



Company Policy



FOREVER

Table of contents

1. The Company
2. Introduction
3. Definitions
4. Warranty, guarantee, product return and buy backs
5. Bonus structure / Marketing Plan
6. Manager status and qualifications
7. Leadership Bonus (LB)
8. Additional incentives
9. Manager-and-beyond awards
10. Gem Bonus
11. Earned Incentive programme (Forever2Drive)
12. Chairman's Bonus
13. Global Rally
14. Ordering procedures
15. Re-sponsoring Policies
16. International sponsoring policies
17. Prohibited activities
18. Retailing products to customers
19. Company Policies
20. Your relationship with the Company
21. Making changes to Business Owner accounts
22. Termination of an FBO agreement
23. Restrictive covenants
24. Confidential information and nondisclosure agreement
25. Advertising guidelines
26. Code of conduct
27. Data protection

1. The Company

1.1. Forever Living Products (UK and Ireland) Limited (which is referred to in this Handbook as “the Company”) is the promoter of this selling system.

1.2. Forever Living Products (UK and Ireland) Limited is an associated company of Forever Living Products International Inc, whose Head Office is at 7501 East McCormick Parkway, Scottsdale, Arizona 85258 USA.

1.3. The Forever Living Products group of companies is engaged in the sale and distribution of health, nutritional and beauty-related products which are fully described in their company literature.

1.4. The Forever Living Products group of companies sells their products through a multi-level marketing plan using Forever Business Owners (FBO) to sell the products and deliver them to retail customers. The Forever Living Products Marketing Plan is founded upon honesty, integrity and allows an equal and fair opportunity for everyone to achieve success.

1.5. All FBOs agree to comply with the rules and regulations set out in this Company Policy Handbook and agree that the Company has a right to change these rules at any time on not less than thirty days’ written notice. FBOs agree to comply with those rules, as amended, and that they form part of their contract with the Company. No amendment to the rules will require FBOs to incur any expenditure but they may require them to amend their business practices. Any changes to the Policy Handbook will be notified to FBOs in the Company’s monthly magazine and FBOs agree that this is sufficient notification. FBOs agree that if they are inactive and in consequence do not receive a monthly magazine they are still bound by any change to the Policy Handbook set out in that magazine.

1.6. A copy of the Company Policy Handbook should be supplied to new FBOs by the Sponsor before the FBO Application is completed.

1.7. The Company is a member of the Direct Selling Association (DSA). FBOs are required to be aware of and comply with the terms and conditions of both the DSA Consumer Code of Practice and the DSA Code of Business Conduct, copies of which are supplied to new FBOs when their application to become an FBO is accepted. Further copies are available through the Company should any retail customer of the FBO request a copy.

1.8. It is illegal for the Company or an FBO to persuade anyone to make a payment by promising benefits from getting others to join the scheme. Do not mislead by making claims that high earnings are easily achieved.

2. Introduction

2.1. (a) Forever Living Products (FLP), an international family of companies, produces and markets exclusive health and beauty products throughout the world through a unique concept that encourages and supports the use and retail sales of its products through independent FBOs. FLP provides each FBO with the best quality products, support staff and a marketing plan in the industry. The affiliated companies and their products provide an opportunity for both consumer and FBOs to improve the quality of their lives from the use of FLP products, and equal access to success to anyone willing to properly work the programme. Unlike most business opportunities, there is little financial risk to FLP's participants since no minimum capital investment is required and the Company provides a liberal buy-back policy.

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

(c) FLP has a long history of success. The fundamental goal of the FLP Marketing Plan is to promote the sale and use of high quality products to consumers. The primary purpose of the FBO is to build a sales organisation to promote the sale and use of these products to consumers.

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

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

(f) An FBO who has questions or needs clarification should contact Business Owner Support.

(g) Having signed the FBO Application Form, an FBO may not purchase, nor make a commitment to purchase, more than £200/€500 of products and/or literature from the Company or his/her Sponsor, within the first seven days of the agreement becoming effective (the time when the FBO's application form has been successfully approved and processed at Head Office). **THIS IS A STATUTORY REQUIREMENT.**

2.2. (a) Company Policies have been implemented to provide restrictions, rules and regulations for proper sales and marketing procedures and to prevent improper, abusive or illegal acts. Such Company Policies are revised, modified and added to, from time to time.

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

(c) Each FBO, upon completing the Forever Business Owner Application Form, agrees to abide by FLP Company Policies. Language therein specifically refers to the FBO's contractual commitment to follow FLP Company Policies. The placing of orders for products with FLP is a reaffirmation of such commitment to abide by the Company Policies.

3. Definitions

3.1. The Forever Living Products Marketing Plan provides for active FBOs to receive monthly sales bonuses and other rewards for their accredited sales and those of their sponsored group. The Marketing Plan and all company incentive programmes are intended to promote sound Multi-Level Marketing (“MLM”) building principles. This includes the proper sponsoring and purchasing of product in retailable quantities.

3.2. The basic element of the Marketing Plan is the profit plan, by which active FBOs will receive a bonus based on their monthly purchases and the purchases made by their sponsored group, according to their position in the Marketing Plan. FBOs agree that the Company has the right to change the Marketing Plan, the rates of bonuses and incentives paid by the Company and the events in respect of which bonuses and incentives are paid, at any time on not less than thirty days’ written notice.

3.3. Products have a “**Case Credit**” (or “**CC**”) value, directly proportional to their VAT-exclusive wholesale value. Literature items do not have any CC value.

3.4. Throughout this Policy Handbook the following expressions shall have the following meanings:

Adjusted Wholesale Price: the Wholesale Price minus the applicable Personal Discount (based on the FBOs current sales level achievement). Products are sold at the Adjusted Wholesale Price when an FBO is Wholesale Qualified.

Accredited Sales: sales activity as reflected by the Case Credits of orders placed with the Company.

Active Sales Leader: a Sales Leader who has four or more Active Case Credits in his/her Home Country during a calendar month, at least one of which is a Personal Case Credit. The Active status of a Sales Leader is established each month, and is a part of the qualification requirement to receive Volume and Leadership Bonuses, Gem Bonus, Forever2Drive payments, Eagle Manager status, Global Rally expenses and Chairman’s Bonus.

Bonus: a cash payment or credit towards future personal purchases from the Company to a Wholesale Qualified FBO.

(a) **Personal Bonus:** a payment to a Wholesale Qualified FBO of 5-18% of the Suggested Retail Price (SRP) of his/her online retail sales.

(b) **Novus Customer Bonus:** a cash payment to a Wholesale Qualified FBO of 5-18% of the SRP of the purchases of his/her personally-sponsored Novus Customers (or those Novus Customers’ downline Novus Customers) until that personally-sponsored Novus Customer becomes an Assistant Supervisor.

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

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

Bonus Recap: a monthly statement of account setting out full and accurate details of all transactions and how any deductions are calculated.

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

CC: Case Credit.

Case Credit: a value assigned to each product to calculate sales activity to determine advancements, bonuses, awards and Earned Incentives for FBOs as set forth in the Forever Marketing Plan. All Case Credits are calculated on a month-by-month basis.

(a) **Active Case Credits:** personal Case Credits plus Novus Customer Case Credits. These determine a Sales Leader's active status each month.

(b) **Leadership Case Credits:** Case Credits awarded to an active LB qualified Manager calculated at 40%, 20%, or 10% of the personal and Non-Manager Case Credits of his/her first, second or third generation active Managers, respectively.

(c) **NEW Case Credits:** the Case Credits generated by a Manager's personally-sponsored FBO lines for twelve processing months after being sponsored (including the month in which that FBO line was sponsored), or until that FBO line achieves Manager, whichever occurs first.

(d) **Novus Customer Case Credits:** Case Credits as reflected by the purchases of a personally-sponsored Novus Customer, or his/her downline Novus Customers, until he/she becomes Assistant Supervisor.

(e) **Non-Manager Case Credits:** Case Credits as reflected by the Personal Accredited Sales of a downline FBO who is not under a downline Manager.

(f) **Pass-Thru Case Credits:** Case Credits as reflected by the Personal Accredited Sales of a downline Non-Manager that pass through an inactive Manager. These are not counted as Non-Manager Case Credits toward the qualification of any incentives; however, they are counted as part of a Manager's total Case Credits.

(g) **Personal Case Credits:** Case Credits as reflected by the FBO's Personal Accredited Sales.

(h) **Total Case Credits:** the sum total of all the FBO's various Case Credits.

Company Marketing Plan or Marketing Plan: the Marketing Plan of the Company as more fully described in section five of this Policy Handbook.

Domestic: pertaining to the FBO's Home Country.

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

Eagle Manager: a Manager who has achieved Eagle Manager status.

Earned Incentive (Forever2Drive): an incentive programme that pays the qualifying FBO an extra cash payment for thirty-six months.

Earned Trip: a travel award for two persons, presented to the FBO who achieves any of the various Marketing Plan incentive programmes.

Executive Committee: the Senior Management Team employed by the Company.

Forever Business Owner (FBO): one who, having purchased two Case Credits worth of product within two consecutive months, is Wholesale Qualified (purchase products at the wholesale price) to receive a 30% discount from retail and also qualifies for a personal discount from 5% to 18% of retail, for personal purchases, depending on his/her level within the Forever Marketing Plan.

FBO Application Form: the application form to become an FBO with the Company, with a unique identification number.

Gem Manager: a Manager who has developed at least nine first generation domestic Sponsored Recognised Managers.

Home Country: the country in which the FBO resides for a majority of time. It is in this country that the FBO must qualify to receive Activity and Leadership Bonus Qualification waivers for all other FLP countries.

ID: the personal unique identification number of an FBO relating to the FBO's personal relationship with the Company.

Incentive Shares: the total Case Credits generated, in accordance with the Chairman's Bonus rules, that are used to determine the FBO's share of the bonus pool(s).

Inherited Manager: (see 6.4)

Leadership Bonus (LB) Qualified: a Recognised Manager who has qualified to receive Leadership Bonus for the month.

Literature or Company Literature: sales aids, company forms, company magazine, packaging, samples of product and any other product-related items which do not have a CC value.

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

Novus Customer: one whose application has been accepted by the Company, entitling him/her to the Novus Customer Price of 15% discount from retail, and who has not yet purchased, within any two consecutive months, 2CCs worth of product.

Novus Customer Price: the price at which the products are sold to Novus Customers who are not Wholesale Qualified.

Novus Customer Profit: the difference between Novus Customer Price and Wholesale Price, which is paid to the first upline Wholesale Qualified FBO on the purchases of a

Novus Customer who is not Wholesale Qualified.

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

Participating Country: a country that has qualified to participate in the Chairman's Bonus incentive by generating at least 3,000CC during any three months of the previous calendar year (3,000CC for any two months if requalifying), and produces at least one Chairman's Bonus qualifier.

Personal Discount: a discount (calculated as a percentage excluding VAT of SRP) of 5-18% based on the current Sales Level. This discount amount is subtracted from the Wholesale Price to determine the adjusted Wholesale Price.

Personal Accredited Sales: the SRP or Case Credits of the FBO's sales activity as reflected by purchases made in his/her name.

Qualifying Country: any participating country that is being used as the country of qualification for the Chairman's Bonus incentive.

Recognised Manager: (see 6.1)

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

Re-sponsored FBO: an FBO who has changed his/her Sponsor after two years of no activity.

Retail Customer: one who purchases FLP products through authorised channels and has not yet applied to be a Novus Customer by submitting an application to the Company.

Sales Leader: an FBO who is at the level of Supervisor or above.

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

Sponsor: an FBO who personally signs up another FBO.

Sponsored Manager: (see 6.3)

SRP: Suggested Retail Price

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

Transferred Manager: (see 6.4)

UK/Ireland Web Pages: the UK and Ireland pages of the corporate website: www.foreverliving.com.

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

Unrecognised Manager: (see 6.2)

VB: Volume Bonus

Volume Bonus: a bonus paid on all group Accredited Sales of personally sponsored Assistant Supervisors, Supervisors and Assistant Managers.

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

(a) **Activity Qualification Waiver:** an FBO who is active with 4CC personal and Novus Customer in his/her home Operating Company will receive an Activity Waiver for the following month in all other Operating Companies.

(b) **Leadership Bonus Qualification Waiver:** a Recognised Manager who is Active, or has received an Activity Qualification Waiver, and fulfils the Personal/ Non-Manager CC Leadership Bonus requirement in any single Operating Company during the current Month will receive a Leadership Bonus Waiver for the following month in all other Operating Companies.

