

FOREVER
LIVING



PRODUCTS™

COMPANY POLICY

APRIL 2015

FOREVER
LIVING
PRODUCTS



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COMPANY POLICY

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INTRODUCTION

- 1.01 a) (i) Forever Living Products (FLP) is an international family of companies that produce and market exclusive health and beauty products throughout the world through its unique concept that encourages and supports the use and retail sales of its products through independent Forever Business Owners (FBO). FLP provides each FBOs and Novus Customers with the best quality products, support staff and marketing plan in the industry. The affiliated companies and their products provide an opportunity for consumers, Novus Customers and FBOs to improve the quality of their lives from use of FLP products, and equal access to success to anyone willing to properly work the program. Unlike most business opportunities, there is little financial risk to FLP's participants, since no minimum capital investment is required and the Company provides a liberal buy back policy.
- (ii) Forever Living Imports (India) Private Limited (which is referred to in this manual as "Company") is a company incorporated under the Companies Act, 1956 and has its registered office in Mumbai. The Company has been appointed as the nationwide distributor of the internationally known global products ("FLP products") of Aloe Vera of America, Inc ("AVA") for India and imports these products from AVA into India. The Company will sell the FLP products either directly or through its designated distributor ("Designated Distributor"). However, all other responsibilities, including disbursement of bonuses would be undertaken by the Company. The Company or the Designated Distributor will sell the FLP products to the Forever Business Owners at prices recommended in accordance with FLP's marketing plan ("FLP Marketing Plan") and shall not exceed the maximum retail price of the FLP Products.
- b) Our company does not represent that a Forever Business Owner 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 FLPs marketing plan is to promote the sale and use of high quality products to consumers. The primary purpose of the Forever Business Owner is to build a sales organization to promote the sale and use of these products to consumers.
 - d) The Forever Business Owner regardless of his/her level in the Forever Living Marketing Plan is encouraged to make retail sales each month and keep records of such sales.
 - e) A Successful Forever Business Owner gains current knowledge of the market by attending training meetings, maintaining personal retail customers, and sponsoring others FBOs to sell to retail customers.
 - f) The Forever Business Owner who has questions or needs clarification should contact his/her sponsor and upline managers or speak to his/her local RDO heads. Alternately he/she could contact his/her Country Head Office at *flpindia@flpindia.net*
- 1.02
- 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 and periodic updates are printed in the monthly newsletter issued by the company.
 - b) Each Forever Business Owner has an obligation to become familiar with the Company Policies.
 - c) Each Forever Business Owner, upon signing the Forever Business Owner Application, whether in physical forms with pre printed ID numbers or printed from the official online registration site, agrees to abide by the Forever Living Company Policies. Language therein specifically refers to the FBO's contractual commitment to follow the Forever Living Company Policies. The placing of orders for products with the Company or the Designated Distributor is a reaffirmation of such commitment to abide by the Company Policies. (Refer to 17.01a for Forever Business Owner Application Acceptance Process)

2

DEFINITIONS

- 2.01 **Accredited Sales:** sales activity as reflected by the Case Credits of orders placed with the Company or the Designated Distributor of the Company.
- 2.02 **Active Sales Leader:** A Sales Leader who has 4 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 part of the qualification requirement to receive Volume and Leadership Bonuses, Gem Bonus, Earned Incentive payments, Eagle Manager status, Rally expenses and Chairman's Bonus.
- 2.03 **Bonus:** a payment from the Company to a Forever Business Owner.
- a) **Personal Bonus (PB):** a payment to a Forever Business Owner of 5-18% of the SRP of his/her Personal Accredited Sales. (see 4.01(b)-(e))
 - b) **Novus Customer Bonus (NCB):** a payment to a Forever Business Owner 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 is at the level of Novus Customer. (see 4.01(b)-(e))
 - c) **Volume Bonus (VB):** a payment to a qualifying Active Sales Leader of 3-13% of the SRP of the Personal Accredited Sales of a downline Forever Business Owner who is not under an Active downline Manager. (see 4.01(c)-(e))
 - d) **Leadership Bonus (LB):** a payment to a qualifying Active Manager of 2-6% of the SRP of the Personal Accredited Sales of his/her downline Managers and the Forever Business Owners under those downline Managers. (see 6.04)
- 2.04 **CC:** Case Credit (see 2.05)
- 2.05 **Case Credit:** a value assigned to each product to calculate sales activity to determine advancements, bonuses, awards and earned incentives for the Forever Business Owner as set forth in the FLP Marketing Plan. One Case Credit is awarded for each Rupees Eight Thousand five hundred approximately (Rs. 8500) wholesale of sales activity as reflected by product purchased from the Company or its Designated Distributor. 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 1st, 2nd, or 3rd generation Active Managers, respectively.
- c) **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 an Assistant Supervisor.
- d) **Non-Manager Case Credits:** Case Credits as reflected by the Personal Accredited Sales of a downline Forever Business Owner who is not under a downline Manager.
- e) **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 Manager's Total Case Credits.
- f) **Personal Case Credits:** Case Credits as reflected by the Forever Business Owner's Personal Accredited Sales.
- g) **Total Case Credits:** the sum total of all the Forever Business Owner's various case credits.
- h) **NEW Case Credits:** The Case Credits generated by a Manager's personally-sponsored Forever Business Owner lines for 12 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.

2.06 **Forever Business Owner ("FBO"):** With effect from 14th February 2015, the term 'Distributor' be replaced with the term 'Forever Business Owner' (FBO), for the purpose of legal as well as contractual requisites and for all references made towards individuals operating independent business with the Forever Living Marketing Plan. The term Forever Business Owner (FBO) has come in force for all prior contractually binding clauses in the company policy as well as the Distributor Application Forms signed by the individual as a 'Distributor'. All other obligations to this reference will remain the same.

Any person, 18 years of age or older, whose name appears on a Forever Business Owner Application that has been accepted by the Company, and subsequently achieves the level of Assistant Supervisor and above. Wholesale qualified Forever Business Owners purchase products directly from the Company or the Designated Distributor at

prices not exceeding the published wholesale price + taxes recommended by the Company in accordance with the FLP Marketing Plan. The term “Forever Business” shall be construed in light of the definition of ‘Forever Business Owner’ contained in this section.

- 2.07 **Domestic:** pertaining to the Forever Business Owner’s Home Country.
- 2.08 **Downline:** all Forever Business Owners sponsored under an FBO, regardless of how many generations down.
- 2.09 **Eagle Manager:** A Manager who has achieved Eagle Manager status. (see 8.04)
- 2.10 **Earned Incentive (Forever2Drive):** an incentive program that pays the qualifying Forever Business Owner an extra payment for a period of 36 months. (see 10.01)
- 2.11 **Earned Trip:** a travel award for two persons, presented to the Forever Business Owner who achieves any of various marketing plan incentive programs.
- 2.12 **Gem Manager:** a Manager who has developed at least 9, 1st Generation Sponsored Recognized Managers. (see 8.07)
- 2.13 **Home Country:** the country in which the Forever Business Owner 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.
- 2.13.1 **Incentive Shares:** The total case credits generated, in accordance with the Chairman’s Bonus rules, that are used to determine the Forever Business Owner’s share of the bonus pool(s).
- 2.14 **Inherited Manager:** (see 5.04)
- 2.15 **Leadership Bonus (LB) Qualified:** a Recognized Manager who has qualified to receive Leadership Bonus for the Month. (see 6.02)
- 2.16 **Month:** a calendar month (i.e., Jan 1 through Jan 31).
- 2.17 **NCB:** Novus Customer Bonus (see 2.03(b))
- 2.18 **Novus Customer Profit:** (see 2.21)
- 2.19 **Novus Customer:** With effect from 1st April 2015, the term ‘New Distributor’ is replaced with the term ‘Novus Customer’, for the purpose of legal as well as contractual requisites and for all references made towards individuals operating independent business with the Forever Living Marketing Plan. The term Novus Customer has come in force for all prior contractually binding clauses in the company policy as well as the Distributor Application Forms signed

by the individual as a 'New Distributor'. All other obligations to this reference will remain the same.

