

ESSENTIAL LIFE SCIENCES
Youngevity®


Youngevity®
ESSENTIAL LIFE SCIENCES

POLICIES
AND
PROCEDURES
Amended July 2007



HOW TO REACH US

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ORDERS & SIGN-UP

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A. INTRODUCTION

The success of your independent network marketing business is directly related to relationships—relationships with customers, other Associates and the Company.

Tied closely to your success is the method by which the Company will compensate you for your participation in the Company's program as you conduct your business.

Experience has shown that a clear set of policies and procedures promotes harmony in vital relationships. Understanding well-defined compensation provisions, you can plan your efforts for maximum return and effectiveness. In addition, establishing proper policies ensures that equality of opportunity and fairness are available to all Associate participants.

As you understand the Company's policies and procedures, you will want to follow "the spirit as well as the letter" of those policies. Your success is directly related to the service provided to others. You will find that following these policies will lead to greater success and rewards.

It is with great anticipation of your success that we present to you these policies and urge you to follow them closely and completely.

B. ASSOCIATE COMPENSATION AND DEFINITIONS

All Associates will better understand the policies of the Company by understanding the Associate Compensation Plan and Definitions of a number of basic terms. These terms are commonly used to explain policies and programs in Company literature and in discussions between Associates.

- B 1 **Company:** The term "Company" as it is used throughout these policies and other literature means Youngevity®, or any of its divisions including, but not limited to, Supralife Network®, Ancient Legacy™, Bio-Lumin Essense™, NuVANTE™, Tidal Wave™, A.C.T.™, and any other company operating under the Youngevity® compensation plan in a foreign country.

- B 2 **Product:** Any commissionable item, program or service that the Company makes available to Associates.
- B 3 **Associate:** A person or legal entity currently authorized to purchase products from the Company and to participate in the Associate Compensation Program. Associate is a general term referring to all authorized Associates as individuals and as a group regardless of the level or position attained in the program.
- B 4 **Sponsor:** An Associate who officially enrolls another Associate in the Company's program and is responsible for ensuring that the new Associate gets a "good start" toward success in the program. The act of enrolling others to participate is called sponsoring.
- B 5 **Upline:** All Sponsors above a particular Associate in sponsorship line up to the Company. Upline consists of Sponsors that link any particular Associate to the Company.
- B 6 **Downline:** All Associates sponsored by any other Associate below or emanating from a particular Associate.
- B 7 **Suggested Retail Price (SRP):** The Company's recommended price for selling a particular product to retail customers.
- B 8 **Associate Wholesale Purchase Price:** The maximum discounted price paid to the Company by Associates for product.
- B 9 **Bonus Volume (BV):** A value amount in dollars assigned to individual products. The amount which an Associate's Bonus Commission is calculated.
- B 10 **Personal Bonus Volume (PBV):** is the BV value of an Associate's personal purchases/sales during a calendar month.
- B 11 **Group Bonus Volume (GBV or GV):** The Bonus Volume (BV) purchased/sold by an Associate's downline organization.
- B 12 **Retail Profit:** The amount an Associate makes (gross) by purchasing an item at their price and selling it at retail to a customer.

B 13 Retail Sale: A retail sale is a sale to an ultimate consumer of Company product. Included are:

1. Sales to Retail customers by the Associate.
2. Purchases by an Associate who is purchasing for personal or family use in reasonable quantities and is not purchasing for the mere purpose of qualifying for bonuses, overrides or advancement in the marketing program.

B 14 Definitions Relating To Associate Compensation Program

- a. Jr. Associate Requirements: • Must have at least 50 PBV (Personal Bonus Volume) during a calendar month. Benefits: • Earn bonus commission on your Group Volume through 2 levels.
- b. Associate Requirements: • Must have at least 100 PBV (Personal Bonus Volume) during a calendar month. Benefits: • Earn bonus commission on your Group Volume through 3 levels • Eligible to earn Quick Start Bonus.
- c. Managing Associate Requirements: • Must have at least 150 PBV (Personal Bonus Volume) during a calendar month • Must have 3 Active Jr. Associates (or above) on 1st level • Must have a total of 900 GV (Group Volume) in first 2 levels. Benefits: • Earn bonus commission on your Group Volume through 5 levels • Eligible to earn Quick Start Bonus.
OR
Requirements: • 300 PBV (Personal Bonus Volume) during a calendar month • 3 Active Associates (or above) on 1st level. Benefits: • Receive bonus commission on your Group Volume through 5 levels • Eligible to earn Quick Start Bonus.
- d. Diamond Leader Requirements: • 300 PBV (Personal Bonus Volume) during a calendar month • 3 Active Managing Associates (or above) on 1st level • 5400 GV (Group Volume) in first 3 levels. Benefits: • Earn bonus commission on your Group Volume through 6 levels • Earn

2% Leadership Bonus paid to infinity or until reaching next qualified Diamond Leader thru 6 generations! • Eligible to earn Quick Start Bonus.

- e. Double Diamond Leader Requirements: • 300 PBV on AutoShip (Personal Bonus Volume) during a calendar month • 3 Active Diamond Executive Associates in 3 different legs • 7500 GV (Group Volume) in first 3 levels • Perform 10 hours of community service and submit write up (*1st month only*). Benefits: • Earn bonus commission on your Group Volume through 6 levels • Earn 2% Leadership Bonus paid to infinity or until reaching next qualified Diamond Leader thru 6 generations! • Earn \$500 Dream Bonus • Eligible to earn Quick Start Bonus.

- f. Triple Diamond Leader Requirements: • 300 PBV (Personal Bonus Volume) during a calendar month • 43,200 GV (Group Volume) in first 3 levels • At least 1 qualified Diamond in each of 9 individual legs (lines of sponsorship) • Participate in at least 3 cross-line training meetings. This means presenting training material and strategies at other distributor's meetings who are not in your downline • Mandatory adherence to the Code of Conduct. Benefits: • Earn bonus commission on your Group Volume through 6 levels • Earn 2% Leadership Bonus paid to infinity or until reaching next qualified Diamond Leader thru 6 generations! • Participate in Revenue Sharing Bonus with other Triple Diamonds (equal to 1/2 of 1% of global net revenue sales paid monthly) • Eligible to earn Quick Start Bonus.