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

Wholesale Price (WP): the price at which the products are sold to the FBO who is Wholesale Qualified. This price is discounted 30% from SRP.

Wholesale Qualified: the right to purchase product at the Wholesale Price. An FBO is permanently Wholesale Qualified after he/she has Personal Accredited Sales of 2CC within any two consecutive month period.

4. Warranty, guarantee, product return and buy-backs

4.1. FLP warrants satisfaction and guarantees its products are free from defect and substantially conform to product specifications. For all FLP products exclusive of literature and promotional products, this warranty and guarantee shall be for a period ending sixty days from date of purchase.

Retail Customers

4.2. Retail Customers are guaranteed 100% product satisfaction. Within sixty days from the date of purchase, a Retail Customer may:

- (a) obtain a new replacement for any defective product; or
- (b) cancel the purchase, return the product and obtain a full refund of the purchase price, excluding shipping.

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

The FBO who originally sold the products, and who thereby received the proceeds of the sale, shall be responsible for refunding 100% of their Retail Customers' purchase price for any product sold by them, within the previous sixty days, if a Customer is not satisfied with the product. Customers must be able to prove that they originally purchased the product by returning the retail receipt and any remaining product and packaging (including empty containers) with which they are dissatisfied (this will not affect their statutory rights).

Any partially used or otherwise unmarketable products (or empty containers) should be returned by the FBO to Head Office or to a Product Centre, within 120 days of its original purchase from the Company. This must be supported by retail receipts or other proof of purchase. The Company will then replace the Product. The Company will not exchange it for other goods or offer a credit note, nor will it refund the purchase price paid.

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

Refund and buy-back procedure for the FBO

4.4. During the respective stated periods of warranty and guarantee, FLP will provide a new replacement of the same such product in exchange for a defective product or for one that has been returned to an FBO by a Retail Customer for lack of satisfaction. Such replacement shall be subject to validation of presented proof of timely purchase.

Such purchase must have been by the FBO returning the product. In addition, for replacements of products to an FBO for product returns by Retail Customers, a proof of sale to the Retail Customer, written proof of cancellation, a signed receipt for return of funds and the return of product or empty containers will be required. Repetitive returns of product by the same parties may be rejected.

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

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

(c) If a terminating FBO returns any combination pack, and it is missing some product, the refund and the deductions from the upline will be calculated as if the entire combination pack was returned, and then the Wholesale or Novus Customer Price of the missing components will be deducted from the refund issued.

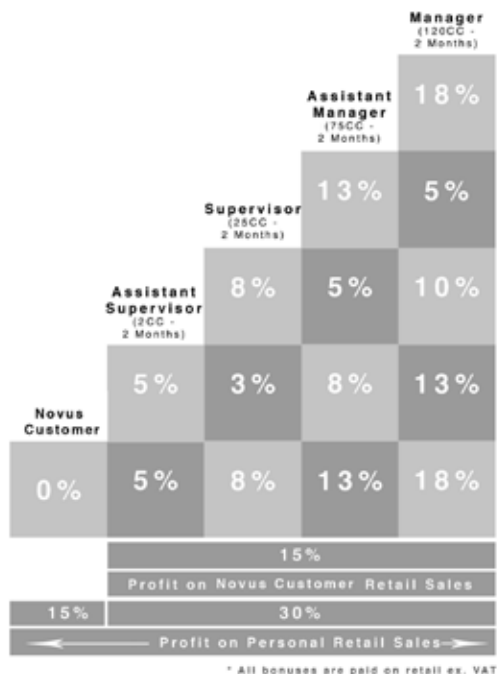
(d) After verification of the facts, the FBO will receive a refund from FLP in the amount equal to the FBO's cost of the products being returned, less the bonuses personally received and the cost of handling, freight and any other appropriate setoffs.

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

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

5. Bonus structure / Marketing Plan

5.1. The Forever Living Marketing Plan is explained as follows:



(a) **Novus Customer.** The Novus Customer receives:

- 15% discount on personal purchases.

(b) **Assistant Supervisor** is achieved by generating a total of two Domestic Personal and Non-Manager Case Credits in any single Operating Company within any two consecutive month period. The Wholesale Qualified Assistant Supervisor receives:

- 30% discount plus 5% Personal Discount on Personal Accredited Sales.
- 15% Novus Customer Profit on the purchases of personally sponsored Novus Customers and their downlines.
- 5% personal bonus on online Retail Sales.
- 5% Novus Customer Bonus on the purchases of personally sponsored Novus Customers and their downlines.

(c) **Supervisor** is achieved by generating a total of twenty-five Domestic Personal and Non-Manager Case Credits in any single Operating Company within any two consecutive month period. The Wholesale Qualified Supervisor receives:

- 30% discount plus 8% Personal Discount on Personal Accredited Sales.
- 15% Novus Customer Profit on the purchases of personally sponsored Novus Customers and their downlines.
- 8% personal bonus on online Retail Sales.
- 8% Novus Customer Bonus on the purchases of personally sponsored Novus Customers and their downlines.
- 3% Volume Bonus on the Personal Accredited Sales of personally sponsored Assistant Supervisors and their downlines.

(d) **Assistant Manager** is achieved by generating a total of seventy-five Domestic Personal and Non-Manager Case Credits in any single Operating Company within any two consecutive month period. The Wholesale Qualified Assistant Manager receives:

- 30% discount plus 13% Personal Discount on Personal Accredited Sales.
- 15% Novus Customer Profit on the purchases of personally sponsored Novus Customers and their downlines.
- 13% Personal Bonus on online Retail Sales.
- 13% Novus Customer Bonus on the purchases of personally sponsored Novus Customers and their downlines.
- 5% Volume Bonus on the Personal Accredited Sales of personally sponsored Supervisors and their downlines.
- 8% Volume Bonus on the Personal Accredited Sales of personally sponsored Assistant Supervisors and their downlines.

(e) **Manager** is achieved by generating a total of 120 Domestic Personal and Non-Manager Case Credits in any single Operating Company within any two consecutive month period. The Recognised Wholesale Qualified Manager receives:

- 30% discount plus 18% Personal Discount on Personal Accredited Sales.
- 15% Novus Customer Profit on the purchases of personally sponsored Novus Customers and their downlines.
- 18% Personal Bonus on online Retail Sales.
- 18% Novus Customer Bonus on the Purchases of personally sponsored Novus Customers and their downlines.
- 5% Volume Bonus on the Personal Accredited Sales of personally sponsored Assistant Managers and their downlines.
- 10% Volume Bonus on the Personal Accredited Sales of personally sponsored Supervisors and their downlines.
- 13% Volume Bonus on the Personal Accredited Sales of personally sponsored Assistant Supervisors and their downlines.

(f) Any one month or two consecutive months may be used to accumulate the Case Credits necessary to achieve the levels of Assistant Supervisor, Supervisor,

Assistant Manager or Manager. All move-ups shall occur on the exact date that sufficient Case Credits are accumulated to reach the specified level.

(g) Except where multiple countries use the same Operating Company, Case Credits generated in one country cannot be combined with those generated in another country to achieve sales level advancements.

(h) The Domestic Personal Case Credits of a Novus Customer will also count as Novus Customer Case Credits for all his upline sponsors up to and including the first upline sponsor who has achieved the level of Wholesale Qualified Assistant Supervisor or higher.

(i) A Sponsor receives full Case Credits of any personally sponsored Novus Customer and ensuing downline group until that Novus Customer achieves the Manager level. Subsequently, if the Sponsor is Leadership Bonus Qualified, he/she receives Leadership Case Credits equal to 40% of the Personal and Non-Manager Case Credits of the first qualified Manager down each sponsorship line, 20% of the Personal and Non-Manager Case Credits of the second qualified Manager down each sponsorship line, and 10% of the Personal and Non-Manager Case Credits of the third qualified Manager down each sponsorship line.

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

(k) There is no requalifying for a Sales Level once it is earned unless the Forever Business is terminated or the FBO is responsored.

5.1. Novus Customer six month policy.

(a) A Novus Customer who has been sponsored for six full calendar months and has not achieved the level of Assistant Supervisor will be eligible to choose a new Sponsor.

(b) A Novus Customer who chooses a new Sponsor will lose any former downlines and accumulated move-up Case Credits, and will count as newly sponsored for all applicable incentives.

5.2. Activity qualification.

(a) To qualify for all bonuses and incentives - except Personal Discounts, Personal and Novus Customer bonuses, and Novus Customer Profit - a Sales Leader must be active and meet all other requirements of the Marketing Plan during the calendar month in which the bonuses were accrued.

(b) To be considered active for the month, a Sales Leader must have a total of four Domestic active Case Credits during that month, at least one of which is a personal Case Credit.

(c) A Sales Leader who does not achieve active status will not be paid a Volume Bonus that month, and shall not be considered an active Sales Leader. Any unearned Volume Bonus will be paid to the next active Sales Leader upline. In turn, his/her bonus will be paid to the next active Sales Leader upline and so on.

(d) A Sales Leader who forfeits any Volume Bonus may requalify the following month (with no retroactive application) as an active Sales Leader.

5.3. Bonus and profit calculations and payments.

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

(b) Bonuses are calculated according to positions within the Marketing Plan and are paid at the current level attained. E.g. If an Assistant Supervisor generates thirty total Case Credits during two consecutive months, he/she will earn 5% on any Personal Accredited Sales within the first 25CCs and 8% on any Personal Accredited Sales within the remaining 5CCs.

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

(d) Bonus payments are paid direct into the FBO's bank account detailed on the FBO application on the 15th of the month following product purchase. That is, bonuses for January Accredited Sales will be paid into that account on 15th February. When the 15th day of the month falls on Saturday, payments are paid into that account on Friday (14th). When the 15th day of the month falls on Sunday, payments are paid into that account on Monday (16th). In Ireland bonus payments are paid via cheque and are posted before the 15th of each month.

(e) Bonuses are paid excluding VAT and therefore any FBO registered for VAT (see paragraphs 20.12 to 20.14) should send an invoice to the Company for the payment of VAT on his/her bonuses. This can be each month or quarterly, but must be a properly constituted invoice showing the FBO's VAT number, address, date and a unique invoice number. All elements of the bonus are VAT related.

(f) Profits generated by online purchases by Novus Customers and Retail Customers are deposited to the FBO's bank account within four working days following the 10th, 20th, and last day of the month.

6. Manager status and qualifications

6.1. Recognised Manager:

- (a) An FBO qualifies as a Recognised Manager and receives a gold Manager pin when:
- 1) His/her entire group generates 120 Personal and Non-Manager Case Credits within any two consecutive month period, and
 - 2) He/she is an active Sales Leader each month during the same period, and
 - 3) There are no other FBOs in his/her downline who qualify as Manager during the same period.
- (b) If an FBO's downline also qualifies as a Manager in any country during the same period, the FBO will be a Recognised Manager if
- 1) He/she is an active Sales Leader each month during the same period, and
 - 2) He/she has at least twenty-five Domestic Personal and Non-Manager Case Credits in the final month of qualification from FBOs in downlines other than that of the Manager moving up in the same month.

6.2. Unrecognised Manager:

- (a) When an FBO and downline generate 120 Personal and Non-Manager Case Credits within any two consecutive month period, and the FBO does not meet the remaining requirements for Recognised Manager, he/she becomes an Unrecognised Manager.
- (b) An Unrecognised Manager can qualify for the Personal Discount, Novus Customer and Volume Bonuses, but cannot qualify for Leadership Bonus or any other Manager incentive.
- (c) An Unrecognised Manager can qualify as a Recognised Manager by meeting the following requirements:
- 1) Generate a total of 120 Personal and Non-Manager Case Credits within any two consecutive month period, and
 - 2) Be an active Sales Leader each month during the same period.
- (d) From the date that an Unrecognised Manager has generated 120 Personal and Non-Manager Case Credits, he/she becomes a Recognised Manager and will begin to accrue Leadership Bonuses and Leadership Case Credits on Accredited Sales as long as he/she is Leadership Bonus qualified.
- (e) If the qualification occurs the month immediately after becoming an Unrecognised Manager, the Case Credits that were not associated with a downline Manager move up (during the month of move up to Unrecognised Manager) can be counted for the Recognised Manager qualification.

6.3. Sponsored Manager:

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

- 1) Qualifying as a Recognised Manager, or
- 2) Qualifying as a Sponsored Manager from Inherited or Transferred Manager status.

(b) A Sponsored Manager can be counted for his/her upline Manager's qualification for the Gem Bonus, Gem Manager status, and for any other incentive that requires Sponsored Managers.