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, 2 Case Credits worth of product.

- 2.20 **Novus Customer Price (NCP):** The price at which the products are sold to Novus Customers and Forever Business Owners (regardless of sales level) who are not Wholesale Qualified. This price is discounted 15% off the Suggested Retail Price (SRP)/MRP.
- 2.21 **Novus Customer Profit:** the difference between Novus Customer Price and Wholesale price, which is paid to the immediate upline sponsor on the purchases of a Novus Customer or Forever Business Owner who is not Wholesale Qualified.
- 2.22 **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.
 - 2.22.1 **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 re-qualifying), and produces at least one Chairman's Bonus qualifier.
- 2.23 **PB:** Personal Bonus (see 2.03(a))
- 2.24 **Personal Accredited Sales:** the SRP/MRP or Case Credits of the Forever Business Owner's sales activity as reflected by purchases made in his/her name.
 - 2.24.1 **Qualifying Country:** Any Participating Country that is being used as the Country of Qualification for the Chairman's Bonus Incentive.
- 2.25 **Recognized Manager:** (see 5.01)
- 2.26 **Region:** The region in which the Forever Business Owner's Home Country is located. Regions include North America, Latin America, Africa, Europe and Asia.
- 2.27 **Re-sponsored FBO:** A Forever Business Owner who has changed his/her Sponsor after 2 years of no activity. (see 14.01)
- 2.28 **Retail Customer:** One who purchases FLP products through authorized channels and has not yet applied to be a Novus Customer by submitting a Forever Business Owner Application to the Company.
- 2.29 **Sales Leader:** a Forever Business Owner who is at the level of Supervisor or above.
- 2.30 **Sales Level:** any of various levels achieved by the cumulative Case Credits of the Forever Business Owner and his/her Downline. These include Assistant

- Supervisor, Supervisor, Assistant Manager and Manager. (see 4.01(b)-(e))
- 2.31 **Sponsor:** a Forever Business Owner who personally signs up another FBO.
- 2.32 **Sponsored Manager:** (see 5.03)
- 2.33 **SRP/MRP:** Suggested Retail Price/Maximum Retail Price(see 2.34)
- 2.34 **Suggested Retail Price (SRP):** The price at which the Company recommends that products be sold to Retail Customers. It is upon this price that all bonuses are calculated. Under the Indian Tax Law, this price is also the Maximum Retail Price (MRP) for Indian Forever Business Owners.
- 2.35 **Transferred Manager:** (see 5.04)
- 2.36 **Upline:** the Forever Business Owners in the upline genealogy of an FBO.
- 2.37 **Unrecognized Manager:** (see 5.02)
- 2.38 **VB:** Volume Bonus (see 2.03(c))
- 2.39 **Waiver:** awarded to the Forever Business Owner 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:** a Forever Business Owner 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 Recognized Manager who is Active, or has received an Activity Qualification Waiver, and fulfills 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.
- 2.40 **Webstore:** the official online shopping site located at the Designated Distributor's Company website which can be accessed through a link on the site *www.foreverliving.com*
- 2.41 **Wholesale Price (WHP):** the price, not including taxes, at which the products are sold to the Forever Business Owner who is Wholesale Qualified. This price is discounted 30% from SRP.
- 2.42 **Wholesale Qualified:** the right to purchase product at the Wholesale Price. A Forever Business Owner is permanently wholesale qualified after he/she has Personal Accredited Sales of 2 case credits within any 2-consecutive-month period.

3

WARRANTY, GUARANTEE, PRODUCT RETURN AND BUY BACKS

- 3.01 The following time periods shall apply except where modified by local law.
- 3.02 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 thirty (30) days from date of purchase.

Refund and Buy Back Rule for Retail Customers:

- 3.03 Retail Customers are guaranteed 100% product satisfaction. Within thirty (30) days from the date of purchase, a Retail Customer may
- Obtain a new replacement for any defective product from the Novus Customer or Forever Business Owner; or
 - Cancel the purchase, return the product and obtain a full refund of the purchase price, excluding shipping from the Novus Customer or Forever Business Owner.

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

- 3.04 When FLP products are acquired from or through an Forever Business Owner, 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, the Company will determine the facts and resolve the issue. If cash is disbursed by the Company, the same will be charged back to the FBO(s) who benefited from the product sale.

Refund and Buy Back Procedure for the Forever Business Owner

- 3.05 During the respective stated periods of warranty and guarantee, the Company will provide a new replacement of the same such product in exchange for a defective product or for one that has been returned to a Forever Business Owner by a Retail Customer for lack of satisfaction provided that such product has been certified as having been consumed or sold. Such replacement shall be subject to validation of presented proof of timely purchase. Such purchase must have been by the FBO returning the product. In addition,

for replacements of products to an FBO for product returns by Retail Customers, a proof of sale to the Retail Customer and written proof of cancellation along with a signed receipt for return of funds as well as the return of product will be required. Repetitive returns of product by the same parties may be rejected. The Company shall ensure that the policy with regard to replacement of defective products shall be adhered to by the Designated Distributor or the FBO from whom products have been purchased by the retail customer.

3.06 **Buy Back Rule for Forever Business Owner**

- a) The Company shall buy back any unsold, salable FLP product, except literature, that has been purchased within the previous twelve (12) months from any Forever Business Owner who terminates his/her Forever Business. Such buy back will be accomplished by the terminating FBO first giving written notice to the Company of intent to terminate the Forever Business and forgo all rights and privileges relating thereto. The terminating FBO must complete a product return form and submit the same to the Company and return all products for which a refund is being claimed, along with proof of purchase, to the source of purchase. The Company shall ensure that the policy with regard to unsold saleable product upon termination of the Forever Business shall be adhered to by the Designated Distributor from whom products have been purchased by the FBO.
- b) If the product returned by a terminating Forever Business Owner was purchased at Novus Customer Price (NCP), recommended by the company, 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 Forever Business Owner returns any Combination Pak, and it is missing some product, the refund and the deductions will be calculated as if the entire Combo Pak 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 Forever Business Owner will receive a refund cheque from the Company 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 Forever Business Owner's adverse conduct, if any, the Company will remove the FBO from the FLP Marketing Plan, and his/her entire downline organization will move up directly under the terminating FBO's Sponsor in the current generation sequence.
- 3.07 The "Buy Back Rule" is designed to impose upon the Sponsor and the Company the obligation to ensure that the Forever Business Owner is buying products wisely. FBOs may not buy more products than he/she can use for his/her business and personal needs. 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, and that additional products be purchased only after 75% of that product inventory has been sold, consumed or otherwise utilized. Products previously certified as having been sold, consumed or utilized shall not be subject to repurchase under the "Buy Back Rule."