B 15 **Titles:** When an Associate title is achieved, it is retained from then on by the Associate. However, regardless of titles achieved in any previous month, Associates are “paid as” the position they achieve each pay period.

B 16 **Bonus Commissions:** Bonus Commissions are a percentage (%) of the Bonus Volume of the products purchased/sold from the Company by Associates. Bonus Commissions on downline activity are calculated monthly and paid by the 15th of the following month.

B 17 70% Rule: A rule which provides that Associates may only purchase Company products for resale to consumers, for personal consumption, or to provide prompt product delivery to downline Associates in their own personal group. Associates may not stockpile or acquire excessive inventories. Prior to reordering any product, Associates must certify that they have sold a minimum of 70% of all previous orders.

C. ASSOCIATE AUTHORIZATION

The following are rules related to initiating and maintaining Associate authorization in the Company's program. In addition to the warehouse policies, all aspects of these policies and procedures apply to Youngevity® warehouses.

- C 1** New Associates enroll in the program by purchasing the company's current Business Kit and submitting an Application/Agreement Form to become an Associate, which, upon acceptance by the Company, is part of the contract between the Associate and the Company. The Associate Agreement is to be completed and signed by the person or entity applying to become an Associate. This document contains important information which a prospective Associate should read and understand before signing or otherwise applying for an Associateship. The Company reserves the right to reject, at its sole discretion, any application deemed unacceptable. Purchase of a Business Kit may be optional in some geographic areas. No purchase of Company products is required to become an Associate.
- C 2** Associates must renew their Associate status annually by submitting a renewal fee of \$10.00 U.S. which covers the cost of application processing, journal subscription and company mailings. The renewal fee payment is due on the anniversary of the Associate's acceptance date. Responsibility for renewal rests on each Associate, though active Associates will automatically have the renewal fee debited from their bonus check. Associates who do not renew their Associateship by the renewal deadline are voluntarily terminating their Associateship and will forfeit all sponsorship rights, positions earned and corresponding compensation, without further notice from the Company.

- C 3 When an application for Associate authorization is other than an individual or a husband and wife, the application must be signed by one or more legal representatives who have the power to bind the applying entity. A list of all principals, directors, officers, shareholders or others with any beneficial interest must be submitted to the Company, complete with current names, addresses, phone numbers, and a detailed accounting of percentages and conditions of interest. While partnerships, corporations, and trusts may be accepted as Company Associates, an individual may not have a beneficial interest or be listed in more than one Associateship without the prior written authorization of the Company. Every Associate must have a numerical identification number ("ID number"). If the Associateship includes more than one person, the Social Security Number of the first applicant on the Associate Agreement becomes the official Federal Tax ID Number. Any bonus check paid to an Associate will be issued in the name of the first two applicants listed on the Associate Agreement, if applicable.

Applicants and Associates shall not submit any inaccurate or false information on an Associate Agreement. Furthermore, an Associate is responsible for informing the Company of any changes affecting the accuracy of the Associate Agreement/Application. The Company reserves the right to immediately terminate an Associate if the Company determines that false or inaccurate information has been provided. All proposed changes to an Associateship must be submitted to the Company in writing, along with a new Associate Application/Agreement form with the word "Amendment" written across the top.

- C 4 Authorization as an Associate includes the right to sell products of the Company and to participate in the Company's Associate Compensation Plan. No geographic territory in which the Company is operational shall be exclusive to any one or group of Associates.
- C 5 Associate applicants must be of the age of majority in the state or province in which they reside.
- C 6 Upon the death of the Associate, his/her rights to bonuses and marketing position, together with Associate responsibilities, shall pass to his/her successors in interest upon written application and

approval by the Company. Written application must be received by the Company within ninety (90) days of the date of death.

If the Company does not receive appropriate instruction within ninety (90) days of the death of an Associate, the Associateship will be terminated. The successor Associate must fulfill all responsibilities of the Associate.

- C 7 When a decision is made to terminate an Associate, the Company will inform the Associate in writing. The termination notice will be sent by certified mail to the Associate's address on file with the Company. If deemed necessary by the Company, associates may be terminated by the Company for cause. The Company has the right to take quick and decisive action in limiting or terminating an Associate who is found in violation of these Policies and Procedures, the Associate Agreement, rules governing the Compensation Plan, or any state, provincial or federal laws, statutes, and/or regulations that pertain to the business of the Company. Such disciplinary action may include oral and written warnings, suspension, forfeiture of bonus checks, or termination. In extreme cases of violations by an Associate, the Company also reserves the right to pursue reasonable legal recourse, as well as reimbursement by an Associate for any expenses, including attorney's fees and legal fees, generated from a violation. The issuance of bad checks, attempts to persuade Associates to change sponsors, fraudulent misrepresentation of the Company, and the commission of illegal or deceptive acts all constitute reasonable cause for termination, together with any other material breach or violation as noted above.
- C 8 An individual may terminate their Associate authorization at any time by providing written notice to the Company.
- C 9 Whether an Associate is terminated through voluntary resignation or through termination by the Company, that Associate is no longer entitled to sell Company products or to sponsor other prospective Associates. In addition, that Associate shall lose all rights to their existing downline and shall no longer be entitled to receive sales commissions, overrides, bonuses, awards, or any compensation whatsoever from the Company, nor shall they be entitled to any

rights to their former downline genealogies or Associate lists.