6.4. Inherited and Transferred Manager:

(a) When a Manager terminates, the entire downline organisation will be moved up directly under the terminated Manager's present Sponsor and will remain in its current generation sequence.

(b) If the terminated Manager is a Sponsored Recognised Manager, and has any first generation Recognised Managers in his/her organization, these Managers will be classified as Inherited Managers in the newly appointed Sponsor's first generation. However, one of these Managers may be selected as a Sponsored Manager to replace the terminated first generation Manager.

(c) Inherited Manager status does not affect the Volume Bonus or Leadership Bonus paid to any Manager or his/her upline. The activity of an Inherited Manager does not count for the upline Manager's qualification for the Gem Bonus, Case Credit reduction for the Earned Incentive Programme, or Gem Manager status.

(d) A Manager who internationally sponsors into a country other than the original country of sponsorship shall be a Transferred Manager. The activity of a Transferred Manager does not count for his/her upline Manager's qualification for the Gem Bonus, case reduction for the Earned Incentive Programme, or Gem Manager status.

(e) A Transferred or Inherited Manager can qualify as a Sponsored Manager by meeting the following requirements:

- 1) Generate a total of 120 Personal and Non-Manager Case Credits within any two consecutive month period.
- 2) Be an active Sales Leader during the same period.
- 3) If requalifying in a foreign country, be an active Sales Leader in his/her Home Country, or generate four personal Case Credits in the country where he/she is achieving Sponsored Manager status.

7. Leadership Bonus

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

7.2. (a) A Recognised Manager who is active and has 12CCs Personal and Non-Manager (or has Activity and Leadership Bonus Waivers) in any single Operating Company during the current month, qualifies for Leadership Bonuses generated in that single Operating Company during that month.

(b) The Personal and Non-Manager requirement is reduced to 8CCs if the Manager had two downline Managers, each in separate sponsored lines, who each had a total of 25CCs during the previous month. It is further reduced to 4CC Personal and Novus Customer if he/she had three downline Managers, each in separate sponsored lines, who each had a total of 25CCs during the previous month.

7.3. A Leadership Bonus, based on the total SRP of a Manager's Personal and Non-Manager Accredited Sales of the qualifying month, is paid to his/her upline Leadership Bonus qualified Managers at the following rates:

- a) 6% is paid to the first upline Leadership Bonus qualified Manager.
- b) 3% is paid to the second upline Leadership Bonus qualified Manager.
- c) 2% is paid to the third upline Leadership Bonus qualified Manager.

7.4. (a) A Recognised Manager who is not active for three consecutive months loses eligibility to qualify for Leadership Bonus.

(b) A Recognised Manager who has lost eligibility to qualify for Leadership Bonus can regain eligibility by meeting the following requirements in any single Operating Company:

- 1) Generate a total of twelve Personal and Non-Manager Case Credits each month for a period of three consecutive months (even if he/she does not have any downline Managers).
- 2) Be active each month for the same period.

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

8. Additional incentives

8.1. All Company incentive programmes are intended to promote sound business-building principles. This includes the proper sponsoring and selling of product in usable, resaleable quantities. Incentive points and prizes are not transferable, and will be awarded only to the FBO who qualifies by building the business in accordance with the spirit of the FLP Marketing Plan and Company Policies.

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

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

(b) Earned Trips are limited to the following: Global Rally, Eagle Managers' Retreat, Sapphire, Diamond Sapphire, Diamond, Double-Diamond, and Triple-Diamond trips.

(c) The Sapphire, Diamond Sapphire, Diamond, Double Diamond, and Triple Diamond trips must be taken within twenty-four months of qualification.

Other sales incentives:

8.4. From time to time, the Company offers other incentives to FBOs based on their sales performance. Details and rules of such incentives, which are established and monitored by the Executive Committee, will be published in the Company's monthly magazine or announced at a Success Express. The Company may withdraw these other incentives at any time.

Conditions:

8.5. The Company reserves the right to alter the qualifying targets for any of its events. Any alterations will be notified to FBOs through the Company's monthly magazine and/or at the monthly Success Express prior to the qualification period beginning.

8.6. FBOs qualifying for tickets for Company events will only receive tickets for those named on the FBO Application Form which was approved by Head Office. If a legally married spouse is not named on the form, an extra ticket may be awarded at the Company's discretion. Room allocations, etc. will be made on the basis that FBOs named on the same FBO Application Form will share. Single FBOs will be expected to share a twin room with another single FBO of the same sex. FBOs wishing single occupancy will be asked to pay a supplement.

8.7. Your qualification will only be valid on the basis you continue to support and attend the Company's Success Express trainings and other related events throughout the year and on an on-going basis. Anyone not seen to be actively building their business and encouraging their team to attend company events will waive their entitlement to attend these events.

9. Manager-and-beyond awards

9.1. A Manager can combine first generation Sponsored Recognised Managers from all countries for the purpose of being recognised as Senior through Diamond Centurion Manager. However, each first generation Manager can only be counted once.

9.2. All recognition pins for Manager level and above are awarded only at a company-approved recognition meeting.

9.3. **Recognised Manager:** when an FBO qualifies under the requirements as set out in 6.1, he/she is recognised as Recognised Manager and receives a gold pin.

9.4. **Eagle Manager status:**

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

- 1) Be active and Leadership Bonus qualified (even if he/she has no downline Managers). Case Credits generated during the months he/she is not Leadership Bonus qualified will NOT count toward this incentive.
- 2) Generate at least 720 total Case Credits, including at least 100 NEW Case Credits.
- 3) Personally sponsor and develop at least two new Supervisor lines.
- 4) Support local and regional meetings.

(b) In addition to the requirements listed above, Senior Managers and above must also develop and maintain downline Eagle Managers, as outlined in the following schedule. Each downline Eagle Manager must be in a separate sponsorship line, without regard to how many generations down. This requirement is based on the Manager position qualified for at the beginning of the qualification period.

- 1) Senior Manager: 1 downline Eagle Manager.
- 2) Soaring Manager: 3 downline Eagle Managers.
- 3) Sapphire Manager: 6 downline Eagle Managers.
- 4) Diamond Sapphire Manager: 10 downline Eagle Managers.
- 5) Diamond Manager: 15 downline Eagle Managers.
- 6) Double Diamond Manager: 25 downline Eagle Managers.
- 7) Triple Diamond Manager: 35 downline Eagle Managers.
- 8) Centurion Diamond Manager: 45 downline Eagle Managers.

(c) All requirements must be achieved in a single Operating Company, with the exception of the NEW Case Credit requirement and the downline Eagle Manager requirement, as clarified below.

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

- (e) A Manager can combine NEW Case Credits from various countries to count toward the 100 NEW Case Credit requirement.
- (f) A Manager can combine downline Eagle Managers from various countries for the purpose of achieving Eagle Manager status.
- (g) If an FBO achieves Manager during the qualification period:
 - 1) Any Novus Customers he/she sponsored during the final month of move-up will count toward the new Supervisor requirement for that qualification period's Eagle Manager Programme.
 - 2) The Eagle Manager requirements are NOT prorated; rather, he/she needs to accomplish the 720 total/100 NEW Case Credits and the two new Supervisors during the remainder of the qualification period after achieving Manager Level.
- (h) Upon completion of all requirements to achieve Eagle Manager status, the FBO will be awarded an Earned Trip to attend the annual Eagle Managers' Retreat. In addition, any FBO who qualifies for the first time at the 5,000CC level will be invited to the Eagle Managers' Retreat the following year, regardless of whether or not they have achieved Eagle Manager. This earned incentive will include:
 - 1) Airfare for two and three nights' lodging.
 - 2) An invitation to the exclusive Eagle Managers' training.
 - 3) Access to all events relating to the Eagle Managers' Retreat.

9.4.1. Global Leadership Team

- (a) Membership in the Global Leadership Team is earned and renewed each year by generating 7,500 total Case Credits during the calendar year after qualifying as a Recognised Manager.
- (b) Managers achieving the Global Leadership Team will become members of the GLT for one calendar year (beginning on January 1st of the year following their qualification), be invited to an exclusive global retreat, and they will receive recognition and awards at the Global Rally.
- (c) Managers must attend the Global Rally to receive Global Leadership Team awards.

9.5. Senior Manager: When a Manager has two first generation Sponsored Recognised Managers, he/she is recognised as Senior Manager and is awarded a gold pin with two garnets.

9.6. Soaring Manager: When a Manager has five first generation Sponsored Recognised Managers, he/she is recognised as Soaring Manager and is awarded a gold pin with four garnets.

9.7. Gem Manager Awards

- (a) **Sapphire Manager:** When a Manager has nine first generation Sponsored Recognised Managers, he/she is recognised as Sapphire Manager, and is awarded:
 - 1) A gold pin with four sapphires.

2) A four-day, three-night, all-expenses-paid trip to a resort within the region.

(b) **Diamond-Sapphire Manager:** When a Manager has seventeen first generation Sponsored Recognised Managers, he/she is recognised as Diamond-Sapphire Manager and is awarded:

1) A gold pin with two diamonds and two sapphires.

2) A specially designed sculpture.

3) A five-day, four-night, all-expenses-paid trip to a luxury resort within the region.

(c) **Diamond Manager:** When a Manager has twenty-five first generation Sponsored Recognised Managers, he/she is recognised as Diamond Manager and is awarded:

1) A gold pin with one large diamond.

2) A beautifully designed diamond ring.

3) A waiver of case volume requirements for Earned Incentives and Volume Bonus, provided a minimum of twenty-five first generation Sponsored Recognised Managers are active each month.

4) A seven-day, six-night, all-expenses-paid trip to a luxury resort outside the region.

(d) **Double Diamond Manager:** When a Manager has fifty first generation Sponsored Recognised Managers, he/she is recognised as Double Diamond Manager and is awarded:

1) A specially-designed gold pin with two large diamonds.

2) A ten-day, nine-night, all-expenses-paid trip to South Africa.

3) An exclusive pen accessorised with diamonds.

(e) **Triple Diamond Manager:** When a Manager has seventy-five first generation Sponsored Recognised Managers, he/she is recognised as Triple Diamond Manager and is awarded:

1) A specially designed gold pin with three large diamonds.

2) A fourteen-day, thirteen-night, all-expenses-paid trip around the world.

3) An exclusive, personalised watch (selected by FLP).

4) A specially-designed sculpture (selected by FLP).

(f) **Diamond Centurion Manager:** When a Manager has a hundred first generation Sponsored Recognised Managers, he/she is recognised as Diamond Centurion Manager and is awarded:

1) A specially-designed gold pin with four large diamonds.

10. Gem Bonus

10.1. (a) A Leadership Bonus qualified Gem Manager who, in the country of qualification, has the required number of active first generation Sponsored Managers during the current month, or the required number of separate sponsored downlines with an Active Manager who has twenty-five or more total Case Credits during the current month, will receive a Gem Bonus based on the total SRP of his/her first, second, and third generation Managers' Personal and Non-Manager Accredited Domestic Sales accrued in that country during that month, as per the following schedule:

1) Nine active first generation Sponsored Managers, or nine separate sponsored downlines, each with a Manager who has twenty-five or more total Case Credits = 1%

2) Seventeen active first generation Sponsored Managers, or seventeen separate sponsored downlines, each with a Manager who has twenty-five or more total Case Credits = 2%

3) Twenty-five active first generation Sponsored Managers, or twenty-five separate sponsored downlines, each with a Manager who has twenty-five or more total Case Credits = 3%

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

(c) Gem Bonus is paid by each country based on the SRP of the Domestic Personal and Non-Manager Accredited Sales activity of Managers in that country. To qualify for a Gem Bonus from any country, a Manager must have the required number of active first generation Sponsored Managers, or Active 25CC Manager downlines, in that country for the month in which he/she is qualifying for Gem Bonus.

11. Earned Incentive programme (Forever2Drive)

11.1. (a) An active Recognised Manager is eligible to participate in the Earned Incentive programme. The Earned Incentive amount may be used by the FBO to purchase or lease an asset in his/her own name (for example a car, a house, a boat or other asset).

(b) Three levels of the Earned Incentive programme are available:

- 1) Level 1: The Company will pay a maximum of £263/€400 per month for a maximum of thirty-six consecutive months.
- 2) Level 2: The Company will pay a maximum of £394/€600 per month for a maximum of thirty-six consecutive months.
- 3) Level 3: The Company will pay a maximum of £525/€800 per month for a maximum of thirty-six consecutive months.