4

BONUS STRUCTURE / MARKETING PLAN

4.01 The responsibility of making Bonus payments to the Forever Business Owner shall vest with the Company. The Forever Living Marketing Plan is explained as follows:

Marketing Plan

Personal Bonus
 Volume Bonus

				Manager 120cc
			Assistant Manager 75cc	18%
		Supervisor 25cc	13%	5%
	Assistant Supervisor 2cc	8%	5%	10%
Novus Customer	5%	3%	8%	13%

- a) **Novus Customer.** The Novus Customer receives:
 - 15% discount on Personal Purchases
 - Novus Customer Profit on the Personal Accredited Sales of personally-sponsored Novus Customers who are not Wholesale Qualified.
- b) **Assistant Supervisor** is achieved by generating a total of 2 Domestic Personal and Non-Manager Case Credits in any single Operating Company within any 2 consecutive Month period. The Assistant Supervisor receives:
 - If he/she is Wholesale Qualified, he/she gets 30% discount on retail price plus 5% Personal Bonus on Personal Accredited Sales.
 - 15% Novus Customer Profit on the Purchases of personally-sponsored Novus Customers who are not Wholesale Qualified.
 - 5% Novus Customer Bonus on the Purchases of personally-sponsored Novus Customers and their downlines
- c) **Supervisor** is achieved by generating a total of 25 Domestic Personal and Non-Manager Case Credits in any single Operating Company within any 2 consecutive Month period. The Supervisor receives:

- If he/she is Wholesale Qualified, he/she gets 30% discount on retail price plus 8% personal Bonus on Personal Accredited Sales.
 - 15% Novus Customer Profit on the Purchases of personally-sponsored Novus Customers who are not Wholesale Qualified.
 - 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 75 Domestic Personal and Non-Manager Case Credits in any single Operating Company within any 2 consecutive Month period. The Assistant Manager receives:
- If he/she is Wholesale Qualified, he/she gets 30% discount on retail price plus 13% Personal Bonus on Personal Accredited Sales.
 - 15% Novus Customer Profit on the Purchases of personally-sponsored Novus Customers who are not Wholesale Qualified.
 - 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 2 consecutive Month period. The Recognized Manager receives:
- If he/she is Wholesale Qualified, he/she gets 30% discount plus 18% Personal Bonus on Personal Accredited Sales.
 - 15% Novus Customer Profit on the Purchases of personally-sponsored Novus Customers who are not Wholesale Qualified.
 - 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 for bonus calculation shall occur on the exact date that sufficient Case Credits are accumulated to reach the specified level. However the level move up will only reflect once the month of the achievement is closed.
- 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 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) A Forever Business Owner will not pass up the Sponsor on the way to achieving any Sales Level.
- k) There is no re-qualifying for a Sales Level once it is earned unless the Forever Business is terminated or the Forever Business Owner is Re-sponsored.

4.02 **Novus Customer 6-month Policy. (effective November 2010)**

- 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.
- c) With the implementation of the new policy of Single Name Required on Forever Business Owner Applications (with effect from 1st April 2015), Novus Customers with 2nd applicants on their original Forever Business Owner Application, will require to maintain only one name on their application form and the 2nd applicants name will be automatically deleted on completion of the sponsor change request.

4.03 **Activity Qualification.**

- a) To qualify for all Bonuses and Incentives, except Personal Bonus, Novus Customer Bonus, 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 4 Domestic Active Case Credits during that Month, at least one of which is a Personal Case Credit. (see 2.02)
- 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 re-qualify the following month (with no retroactive application) as an Active Sales Leader.

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

- a) All bonuses are calculated on the Suggested Retail Price (SRP)/MRP as set forth in the Forever Business Owner's monthly recap. This price is up to 43% mark up on the Wholesale Price as per the Marketing Plan.
- b) Bonuses are calculated according to positions within the marketing plan and are paid at the

current level attained. Example: If an Assistant Supervisor generates 30 Total Case Credits during 2 consecutive Months, he/she will earn 5% on any Personal Accredited Sales within the first 25 Case Credits and 8% on any Personal Accredited Sales within the remaining 5 Case Credits.

- c) A Sales Leader does not receive a Volume Bonus on any Forever Business Owner 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 cheques are mailed or deposited through Direct Deposit on the fifteenth of the month following that in which product was purchased from the Company. Example: bonuses for January purchases are mailed or deposited on February 15th.
- e) Profits generated by purchases of Novus Customers are paid along with the Bonus amounts of the FBOs on the 15th of the month following that in which product was purchased from the Company.

5

MANAGER STATUS AND QUALIFICATIONS

5.01 **Recognized Manager:**

- a) A Forever Business Owner qualifies as a Recognized Manager and receives a gold Manager pin when
 - 1) His/her entire downline group generates 120 Personal and Non-Manager Case Credits within any 2 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 a Forever Business Owner's Downline FBO also qualifies as a Manager (Recognized or Unrecognized) in any country during the same period, the FBO will be a Recognized Manager if
 - 1) He/She is an Active Sales Leader each Month during the same period, and
 - 2) He/She has at least 25 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.

5.02 **Unrecognized Manager:**

- a) When a Forever Business Owner and his/her Downline generate 120 Personal and Non-Manager Case Credits within any 2-consecutive-Month period, and the FBO does not meet the remaining requirements for Recognized Manager, he/she becomes an Unrecognized Manager.
- b) An Unrecognized Manager can qualify for Personal, Novus Customer and Volume Bonuses (applies to Active Sales Leaders – see 2.02), but cannot qualify for Leadership Bonus or any other Manager incentive.
- c) An Unrecognized Manager can qualify as a Recognized Manager by meeting the following requirements:
 - 1) Generate a total of 120 Personal and Non-Manager Case Credits within any 2 consecutive Month period, and
 - 2) Be an Active Sales Leader each Month during the same period.

- d) From the date that an Unrecognized Manager has generated 120 Personal and Non-Manager case credits, he/she becomes a Recognized Manager and will begin to accrue Leadership Bonuses and Leadership Case Credits on Accredited Sales as long as he/she is Leadership Bonus Qualified and have established Active Sales Leader status at least 3 consecutive months prior to the month that he/she qualifies as Recognized Manager. (refer to clause 6.05)
- e) If the qualification occurs the Month immediately after becoming an Unrecognized Manager, the Case Credits that were not associated with a Downline Manager move-up during the Month of move up to Unrecognized Manger can be counted for the Recognized Manager qualification.

5.03 Sponsored Manager:

- a) A Manager becomes a Sponsored Manager to his/her immediate upline Sponsor by
 - 1) Qualifying as a Recognized Manager, or
 - 2) Qualifying as a Sponsored Manager from Inherited or Transferred Manager status.
- b) 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.

5.04 Inherited and Transferred Manager:

- a) When a Manager terminates, the entire downline organization 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 Recognized Manager, and has any 1st Generation Recognized Managers in his/her organization, these Managers will be classified as Inherited Managers in the newly appointed Sponsor's 1st Generation. However, one of these Managers may be selected as a Sponsored Manager to replace the terminated 1st 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 Program, 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 Credit reduction for the Earned Incentive Program, 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 2 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 4 Personal Case Credits in the country where he/she is achieving Sponsored Manager status.

6

LEADERSHIP BONUS (LB)

- 6.01 After a Forever Business Owner becomes a Recognized Manager, he/she can qualify for Leadership Bonuses by developing and supporting Downline Managers, and by continuing to sponsor and train FBOs.
- 6.02
- a) A Recognized Manager who is Active and has 12cc 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 8cc if the Manager had 2 downline Managers, each in separate sponsored lines, who each had 25 Total Case Credits during the previous Month. It is further reduced to 4cc Personal and Novus Customer if he/she had 3 downline Managers, each in separate sponsored lines, who each had 25 Total Case Credits during the previous Month.
- 6.03 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.
- 6.04
- a) A Recognized Manager who is not Active for three consecutive Months loses eligibility to qualify for Leadership Bonus.
 - b) A Recognized 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 12 Personal and Non-Manager Case Credits each Month for a period of 3 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 that the Manager is Leadership Bonus Qualified thereafter, beginning with the 4th Month, which will be paid on the 15th of the 5th month.