- C 10 **Buy-back:** Any Associate who wishes to terminate through the Buy-Back policy must notify the Company of their intention in writing to the Company. The termination letter must list all the items to be returned, the quantities of each item, and the sales order number(s) under which each of the items was most recently purchased. The letter must be signed by all parties listed on the Associate Agreement and must acknowledge the fact that the individual(s) listed on the Agreement may never again become an Associate.

If the Associate has purchased products for inventory purposes or unopened sales aids while the Associate Agreement was in effect, all unopened products in a resalable condition then in possession of the Associate, which have been purchased within one year of cancellation, shall be repurchased by the Company at a price ninety percent (90%) of the original net cost to the Associate returning such goods, taking into account any sales made by or through Associate prior to notification to the Company of the election to terminate.

The Company will not issue any refunds on products previously certified as sold under the 70% rule.

1. For purpose of this policy, products shall not be considered “resalable condition” if returned for repurchase after the products’ commercially reasonable, usable or shelf-life period has passed; nor shall products be considered if the Company clearly discloses to Associates, prior to purchase, that the products are seasonal, discontinued, or special promotional products.
2. If bonuses were paid to a terminating Associate’s upline on volume represented by returned products, commissions related to such volume will be debited from all upline Associate accounts. A “charge back” transaction will appear in the personal purchases section of the upline’s next “bonus recap” with the name of the terminated Associate in the description. Once the Buy-Back letter has been received by the Company, the Associate will be contacted and provided with a Return Authorization Number, as well as the address to which the merchandise should be shipped. This Return Authorization

Number must be clearly marked on the outside of each and every box which is being returned. Associates are encouraged to use a traceable means of transport as the Company is not responsible for items lost in transit. Merchandise that is returned without this Return Authorization Number will be refused by the Company. Any merchandise being returned to the Company must be sent prepaid. Once the shipment has been verified, a credit will be issued and a check sent by the 15th of the following month, or a credit will be issued on the credit card originally used for the purchase. The Associate will then be permanently terminated.

D. ASSOCIATE PRACTICES

- D 1 Associates are independent contractors and are not: franchisees, partners, joint venturers, employees or agents of the Company nor their sponsors. Associates must not imply or represent employment or agency relationships in any manner, including oral representations, printed material, or deceptive actions.
- D 2 Associates are responsible for all taxes on income received from the Company on sales made by them, and for all and any other taxes, licenses and fees, unless the Company has established specific written procedures which specify otherwise. The Company will collect and remit sales taxes when applicable on products at the federal, state and provincial level. Associates are responsible for any other taxes at any lower jurisdictional levels. The Company is not responsible for any expenses relating to an Associate's business.
- D 3 Because Associates are independent contractors, the Company does not dictate selling methods, specific hours and effort levels, other than those required in Associate/Company interactions.
- D 4 Personal product purchases are not required to enroll as an Associate.
- D 5 No Associate will be compensated solely for sponsoring. Selling of product to the ultimate consumer is the core business of the Company and must be emphasized in all recruiting presentations.
- D 6 Written sales receipts, which include information regarding the products sold, price, and Associate's name, address, and

telephone number must be given to every retail customer.

- D 7 Income paid to Associates on sales for which the Company has given a refund, may, at the Company's option, be charged back to those Associates.
- D 8 In the conduct of his/her business, the Associate shall safeguard and promote the reputation of the Company and its products. The Associate shall hold harmless, defend and indemnify Youngevity®, Inc., its shareholders, officers, directors, employees, attorneys, accountants, agents, assigns and successors in interest against any and all claims, lawsuits, civil or otherwise, losses and expenses of any kind, arising out of or relating to any claims or alleged connections with that Associate's activities of any kind that violate any local, state, provincial or federal laws or regulations.
- D 9 All Youngevity® Associate Applications and AutoShip Order Forms submitted to Youngevity® must contain an original signature of the party named on the respective form. In the case of business name, the signature on the respective form must be that of the legal registrant of the business name. At no time is an Associate allowed to submit a Youngevity® Associate Application or AutoShip Order Form that does not contain the original signature of the named party. At no time is a Youngevity® Associate allowed to submit a Youngevity® Associate Application or AutoShip Order Form on which he or she has entered a signature of the named party regardless of permissions implied or received. Youngevity® will not accept a "Power of Attorney" signature on any of its forms.

E. PROHIBITED PRACTICES

- E 1 Unless prior written approval has been granted by the Company, Associates shall not produce, promote, or use any copyrighted or otherwise, proprietary materials containing the Company's names, programs, products, or logos, except those obtained directly from the Company.
- E 2 Associates shall not misrepresent product attributes and qualities to customers. Unauthorized, unwarranted, and unjustified product claims shall not be made.

- E 3 Associates shall not repackage or relabel any Company product. Nor shall the product be removed from its original packaging.
- E 4 Associates shall not misrepresent the Company's Compensation Plan for Associates. No misleading or deceptive statements about the Plan shall be made. No opportunity or income exaggerations are to be given. If actual income examples, extrapolations, or geometric progressions are used, actual typical incomes of Company's Associates at all levels must also be disclosed. Examples used to illustrate how the Plan works are allowed if they are specified as "examples only" and any relevance to anticipated success is disclaimed.
- E 5 There are no franchises or exclusive territories as a part of the Company's Associate Compensation Plan. No Associate may represent that any such territory or franchise exists or can be sold as part of the Associate program.
- E 6 All Associates are independent contractors, the Company imposes no restrictions on any Associate's participation or sales activities in other businesses or programs other than Youngevity®.
- E 7 Associate lists, including downline sales organization information, is proprietary and confidential to the Company, with the exception of first level, personally sponsored associates. The Company may forward genealogical information at a nominal cost to Associates, in strict and complete confidence, to help them manage their downline sales organization and for no other purpose.

Every Associate who is provided with such information shall treat it as confidential and take care to maintain its secrecy and refrain from making any use thereof for any purpose other than the management of his/her downline sales organization. Without limiting the generality of the foregoing, no such information may be used in cross-sponsoring or with the intent to entice Company Associates into other network marketing organizations.