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

Earned Incentive qualification / maintenance requirements:

Month	Level 1	Level 2	Level 3
1	50	75	100
2	100	150	200
3	150	225	300

(d) During the period of thirty-six months immediately following qualification, the Manager will receive the maximum payment amount for the level achieved each month that the month three Case Credit requirement is maintained.

(e) If the Manager's total Case Credits drop below the month three requirement during any month, that month's Earned Incentive will be calculated at £1.75/€2.66 times the Manager's total Case Credits for that month.

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

(g) A Manager who has five personally sponsored active Recognised Managers during the third qualification month, or any month during the thirty-six month period, will have the month three requirement reduced to 110, 175, or 240 total Case Credits for Level 1, 2 or 3, respectively.

(h) For every five additional personally sponsored active Recognised Managers during the third qualification month, or any month during the thirty-six month period, the

month three requirement will be reduced by an additional forty, fifty or sixty Case Credits for Level 1, 2 or 3 respectively.

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

(j) The Case Credits generated by an active FBO before becoming a Recognised Manager will count toward the Earned Incentive qualification.

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

(l) At the end of the thirty-six month period, a Manager may requalify for a new Earned Incentive using the same qualifications as outlined above. This requalification can be satisfied during any three consecutive months within the last six months of the original thirty-six month period.

12. Chairman's Bonus

12.1. (a) **Core Requirements for All Levels.** (January 1 through December 31). An FBO, after becoming a Recognised Manager, must fulfil ALL of the following requirements either in the Domestic Country, or the Qualifying Country. They cannot be combined from different countries. However, for FBOs in the UK, Ireland and Iceland, Personal and/or Non-Manager CCs from all these countries can be combined; the combined total can count towards the achievement of 700, 600 and 500 CCs (Levels 1, 2 and 3).

To qualify, FBOs must:

- 1) Be Active every month.
- 2) Be Leadership Bonus qualified (even if he/she does not have any downline Managers). Case Credits generated during the months he/she is not Leadership Bonus qualified will NOT count toward this incentive.
- 3) The following requirements may be achieved in any Participating Country:
 - a. Be qualified for the Earned Incentive programme.
 - b. Purchase products as required only after 75% of prior product inventory has been utilised.
 - c. Build the FLP business according to correct MLM principles and Company Policies.
 - d. Attend and support company sponsored events.
- 4) Final acceptance into the Chairman's Bonus incentive is subject to approval by the Executive Committee. The Executive Committee will take into account all the provisions in the Company Policy including but not limited to all the clauses in section 17.2 of the Company Policy.

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

- 1) Accumulate 700 Personal and Non-Manager Case Credits during the incentive period after becoming a Recognised Manager, the sum of which must include 150 NEW Case Credits. The NEW Case Credits may be generated and combined in any country. A maximum of 150 NEW Case Credits from outside the Qualifying Country can be counted. However, for purposes of calculating Incentive Shares, NEW Case Credits generated outside the Qualifying Country will not be counted.
- 2) Other than the allowable NEW Case Credits, all Personal and Non-Manager Case Credits must be generated in the Qualifying Country.
- 3) Develop one of the following in any generation:
 - a. A downline Recognised Manager that accumulates 600 or more total group Case Credits in your Qualifying Country during the incentive period after becoming a Recognised Manager. This Manager may be an existing Manager or newly developed during the incentive period, or,
 - b. A downline CBM in any Participating Country.

- 4) The 600CC Manager's Case Credits will not be included when calculating the Incentive Shares.
- 5) Only Case Credits for the months the 600CC Manager qualifies as active will count for this requirement.
- 6) A responsored FBO counts towards all Level 1 requirements.
- 7) If an FBO achieves Manager during the qualification period, the Chairman's Bonus requirements are NOT prorated; the FBO needs to accomplish the 700 Personal and Non-Manager/150-NEW Case Credits during the remainder of the qualification period after achieving Manager Level.

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

- 1) Accumulate 600 Personal and Non-Manager Case Credits during the incentive period after becoming a Recognised Manager, the sum of which must include 100 NEW Case Credits. The NEW Case Credits may be generated and combined in any country. A maximum of 100 NEW Case Credits from outside the Qualifying Country can be counted. However, for purposes of calculating Incentive Shares, NEW Case Credits generated outside the Qualifying Country will not be counted.
- 2) Other than the allowable NEW Case Credits, all Personal and Non-Manager Case Credits must be generated in the Qualifying Country.
- 3) Develop three CBMs in any generation, each in separate downlines, in any Participating Country.
- 4) A responsored FBO counts towards all Level 2 requirements.
- 5) If an FBO achieves Manager during the qualification period, the Chairman's Bonus requirements are NOT prorated; the FBO needs to accomplish the 600 Personal and Non-Manager/100-NEW Case Credits during the remainder of the qualification period after achieving Manager Level.

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

- 1) Accumulate 500 Personal and Non-Manager Case Credits during the incentive period after becoming a Recognised Manager, the sum of which must include 100 NEW Case Credits. The NEW Case Credits may be generated and combined in any country. A maximum of 100 NEW Case Credits from outside the Qualifying Country can be counted. However, for purposes of calculating Incentive Shares, NEW Case Credits generated outside the Qualifying Country will not be counted.
- 2) Other than the allowable NEW Case Credits, all Personal and Non-Manager Case Credits must be generated in the Qualifying Country.
- 3) Develop six CBMs in any generation, each in separate downlines, in any Participating Country.
- 4) A Responsored FBO counts towards all Level 3 requirements.
- 5) If an FBO achieves Manager during the qualification period, the Chairman's Bonus requirements are NOT prorated; the FBO needs to accomplish the 500

Personal and Non-Manager/100-NEW Case Credits during the remainder of the qualification period after achieving Manager Level.

(e) Chairman's Bonus Incentive Calculation.

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

- a. One half of the pool will be paid to those who qualify in Level 1.
- b. One third of the pool will be paid to those who qualify in Level 2.
- c. One sixth of the pool will be paid to those who qualify in Level 3.

2) The qualifying CBM will be awarded one Incentive Share for each of his/her total Case Credits generated in the Qualifying Country (but not including the NEW Case Credits generated outside of the Qualifying Country), plus the Incentive Shares generated by the first CBM in each of his/her sponsorship lines in any Participating Country.

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

4) When an FBO combines new Non-Manager Case Credits from various countries, those Case Credits may count for the overall Non-Manager Case Credit requirement (700, 600, 500) in only one country. In all remaining countries in which the FBO desires to qualify, the overall Non-Manager Case Credit requirement must be satisfied without counting the new Non-Manager Case Credits that they used to qualify in the first country. For example, if an FBO had a total of 200 new Non-Manager Case Credits worldwide, and used 150 of them to qualify in the first country, they cannot use those 150 to count toward the overall Non-Manager Case Credit requirement in the second country. However, they can use the remaining fifty new Non-Manager Case Credits to count towards the overall Non-Manager Case Credit requirement in the second country.

4.62.1. A Manager who is requalifying to receive Leadership Bonus (see 7.4 of the Policy Manual) will only be able to count Case Credits for the Chairman's Bonus after the three months of requalification have been completed. For example, if a Manager is requalifying for Leadership Bonus during December, January and February, the Case Credits for the Chairman's Bonus qualification will start to count effective 1 March. However, the Manager is considered active and Leadership Bonus qualified during those months, hence allowing them to be eligible to participate in Chairman's Bonus.

(f) Chairman's Bonus Global Rally Award.

1) Unless qualified for a 1.5K or higher Global Rally award, each CBM will be awarded a trip to the FLP Global Rally to be recognised and receive his/her bonus. This trip for two includes:

- a) Airfare, lodging, meals for five days and four nights.
- b) \$250 spending cash.
- c) \$200 activity allowance.

13. FLP Global Rally

13.1. (a) An FBO can qualify for a trip for two to the FLP Global Rally, including airfare, lodging, meal and activity allowances, and spending cash, by accumulating 1,500 or more total Case Credits from January 1st through December 31st of each year. In order to receive the benefits of this incentive, the qualifying FBO must attend the training and motivational meetings of the first Global Rally after the qualifying period.

(b) In order to achieve the 1,500 Case Credit and higher Global Rally awards, an FBO may combine Case Credits from all the countries where he/she has a group.

(c) Non-Manager Case Credits generated during any month that an FBO is not active, and Leadership Case Credits generated during any month that a Manager is not Leadership Bonus qualified, will not count for the Global Rally awards. However, any active Case Credits generated by the FBO will count regardless of activity status.

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

(e) Chairman's Bonus Manager (under 1.5K):

- 1) Airfare, lodging and meals for five days and four nights.
- 2) \$250 spending cash.
- 3) \$200 activity allowance.

(f) 1,500 total Case Credits (1.5K):

- 1) Airfare, lodging and meals for six days and five nights.
- 2) \$500 spending cash.
- 3) \$300 activity allowance.

(g) 2,500 total Case Credits (2.5K):

- 1) Airfare, lodging and meals for eight days and seven nights.
- 2) \$1,000 spending cash.
- 3) \$500 activity allowance.

(h) 5,000 total Case Credits (5K):

- 1) Airfare, lodging and meals for nine days and eight nights.
- 2) \$2,000 spending cash.
- 3) \$500 activity allowance
- 4) Use of the VIP checkout in the Rally shopping area.

- (i) 7,500 total Case Credits (7.5K):
 - 1) Airfare, lodging and meals for nine days and eight nights.
 - 2) \$3,000 spending cash.
 - 3) \$600 activity allowance.
 - 4) Use of the VIP checkout in the Rally shopping area.
- (j) 10,000 total Case Credits (10K):
 - 1) Airfare, lodging and meals for nine days and eight nights.
 - 2) Business Class flight accommodations to/from the Rally.
 - 3) \$3,000 spending cash.
 - 4) \$600 activity allowance.
 - 5) Use of the VIP checkout in the Rally shopping area.
- (k) 12,500 total Case Credits (12.5K):
 - 1) Airfare, lodging and meals for nine days and eight nights.
 - 2) Business Class flight accommodations to/from the Rally.
 - 3) \$12,500 spending cash.
 - 4) \$600 activity allowance.
 - 5) Use of the VIP checkout in the Rally shopping area.
- (l) 15,000 total Case Credits (15K)
 - 1) Airfare, lodging and meals for nine days and eight nights.
 - 2) Business Class flight accommodations to/from the Rally.
 - 3) A \$20,000 Business-Building Travel Allowance.
 - 4) A Rally Activity Allowance.
 - 5) Use of the VIP checkout in the Rally shopping area.
- (m) 20,000 total Case Credits (20K) (first year)
 - 1) Airfare, lodging and meals for nine days and eight nights.
 - 2) Business Class flight accommodations to/from the Rally.
 - 3) An exclusive, custom designed experience, plus a \$20,000 Business-Building Travel Allowance.
 - 4) A Rally Activity Allowance.
 - 5) Use of the VIP checkout in the Rally shopping area.
- (n) 20,000 total Case Credits (20K) (subsequent years)
 - 1) Airfare, lodging and meals for nine days and eight nights.
 - 2) Business Class flight accommodations to/from the Rally.
 - 3) A \$35,000 Business-Building Travel Allowance.
 - 4) A Rally Activity Allowance.
 - 5) Use of the VIP checkout in the Rally shopping area.

14. Ordering procedures

Placing orders

14.1. All FBOs order directly from the Company. All those at Novus Customer level will be required to purchase at Novus Customer Price (Novus Customer Price = 15% discount off retail price). After an FBO (regardless of level) personally purchases at least 2CC of product within any two consecutive months, they then purchase at the wholesale price. The difference between the Novus Customer Price and the wholesale price will be paid to the immediate Sponsor.

14.2. “Stacking”, i.e., the buying of product from the Company under another FBO’s ID and “buying-in”, i.e., buying in quantities which exceed the amount required to meet immediate sales needs, are prohibited and evidence of such may result in loss of bonus, awards and revised qualifications in respect of incentive programmes or termination of the FBO agreement. Orders for a product should not be placed until 75% of the FBO’s stock of that product has been sold. Further, by placing a reorder for the same product, an FBO is certifying that he/she has used or sold 75% or more of the previous batch ordered.

14.3. Any FBO may order product and literature directly from any of the Company’s Product Centres, which are based at some Area Centres.

14.4. FBOs cannot purchase more than 25CC on their own ID in any single month without prior permission from Head Office.

14.5. The Company will only recognise orders placed at one of its Product Centres in person, or through the Head Office, by telephone, facsimile, post, email, or via the Company’s website at www.foreverliving.com. (Ireland does not accept emailed orders or application forms.)