7

ADDITIONAL INCENTIVES

- 7.01 All Company incentive programs are intended to promote sound business building principles. This includes the proper sponsoring and selling of product in usable, resalable quantities. Incentive points and prizes are not transferable, and will be awarded only to the Forever Business Owner who qualifies by building the business in accordance with the letter and spirit of the FLP Marketing Plan and Company Policies.
- 7.02 Recognition pins will be awarded only to the person(s) whose names appear on the Forever Business Owner Application on file at the Company's Office.
- 7.03 a) In the event a Forever Business Owner's spouse does not attend an Earned Trip, the FBO may bring a guest provided that the guest is 14 years of age or older.
- b) Earned Trips are limited to the following: Global Rally, Eagle Manager Retreat, Sapphire, Diamond Sapphire, Diamond, Double-Diamond, and Triple-Diamond trips.

8

MANAGER AND BEYOND AWARDS

- 8.01 A Manager can combine 1st Generation Sponsored Recognized Managers from all countries for the purpose of being recognized as Senior through Diamond Centurion Manager. However, each 1st Generation Manager can only be counted once.
- 8.02 All recognition pins are awarded only at a Company-approved recognition meetings and Success Days.
- 8.03 **Recognized Manager:** when a Forever Business Owner qualifies under the requirements as set for in 5.01, he/she is recognized as Recognized Manager and receives a gold pin.
- 8.04 **Eagle Manager Status:**
- a) Eagle Manager Status is earned and renewed each year. A Manager can qualify by meeting the following requirements during the qualification period of May through April, after qualifying as a Recognized Manager:
 - 1) Be Active 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 2 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: 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) Re-sponsored Forever Business Owners 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 a Forever Business Owner achieves the level of 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 Program.
 - 2) The Eagle Manager requirements are NOT prorated; rather, he/she needs to accomplish the 720-Total/100-NEW Case Credits and the 2-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 Forever Business Owner will be awarded an Earned Trip to attend annual Eagle Manager's Retreat. This will include:
 - 1) Airfare for two and three night's lodging.
 - 2) An invitation to the exclusive Eagle Manager's Training.
 - 3) Access to all events relating to the Eagle Manager's Retreat.

8.04.1 Global Leadership Team

- a) Membership in the Global Leadership Team is earned and renewed each year by generating 7,500

Total Case Credits during the calendar year after qualifying as a Recognized Manager.

- b) Managers achieving the Global Leadership Team will be invited to an exclusive global retreat, and will receive Recognition and Awards at the Global Rally.
- c) Managers must attend the Global Rally to receive Global Leadership Team Awards.

8.05 **Senior Manager:** When a Manager has 2 1st Generation Sponsored Recognized Managers, he/she is recognized as Senior Manager and is awarded a gold pin with two garnets.

8.06 **Soaring Manager:** When a Manager has 5 1st Generation Sponsored Recognized Managers, he/she is recognized as Soaring Manager and is awarded a gold pin with four garnets.

8.07 **Gem Manager Awards**

a) **Sapphire Manager:** When a Manager has 9 1st Generation Sponsored Recognized Managers, he/she is recognized as Sapphire Manager, and is awarded:

- 1) A gold pin with four sapphires.
- 2) A 4-day, 3-night all-expense-paid trip to a resort within the Region.

b) **Diamond-Sapphire Manager:** When a Manager has 17 1st Generation Sponsored Recognized Managers, he/she is recognized as Diamond-Sapphire Manager and is awarded:

- 1) A gold pin with two diamonds and two sapphires.
- 2) A specially designed sculpture.
- 3) A 5-day, 4-night all-expense-paid trip to a luxury resort within the Region.

c) **Diamond Manager:** When a Manager has 25 1st Generation Sponsored Recognized Managers, he/she is recognized 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 25 1st Generation Sponsored Recognized Managers are Active each month.

- 4) A 7 day 6 night all-expense-paid trip to a luxury resort outside the region.
- d) **Double Diamond Manager:** When a Manager has 50 1st Generation Sponsored Recognized Managers, he/she is recognized as Double Diamond Manager and is awarded:
- 1) A specially designed gold pin with two large diamonds.
 - 2) A 10-day, 9-night all-expense-paid trip to South Africa.
 - 3) An exclusive pen accessorized with diamonds.
- e) **Triple Diamond Manager:** When a Manager has 75 1st Generation Sponsored Recognized Managers, he/she is recognized as Triple Diamond Manager and is awarded:
- 1) A specially-designed gold pin with three large diamonds.
 - 2) A 14-day, 13-night all-expense-paid trip around the world.
 - 3) An exclusive, personalized watch (selected by FLP).
 - 4) A specially-designed sculpture (selected by FLP).
- f) **Diamond Centurion Manager:** When a Manager has 100 1st Generation Sponsored Recognized Managers, he/she is recognized as Diamond Centurion Manager and is awarded:
- 1) A specially-designed gold pin with four large diamonds.

9

GEM BONUS

- 9.01 a) A Leadership Bonus Qualified Gem Manager who in the Country of Qualification, has the required number of Active 1st Generation Sponsored Managers during the current month, or the required number of separate sponsored downlines with a Manager who has 25 or more Total Case Credits during the previous Month, will receive a Gem Bonus based on the total SRP of his/her 1st, 2nd, and 3rd Generation Managers' Personal and Non-Manager Accredited Domestic Sales accrued in that country during that Month, as per the following schedule:
- 1) 9 Active 1st Generation Sponsored Managers, or 9 separate sponsored downlines, each with a Manager who has 25 or more Total Case Credits = 1%
 - 2) 17 Active 1st Generation Sponsored Managers, or 17 separated sponsored downlines, each with a Manager who has 25 or more Total Case Credits = 2%
 - 3) 25 Active 1st Generation Sponsored Managers, or 25 separate sponsored downlines, each with a Manager who has 25 or more Total Case Credits = 3%
- b) A Manager may count a foreign 1st 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. 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 1st Generation Sponsored Managers, or 25cc Manager downlines, in that country for the month in which he/she is qualifying for Gem Bonus.

10

EARNED INCENTIVE PROGRAM (Forever2Drive)

- 10.01 a) An Active Recognized Manager is eligible to participate in the Earned Incentive Program.
- b) Three levels of the Earned Incentive Program are available:
- 1) Level 1: The Company will pay a maximum of Rs 21,600/- per month for a maximum of 36 consecutive Months.
 - 2) Level 2: The Company will pay a maximum of Rs 32,400/- per month for a maximum of 36 consecutive Months.
 - 3) Level 3: The Company will pay a maximum of Rs 43,200/- per month for a maximum of 36 consecutive Months.
- c) 3 consecutive months are required to qualify, as outlined in the following table:

Earned Incentive Qualification / Maintenance Requirements

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

- d) During the period of 36 Months immediately following qualification, the Manager will receive the maximum payment amount for the level achieved each Month that the Month 3 Case Credit requirement is maintained.
- e) If the Manager's Total Case Credits drop below the Month 3 requirement during any Month, that Month's Earned Incentive will be calculated at Rs. 144/- times the Manager's Total Case Credits for that Month.
- f) If the Manager's Total Case Credits drop below 50 in any given month, the Earned Incentive for that month will not be paid. If in the subsequent months the qualifying Manager's case credits increase to 50 or more, the Earned Incentive will be paid in accordance with the policy as set forth above.
- g) A Manager who has 5 personally-sponsored Active Recognized Managers during the 3rd qualification Month, or any Month during the 36-Month period, will have the Month 3 requirement

reduced to 110, 175, or 240 Total Case Credits for levels 1, 2 or 3, respectively.

- h) For every 5 additional personally-sponsored Active Recognized Managers during the third qualification Month, or any Month during the 36-Month period, the Month 3 requirement will be reduced by an additional 40, 50 or 60 case credits for levels 1, 2 or 3, respectively.
- 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 Forever Business Owner before becoming a Recognized 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 150 CC, and then generates 225 CC in April, the Level 1 payment period would be replaced with a new 36-Month payment period for Level 2.
- l) At the end of the 36-Month period, a Manager may re-qualify for a new Earned Incentive using the same qualifications as outlined above. This requalification can be satisfied during any 3 consecutive Months within the last 6 Months of the original 36-Month period.