Any violation of this policy by an Associate will result in the immediate suspension and/or termination of the offending Associate. Furthermore, the offending Associate could be subject to legal action for injunctive relief and/or damages.

- E 8 Associates shall not cause any Company product or name to be sold or displayed in any retail establishment of any kind, civilian or military, except those establishments specifically authorized and licensed in writing by the Company.
- E 9 Associates shall not engage in any unlawful practices.
- E 10 All purchases of Youngevity® products, literature, and promotional material must be purchased from Youngevity® in accordance with the stated Policies & Procedures. Youngevity® Associates and/or Preferred Customers are not allowed to purchase Youngevity® products, literature and promotional material from a Youngevity® supplier. At the request of the Youngevity® suppliers, Youngevity® Associates and Preferred Customers are not allowed to contact any Youngevity® suppliers for any reason. Contact is described as, but not limited to, telephone calls, recorded voice messages (voicemail), facsimile transmission (fax), written communication or electronic correspondence (e-mail). Any violation of this policy can, depending on severity, result in the termination of Associate or Preferred Customer status.

F. SPONSORING

- F 1 All Associates in good standing may sponsor other Associates in the Company's Associate program.
- F 2 Sponsors must offer general support, information, and assistance as well as bona fide supervisory, marketing, selling, and training support to Associates they sponsor.
- F 3 Sponsors shall exercise their best efforts to ensure that all Downline Associates understand and comply with the most current terms and conditions of the Associate Agreement, the Policies & Procedures and Compensation Plan, as well as all applicable federal, state, provincial and local laws, ordinances and regulations that pertain to the business of the Company.
- F 4 Sponsors should use their best efforts to settle disputes between a retail customer and a Downline Associate in an attempt to resolve such disputes promptly and amicably.

G. TRANSFER OF SPONSORSHIP

- G 1 An Associate may change sponsors by resignation as an Associate. Such action will result in the loss of any downline Associates. Six months of inactivity in the Company's program must elapse before submission of a new Associate Application.
- G 2 An Associate may not sell, assign or otherwise transfer his or her Associateship, marketing position or other Associate rights without written application and approval by the Company which may not be unreasonably withheld. An Associate who sells his or her Associateship shall not be eligible to requalify as an Associate for a period of at least six months after the sale. The Company, after a review of the terms of the sale, reserves the right to approve or disapprove, in its sole discretion, of a proposed purchaser's qualifications and intention to manage and develop the Associateship.

H. ORDERING AND SHIPPING PROCEDURES

- H 1 **Who May Order:** The Company will accept orders for products only after a valid Associate Agreement certified by their sponsor is on file with the Company. Then Associates are authorized to submit orders.
- H 2 All orders for product and other items will be processed for shipment upon clearance of payment. Shipment is made by common carrier and delivery may be expected within 7-14 days, unless special provisions are made. If an item is temporarily not available, the consignee is notified by way of the packing list included with the shipment. The item(s) will be shipped as soon as available and usually within fourteen (14) days of the date the original order and payment was received.
- H 3 Upon receipt, Associates should immediately inspect shipments to determine whether orders are complete and in good condition. Any damaged or missing contents should be noted on the delivery receipt. Associates should ask the shipper's representative to show them how to file a claim for damaged or missing materials.

Associates should require that the shipper's representatives sign the delivery receipt of every shipment.

- H 4 Before assuming any shipment has been lost or stolen, an Associate should wait at least fifteen (15) working days from the placement of mail orders, and ten (10) working days from the placement of telephone orders. Lost shipments, if later found and/or delivered, must be reported to the Company's Associate Services within seven (7) days of delivery. Any extra product received in any shipment must also be reported.

An Associate who signs a delivery release with a common carrier, authorizing the carrier to leave an order at an unsecured location, without a signature, releases the Company from responsibility for such delivery. Associates who are absent at the time of delivery may be required to retrieve their packages from the shipping office or have them delivered to a more suitable alternate location.

- H 5 **Sales Aids:** Sales aids (Business Kits, etc.) are not items which carry a discount or a bonus volume credit. Sponsors developing their networks should have a supply of these materials on hand to serve their downline growth needs.
- H 6 **Order Forms:** When submitting written orders to the Company, Associates must use unaltered official Company order forms.
- H 7 **Submitting Orders:** Products are ordered at Associate's prices. The overall success of the Company and its Associates depends upon retail sales of the products to consumers. A "retail sale" is defined as the sale to an ultimate consumer who is purchasing the product for his or her own use.
1. Associates may not themselves order or ask their downlines to order, inventory for the sole purpose of participating in the Compensation Plan or "qualifying" themselves or others to earn commissions or bonuses. (*This practice is frequently referred to as "inventory loading."*)
 2. Associates may only purchase Company products for resale to consumers, for personal consumption, or to provide prompt product delivery to downline Associates in their own

personal group. Associates may not stockpile or acquire excessive inventories. Prior to reordering any product, Associates must certify that they have sold a minimum of 70% of all previous orders (*The “70% Rule”*).

3. Associates are required to carefully document all retail sales. The Company may, at any time, require an Associate to produce all completed retail sales receipts for the previous thirty (30) days and a list of five (5) or more persons to whom the Associate has made retail sales of the products during the previous thirty (30) days.

H 8 The Product Order Form is required for all mail orders of products and must be fully completed and submitted to the Company. Two or more Associates may not combine orders on the same order form.

1. Incomplete orders will not be processed by the Company. Such orders will be returned to the Associate by mail and any consequences arising out of an incomplete order shall be the responsibility of the Associate who attempted to place the order.
2. In placing an order by mail, the Associate certifies, acknowledges and warrants that the order was made by the Associate and that a minimum of 70% of all previous orders of Company products have been sold.

H 9 **Qualifying Order Policy:** The Company will not accept any qualifying order from Associate Warehouses after the twenty-fifth of any calendar month for the current volume month.