14.6. If an FBO asks a third party to place and collect orders for them, it is the FBO’s responsibility to obtain proof that the order has been correctly placed. The Company’s responsibility is to ensure that all orders received are allocated and fulfilled as they are presented.

14.7. The minimum value of any first order of product is £100 of products inclusive of VAT at the Novus Customer Price. The minimum value of all subsequent orders is £50 of products inclusive of VAT at the wholesale price. Note: this does not apply to Ireland, where the minimum value of all orders is £50/€75.

Paying For Orders

14.8. All orders with appropriate payments must be received and processed by the Company by the close of the last business day of the applicable month to qualify for a bonus generated for that month. All FBOs are encouraged to place their order in sufficient time for any deadline to avoid disappointment. The Company will not be liable for any order that is received too late to be processed before close of business on the last qualifying day.

14.9. Any orders placed at a Product Centre should be checked upon receipt and the Product Centre Supervisor notified immediately of any discrepancy or damage. Sales are considered final once the FBO has made or approved payment and left the Product Centre. Where an order is received via a courier the Head Office should be notified within 24 hours of receipt if there are shortages or breakages.

14.10. Any orders placed at Product Centres have to be collected within ninety days of the order being placed. The company accepts no responsibility for orders not collected within this period.

14.11. No refunds shall be made to FBOs, unless their FBO contract is to be terminated (see Section 22: Terminating an FBO Agreement).

14.12. Each order must be paid for on or before collection by the FBO placing it, using his/her own funds.

14.13. All orders must be paid for at the time of ordering. The full value of the order must be covered by one payment method. The only acceptable methods of payment for such orders are:

- (a) Credit or charge cards (Visa, Mastercard, American Express) or,
- (b) Debit cards (Delta or Electron).

The use of a credit or debit card belonging to a third party is not acceptable.

Note: For internet orders the only acceptable methods of payment are Visa, Mastercard or American Express.

14.14. Personal cheques will NOT be accepted as payment for such orders except in Ireland.

14.15. In the unlikely event that a payment is not honoured, the Company reserves the right to pass on all additional expenses incurred. These include a bank charge (currently £10/€15.00) for each unsatisfactory presentation of a cheque.

14.16. Any payments which have been declined will result in any bonuses generated by those orders being held at the discretion of the Company and reductions to the bonuses in subsequent months to the value of the uncleared payments (and associated bank charges) being made. Any balance owed after these deductions will be forwarded to the FBO as soon as is reasonable.

14.17. Where a payment for orders upon which bonuses have been paid is not made good following a declined payment, the bonuses paid to the FBO's upline will be recovered at the earliest possible time by making a deduction from future bonus payments to the upline.

Price and/or CC changes

14.18 The Company undertakes to give notice of at least one calendar month of impending price or CC changes. This notice will be published in the Company's monthly magazine.

14.19. In the event of such changes, the Company will not exchange literature, except at the sole discretion of the Executive Committee.

15. Re-sponsoring Policies

15.1. (a) An existing FBO can re-sponsor under a different Sponsor provided that, during the preceding 24 months, he/she has:

- 1) Been an FBO, and
- 2) Not purchased or received any FLP products, either from the Company or from any other source, and
- 3) Not received payments of any kind from an FBO, and
- 4) Not sponsored any other individuals into the FLP business.

(b) The FBO being re-sponsored must sign and have notarised an affidavit under penalty of perjury with respect to the above policy before responsoring will be allowed.

(c) If the FBO is the second-named person on an existing Forever Business, and wishes to re-sponsor under the first-named person, he/she may do so without having to fulfill the requirements listed in paragraphs (a) and (b) of this section.

(d) A re-sponsored FBO begins again as a Novus Customer under the new Sponsor and loses any downline acquired to that point in all countries into which he/she was previously sponsored.

(e) A re-sponsored Novus Customer counts as a newly-sponsored Novus Customer for all global incentives and promotions.

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

- 1) Relinquish the Forever Business and any existing downline in the country into which he/she last sponsored, provided that he/she has not purchased product or sponsored anyone within the last twenty-four months in that country. They must also retain the Forever Business under the Sponsor who is on his/her original Application Form. He/She will retain the current sales level attained in the Marketing Plan.
- 2) Retain the separate Forever Businesses; that of the original Sponsor will be the primary in which he/she qualifies as Active each month. Upon so qualifying, the secondary Forever Business will receive an Activity Waiver.

16. International sponsoring policies

16.1. (a) This policy affects all international sponsoring after May 22, 2002.

(b) The procedures and policies for international sponsoring are as follows:

- 1) The FBO must contact the Head Office of his/her Home Country, or the country into which he/she wishes to sponsor, and request to be internationally sponsored into the desired country.
- 2) The FBO's original ID number will be used in all countries into which he/she is internationally sponsored.
- 3) The FBO's Sponsor will be the person who appears as the Sponsor on his/her very first application form accepted by FLP, except in the case of a Responsorship or a Novus Customer six month Sponsor change.
- 4) The FBO will automatically start at the current attained Sales Level in all countries into which he/she is internationally sponsored.
- 5) Case Credits generated in one Operating Company cannot be combined with those generated in another Operating Company to achieve Sales Level advancements or to qualify for bonus or Earned Incentive payments. However, they may be combined to qualify for the Global Rally incentive, and the NEW CASE CREDIT requirements of the Chairman's Bonus and Eagle Manager programmes.
- 6) When an FBO achieves a Sales Level in any country, it is reflected in all other countries the following month.
- 7) Upon achieving Active status (4CC) in the Home Country, the FBO will be considered Active in all other countries the following month, regardless of the sales level he/she has achieved.
- 8) When an FBO changes residence to a different country, he/she must notify the old country of residence so that the address can be changed and a new Home Country assigned.
- 9) Participating in the international sponsoring programme is a privilege that gives each FBO the chance to benefit from FLP's international network of companies. The international sponsoring programme is monitored from FLP's Home Office in Maricopa County, Arizona. An FBO participating in the international sponsoring programme consents and agrees that any disputes arising out of or relating to the FBO relationship or FLP products, involving any of the FLP affiliated companies, shall be resolved through binding arbitration in Maricopa County, Arizona, pursuant to foreverliving.com and Forever Living Products International, LLC's current dispute resolution policies as set forth.

17. Prohibited activities

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

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

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

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

1) Each FBO who orders product that was the subject of a prior order shall also be confirming and certifying to the Company that 75% of the prior order of that product has been sold or otherwise utilised. Each FBO should keep accurate records of monthly sales, which records can be subject to inspection by the Company upon reasonable notice. Such records will include reports reflecting inventory on hand at the end of the month.

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

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

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

(d) **Selling to another FBO.** In addition to retail activities, an FBO is prohibited from selling product to any FBO other than his/her personally sponsored FBOs, but at not less than Wholesale Price. Any other sale to another FBO, either directly or

indirectly, is a prohibited transaction for both the selling and the buying FBO. The equivalent Case Credit of such a prohibited sale shall not be allowed for purposes of meeting the active requirement or qualification requirement for any other benefits within the Marketing Plan. Resulting adjustments shall be made for this non-compliance.

(e) An FBO is prohibited from engaging in activities that are prohibited in all sections of 17, 19, and 20 as set forth herein.

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

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

(h) Selling in stores.

1) Except as herein provided in this section below, an FBO is prohibited from permitting Company products to be sold or displayed in retail stores. However, exhibitions for a period of less than two weeks in a twelve-month period at the same venue are considered temporary and are therefore permitted after receiving written approval from Head Office.

2) 'Service-orientated' establishments – such as hairdressers, beauty salons, health clubs, doctors surgeries, therapists, dentists, etc. – can be exceptions to the rule on retail outlets. However, the products being sold should be relevant to, or be used in connection with, the service provided. Clarification in respect of such outlets should be sought from Head Office. Where approved, such establishments will be allowed to display and sell products only within the section of their premises where the service is supplied (e.g. treatment room).

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

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

(j) Selling online. An FBO is prohibited from selling products through online marketing media, online malls, or auction sites, such as, but not limited to, eBay or amazon.com.

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

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

(m) An FBO is prohibited from disparaging other FBOs, FLP's products/services, the Marketing and Compensation Plan, or FLP's employees to other FBOs or third

parties. Any questions, suggestions or comments regarding these issues should be directed in writing to FLP's corporate offices only.

(n) **Making product claims.** An FBO is prohibited from making claims as to the therapeutic, safety or curative properties of the products. Only such statements or claims that are officially approved by FLP or are as contained in the official FLP literature may be made or used. An FBO is prohibited from making any claims that FLP products are useful in the treatment, prevention, diagnosis or cure of any disease. Medical claims regarding FLP products are strictly prohibited. An FBO should recommend to any customer who is currently under a physician's care or any medical treatment, that they seek the advice of a licensed healthcare provider before altering his/her nutritional regimen.

(o) **Making earnings claims.** Unless FLP's prior written approval is obtained, projections of income earnings and potentially misleading income representations are strictly prohibited. The financial success of an FBO depends entirely upon individual effort, dedication, and the training and supervision provided to his/her downline and FLP business.

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

(q) **Exporting Product.** An FBO is authorised to purchase product for the purpose of selling and using said product in the country in which it was purchased. An FBO is prohibited from purchasing product for the purpose of exporting said products to a country outside the country in which it was purchased, except for his/her personal and family use in a country where there is no authorised FLP office, without the written consent of the Home Office in Scottsdale, Arizona, USA.

18. Retailing products to customers

18.1. Methods of retailing

- (a) FBOs must familiarise themselves with the advertising guidelines set out in Section 25.
- (b) The Company's products may not be offered for sale in mail order catalogues or on websites operated by third parties (i.e. not FBOs of the Company). FBOs wishing to create their own catalogue or website should ensure that they conform to Company Policy (see 'Advertising guidelines' in Section 25) and any relevant statutory requirements.
- (c) FBOs must respect the customer's right to privacy and also their right to end any contact with the FBO and never exploit customers in any way.
- (d) FBOs must act with integrity ensuring that they never use misleading, deceptive or unfair sales practices. No attributes may be ascribed to the products unless those attributes are set out in the Company's official literature. All products must be described truthfully and accurately and any customer's questions must be answered clearly and honestly. Any information given relating to prices or any after-sale service must be clear and accurate.
- (e) FBOs must keep accurate records of monthly sales to their customers; such records must be made available to the Company for inspection upon request and upon being given reasonable notice.
- (f) When making any approach to a prospective customer, the FBO must immediately identify him/herself and explain the purpose of any approach made and also the identity of the Company and the products sold.
- (g) If an FBO invites prospective FBOs or Retail Customers to a meeting, he/she should ensure that the invitation to that meeting specifies the purpose of the meeting and explains that those invited to the meeting are under no obligation to purchase anything. Invitees must be given details of a named contact person and telephone/fax number or email address of that person.
- (h) FBOs must be aware that products should only be used in ways recommended by the Company. If an FBO recommends a product for use, not sanctioned by the Company, and this results in the customer seeking redress through litigation, the Company would not indemnify that FBO, i.e. they would be personally liable. FBOs are therefore advised against this practice. However, products are sometimes used in 'unofficial' ways and with good results, but in such cases it is advisable to make the Customer sign a disclaimer that they understand that they are doing so at their own risk having had the situation fully explained to them.
 - (i) Before taking any of our products please consult your doctor. Our products are not medicines and do not carry medicinal licences.

19. Company Policies

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

1) An FBO is allowed, subject to specific conditions, to register a closely held business entity to hold his/her Forever Business. A closely held business entity shall be defined as a business entity held by the original primary FBO, or if required by law or approved by FLP, two shareholders, owners, members or trustees will be allowed who must be directly involved in the day-to-day operation of the business (hereinafter referred to as the "Business Entity"). In addition to compliance with all of FLP standard Forever Business requirements and FLP Company Policies, the individual FBO(s) will be required to execute a Forever Business Entity Agreement, which shall supplement, be incorporated and considered part of, the Forever Business Owner Agreement, outlining the additional terms and conditions under which the FBO agrees to operate as a Business Entity. The Forever Business Entity Agreement can be obtained in the 'Forms and Downloads' link available under My Business after signing in as an FBO at foreverliving.com.

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

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

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

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

(d) An FBO shall be held responsible to properly manage his/her Forever Business, specifically, but not limited to, preventing family members from using information obtained through such Forever Business to circumvent compliance of Company policies required or evolving from the Forever Business of the FBO. An FBO's failure to properly manage his/her Forever Business may result in termination.