11

CHAIRMAN'S BONUS

- 11.01 a) **Core Requirements For All Levels.** A Forever Business Owner, after becoming a Recognized Manager, must fulfill ALL of the following requirements either in the Domestic Country, or the Qualifying Country. They cannot be combined from different countries.
- 1) Be Active and 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.
 - 2) The following requirements may be achieved in any Participating Country:
 - a. Be qualified for the Earned Incentive Program.
 - b. Purchase products as required only after 75% of prior product inventory has been utilized.
 - c. Build the FLP business according to correct MLM principles and Company Policies.
 - d. Attend and support Company sponsored events.
 - 3) 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 16.02 of the Company Policy. The onus of proving otherwise shall remain with the qualifying Forever Business Owner and the Executive Committee's decision in the matter will remain final.
- 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 Recognized 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 Recognized Manager that accumulates 600 or more total group case credits in your Qualifying Country during the incentive period after becoming a Recognized Manager. This Manager may be an existing Manager or newly developed during the incentive period.
 - Or,
 - b. A downline CBM in the qualifying country.
 - 4) The 600cc Manager's case credits will not be included when calculating the Incentive Shares.
 - 5) Only case credits for the months in which the 600cc Manager qualifies as Active will count for this requirement.
 - 6) A Re-sponsored Forever Business Owner counts toward all Level 1 requirements.
 - 7) If a Forever Business Owner achieves Manager during the qualification period, any new Novus Customer lines he/she sponsored during the final month of Move up will count toward the NEW Case Credit requirements for that qualification period's Chairman's Bonus program.
- 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 Recognized 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 3 CBMs in any generation, each in separate downlines, in the qualifying country.
- 4) A Re-sponsored Forever Business Owner counts toward all Level 2 requirements.
- 5) If a Forever Business Owner achieves Manager during the qualification period, any new Novus Customer lines he/she sponsored during the final month of move-up will count toward the NEW Case Credit requirements for that qualification period's Chairman's Bonus program.

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 Recognized 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 6 CBMs in any generation, each in separate downlines, in the qualifying country.
- 4) A Re-sponsored Forever Business Owner counts toward all Level 3 requirements.
- 5) If a Forever Business Owner achieves Manager during the qualification period, any new Novus Customer lines he/she sponsored during the final month of move-up will count toward the NEW Case Credit requirements for that qualification period's Chairman's Bonus program.

e) **Chairman's Bonus Incentive Calculation.**

- 1) A 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 Chairman's Bonus Manager 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 Chairman's Bonus Managers 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.

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 recognized and receive his/her bonus. This trip for two includes:
 - a) airfare, lodging, meals for 5 days and 4 nights.
 - b) \$250 spending cash (or equivalent in domestic currency)
 - c) \$200 activity allowance.

12

FLP GLOBAL RALLY

- 12.01 a) A Forever Business Owner can qualify for a trip for two to the FLP Global Rally, including airfare, lodging, meal and activity allowances, and spending cash, by accumulating 1500 or more Total Case Credits from January 1st thru 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, a Forever Business Owner may combine Case Credits from all the countries where he/she has a group. It is the FBO's responsibility to provide to his/her Domestic Home Office by January 31st the proof of Case Credits earned in other countries.
- c) Non-Manager Case Credits generated during any Month that a Forever Business Owner 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) A Forever Business Owner 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 5 days and 4 nights.
 - 2) \$250 spending cash (awarded only if the FBO attends the Rally)
 - 3) \$200 activity allowance.
- f) 1,500 Total Case Credits (1.5K):
- 1) Airfare, lodging and meals for 6 days and 5 nights.
 - 2) \$500 spending cash (awarded only if the FBO attends the Rally)
 - 3) \$300 activity allowance.

- g) 2,500 Total Case Credits (2.5K):
 - 1) Airfare, lodging and meals for 8 days and 7 nights.
 - 2) \$1,000 spending cash (awarded only if the FBO attends the Rally)
 - 3) \$500 activity allowance.
- h) 5,000 Total Case Credits (5K):
 - 1) Airfare, lodging and meals for 9 days and 8 nights
 - 2) \$2,000 spending cash (awarded only if the FBO attends the Rally)
 - 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 9 days and 8 nights
 - 2) \$3,000 spending cash (awarded only if the FBO attends the Rally)
 - 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 9 days and 8 nights.
 - 2) Business Class flight accommodations to/from the Rally.
 - 3) \$3,000 spending cash (awarded only if the FBO attends the Rally)
 - 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 9 days and 8 nights.
 - 2) Business Class flight accommodations to/from the Rally.
 - 3) \$12,500 spending cash (awarded only if the FBO attends the Rally)
 - 4) \$600 activity allowance.
 - 5) Use of the VIP checkout in the Rally shopping area.

13

ORDERING PROCEDURES

- 13.01 a) All Novus Customers and Forever Business Owners order directly from the Company or the Designated Distributor. The company takes the responsibility for financial transactions between the FBOs and the company or its Designated Distributor, however; the company will not take any responsibility for financial transactions between individual FBOs and Novus Customers and retail FLP customers.
- b) Forever Business Owners are requested to check their Order Forms/Emails/Faxes before submitting them at the counter or to the Orders Processing Department. All orders for products or literatures must be in writing and must have the following information on them:
1. Name, ID and contact details of the Novus Customer or FBO in whose name the order is to be processed
 2. Name and ID of the sponsor
 3. Name, contact details and signature of the person placing the order
 4. Products /Literatures and their quantities
 5. Mode of payment along with proof of payment
 6. Delivery address and contact details
- c) If any of the above information is missing, FLP staff will remain within their right to reject the order as ‘incomplete data submitted’
- d) Multiple orders should not be clubbed in one order form. Every order must be on separate order forms.
- 13.02 All orders must be accompanied by either
- a) certified cheque*
 - b) cashier’s cheque/demand draft *
 - c) personal cheque *
 - d) money order*
 - e) credit cards
 - f) direct deposit (proof of depositor) original
 - g) cash & debit cards

** Please note in case of cheques and demand draft payments, the order will be processed only after realization of the same in the company bank accounts.*

- 13.03 Minimum order is Rs. 1000/- worth of product, inclusive of applicable taxes.
- 13.04 All orders must be placed with the Company or the Designated Distributor. Alternately, Forever Business Owners may email to orders@flpindia.net to place orders as well as make enquiries related to ordering and Fax at +91 22 6641 4007.
- 13.05 Check all orders upon receipt and notify the Company or the Designated Distributor (as the case may be) immediately of any discrepancy in name and ID details entered, or product condition and quantities no later than 10 days after the order has been placed.
- 13.06 In order for FBOs to qualify for a bonus generated for that month.
 - a) All orders with appropriate payment must reach the Company or the Designated Distributor by the last business day of the applicable month during working hours,
 - b) All orders that have been processed must be collected from the counters before the end of the process month
 - c) Deliveries that have not been collected by the end of the process month will be couriered to the person in whose name the invoice has been generated on a "TO PAY" basis.
- 13.07 All orders are subject to and all deliveries conditioned on the final acceptance of the order by the Company or the Designated Distributor. The acceptance of payment accompanying the purchase orders is evidence of acceptance by the Company or the Designated Distributor (as the case may be).
- 13.08 When ordering a product that was the subject of a prior order, the Forever Business Owner is certifying to the Company that 75% of the prior order of that product has been sold, used or otherwise utilized.
- 13.09 Forever Business Owners are authorized to purchase FLP products for the purpose of using the products in their business and for their personal use in the country of their domicile. FBOs are not authorized to purchase FLP products for the purpose of exporting the said products outside India except for their personal and family use in a country where there is no office of FLP, without the prior written consent of the Company.
- 13.10 A Forever Business Owner may not order more than 25 Case Credits in any calendar month.