A qualifying order is defined as an order for the Company products in which the Associate placing the order is using the bonus volume from that order to qualify for commissions and or rank advancement. All qualifying orders submitted by any warehouse must be clearly marked "Qualifying Order" with the volume month and year marked underneath. These markings must be placed on the Product Order Form in the box in the upper right hand corner labeled "Do Not Ship". The date of the order must also be placed on the qualifying order and a copy of the qualifying order given to the Associate placing the qualifying order.

Any qualifying order submitted after the twenty-fifth of any calendar month for the current volume month must be submitted to the Company directly via telephone or facsimile transmission. To insure priority handling of a qualifying order, the Associate should inform the Company's Customer Service Representative the order being placed is a qualifying order. If the qualifying order is transmitted to the Company via facsimile then the order should be clearly marked as a qualifying order and indicate the volume month for which the order is to be applied.

Any qualifying order received from a warehouse after the twenty-fifth of the calendar month for the current volume month will be applied towards the following volume month. In the event that an order is received from a warehouse and also submitted to the Company directly via telephone or facsimile transmission will be treated as two orders: One qualifying order for the current volume month and one qualifying order for the following volume month. If an order is canceled or refused, commissions for either of the volume months may be affected.

It is not the responsibility of the Company to inform an Associate of an improper submission of a qualifying order. The Associate must place qualifying orders properly in order to participate in rank advancement and/or the earning of commissions.

Any Associate who, in good faith, placed a qualifying order in accordance with these policies and is denied commissions and/or rank advancement because a Warehouse is found to be in violation of these policies will receive commissions in accordance with the "Recalculation of Commissions Policy".

A Warehouse may institute its own individual policy regarding the acceptance of qualifying orders from an Associate in order to insure submission to the Company on or before the twenty-fifth of the calendar month. Any Warehouse found to be in violation of these policies resulting in the Company being required to recalculate commissions in accordance with the "Recalculation of Commissions Policy" may, at the Company's sole discretion, be required to forfeit commissions in the amount equal to the

commissions of the Associate(s) who were negatively affected. Serious and/or repeated abuses of this policy will result in the revocation of an Associate's Warehouse status.

In the event that an Associate willfully disregards this policy, neither the Company nor the Warehouse will be held responsible.

H 10 Policies and Procedures for AutoShip:

1. AutoShips will be fulfilled on a day chosen by Youngevity®. You will be notified of your scheduled ship date. *(There is only one AutoShip per Associate ID).*
2. All new AutoShip requests must be received in the office of the Company by the last business day of the month to be processed for the following month.
3. Youngevity® is not responsible for delays in the delivery of an AutoShip request caused by the U.S. Postal Service, or any other courier service, public or private.
4. All AutoShip requests must be received on an official Company AutoShip Order form. The order form must be filled out completely. Any omissions of information will render the AutoShip request invalid and must be resubmitted.
5. Youngevity® can receive faxed, photocopied, internet and original AutoShip forms. AutoShip requests will be accepted with the original signature. Youngevity® cannot receive a request for AutoShip via the telephone.
6. All AutoShip requests must be paid with a credit card, which will be billed monthly.
7. At this time the Company does not accept any other payment method for AutoShip.
8. All AutoShip requests must be sent to the billing address of the credit card (this information will be verified with the credit card company).

9. AutoShip orders are not automatically qualifying orders. An AutoShip order may be of any size. It is the responsibility of the individual Associate to qualify for commissions with the required Personal Volume purchase.
10. Any and all changes to an existing AutoShip are treated as a new AutoShip Request and are subject to the same requirements. Any and all changes to an existing AutoShip must be clearly identified as a change to avoid a duplicate AutoShip order being created.
11. The Company is not responsible for any incorrect information supplied by any financial institution.
12. The Company is not responsible for credit cards not authorized for payment of an AutoShip order. Any order not authorized for payment via a credit card will be cancelled for that month. Any order not authorized for payment via a credit card for two months in any twelve month period will be rendered void and be required to be resubmitted with another credit card number as payment. If the new credit card is not authorized for payment during the twelve month period the Associate will not be allowed to participate in the AutoShip program and will instead need to place orders using another payment method.
13. The Company will cancel any AutoShip that is subject to a consumer credit card chargeback.
14. An Associate may change an AutoShip only once every ninety days. Any additional changes will not be allowed with the exception of an AutoShip cancellation.
15. Unauthorized duplication of an AutoShip Order Form is prohibited. Written permission from the Company is required before the duplication of any form is permitted.
16. Any AutoShip that is refused delivery will be immediately canceled. Additional charges will be levied if a second shipment is requested. An AutoShip canceled for refused delivery will not be eligible for renewal.

17. The Company processing fees will be deducted from refunds issued for AutoShips.
18. All Youngevity® Associate Applications and AutoShip Order Forms submitted to Youngevity® must contain an original signature of the party named on the respective form. In the case of business name, the signature on the respective form must be that of the legal registrant of the business name. At no time is a Youngevity® Associate allowed to submit a Youngevity® Associate Application or AutoShip Order Form that does not contain the original signature of the named party. At no time is a Youngevity® Associate allowed to submit a Youngevity® Associate Application or AutoShip Order Form on which he or she has entered a signature for the named party regardless of permissions implied or received. Youngevity® will not accept a "Power of Attorney" signature on any of its forms. Violation of this policy is considered fraud and is a violation of the existing Youngevity® Policies & Procedures.