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

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

19.3. An FBO may develop his/her own marketing techniques, so long as they are not in violation of any Company, governmental or legislative rules, regulations or statutes. Unless the Company's prior written approval is received, the use, production or sale of any sales aid or materials, other than those provided by or approved in writing by Forever Living Products to other Forever Living Products FBOs for use in promoting Forever Living Products, is prohibited.

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

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

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

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

19.8. The corporate website

(a) Forever Living Products Inc has a corporate website at www.foreverliving.com. The Company's UK and Ireland web pages are contained within the corporate website.

(b) The UK and Ireland web pages are governed by English and Irish law.

(c) FBOs must be aware of and comply with the policies contained in the UK and Ireland web pages.

(d) The Corporate Website and the UK and Ireland web pages will from time to time be revised, modified and expanded.

19.9. Internet policies

(a) **Selling products online.** Each FBO will be offered the opportunity to purchase a Company-approved FBO website, FLP360, or through www.foreverknowledge.info for marketing products online using a direct link to the Company's online shop at www.foreverliving.com. This will allow the FBO to build a website for marketing, promoting, advertising and selling products online. All retail online orders made through these websites will be processed by Forever, with the CC and profit going

to that FBO. Any amendments or additions made to these websites must comply with Company Policies and be approved by the Company. Online orders will be fulfilled directly by the Company on this website. This internet link is arranged so that the FLP pages will remain within the FBO's website. The guests virtually never leave the FBO's website. In order to maintain the integrity of FLP's brand name, product line and the FBO/customer relationship, an FBO is prohibited from selling any FLP brand products online through an independent website. E-commerce sales can only be made directly by or through a link to the official Company online shop at www.foreverliving.com.

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

(c) An FBO may not use the name "Forever Living Products" or any of its trademarks, trade names, product names, domain name (URL) or copy or use any Company materials from any source that may result in misleading or confusing the user into thinking the FBO's website is that of the Company or any of its official affiliates. FLP product names are strictly proprietary to the Company and cannot be used by any FBO as a sponsored link or for any other unauthorised use. An independent FBO website must clearly indicate that it represents an independent FBO who is not an agent of the Company or any of its worldwide affiliates.

(d) The FBO must link any independent website(s) to the Company's official website created and maintained by the Company at www.foreverliving.com.

(e) All independent FBO websites must reflect and connect only to companies or products that carry the FLP label and be of good moral content.

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

19.10. Websites created by FBOs

(a) Websites created by FBOs promoting the sponsoring of FBOs, recruitment of new FBOs or advertising the Business Opportunity, but which do not contain or market, advertise or promote, or sell the Company's products will be permitted, so long as they comply with or are modified to comply with Forever's Company Policies in accordance with clause 16.1.

(b) Websites created by FBOs promoting and advertising Forever's Business Opportunity are permitted so long as they do not contain misleading claims and statements, contain the Company approved description of goods and legally required text, do not post product pricing or links to shop and comply with or are modified to comply with Company Policies. These must be approved by the

Company and will be allowed for the recruitment of new FBOs or advertising the Business Opportunity only, in order to protect and enhance the name, brand and goodwill attached to Forever and for consumer protection.

(c) FBOs may not mislead or confuse the user into thinking the FBO's website or social media site is that of Forever or any of its official affiliates. Forever's product names and trademarks are strictly proprietary to Forever and cannot be used by any FBO as a website or social media title, URL, sponsored link or for any other unauthorised use. This includes use of the name "Forever Living Products" or any of its trademarks, trade names, product names, domain name (URL) or copy, or use of any Forever materials from any source.

(d) Websites and social media sites created by FBOs must clearly state that they, the individual, are an Independent Forever Living Products FBO, who is self-employed and not an employee of Forever or any of its worldwide affiliates.

19.11. Online adverts

(e) All product related online banners, display adverts or links to shops from third-party websites are not allowed. Company issued banners are available via www.foreverknowledge.info; no other wording may be added to or around the banner.

(f) Online adverts about the Business Opportunity are allowed as long as they comply with Company Policy rules, legal requirements, and have Head Office approval prior to posting and do not contain links to shop.

19.12. Social media sites

(g) Promoting the products is permitted on social media sites such as, but not limited to, Facebook and Twitter. Any post about Forever must be accurate, truthful and in accordance with the company values.

(h) If advertising the Business Opportunity it must comply with legal requirements, i.e. displays the statutory wealth warning or link to a page that displays the warning.

(i) We do not hold a medical licence for the products. No medical claims should be made about the products on social media or any other adverts created to promote your business.

(j) Nutritional health claims made about the products on social media should not be made unless in compliance of EU regulation for nutritional health claims (ec 1924/2006).

(k) Posting non-compliant content from other sites/posts on to your own social media is still in breach of this policy, even if you are not the author/creator of the content.

(l) Social media adverts/pages/posts must clearly identify you as a Forever Business Owner. Any page/post created must not mislead the user/customer into believing or giving the impression the page belongs to the company.

- (m) We do not authorise competitions run by FBOs in any media. If wanting to run a competition, you will be personally responsible that the competition is run in accordance with relevant laws/regulations, in addition to any rules put in place by the site host.
- (n) Products are not to be sold on social media or any other third party website using a buy-it-now or cart facility.
- (o) Any endorsement or reference to specific groups, companies or high profile people using Forever's products must be approved by Head Office.
- (p) Promotional activity of your business on social media must be in accordance with the rules of the site, in addition to all relevant laws/regulations and company policy.
- (q) It is the responsibility of the Forever Business Owner who creates any page promoting their business to ensure posts made by themselves and others are compliant.
- (r) If approached by any regulatory body regarding a post you have made on social media, all requests must be carried out on their demand.
- (s) Any communication received from Head Office which is not in the public domain whether that is verbally or in writing must not be shared on social media without prior consent.
- (t) Failure to adhere to the company policy and code of conduct when using social media could result in the suspension and/or termination of your Forever Business.
- (u) Team pages are owned and administered by the creator/admin of the group. The rules of membership to the team page and any other conditions associated with membership are not part of this policy. Any disputes should be resolved within the team.

20. Your relationship with the Company

Being an independent FBO

20.1. The FBO's relationship with the Company is one of a contractual nature, principal to principal. All FBOs are self-employed independent FBOs, they are not agents, representatives or employees of the Company. They are to conduct their business within their own time and by any means, method or manner of operation they may choose, provided the same are in conformity with the terms of the FBO Application Form (which includes the current Company Policies), English Law and any other applicable regulations or codes of practice.

20.2. Only adult persons can contract with the Company to be FBOs. Companies and organisations cannot be FBOs.

20.3. An FBO must only describe him/herself as an 'Independent Forever Living Products Business Owner' (no other titles are permitted) and use approved Company logos on business cards and other personal stationery and in advertisements. They must not present themselves as representatives, agents or employees of Forever Living Products (UK/Ireland) Limited or use the full Company name (i.e. 'UK/Ireland Limited') on their stationery or in their advertisements.

20.4. Independent FBOs must ensure that any supplier providing goods and/or services to them is informed that they are dealing with an independent FBO of Forever Living Products, and that the FBO is solely responsible for all payments of any goods/services supplied. All supplier invoices must be sent to the FBO's usual business address and not to the Company. Under no circumstances will the Company be responsible for any debt incurred or monies owed by an independent FBO to a supplier.

20.4.1. Forever Living Products Business Owners must not disparage other FBOs, Forever Living Product's products/services, the Marketing and Compensation Plan, or Forever Living Product's employees to other FBOs or thirdparties. Any questions, suggestions or comments regarding these issues should be directed in writing to Forever Living Products Head Office only.

20.5. An FBO may not, under existing legislation, set up bank accounts in the name of Forever Living Products, or by any other means 'pass themselves off' as Forever Living Products.

20.6. When two people are named on the FBO account (referred to as "Joint FBOs"), the Company shall at all times send all correspondence and payments to the first-named FBO, at the address currently held on file. Joint FBOs shall accept joint and several liability for and shall be bound by any act or omission of either of them and any payment by the Company to one Joint FBO shall be deemed as payment to both. Any correspondence or notices served on the address currently held on file is deemed to be received by both Joint FBOs. It is the FBO's responsibility to ensure that they notify

Head Office of any change of address.

20.7. Every FBO must read, digest and act on any directions and/or guidance given by the Company relating to any changes in legislation, regulations or Company Policies, these may be published in any of the means set out in paragraph 1.5.

20.8. It is every FBO's responsibility to keep up to date with any changes to the Company Policy and/or guidance given by the Company.

20.9. An FBO is independent and not an agent, legal representative or employee of the Company. As such he/she is solely responsible for all aspects of his/her business including all taxes, income tax, VAT, National Insurance contributions and any other fees or licences that are payable or required to conduct his/her business. An FBO is responsible for all expenses incurred in running his/her business. As a self-employed business person the FBO, except to the extent that it is contrary to the terms of the FBO Agreement or current Company Policies, may conduct his/her business as an Independent Business Owner of Forever Living Products in the manner and at the time of his/her choosing and may carry out such other activities in addition to their Forever Living Products' activity as he/she considers appropriate. As an independent trader the FBO is entitled to arrange for such assistance in the conduct of his/her business as he/she considers appropriate, to be provided to him/her by such persons as he/she chooses, and to delegate the performance of the FBO's obligations to those persons. The FBO is responsible for the expense of engaging or employing those persons.

20.10. If the FBO achieves the position of Manager in the Marketing Plan, the FBO agrees that during, and for six months after the termination, of his/her FBO Agreement he/she will not encourage, persuade or recruit any person he/she knows to be a Forever Living Products' Business Owner to market or sell the products of any other person, company or organisation.

20.11. Company Policy does not allow an FBO to sponsor and build an organisation in the name of another person.

VAT

20.12. When retailing goods to a third party, a VAT receipt can only be provided if the FBO is VAT registered.

20.13. It is the FBO's responsibility to notify Head Office when he/she becomes VAT registered or if he/she is registered when joining the Company. An FBO will need to become VAT registered when the FBO's retail turnover and bonus income exceeds the VAT registration limit laid down by revenue and customs authorities. The FBO will notify the Company if he/she de-registers for VAT and indemnifies the Company against any loss which results from the FBO failing to do so.

20.14. Upon registering or, if applicable, upon joining the Company, the FBO should provide a copy of his/her VAT Registration Certificate to Head Office and commence invoicing the Company for VAT on his/her monthly bonus.

Insurance

20.15. The Company displays a Certificate of Public Liability Insurance at each location that is owned and operated by the Company. This includes Head Office (Longbridge Manor and Magheramorne House), the Distribution Centre and all Area Centres. This insurance provides cover in the event of a member of staff or a visitor suffering an accident at a Company site. It does not cover individual FBOs carrying out their business at other sites, such as customers' homes, exhibition halls, etc. The Company strongly recommends that FBOs maintain adequate public liability insurance.

20.16. The Company has Product Liability Insurance which indemnifies it against the unlikely event of faulty products reaching the customer and causing illness or other adverse reactions following consumption or use. The Company does not market any products which are known to cause adverse side effects or reactions. Occasionally, an individual customer may unpredictably experience an adverse reaction to a particular product, which is not faulty. In such instances, the FBO should advise the customer to stop using the product immediately and consult his/her doctor.

20.17. An FBO has a duty of care not to make claims, suggest applications or dispense advice (medical or otherwise) for which they are not competent or authorised to do. The Company cannot accept liability for situations in which an FBO has made claims for the efficacy of products outside the statements published in customer literature printed by the Company (see section 18, Retailing products to customers).

20.18. All FBOs are responsible for ensuring that any vehicle used by them in the course of their business is sufficiently covered by their motor insurance policy. The Company cannot be held responsible for FBOs invalidating the conditions of their motor insurance policies by using their private vehicles to conduct their business.

21. Making changes to Business Owner accounts

General changes and transfers

21.1. An FBO's ID cannot be sold to a third party. Any FBO wishing otherwise to transfer or convey their FBO ID must first obtain the prior written consent of the Executive Committee subject to paragraph 21.2 below.

21.2. Any transfers of an FBO ID to another person during the life of an FBO are restricted. Such transfers are subject to the review of all the facts and circumstances by the Executive Committee and may only take effect after their approval is granted in writing (and which they may, in their absolute discretion, withhold). Such transfers, if approved, can only be granted to adult persons.

21.3. Any request to remove a name from an existing FBO ID must be received in writing at Head Office with the original signatures of both parties affected by the change. No changes can be considered without both original signatures and all requests are subject to the approval of the Executive Committee (see also paragraphs 21.7 (a) and (b)).