14

RE-SPONSORING POLICIES

- 14.01 a) An existing Forever Business Owner 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 Forever Business Owner being re-sponsored must sign and have notarized an affidavit under penalty of perjury with respect to the above policy before re-sponsoring will be allowed.
- c) With the implementation of the new policy of Single Name Required on Forever Business Owner Applications (with effect from 1st April 2015), if the FBO is the second-named person on an existing Forever Business (established prior to 1st April 2015), and wishes to re-sponsor, he may do so but only under the first-named person and without having to fulfill the requirements listed in paragraphs (a) and (b) of this section.
- 1) Please note that Forever Businesses with 2 names, will require to maintain only one name on their application and the 2nd applicants name will be automatically deleted on completion of the sponsor change request.
- d) A re-sponsored Forever Business Owner 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 incentives and promotions.
- f) A re-sponsoring form signed by both the Forever Business Owner and the intended sponsor will be required. Re-sponsoring is not an automated right and the Executive Committee's decision to allow or disallow re-sponsoring shall remain final.

15

INTERNATIONAL SPONSORING POLICIES

- 15.01 a) This policy affects all International Sponsoring after May 22, 2002.
- b) The procedures and policies for International Sponsoring are as follows:
- 1) The Forever Business Owner must contact the Head Office of his/her Home Country, or the country into which he/she wish to sponsor, and request to be internationally sponsored into the desired country.
 - 2) The Forever Business Owner's original ID number will be used in all countries into which he/she is internationally sponsored.
 - 3) The Forever Business Owner's sponsor will be the person who appears as the sponsor on his/her very first signed FBO Application accepted in original by FLP, except in the case of a Re-sponsorship or a Novus Customer 6-month Sponsor change.
 - 4) The Forever Business Owner 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 programs.
 - 6) When a Forever Business Owner achieves a Sales Level in any country, it is reflected in all other countries the following month.
 - 7) If a Forever Business Owner who has not yet achieved Manager Sales Level in his/her Home Country is moved up to Manager level in a foreign country, he/she must be Active during the move up period and have at least 25 Personal and Non-Manager Case Credits either in the Home Country or in the country of move up during the final Month of move up in order to be a Recognized Manager.
 - 8) When a Forever Business Owner 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.

16

PROHIBITED ACTIVITIES

- 16.01 The Executive Committee's decision to terminate a Forever Business or to disallow, realign or adjust Bonuses, Case Credits, compensation or any incentive awards for any Forever Business Owner'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.
- 16.02 Prohibited activities causing grounds for termination and liability for any damages caused by such acts include, but are not limited to, the following conduct:
- a) **Fraudulent Sponsoring.** A Forever Business Owner 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.** A Forever Business Owner is prohibited from ordering more product than required to meet immediate sales needs, and additional products may be purchased only after 75% of that product's inventory has been sold, consumed or otherwise utilized. An FBO is prohibited from purchasing products or encouraging other 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 maximize commissions or bonuses when an FBO does not have a bona fide use for the products purchased. In order to ensure no inventory loading is occurring:
 - 1) Each Forever Business Owner who orders product that was the subject of a prior order shall also be confirming and certifying to the Company that 75% of the prior order of that product has been sold or otherwise utilized. Each FBO should keep accurate records of monthly sales, which records can be subject to inspection by the Company upon reasonable notice. Such records will include reports

reflecting inventory on hand at the end of the month.

- 2) The Company and the Designated Distributor will be liberal in its application of the buy-back policy on termination of a Forever Business, but the Company and the Designated Distributor 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 Forever Business Owner 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.** A Forever Business Owner is prohibited from purchasing product in any other than his/her own name.
 - d) **Selling to Another Forever Business Owner.** 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 Program. Resulting adjustments shall be made for this non-compliance.
 - e) An Forever Business Owner is prohibited from engaging in activities that are prohibited in all sections of 17.10, 19.02, and 20 as set forth herein.
 - f) A Forever Business Owner 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) A Forever Business Owner 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, a Forever Business Owner is prohibited from permitting Company products to be sold or displayed in retail stores, military PXs, swap meets, flea markets, or like exhibitions. However, exhibitions for a period of less than one week in a twelve-month period at the same venue are considered temporary and are therefore permitted after receiving written approval from the Corporate Office.
 - 2) A Forever Business Owner who has a service-oriented office, barber shop, beauty shop or health club is permitted to display and sell products within that office, shop or club. However, exterior signs or window displays by such FBO to advertise the sale of Company products are prohibited.
 - 3) A Forever Business Owner is prohibited from selling or marketing Forever brand product except that it be in its original packaging. However, products may be promoted and served in restaurants by the glass or portion.
- i) **Using Unauthorized Literature.** The Company's prior written approval is required to use, produce or sell any sales aid or materials, other than those provided by FLP.
- j) **Selling Online.** A Forever Business Owner 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.** A Forever Business Owner is prohibited from selling FLP products to anyone for the purpose of resale or entrusting others to sell products.
- l) **Sponsoring a Forever Business Owner into Another Company.** An FBO is prohibited from, directly or indirectly, contacting, soliciting, persuading, enrolling, sponsoring or accepting any FBO, FLP customer or anyone who has been an FBO or Customer within the last twelve (12) months, into, or encouraging any such person in any way to promote opportunities in marketing programs of any direct sales company other than FLP.
- m) A Forever Business Owner 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.** A Forever Business Owner 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 Forever Business Owner 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.** A Forever Business Owner is authorized 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 authorized FLP office, without the written consent of the Home Office in Scottsdale, Arizona, USA.

17

COMPANY POLICIES

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

Forever Business Owner Application Process:

- i. An individual can become a Novus Customer of Forever Living Products by either: (a) completing the physical copy of the Forever Business Owner Application Form (hereinafter referred to as “FBO Application”); or (b) by completing the on-line FBO Application. Individuals signing up via the on-line FBO application process will be prompted to print and sign the on-line form in 3 copies. Sponsoring Novus Customers online is only permissible on the official Company website at www.foreverliving.com under location: India. It is prohibited to use any other form of online sign up.
- ii. Acceptance of FBO Application: All FBO Application will be accepted by the company whether or not accompanied by an order.
- iii. FBO Application that are submitted with an order will be accepted directly at the counters provided they are accompanied by the required documentation.
- iv. FBO Application not accompanied by an order, will have to be submitted via the online registration facility at the official company website. The signed physical copies of the same must be submitted at the counters or at the company Corporate office within 30 days of the online sign up process. Until the verification process is completed and the signed FBO Application is accepted by the Company in original, it will have a “Pending” status.
- v. In order for an FBO Application to be approved and made effective by the Company, all individuals must submit the original signed copies of the FBO Application along with the required documentation to the company offices or any office of the Designated Distributor of the company, and complete the FBO Application verification process.

