controlling.

b) As a convenience to its independent representatives, the Company may provide various methods of registering or informing the Company of newly sponsored independent representatives, including telephone registration and facsimile registration. Until such time as the Company receives an application and an executed Independent Representative Agreement, either as hard copy, electronically, or by facsimile, containing all appropriate information, the Company will consider an incomplete registration in the category of "intended" registration.

39. Transfer of Sponsorship.

a) Transfer of sponsorship is rarely permitted and is actively discouraged. Maintaining the integrity of sponsorship is absolutely mandatory for the success of the overall organization. Transfers will generally be approved in two circumstances only:

(i) In the case of unethical sponsoring by the original sponsor. In such cases, the Company will be the final authority.

(ii) An independent representative resigns from the Company and waits six months to reapply under the new sponsor.

b) In cases of unethical sponsoring, the individual may be transferred with any downlines intact; in all other events, the individual alone is transferred without any downline independent representatives being removed from the original line of sponsorship.

40. Commissions & Bonuses Eligibility.

To be eligible for monthly override commissions and bonuses, the independent representative must comply by:

a) Maintain an active position and in good standing with the Company; and

b) Maintaining the minimum number of active ZURVITA customers required at the achieved level.

41. Income Claims.

No income claims, income projections nor income representations may be made to prospective independent representatives. Any false, deceptive or misleading claims regarding the opportunity or product\service are prohibited. In their enthusiasm, independent representatives are occasionally tempted to represent hypothetical income figures based upon the inherent power of network marketing as actual income projections. This is counter-productive and prohibited, since new independent representatives may be quickly disappointed if their results are not as extensive or as rapid as a hypothetical model would suggest. The Company believes firmly that the income potential is great enough to be highly attractive in reality without resorting to artificial and unrealistic projections.

42. Waiver.

The Company never gives up its right to insist on compliance with these Policies and Procedures or with the applicable laws governing the conduct of the Zurvita business. This is true in all cases, both specifically expressed and

implied, unless an officer of the Company who is authorized to bind the Company in contracts or agreements specifies in writing that the Company waives any of these provisions.

43. Governing Law.

These Policies and Procedures shall be governed by the laws of the State of Texas. The parties agree that jurisdiction and venue shall lie in Houston, Texas.

44. Partial Validity.

Should any portion of these Policies and Procedures or the Independent Representative's Agreement, or of any other instruments referred to herein or issued by the Company be declared invalid by a court of competent jurisdiction, the balance of such rules, applications, or instruments shall remain in full force and effect.

45. Customer Guarantee.

Independent representatives must abide by the Company's retail customer return policy.

46. Warranties.

Except as expressly stated herein, the Company makes no warranty or representation as to the merchantability, fitness for a particular purpose, workmanship or any other warranty concerning any product or service purchased from or through the Company.

47. Force Majeure.

The Company shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as strikes, labor difficulties, fire, war, government decrees or orders or curtailment of a party's usual source of supply.

48. Arbitration.

a) Except as expressly set forth herein, all disputes, claims and controversies between independent representatives and the Company, relating to or arising out of the Independent Representative Agreement, the Policies and Procedures, the Compensation Plan or its products or services, the rights and obligations of an independent representative and the Company or any other claims or causes of action relating to the performance of any independent representative under the Independent Representative Agreement shall be settled totally and finally by arbitration in Houston, Texas, or such other location as the Company prescribes, in accordance with Policies and Procedures and the Commercial Arbitration Rules of the American Arbitration Association. Except as expressly set

forth herein, arbitration shall be the exclusive method available for resolution of such claims and disputes.

b) There shall be one arbitrator who shall be an attorney who shall have expertise in business law transactions, and preferably an attorney knowledgeable in the direct selling industry. The Company shall select the arbitrator at its sole discretion from the panel which the American Arbitration Association provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. If an independent representative files a claim or counterclaim against the Company, an independent representative shall do so on an individual basis and not with any other independent representative or as part of a class action. The arbitrator shall have the right in his/her discretion to authorize the obtaining of discovery, including the taking of depositions of witnesses for the purpose of discovery. The presentations of parties in the arbitration proceeding shall be commenced and completed within 60 days after the selection of the arbitrator and the arbitrator shall render his/her decision in writing within 30 days after the completion of such presentations. The decision of the arbitrator shall be final and binding on the parties and may, if need be, be reduced to a judgment in any court of competent jurisdiction. At the request of any party, the arbitrator shall make and provide to the parties written findings of fact and conclusions of law. This agreement to arbitration shall survive any termination or expiration of the Independent Representative Agreement.

c) Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use or registration of any mark, copyright, or other intellectual property or proprietary or confidential information of the Company without the Company's prior written consent. The Company may seek any applicable remedy in any applicable forum with respect to these disputes.

d) Nothing in the Policies and Procedures shall prevent the Company from terminating the Independent Representative Agreement or from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other injunctive or emergency relief available to safeguard and protect the Company's interests prior to the filing of or during or following any arbitration or other proceeding or pending the handing down of a decision or award in connection with any arbitration or other proceeding.

e) Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to

subtract from any of the provisions of the Policies or Procedures, Compensation Plan or the Independent Representative Agreement.