21.4. It is against Company Policy for any FBO to change Sponsor through any means, other than by 're-sponsoring'. If, in an attempt to change Sponsor, an FBO submits more than one FBO Application Form, the Company will only consider the first application received by Head Office as valid, provided it conforms with Company Policies. The remaining FBO Application Forms will be disregarded. An FBO cannot be sponsored under two different FBO ID numbers.

21.4.1. Any changes to an FBO ID such as change of name, bank details, address change etc. can only be made by sending a letter to Head Office signed by the person or persons registered under that FBO ID. FBOs are responsible for ensuring Head Office holds the correct details for correspondence and payments.

21.5. Testamentary transfers.

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

of the estate of a deceased FBO pending the timely submission of appropriate legal documentation.

The inheritable rights to a Forever Business are limited and restricted as follows: Written confirmation from a legal body must be sent to Head Office detailing who the heir is in accordance with any Will or probate decision.

- 1) The heir must be a person who can qualify as an FBO.
- 2) Because the heir must be an adult individual, a trust or guardianship may have to be established for multiple heirs or minor children. In the event a trust is established, a copy must be placed on file with FLP. Its terms must clearly allow the trustee to act as an FBO. In this case, the FBO may be a corporation, if acting as the trustee for such multiple heirs or minor children. However, the Executive Committee must approve the corporate officer assigned to represent the trust. A guardian or a trustee of a testamentary trust must be appointed by the court of proper jurisdiction and receive specific approval to be FBO on behalf of the minors.
- 3) A trustee or guardian shall retain the FBO status so long as the Forever Business Owner agreement is not violated, until the beneficiaries have attained the age of majority, and an heir accepts the responsibility of operating the Forever Business with prior approval of the court of the trust document.
- 4) A trustee, guardian, spouse or other representative-type FBO shall be responsible for the actions of the beneficiary, ward, or his/her spouse for purposes of following the policy terms of the Forever Business Owner agreement. A violation of Company policies by any of the above individuals may result in termination of the Forever Business.
- 5) The inheritable Forever Business position within the Company Marketing Plan is limited to recognition at no higher than that of Manager. However, bonuses shall be paid at the same levels and requirements as held by the deceased. All Sponsored Managers belonging to the Forever Business will be reclassified as Inherited Managers, who can subsequently qualify as Sponsored Managers as outlined in Section 5.04(e). Forever Business positions below Manager shall be inherited at that level.
- 6) All heirs who qualify to inherit a Forever Business shall be required to maintain the status of an active FBO to qualify for bonuses, incentives, prizes and other respective programmes. However, the Company shall waive such requirement either for three months after death or until the estate administrator has administered the estate whichever shall occur first.

21.6. Ceasing joint Forever Businesses.

(a) Where joint FBOs wish to end the joint Forever Business for any reason, they should notify Head Office in writing. Such notification must be signed by both joint FBOs, and will be taken as an acknowledgement that one nominated FBO has resigned and the Forever Business and all FBOs sponsored by the joint Forever Business shall be regarded as having been transferred to the remaining FBO and he/she shall be solely entitled to all the bonuses and other payments or benefits relating to the FBO.

(b) The nominated FBO who has resigned will have the opportunity to re-register,

under the same (original) Sponsor only, and retain the same level in the Marketing Plan held prior to the deemed resignation, provided he/she was part of the Forever Business when the current level was obtained and provided such is done within a period of 180 days of the date when the application to end the joint Forever Business is approved and processed by Head Office.

(c) Where joint FBOs previously operated individual Forever Businesses and then relinquished one of the downline sponsored groups to operate a joint Forever Business, following the subsequent cessation of the joint Forever Business, the second-named FBO will only have the option to re-register under their original Sponsor. Creating and then severing joint Forever Businesses is not permitted as a means of changing Sponsor.

21.7. Transfers due to divorce.

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

(b) In the event of divorce or a legal separation, a legally enforceable property settlement agreement may decree the Forever Business be granted to one spouse or the other. The Forever Business cannot, however, be partitioned. Only one adult individual will be entitled to retain the current downline of this Forever Business. The other spouse may choose to establish their own Forever Business at the same level of the Marketing Plan as established with the ex-spouse. Such other spouse must use the original sponsor. The other spouse's new Forever Business shall be treated by the sponsor as Inherited until re-qualified.

22. Termination of an FBO agreement

22.1. Voluntary termination.

(a) If an FBO terminates their Forever Business within the first fourteen days of entering into it, or if the Company terminates it, then the FBO shall have no further contractual obligations as an FBO to the Company and if they wish they may cancel any unfulfilled personal orders and immediately receive a full refund of any prepayment or products ordered within the first fourteen days under their ID number. The FBO may only re-register after two years has expired from the date of termination by completing a new FBO Application Form and, if registering under a different sponsor, a re-sponsoring affidavit. The Executive Committee will consider such an application.

(b) If an FBO terminates after fourteen days they may also return to the Company's Head Office (at the Company's expense) within twenty-one days of termination of their appointment any products (this does not include any literature purchased), which they have purchased from the Company within the previous twelve months prior to such termination. If the products are returned in the condition in which they were supplied (except if the external packaging is damaged), the Company will give the FBO a full refund on the return of the products less a 10% handling charge (which will not be levied if the Company terminates the Forever Business) and less, if the returned products have deteriorated due to an act or default on the FBO's part, an amount equal to the diminution in their value resulting from such deterioration (which will not be levied if the Company terminates the Forever Business). If the product returned by a terminating FBO is greater than 1CC, all bonuses, New FBO Profit and Case Credits received by the terminating FBO's upline for the products returned, may be deducted from the upline. If the Case Credits were used for any level move-ups of the FBO or upline, those move-ups may be re-calculated after deducting the Case Credits to determine if the move-ups should remain in force. Any refund on terminations does not apply to literature.

(c) Any monies payable under the above provisions shall be paid upon return of the goods sold to the FBO to Head Office. It is the responsibility of the terminating FBO to return the products. Products must be returned to Head Office and not a Product Centre. If such goods are already held by the Company at its Head Office, then the monies will be payable immediately.

(d) If an FBO wishes to terminate their Forever Business, they may do so at any time by giving fourteen days written notice to the Company at its Head Office. In the case of a joint Forever Business, the written notice must be signed by both parties. The period of notice of the termination shall start to run from the day when such notice is posted by first class post to the Company at its Head Office. The effective date of termination is the date on which the Head Office approves and processes the termination request.

(e) The terminating FBO forfeits the current sales level and all downlines, including those in foreign countries, established at the time. Following termination his/her downlines are transferred to his/her Sponsor in the existing generation sequence. Once an FBO terminates, their spouse/partner (if applicable) is also considered terminated, regardless of whether or not the spouse/partner was the original signatory of the FBO Application Form or whether the spouse/partner was active in the Forever Business.

(f) An FBO who terminates their Forever Business may re-register after two years only, by completing a new FBO Application Form and if registering under a different Sponsor, a re-sponsoring affidavit, subject to Head Office approval. The FBO would enter at the New FBO level and will not have the previous downline organisation restored.

(g) The Company reserves the right to reclaim from FBOs who terminate their Forever Business, and all their affected upline, all bonuses and Case Credits received for the products returned. If the product returned by a terminating FBO was purchased at Novus Customer Price, the Novus Customer profit will be deducted from the immediate upline Sponsor and, if the product returned is greater than 1CC, all bonuses and Case Credits received by the terminating FBO's upline for the products returned will be deducted from the upline. If the Case Credits were used for any level move-ups of the FBO or upline, those move-ups may be re-calculated after deducting the Case Credits to determine if the move-ups should remain in force.

(h) If a terminating FBO returns a Touch of Forever or any other combination pack, and it is missing some product, the refund and the deductions from the upline will be calculated as if the entire combination pack was returned, and then the wholesale or Novus Customer value of the missing components will be deducted from the refund issued.

22.2. Termination or suspension for cause.

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

(b) A terminated FBO shall, upon demand by FLP, be liable to repay, return or compensate FLP for any benefit programs, prizes, inventories, or bonuses received from FLP from and after the date of the activities causing such termination. After recouping any costs or damages resulting from the terminated FBO's conduct,

forfeited bonuses, caused by such termination, shall be paid to the next qualifying FBO upline who is not in violation of any of the Company Policies.

(c) After two years, a terminated FBO may reapply subject to Home Office approval. Upon such approval the FBO will enter as a Novus Customer, and will not have the previous downline organisation restored.

- (d) Suspension is a temporary status that prohibits an FBO from placing orders, receiving profit and bonus payments, and sponsoring other FBOs.
- (e) The profits and bonuses of a suspended FBO shall be held until the FBO is either reinstated or terminated. If reinstated, the withheld payments shall be paid to the FBO; otherwise they shall be disbursed in accordance to the Marketing Plan.
- (f) The Company reserves the right to terminate a Forever Business by giving fourteen days' written notice. The period of notice of the termination shall start to run from the day when such notice is posted by first class post to the to the address on file at Head Office.
- (g) The Company reserves the right to terminate any Forever Business as a result of conduct or actions by an FBO or his/her spouse that are consistently in violation of the policies described in this Company Policy Handbook (see Section 17 of this document). Where the Company or its staff become aware of such conduct, a written warning will be sent to the address on file at Head Office, asking the FBO or his/her spouse to cease and desist from such conduct. If the FBO does not heed this warning and respond to Head Office with a written undertaking to cease and desist, then the Company reserves the right to terminate the Forever Business Agreement with immediate effect.
- (h) In cases of gross misconduct or actions that seriously violate the interests of the Company or its FBOs, the Company reserves the right to terminate the Forever Business immediately without any prior warning or notice.
- (i) In all situations where termination is being considered, the Executive Committee will arbitrate on the matter, and their decision will be final and binding.
- (j) An FBO is not permitted to engage in such activities that involve the soliciting of any person whom an FBO knows (or would reasonably have reason to know) is an FBO of the Company to sell other products of any nature, by or through another multi-level marketing plan, or attempting (in the opinion of the Company) to build or establish a business that would cause a detrimental effect to or be at the expense of other FBOs, their group or the Company. It is also not permissible to:
- 1) Poach another FBO's prospects,
 - 2) Poach business owners from another direct selling company.
- (k) An FBO is prohibited from appearing in, being referenced in or allowing the FBO's name or likeness to be featured or referenced in any promotional, recruiting or solicitation materials for another direct sales company.
- (l) An FBO cannot permit Company literature or products to be sold or displayed in retail stores unless one of the exemptions detailed in paragraphs 17.2 (h) are applicable.
- (m) An FBO is not permitted to sell unauthorised items in Company Product Centres or at Company meetings.
- (n) An FBO shall not engage in any conduct (whether directly or indirectly) which

is prejudicial to the Company's business or which may bring the Company or the Marketing Plan into disrepute.

(o) An FBO must not permit the decanting, repackaging or re-labelling of Company products.

23. Restrictive covenants

23.1. To the extent permitted by law, FLP, its directors, officers, shareholder, employees, assigns and agents (collectively referred to as “Associates”) shall not be liable for, and the FBO releases FLP and its Associates from and waives all claims, any loss of profits, indirect, direct, special or consequential damages, or any other losses incurred or suffered by the FBO as a result of:

(a) the FBO’s breach of the Forever Business Owner Agreement of FLP Company Policies and Procedures;

(b) the promotion or operation of the FBO’s Forever Business and FBO’s activities related to it;

(c) the FBO’s incorrect or wrong data or information provided to FLP or its Associates; or

(d) the FBO’s failure to provide any information or data necessary for FLP to operate its business, including, without limitation, FBO’s enrollment and acceptance into the FLP Marketing Plan and the payment of volume bonuses. EACH FBO AGREES THAT THE ENTIRE LIABILITY OF FLP AND ITS ASSOCIATES FOR ANY CLAIM WHATSOEVER RELATED TO THE RELATIONSHIP OF AWARENESS INCLUDING, BUT NOT LIMITED TO, ANY CAUSE OF ACTION SOUNDING IN CONTRACT, TORT, OR EQUITY, SHALL NOT EXCEED, AND SHALL BE LIMITED TO, THE AMOUNT OF PRODUCTS FBO HAS PURCHASED FROM FLP THAT ARE IN RESALEABLE CONDITION.

23.2. Limited license to use Company Marks.

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

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

(c) The FBO is not to advertise FLP products in any way other than through the advertising or promotional materials made available by FLP and materials preapproved by an authorised officer of FLP. Each FBO agrees not to use any

written, printed, recorded or any other material in advertising, promoting or describing the product or FLP Marketing Plan, or in any other manner, any material which has not been copyrighted and supplied by FLP, unless such material has been submitted to FLP and approved in writing by FLP before being disseminated, published or displayed. The FBO hereby agrees to make no disparaging representations about FLP, the products, the FLP Compensation Plan or income potentials.