H 11 Policies and Procedures for Duplication of Associate Application, Order Form & AutoShip Form:

1. The word "form" refers to the Youngevity® Associate Application, Product Order Form and AutoShip Order Form.
2. The word "original" refers to the source material provided by the Company for reproduction.
3. These forms must be "duplicated" from the original supplied from the Company and not "recreated", ie: all forms must be exact reproductions of the original without changes or deletions.
4. An original Company form will be made available only in the following formats for reproduction:
 - a. A Laser Print
 - b. A Computer image available in the following formats only: Quark Express v. 6.0, Photoshop CS & Adobe Illustrator CS.
5. All forms must be reproduced in the following Pantone colors:

- a. Associate Application - Purple PMS 527
 - b. Order Form - Green PMS 355
 - c. AutoShip Order Form - Red PMS 485
6. Any forms reproduced in other colors and submitted to the Company for processing will be returned for correction and resubmission.
 7. All forms reproducible will contain a box labeled "Presented By" or "Presented by the Company's following Associate". An Associate wishing so, may place his or her name, company name, telephone number, special offer or advertisement within the borders of this box and not covering the above mentioned label inside the box. The nature of the contents inside the box is governed by the Policies & Procedures and must be submitted to the Company for approval prior to reproduction.
 8. Any forms reproduced without prior written consent from the Company may be found to be in violation of the Policies & Procedures and may not be accepted for processing.
 9. These forms and policies are designed to give the Company's Associate the opportunity to personalize the service he/she offers their downline and to ensure that uniformity is maintained to aid the speedy and accurate processing of all the Company orders and applications.

H 12 DropShip Policy

Youngevity® will DropShip your order so long as it is paid for with your credit card.

A DropShip is defined as an order placed by an Associate using their credit card and having that order delivered to a place or party other than the Associate or Associate's address.

1. Associates placing a DropShip order will assume all responsibility for packages lost or stolen after delivery to the address specified.
2. Associates placing DropShip orders must be named on the credit card used for the order.

3. An Associate may not pay for an order using another persons credit card, regardless of the delivery destination.
4. The billing address of the credit card to be used for a DropShip must be provided at the time of the order. Youngevity® will, without notice, verify the billing address, telephone number and name or card holder. If this information is found to be different than that submitted to Youngevity®, further DropShips will not be permitted.
5. Any DropShip refused delivery will not be eligible for a full refund. Shipping and handling charges will be deducted from any refund issued. These charges may exceed seven percent of the sales price .
6. Youngevity® may, at its sole option, suspend any Associate who instigates a consumer chargeback related to a DropShip credit card. Payment plus additional administrative fees must be made prior to the removal of an Associate's suspended status.
7. A DropShip may not be used for AutoShip qualification orders.
8. Failure to abide by the DropShip Policy will result in the termination of the DropShip Agreement.

I. ADVERTISING, USE OF COMPANY NAMES AND PROTECTED MATERIALS

- I 1 No Associate shall produce, promote, or use copyrighted, trademarked service marked, or proprietary materials of any kind describing the Company's names, products, or logos, if said materials are not obtained from, or approved by, the Company in advance in writing, prior to their production or use. Associates shall not use or appear on television, radio or other media to promote or discuss the Company or its programs without prior written permission from the Company. All media inquiries shall be referred to the Company.
- I 2 Associates may place classified ads in newspapers if they do not use Company names or trademarks.

- I 3 Associate's use of the name "Youngevity®" is restricted to protect the Company's proprietary rights, ensuring that Company protected names will not be lost or compromised by unauthorized use. Only the following formats may be used:

(Name)

Independent Associate for "Youngevity®" Products

- I 4 Other rules relating to the use of the Company name are as follows:
- a. All stationery (letterhead, envelopes, and business cards) bearing the Company name or logo must be printed using the wording as indicated above.
 - b. All promotional items such as clothing, personal use items, and any items of any other nature which bear the Company's name or logo must be purchased/sold only from the Company or its authorized distributors. The only exceptions are imprinted gift items such as: pens, key chains, letter openers, buttons, and calendars. These kinds of items must not include the Company's logo, but must be inscribed as follows:

Compliments of "Youngevity®"

(Name)

Independent Associate

(optional address and phone number)

- c. All Associates may list in the telephone directory under their own name, followed by the words "Independent Associate of Youngevity®".
- d. No Associate is allowed to place phone directory display ads using the Company's name or logo.
- e. Use of the Company's name or logo on buildings, vehicles, etc., must be approved in writing in advance by the Company. Such usage must always carry the phrase "Youngevity®, Independent Associate" immediately following the Associate's name. Such usage must be according to Company instructions and using Company formats and/or materials. Items bearing the Company name(s) must be kept in visually attractive condition.

- f. An Associate may not refer to themselves as “Youngevity®” alone when answering the telephone. The Associate’s name must be given. Always refer to yourself or your business as an “Independent Youngevity® Associate”.
- g. It is not permitted for anyone to possess a business name or bank account using the name Youngevity®.

I 5 Violators of any of these Policies & Procedures relating to advertising, Company name(s) and logo(s) may be required by the Company, at the Company’s option, to correct the violations in whatever manner the Company deems necessary. Correction measures are not limited to, but may include disconnecting phone numbers without a referral, removing signs, cancelling advertising, and destroying noncompliant literature. Associate authorization may also be terminated, and offending Associates will be liable for any damages sustained by the Company, as well as any other penalties imposed through legal action.

J. JUDICIAL PROCEDURES

- J 1 Most violations of the Policies & Procedures occur through lack of awareness or understanding on the part of the violating Associate. Associates observing a Policy violation should immediately point out the violation directly to the violating Associate.
- J 2 Associates who observe continued violations by another Associate following the personal contact outlined in J1, should report the violation in writing to the Company. Details such as dates, number of occurrences, and evidence, along with any supporting testimony, should be included in the report.
- J 3 Any violation, large or small, of the Advertising, Use of Company Name(s), and other Section I Policies must be referred directly to the Company for resolution.
- J 4 The Company will address all violations according to set procedures including using Associate network input and giving the accused Associate adequate opportunity to respond to any violation charged.