- vi. Pending Status: Novus Customers with Pending status cannot sponsor, purchase products and have FLP360. Only once the signed original FBO Application along with the required documentation is received and verified by the company, the Pending status will change to Activated in the system.
 - vii. FBO Application Verification Process: All signed FBO Applications must be received in 3 original copies by the company, with the photocopies of the following documents, each self-attested and marked with your Forever Business Owner ID number:
 - 1. Self-Attested copies of address proof and.
 - 2. Self-Attested copy of the PAN card.
 - viii. Upon verification of the physical documents submitted by the individual, the Company shall provide an acknowledgement of the FBO Application to the Novus Customer. The FBO Application will then be changed from a “Pending” to an “Activated” status.
- b) A Forever Business Owner 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. All Independent Contractors must also comply with the law of the land in running their business.
 - c) A Forever Business consists of the person(s) named on the Forever Business Owner Application on file at the Home Office.
 - i) Forever Business with 2 names on the FBO Application, which was set up prior to 1st April 2015, may opt to become single name FBO Application after requesting for the spouse name to be deleted from the FBO Application. In this event, the deleted spouse can sign another FBO Application only under the spouse’s ID at the level of Novus Customer. Such FBO Application will not be allowed to avail the Novus Customer 6 month sponsor change policy.
 - d) A Forever Business Owner 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 a Forever Business Owner sponsor into a foreign country and the FBO has not previously been sponsored into that country, the FBO will be automatically sponsored into that foreign country and agrees to the prevailing policies and local laws of that foreign country and agrees to be bound by the dispute resolution policies set forth herein.
- 17.02 The Company and its Designated Distributor agrees to sell the Forever Business Owner product and pay volume bonuses as provided in the Company Marketing Plan, provided the FBO is not in violation of such FBO's contract with FLP.
- 17.03 A Forever Business Owner may develop his/her own marketing techniques, so long as he/she is not in violation of any Company, state, federal or jurisdictional rules, regulations or statutes.
- 17.04 Any transfer other than by inheritance of a Forever Business, without prior Company approval, is prohibited and any such transfer shall be void. For the purpose of this provision, a change of beneficial interest of a Trust held Forever Business shall be treated as a transfer, which requires written approval by the Company to be valid.
- 17.05 Except as herein provided, a Forever Business Owner is prohibited from, directly or indirectly, changing Sponsors. The Company will only consider the first valid FBO Application signed and received in original by the Company or its Designated Distributor. Subsequent FBO Applications shall be disallowed.
- 17.06 When a Forever Business Owner changes residence to a different country, he/she must notify the old country of residence so that the address can be changed and a new Home Country assigned.
- 17.07 Errors or Questions. If a Forever Business Owner has questions about or believes any errors have been made regarding bonuses, downline activity reports, charges, or changes, the FBO must notify the Company within sixty (60) days of the date of the purported error or incident in question. The Company is not responsible for any errors, omissions or problems not reported within sixty (60) days.
- 17.08 **Voluntary Termination.**
- a) A Forever Business Owner may terminate his/her Forever Business by submitting a written

request, signed by all named individuals appearing on the current approved Forever Business. The effective termination date is the date on which the Home Office accepts the termination request. The terminating FBO forfeits the current sales level and all downlines, including those in foreign countries, established at the time.

- b) Once a Forever Business Owner terminates, the spouse (if applicable) is also considered terminated.
- c) After two years, a terminated Forever Business Owner may reapply subject to Home Office approval. Upon such approval the FBO will enter at the Novus Customer, and will not have the previous downline organization restored.

17.09 **Termination or Suspension for Cause.**

- a) Termination means a severance of all domestic and international privileges and contractual rights available to a Forever Business Owner, including the privilege to buy and distribute the products. The Termination will result in the inability to qualify for Bonuses, and severance of participation in all other benefit programs sponsored by the Company.
- b) A terminated Forever Business Owner shall, upon demand by the Company, be liable to repay, return or compensate the Company for any benefit programs, prizes, inventories, or bonuses received from the Company 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 Forever Business Owner 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 organization restored.
- d) Suspension is a temporary status that prohibits a Forever Business Owner from placing orders, receiving profit and bonus payments, and sponsoring other FBOs.
- e) The profits and bonuses of a Suspended Forever Business Owner 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.

17.10 Internet Policies.

- a) Selling Products Online. Each Forever Business Owner will be offered the opportunity to purchase a Company-approved FBO website, FLP360, for marketing products online using a direct link to the Designated Distributors Company Webstore at www.foreverliving.com. Online orders will be fulfilled directly by the Company's Designated Distributor 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 Designated Distributors Company webstore at www.foreverliving.com
- b) Sponsoring a Forever Business Owner online via an online FBO Application is prohibited outside of the direct application or link to the official Company website at www.foreverliving.com
- c) Independent Forever Business Owner websites marketing and promoting the products or business opportunity, without online sales or sponsoring, are permitted so long as they comply with or are modified to comply with Company Policies.
- d) A Forever Business Owners 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 unauthorized use. An individual FBO website must clearly indicate that it represents an Independent Forever Business Owner who is not an agent of the Company or any of its worldwide affiliates.
- e) The Forever Business Owner must link any independent website(s) to the Company's official website created and maintained by the Company at www.foreverliving.com
- f) All independent Forever Business Owner websites must reflect and connect only to companies or products that carry the FLP label and be of good moral content.

- g) Electronic Advertising - Independent Forever Business Owner 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 Forever Business Owner 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.

17.11 Compliance of all Indian laws and Independent Forever Business Owner:

- a) The Forever Business Owner is an independent non-exclusive contractor/FBO and not an agent, employee, partner or legal representative of the Company for any purpose whatsoever. Each FBO shall be responsible for his/her own business, and shall comply with Indian laws including but not limited to the Central, State and local statutes and regulations and all applicable laws including licensing and taxation laws etc. The Forever Business Owner shall be solely responsible for all payments for any goods or services supplied to the FBO in the course of the business.
- b) The Company is legally bound to make any bonus payments that may be due to only those Forever Business Owners who are Indian Residents and hold a valid Permanent Account Number ("PAN") for income tax purposes. Any such payments will be held back by the Company until proof of PAN is provided to the Company. Provided that the Company may, at its discretion, make bonus payments to Forever Business Owners (who have not furnished their PAN details) after withholding tax at a rate of 20 percent plus applicable surcharge and education cess (if any) of such accrued bonus payments for a short period.
- c) Bonuses and/or incentives earned by the Forever Business Owners are inclusive of all government taxes and levies (direct and indirect).

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LEGAL

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

- a) If a controversy or claim arising out of or relating to the Forever Business Owner relationship or FLP products cannot be resolved by negotiations, the Company and FBO agree that in order to promote to the fullest extent reasonably possible a mutually amicable resolution of the dispute in a timely, efficient and cost-effective manner, he/she will waive his/her respective rights to a trial by jury and settle the dispute by submitting the dispute to the Local Arbitration, in Mumbai, India, in accordance with the written procedures adopted by the Company for resolution of disputes. Mumbai, India shall be deemed the sole and exclusive place for jurisdiction and venue of any dispute between the company and the FBO, and if appropriate, under FLP's dispute resolution procedures, a court of competent jurisdiction located in Mumbai, India. The Forever Business Owner Application and Agreement shall be governed in all respects by the laws of India.
- b) Participating in the international sponsoring program is a privilege that gives each Forever Business Owner the chance to benefit from FLP's international network of companies. The international sponsoring program is monitored from FLP's home office in Maricopa County, Arizona. An FBO participating in the international sponsoring program agrees and consents to any disputes arising out of or relating to the FBO relationship or FLP products, involving any of the FLP affiliated companies, shall be resolved through binding arbitration in Maricopa County, Arizona, pursuant to Forever Living.com and Forever Living Products International, LLC's current dispute resolution policies as set forth above and stated on FLP's Company website at www.foreverliving.com.