24. Confidential information and nondisclosure agreement

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

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

(c) An FBO may have access to private and Confidential Information which he/she acknowledges to be proprietary, highly sensitive and valuable to FLP's business and is being made to him/her solely and exclusively for purposes of furthering the sale of FLP products and prospecting, training and sponsorship of third parties who may desire to become FBOs and to further build and promote his/her FLP business.

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

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

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

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

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

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

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

(i) **Further restrictive covenants.** In consideration of FLP for the receipt of Trade Secret or Confidential Information, the FBO inherently agrees that for the term of the Forever Business, the FBO shall not take or encourage any action, the purpose or effect of which would be to circumvent, breach, interfere with or diminish the

value or benefit of FLP's contractual relationships with any FBO. Without limiting the generality of the foregoing, for the term of the Forever Business, the FBO agrees not to directly or indirectly, contact, solicit, persuade, enrol, sponsor or accept any FBO, FLP customer or anyone who has been an FBO or customer for the last twelve months, into, or to encourage any such person in any way to promote opportunities in marketing programmes of any direct sales company other than FLP.

(j) The agreements contained in the "Confidential Information" section of these policies shall remain forever and in perpetuity. The agreements contained in the "Further restrictive covenants" section of these policies shall remain in full force and effect during the term of the previously executed Forever Business Owner Agreement between FLP and the FBO, and thereafter until one year from the latest receipt of any Confidential Information or twelve months after the expiration and termination of such Forever Business Owner Agreement.

25. Advertising guidelines

General advice

25.1. The information contained in the whole of this section applies to all forms of advertising including advertisements on the internet.

25.2. All advertisements must be legal, decent, honest, truthful and accurate. It is a requirement of the Company's membership of the Direct Selling Association (DSA), that advertisements utilised by FBOs include the wording "Forever Living Products is a member of the Direct Selling Association", unless space is extremely limited.

25.3. An FBO must only describe him/herself as an 'Independent Business Owner of Forever Living Products' (no other titles are permitted) and use approved Company logos on business cards and other personal stationery and in advertisements. They must not present themselves as representatives, agents or employees of Forever Living Products (UK/Ireland) Limited or use the full Company name (i.e. '(UK/Ireland) Limited' or '(UK/Ireland) Limited') on their stationery or in their advertisements.

25.4. FBOs are not to promote or endorse any of their own literature, sales tools or websites to any FBOs outside their own teams.

25.5. Advertising (including 'leaflet drops') can be expensive and time-consuming, and may not yield much response. FBOs should consider whether the time and effort of such methods is a worthwhile investment. Successful Forever Living Products Business Owners find that 'word of mouth' is the most fruitful means of building a retail business.

25.6. FBOs who decide to advertise must use Company approved text and images. This applies to all advertising media, including the internet.

25.7. Any FBO using advertising that has not been approved in writing by the Company will bear sole liability for any prosecution arising from their advertising.

25.8. The Company has a number of approved advertisements that are available for FBOs to use, these are available from www.foreverknowledge.info.

25.9. The Company reserves the right to make approved advertisements available for all FBOs to use.

25.10. Exterior signs or window displays advertising the Company or its products will not be permitted at any location, excepting that window stickers in cars are permitted (also see 25.15).

25.11. The Marketing Department only approves advertisements. It is your responsibility to ensure that all other promotional material complies with both Company Policy and UK/Irish Regulations in force at the time (including Trading Schemes Regulations 1997).

25.12. FBOs with queries on the above should contact the Marketing Department at Head Office.

25.13. Forever Living Products (UK) Ltd has been awarded the Investor In People logo. This is for Head Office use only and must not be used by FBOs.

Retailing products

25.14. Advertisements may include photographs of the products.

Recruiting new FBOs

25.15. Company products do not have a medicinal product licence. It is illegal therefore to make any representation about Company products that include medicinal claims. This means that Company products must not be presented as being suitable for treating or preventing disease in human beings or animals. For example “shown to be effective on arthritis”. Nor should Company products be presented as being capable of correcting or modifying normal physiological functions in human beings or animals. For example: “increases metabolic rate”.

25.16. The inclusion of ‘disclaimers’ such as “we make no claims”, etc. does not change the requirements of paragraph 25.17.

25.17. Testimonials and newspaper quotations may not be used to advertise Company products if they contain medicinal claims, even though they do not refer explicitly to Company products. If testimonials make non-medicinal claims there must be sufficient evidence to support such claims.

25.18. The content and suitability for publication of editorial articles are the sole responsibility of the editor of the publication in which they are to appear. The Company does not vet or approve such items. The Company will endeavour, within the availability of its resources, to provide information about products when asked. FBOs should be aware that if they offer any payment for the publication of editorials, they are effectively advertising and therefore the same rules apply as stated in this Section (25). FBOs cannot use text from Company literature, without prior permission from the Marketing Department.

25.19. Although it is permitted for FBOs to advertise for others to join their business, it is generally accepted that this is not the best way and FBOs should be aware that there are statutory controls on such advertising.

25.20. When advertising for new FBOs, FBOs must at all times:

- (a) Promote the opportunity as a business relationship with the Company and not as an offer of employment.
- (b) Refrain from making unrepresentative or exaggerated earnings claims, these could be challenged in law.
- (c) Ensure that any earnings claims relate to actual earnings of an identifiable person and be capable of verification.
- (d) Ensure that they never imply that income claims are easily or quickly achievable and state how the income is achieved for example through bonus payments and retail sales.

(e) Refrain from using misleading, deceptive or unfair recruiting methods.

(f) Never promote the business as an opportunity solely to recruit others. All presentations, advertisements etc must promote the business as one where FBOs sell products to Customers.

25.21. FBOs may belong to another network but must not entice or solicit direct sellers from any other direct selling company.

25.22. The following information is based on one of the statutory controls; Section 3 of the Trading Schemes Regulations 1997 and, by law, FBOs must comply.

25.23. As a general rule, all advertisements of whatever nature (including internet websites, audio or video tapes) should be legal, decent, honest, truthful and accurate.

25.24. Further rules apply when FBOs seek, directly or indirectly, to recruit new FBOs except where the advertisements form part of newspapers or magazines or radio or television broadcasts.

25.25. Where advertisements fall within paragraph 25.26 above, the advertisements must show clearly the name of the Company and what is sold by the Company (health and beauty products). These advertisements must include the following statutory warnings;

It is illegal for a promoter or a participant in a trading scheme to persuade anyone to make a payment by promising benefits from getting others to join a scheme.

Do not be misled by claims that high earnings are easily achieved.

25.26. The information that follows is for your guidance only. Please note Forever Living Products does not give advice or approval codes for “excuse me” cards, interest generators or business cards. Should FBOs wish to use excuse me cards or other such ‘interest generators’ which promote joining a trading scheme and contain financial claims, they must ensure that such material contains the following information:

(a) the name and address of the promoter (i.e. Forever Living Products (UK) Limited, Longbridge Manor, Warwick, CV34 6RB) or Forever Living Products Ireland Limited, Magheramorne House, 59 Shore Road, Magheramorne, Larne BT40 3HW;

(b) a description of the goods or services acquired or supplied under the trading scheme (i.e. health and beauty products); and

(c) the following warning:

It is illegal for a promoter or participant in a trading scheme to persuade anyone to make a payment by promising benefits from getting others to join a scheme.

Do not be misled by claims that high earnings are easily achieved.

25.27. **WE RECOMMEND YOU OBTAIN AN AD PACK FOR MORE DETAILS.** These

are available from the Marketing Department, free of charge. Please email your request, wherever possible to: marketing@flpuk.net / customerservices@flpireland.com.

26. Code of conduct

FBO code of conduct

26.1. You must be signed up as an FBO to sell the products.

All FBOs are expected to:

26.2. Have a good working knowledge of the Company Policy Handbook.

26.3. Ensure that they understand and implement the terms of the sixty-day satisfaction guarantee.

26.4. Always be honest and conduct themselves with the highest ethics and integrity at all times, so as to bring credit to the Company, all other FBOs and the Network Marketing industry in general. FBOs must agree to do so and represent that they have never been convicted of a felony or charged with a crime involving moral turpitude or dishonesty.

26.5. Display a positive attitude to all FBOs, in a spirit of co-operation and teamwork.

26.6. Be loyal to the Company, its staff, its representatives, Area Development Directors, Managers and all other FBOs at all times, avoiding gossip, criticism and internal 'politics'.

26.7. Display a courteous attitude in speech and behaviour at all times towards staff, representatives of the Company, Area Development Directors and all other FBOs.

26.8. Act with integrity when prospecting, by not making exaggerated claims about the Company, its products or the rewards available within its Marketing Plan.

26.9. Act with integrity towards those who join their front line and encourage them to carry product inventory appropriate to their needs only and to avoid excessive buying.

26.10. Be aware of, and comply with, the DSA Consumer Code of Practice and the DSA Code of Business Conduct. See website dsa.org.uk/dsa-ireland.org.

26.11. Maintain an up-to-date knowledge of Company Policy.

26.12. Be smartly dressed at all Company trainings and Success Express events. Local events, subject to any dress code requested by the event organiser, may be smart/casual. Jeans, trainers and tracksuits are never acceptable at business trainings.

26.13. Follow Company Policy which states that no FBO is allowed to sponsor and build an organisation in the name of another person.

FBOs who have attained the level of Manager or above in the Marketing Plan are also expected to:

26.14. Lead by example in monitoring and achieving their own 4CCs each month and

qualifying as Leadership Managers every month.

26.15. Lead by example in sponsoring new FBOs every month.

26.16. Teach their downline FBOs and teams good principles of networking and personal conduct.

26.17. Understand the administrative systems used at Head Office and in Product Centres. This includes the correct completion of all of the Company's forms.

26.18. Teach their downline teams to have a good working knowledge of the Company Policy Handbook.

26.19. Ensure that the sixty-day satisfaction guarantee is understood and implemented within their teams.

26.20. Encourage members of their groups to use proper lines of communication, namely FBO – Sponsor – upline Manager.

26.21. Teach their team members that all queries relating to their business should be resolved within the UK/Ireland and not referred to Forever Living Products International Inc in Arizona or Aloe Vera of America in Texas.

26.22. Attend (and be seen in attendance at) all local business briefings, trainings and Success Express Events. Managers are expected to attend a large majority of other Company events and to promote Company events to their teams.

26.23. Take responsibility for teaching and ensuring that all literature or advertising used by members of their group has received approval from the Marketing Department at Head Office.

26.24. Recognise the fact that they are role models to their downlines and to other teams and to act accordingly.

26.25. Be willing to help their team as well as give support to their Area Development Directors and to cross-line FBOs.

26.26. Be aware that challenges and problems should always be dealt with personally, taken upline or to Head Office, never shared with their teams.

27. Data protection

27.1. FBOs who collect and retain personal information relating to third parties must be aware of and comply with the laws of England and Ireland and the Data Protection Act 1998 ("the Act") concerning the processing of personal data. This applies to personal information:

- (a) held manually, for example in a filing cabinet and/or on a personal computer, for example on a database, and
- (b) which may relate for example to retail customers, prospective FBOs or downline FBOs, and
- (c) from which such persons can be identified.

27.2. Processing data includes: the obtaining, recording, holding, organising, adapting, altering, retrieving, consulting, disclosing, alignment, combination, blocking, erasing or destroying of the information or data.

27.3. FBOs who process personal data must also consider whether they are required to notify the Office of the Information Commissioner of their data processing activities. Guidance can be found on the Information Commissioner's website: www.icos.gov.uk. General information is available on the following website: www.dataprotection.gov.uk or through their information telephone line: 01625 545745, or by email mail@dataprotection.gov.uk.

The Company as Data Controller

27.4. The Company, as Data Controller, has duly notified the Office of the Information Commissioner of the purposes of its data processing.

27.5. FBOs agree that the Company may retain and process all personal information given to the Company by the FBO for purposes including marketing, business creation and development, management reporting, bonuses payable and awards. The Company may record this information both manually and/or on a computer database and will be the Data Controller for this information.

27.6. The FBO agrees that the Company may disclose and transfer this personal information to his/her upline Sponsor and to other members of the Company's group situated outside the European Economic Area under which the FBO may not have rights under data protection law and to other persons for the purpose of the Company's business.



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