- J 5 It is the obligation of every Associate to maintain the integrity of the Policies & Procedures to ensure fairness and equal Compensation Plan opportunities to all Associates.
- J 6 Failure of the Company to enforce any of these Policies & Procedures with one Associate does not waive the right of the Company to enforce any such provision(s) against that same Associate or any other Associate.
- J 7 The original of a document faxed to the Company must be received by the Company before the document is considered “received” by the Company.
- J 8 To the fullest extent permitted by law, Youngevity® shall not be liable for, and Associate releases the Company from, and waives all claims for, any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by Associate as a result of:
- a. the breach by Associate of the Agreement and/or the terms and conditions of the Policies & Procedures,
 - b. the operation of Associate’s business,
 - c. any incorrect or wrong data or information provided by Associate, or
 - d. the failure to provide any information or data necessary for the Company to operate its business, including without limitation, the enrollment and acceptance of Associate into the Compensation Plan or the payment of commissions and bonuses.
- J 9 In the event of a dispute with the Company, Associate and the Company agree to participate in mediation in an earnest attempt to resolve the dispute prior to submitting it to binding arbitration pursuant to the Commercial Arbitration Rules then in effect of the American Arbitration Association, provided, however, that injunctive relief sought by the Company against any party shall be excluded from this clause. Such Arbitration shall occur in San Diego, California.

J 10 ASSOCIATE WEB SITE POLICY

This amendment to the Youngevity® Policy & Procedures refers to the creation and use of Internet web sites created by Youngevity® Associates for the purpose of promoting themselves as a Youngevity® Associate and the Youngevity® products or Dr. Joel Wallach. A web site is defined as any use of a computer and the Internet and the World Wide Web to display comment on or otherwise transmit information in graphic, text or audio form. As with any advertisement or promotion the Policies & Procedures of Youngevity® prevail and should be followed in addition to the following amendment.

- a.) The name Youngevity® is a registered trademark. The name Youngevity® in its entirety, in part or hyphenated may not be used in any domain name, URL or email address*.
- b.) The name Dr. Joel Wallach is part of the intellectual property of Dr. Joel Wallach and may not be used in its entirety, in part or hyphenated, in any domain name, URL or email address*.
- c.) All logos, slogans and trademarks of Youngevity®, or associated divisions, are the sole property of Youngevity® and may be used with written permission only. Permission to use Youngevity® logos, slogans and trademarks may be revoked without notice or reason and solely at the discretion of Youngevity®.
- d.) All use of Youngevity® logos, slogans and trademarks must state permissions given on the front, index, home or main page of any web site.
- e.) All Youngevity® logos, slogans, and trademarks must be used in their respective entirety. All colors in any Youngevity® logo or trademark must be reproduced accurately. No partial logos or "artistic license" may be used.
- f.) Youngevity® logos, slogans and trademarks in graphic form may not be sold or traded by any persons.

- g.) The name and Associate identification number of any and all Youngevity® Associates responsible for content of a web site must be displayed on the front, index, home or main page of the web site.
- h.) No Associate of Youngevity® may state or imply that their web site is official, sanctioned, authorized or licensed by Youngevity® or Dr. Joel Wallach. Only the Youngevity® corporate web site located at www.youngevity.com may be considered a Youngevity® official web site. Only subscribers to the Youngevity® Home Office eGevity Web Tools program may be considered to be licensed and will be stated as such in an approved method.
- i.) Any and all sources of content and permissions for use of a Youngevity® Associate's web site must be documented and stated on the web site. This includes but is not limited to the use of graphics, quotes and excerpts.
- j.) Written approval for all quotes or excerpts from Dr. Wallach's lectures, books, radio shows, audio or visual productions must be stated and documented. Note: Copyrights from various radio shows, audio and visual productions may be held by persons or entities other than Youngevity®. People or entities holding copyrights of this type are not obligated to grant permission for use of these materials.
- k.) The signature of Dr. Joel Wallach is not allowed to be used on any web site.
- l.) No Associate of Youngevity® may make any claims of income or income potential by becoming a Youngevity® Associate.
- m.) No Associate of Youngevity® may make any claims of health benefits or betterment by consuming or applying Youngevity® products.
- n.) Only the Associate's personal testimonial about the benefits or results stemming from the use of Youngevity® products may be used on an Associate's web site. An Associate's web

- site must not contain the testimonials of others in the content of their web site.
- o.) No banners or other methods of advertisement may be used or included in the content of any Youngevity® Associate's web site.
 - p.) No hyperlinks to other web sites promoting competing products may be used on any Youngevity® Associate's web site.
 - q.) No products other than Youngevity® products may be mentioned or sold on any Youngevity® Associate's web site. This includes but is not limited to product comparisons.
 - r.) Any use of the internet to promote the Youngevity® compensation plan internationally is prohibited until such time as Youngevity® authorizes promotion of the compensation plan designed and approved for a particular country.
 - s.) Associates using a web site for order fulfillment must transact business using a secure server to protect the personal information of the customer. Email orders are not to be encouraged or accepted for transacting Youngevity® business.
 - t.) Each individual Youngevity® Associate is responsible for abiding by all local, state and federal laws concerning all aspects of using the Internet to promote or sell Youngevity® products and business opportunities.
 - u.) Youngevity® reserves the right to edit content of and require immediate modifications to any Associate's web site at the sole discretion of Youngevity®.
 - v.) Electronic mail (email) advertising is subject to Youngevity® Policies & Procedures and as such must be submitted and approved prior to transmission. All email advertising is subject to editing by Youngevity® prior to approval to transmit.
 - w.) All email advertising must be in compliance with all

prevailing local, state and federal laws concerning unwanted, unsolicited email also known as spam. Spamming is illegal and will not be tolerated by Youngevity®.

* Existing web sites using a form of Youngevity® or Dr. Joel Wallach in their URL or domain name only are granted permission to continue to operate as long as all other policies are followed. The email addresses are still subject to the policy. Web sites granted these permissions must contain a hyperlink to the www.youngevity.com corporate web site on the front, index or main "page" and should be labeled as the "Youngevity® Corporate web site may be found here." Company's network of independent Associates and protects each Associate's individual business image, as well as the Company's overall image.