18.02 **Testamentary Transfers.**

- a) The transfer or assignment of a Forever Business is prohibited except in the event of death or legal separation or divorce.
- b) All Forever Business Owner Applications that contain two signatures, regardless of when signed, shall be treated as creating a Joint Tenancy with

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

- c) If the Forever Business Owner Application of a legally married person has checked the marital status box as being Married, but the application only contains the signature of one of the married parties, the company will treat the Forever Business as being a Joint Tenancy with Right of Survivorship.
- d) Forever Business Owner Applications that have the marital status box checked as being single and with only one signature will be treated by the company accordingly.
- e) To transfer a single person's Forever Business on death, such Forever Business Owner must have a Will or use of a Grantor's Trust.
- f) The Company recognizes Joint Tenancy with Right of Survivorship and use of Grantor Trusts as legal means of holding a Forever Business and in the event of a Forever Business Owner's death, a means of transferring the Forever Business to the Survivor or named beneficiary respectively without having to go through probate proceeding to get the property to the intended heir.
- g) Within six (6) months following the date of Forever Business Owner's death, the surviving FBO, trustee or estate representative shall provide notification of such death to his/her Domestic Home Office of FLP. Such notice is to include a certified copy of the death certificate, a certified copy of the Will or Grantor's Trust, or Court Order, authorizing the transfer of Forever Business to a qualified successor. After six (6) months from the date of death, FLP may remove the

deceased Forever Business Owner from the Forever Business. Giving timely notification and providing the required documentation for a successor's interest, will be required to prevent a suspension and/or termination of the Forever Business. If based on valid reasons, a request for a reasonable extension of time to provide transfer documents may be submitted to the deceased FBO's FLP Domestic Home Office prior to the end of the six (6) month period. FLP reserves the right to make payments to the joint survivor, beneficiary, trustee or legally authorized personal representative of the estate of a deceased FBO pending the timely submission of appropriate legal documentation.

- h) The inheritable rights to a Forever Business are limited and restricted as follows:
 - 1) The heir must be a person who can qualify as a Forever Business Owner.
 - 2) Because the heir must be an adult individual, a trust or guardianship may have to be established for multiple heirs or minor children. In the event a trust is established, a copy must be placed on file with FLP. Its terms must clearly allow the trustee to act as an FBO. A guardian or a trustee of a testamentary trust must be appointed by the court of proper jurisdiction and receive specific approval to be an FBO on behalf of the minors.
 - 3) A trustee or guardian shall retain the FBO status so long as the Forever Business Owner agreement is not violated, until the beneficiaries have attained the age of majority, and an heir accepts the responsibility of operating the Forever Business with prior approval of the court.
 - 4) A trustee, guardian, spouse or other representative type Forever Business Owner 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 a Sponsored Managers as outlined in Section 5.04(e). Forever Business positions below Manager shall be inherited at that level.

18.03 Transfers Due to Divorce.

- a) During a pending divorce or negotiation of a property settlement, the Company will continue to disburse payments to the Forever Business Owner 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.

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RESTRICTIVE COVENANTS

19.01 To the extent permitted by law, the Company, its directors, officers, shareholders, employees, assigns and agents (collectively referred to as “Associates”) shall not be liable for, and the Forever Business Owner releases the Company and its Associates from and waives all claims, for any loss of profits, indirect, direct, special or consequential damages, and for any other losses incurred or suffered by the FBO as a result of: (a) FBO’s breach of the Forever Business Owner Agreement of FLP, Company Policies and Procedures; (b) the promotion or operation of the FBO’s Forever Business and FBO’s activities related to it; (c) FBO’s incorrect or wrong data or information provided to FLP or its Associates; or (d) the FBO’s failure to provide any information or data necessary for FLP to operate its business, including without limitation, FBO’s enrollment and acceptance into the FLP Marketing Plan and the payment of volume bonuses. EACH FBO AGREES THAT THE ENTIRE LIABILITY OF THE COMPANY, 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 THE COMPANY OR ITS DESIGNATED DISTRIBUTOR THAT ARE IN RESALABLE CONDITION.

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

- a) The name “Forever Living Products” and symbols of FLP and other names as may be adopted by FLP including FLP Product names are proprietary trade names and trademarks of the Company.
- b) Each Forever Business Owner is hereby licensed by the Company to use FLP’s registered trademarks, service marks, and other marks (hereinafter collectively referred to as “Marks”), in conjunction with the performance of the FBO duties and obligations under the Forever Business Owner Agreement and the corresponding policies and procedures. All Marks are and shall remain the exclusive property of “FLP”. The Marks may only be used as authorized by the Forever Business Owner Agreement and the Company’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 a FBO to claim any ownership of FLP's Marks (i.e., registering for a domain name using the name "FLP", "Forever Living", or any other FLP Mark in any way, shape or form) unless it has been approved in writing by FLP. These Marks are of great value to FLP and are supplied to each FBO for each FBO's use in an expressly authorized manner only.

- c) The Forever Business Owner is not to advertise FLP products in any way other than through the advertising or promotional materials made available by FLP and materials pre-approved by an authorized officer of the Company. Each FBO agrees not to use any written, printed, recorded or any other material in advertising, promoting or describing the product or FLP marketing program, or in any other manner, any material which has not been copyrighted and supplied by the Company, unless such material has been submitted to the Company and approved in writing by the Company before being disseminated, published or displayed. The FBO hereby agrees to make no disparaging representations about the Company, the products, the FLP compensation plan or income potentials.

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CONFIDENTIAL INFORMATION AND NONDISCLOSURE AGREEMENT

- 20.01 a) Downline reports and all other reports and genealogical information, including, but not limited to, downline sales organization information and commission recap statements, are private, proprietary and confidential to FLP.
- b) Every Forever Business Owner who is provided with such information must treat it as private and confidential and take care to maintain its secrecy and refrain from making any use thereof for any purpose other than the management of his/her downline sales organization.
- c) A Forever Business Owner may have access to private and Confidential Information which he/she acknowledges to be proprietary, highly sensitive and valuable to the Company's business and is being made to him/her solely and exclusively for purposes of furthering the sale of FLP products and prospecting, training and sponsorship of third parties who may desire to become FBOs and to further build and promote his/her FLP business.
- d) "Trade Secret" or "Confidential Information" shall also mean information, including a formula, pattern, compilation, program, device, method, technique or process, that:
- 1) derives independent economic value, actual or potential, from not being generally known to other persons who can obtain economic value from its disclosure or use; and
 - 2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
- e) Whenever the Company makes information available to the Forever Business Owner, it shall be for the sole purpose of conducting FLP business.
- f) A Forever Business Owner 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 the Company.
- g) A Forever Business Owner is prohibited from, directly or indirectly, using, capitalizing upon or exploiting any Trade Secret or Confidential Information for his/her own benefit, or for the

benefit of anyone else, other than for the purpose of conducting his/her FLP business.

- h) A Forever Business Owner shall maintain the confidentiality and security of the Trade Secret and Confidential Information in his/her possession and to protect against disclosure, misuse, misappropriation or any other action inconsistent with the Company's rights.
- i) Further Restrictive Covenants. In consideration to the Company for the receipt of Trade Secret or Confidential Information, the Forever Business Owner 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 the Company's contractual relationships with any FBO. Without limiting the generality of the foregoing, for the term of the Forever Business, the FBO agrees not to directly or indirectly, contact, solicit, persuade, enroll, sponsor or accept any FBO, FLP Customer or anyone who has been an Forever Business Owner or Customer for the last twelve (12) months, into, or to encourage any such person in any way to promote, opportunities in marketing programs of any direct sales company other than FLP.
- j) The agreements contained in the "Confidential Information" section of these policies shall remain forever and in perpetuity. The agreements contained in the "Further Restrictive Covenants" section of these policies shall remain in full force and effect during the term of the previously executed Forever Business Owner Agreement between the Company and the Forever Business Owner, and thereafter until the later of one (1) year from the latest receipt of any Confidential Information or twelve (12) months after the expiration and termination of such Forever Business Owner Agreement.

An opportunity of a Lifetime



Code of Ethics

1. I will reflect the integrity of FLP through all my words and actions.
2. I will support and observe current FLP policies and regulations.
3. I will truthfully represent the quality, value and performance of FLP's products.
4. I will honestly portray the net earnings potential of FLP's marketing program.
5. I will conduct my business in such a manner that will enable all other Forever Business Owners to build their business and benefit from FLP's compensation plan.



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