K. AMENDMENTS

K 1 The Company shall have the right to amend rules, the Policies & Procedures and the Compensation Plan and bonus structure under the following conditions;

1. Changes in the business environment: Changes which are detrimental to the Company's or distributors financial health or changes which require new policies due to new markets or strategies. For example, the evolution and popularity of eBay as an online storefront used by distributors would require new policies and procedures for this new marketing strategy.
2. Operational: Unanticipated operational expenses or to streamline procedures at the request of distributors.
3. Unsustainable Compensation Plan.
 - a. May be altered only if management discovers that the percentage of payout is detrimental to the long-term sustainability, profitability or longevity of the Company than initially anticipated.
 - b. If the Company transitions to direct/retail sales, the Company will continue to pay distributors on their current group volume up to that point under the same guidelines and terms of compensation.

c. To enhance the compensation payout to the benefit of the majority of distributors.

4. Legal Reasons: The Policies & Procedures may be modified due to new or modified federal, state or local laws or legal action. All such modifications need to be commensurate with the specific need that has arisen, and no disguised, extraneous alterations may be inserted at this time to the detriment of the distributors, creating additional breakage for the company. In such instances, the Company is obligated to give notice and state such modifications to the Policies & Procedures in a companywide communication. When essential modifications are made, there will be no retroactive effect of said changes.

K 2 Changes and amendments to these rules will go into effect immediately upon publication in an official Company bulletin, newsletter, magazine or company website. Amendments so announced will be binding on all Associates.

K 3 The Company shall have the right to change pricing for products and sales materials at any time without consultation and for any reason the Company deems necessary.

L. GENERAL BUSINESS ETHICS

By application to the Company, each Associate agrees to conduct his/her business according to the following General Business Ethics. This code ensures high standards of integrity and professionalism throughout the Company's network of independent Associates and protects each Associate's individual business image, as well as the company's overall image.

ETHICS

I promise and agree to conduct my business according to the following principles:

L 1 I will use the Golden Rule "treating others as I wish to be treated..." as the primary measuring stick in conducting all business.

L 2 I will be honest in all business dealings.

- L 3 I will give the highest quality of service by treating customers fairly and showing courtesy and helpfulness in explaining the Company products.
- L 4 I will represent the Company's Compensation Plan completely and without exaggeration to all potential Associates.
- L 5 I will fulfill all obligations associated with sponsoring other Associates including training, motivation, and support.
- L 6 I will work in harmony with all of the Company's Associates to help further the success of the overall Company programs and the success of all Associates recognizing that this supports my own business.
- L 7 I will conduct my business professionally: Keeping commitments I have made to others and portraying a positive image to all contacts.
- L 8 I will always remember that success is the result of honest effort. I will work for personal success as well as encourage others to reap the rewards of diligent effort.
- L 9 I will endeavor to observe the spirit as well as the letter in all of the Company's rules and policies, knowing they are for my benefit and the benefit of all Associates.
- L 10 I will make no claim for any Company product that is not contained in official Company literature, nor will I misrepresent the income potential of the Compensation Plan.

M. PRODUCT RETURN POLICY

Associates, Preferred and Retail Customers of Youngevity® that need to return product for any reason, will be required to follow the procedures as outlined in this policy. Anyone failing to follow the procedures as described will not be entitled to a refund from Youngevity®. Please read the following policy carefully

1. In accordance with previously stated policy, no refunds are given or offered after thirty days from the date product is

received by the customer.

2. All requests for an RMA (Returned Merchandise Authorization) must be received by telephone to Youngevity®. Request for an RMA via facsimile or letter will not receive a response from Youngevity®.
3. All items returned for credit or refund must be disclosed at the time an RMA is issued. Any item returned to Youngevity® that was not disclosed at the time the RMA was issued are not eligible for a credit or refund.
4. Only one RMA will be issued per invoice.
5. At the time an RMA is requested, an RMA number will be issued. The customer will be required to write the RMA number in black on the outside of the packaging material used to return product. It is advised that the customer retain the RMA number issued for their records.
6. At the time an RMA is requested a “Product Due Date” will be issued. The Product Due Date will be approximately ten business days from the date an RMA is initiated. Youngevity® must receive the product associated with a specific RMA by Product Due Date to be eligible for any credit or refund issued. It is the responsibility of the customer to ensure that products are returned on or before the Product Due Date. Youngevity® is not responsible for delays in the delivery of product returned caused by the United States Postal Service, or any other courier service, public or private. If after receipt of an RMA it is determined that product was received after the Product Due Date, a credit will not be issued.
7. It is advised that when product is returned to Youngevity®, the customer use a carrier that will provide proof of delivery to the customer. Youngevity® is not liable for packages lost in transit or not received.
8. Packages sent to Youngevity® without an RMA clearly visible on the outside of the package will be refused by Youngevity®. It is advised that the customer use a thick black marker when writing the RMA number on the outside of the package. Ball point pen can be removed during the shipping process. Youngevity® is not

responsible for any RMA numbers removed during the delivery of product caused by the United States Postal Service, or any other courier service public or private. Any package refused by Youngevity® will not be eligible for return or refund.

9. Instances of packages received without an RMA number that have been received by Youngevity® from the United States Postal Service without a return receipt required will be held by Youngevity® unopened for ten days after which they will be destroyed and disposed of. Any customer wanting their merchandise back must arrange to have said merchandise picked up by the carrier of their choice. Youngevity® is not responsible for incorrect pickups in these instances.
10. Youngevity® will not accept packages sent to Youngevity® “Postage Due”.
11. After Youngevity® receives returned merchandise, a credit will be issued within 7-14 business days.
12. Credits will be issued for product amount only. Credits will not be issued for shipping and handling.

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