

# EmzaGold

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

### **1.0 INTRODUCTION**

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

EmzaGold (“hereafter as “EmzaGold and the “Company”) recognizes that in order to develop a long-term and mutually rewarding relationship with its Distributors and Customers, EmzaGold and the distributors must acknowledge and respect the true nature of the relationship and support the Customers.

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

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

## **1.2 EmzaGold Policies and Compensation Plan Incorporated into the Distributor agreement**

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

## **1.3 Purpose of Policies**

- A. EmzaGold is a direct sales company that markets products and services through a network of business owners. To clearly define the relationship that exists between distributors and EmzaGold, and to explicitly set a standard for acceptable business conduct, EmzaGold has established these Policies and Procedures.
- B. EmzaGold distributors are required to comply with; (i) all of the Terms and Conditions set forth in the distributor Agreement, which EmzaGold may amend from time to time in its sole discretion; (ii) all Federal, State, Provincial, Territorial, and/or local laws governing his, her and/or its EmzaGold business; and (iii) these Policies and Procedures.

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- C. EmzaGold distributors must review the information in these Policies and Procedures carefully. Should a distributor have any questions regarding a policy or rule, the distributor is encouraged to seek an answer from their Sponsor or any other up-line distributor. If further clarification is needed the distributor may contact EmzaGold Customer Service.

## 1.4 Changes, Amendments, and Modifications

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

## 1.5 Delays

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

## 1.6 Effective Date

These Policies and Procedures shall become effective as of June 1, 2013 and, at such time, shall automatically supersede any prior Policies and Procedures (the “old Policies and Procedures”), and, on that date, the old Policies and Procedures shall cease to have any force or effect.

## 2.0 BASIC PRINCIPLES

### 2.1 Becoming A EmzaGold Distributor

- A. To become a distributor, an applicant must comply with the following requirements:
  - I. Be of the age of majority (not a minor) in his or her state of residence;
  - II. Reside or have a valid address in the United States.

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- III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
- IV. Submit a properly completed and signed Distributor Agreement to EmzaGold;
- V. Not be a EmzaGold employee, the Spouse of a EmzaGold employee or related to an employee of EmzaGold and living in the same household as such EmzaGold employee.

## **2.2 New Distributor Registration**

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

## **2.3 Rights Granted**

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

## **2.4 Identification Numbers**

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

## **2.5 Renewals and Expiration of the Distributor Agreement**

- A. If the distributor allows his or her distributor Agreement to expire due to nonpayment, the distributor will lose any and all rights to his, her or its downline organization unless the distributor re-activates within 180 days following the expiration of the Agreement.
- B. If the former distributor re-activates within the 180-day time limit, the distributor will resume the rank and position held immediately prior to the expiration of the distributor Agreement. However, such distributors paid as level will not be restored unless he, she and/or an entity qualifies at that payout level in the new month. The distributor is not eligible to receive commissions for the time period that the distributor's distributorship was expired.
- C. Any distributor who was terminated or whose Agreement has expired and lapsed the 180-day grace period is not eligible to re-apply for a EmzaGold business for 12 months following the expiration of the distributor Agreement.
- D. The downline of the expired distributor will roll up to the immediate, active up-line Sponsor.

## **2.6 Business Entities**

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

## **2.7 Independent Business Relationship; Indemnification for Actions**

- A. The EmzaGold distributor is an independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, each distributor's success depends on his or her independent efforts.

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- B. The Agreement between EmzaGold and its distributors does not create an employer/employee relationship, agency, partnership, or joint venture between EmzaGold and the distributor.
- C. A EmzaGold distributor shall not be treated as an employee of EmzaGold for any purposes, including, without limitation, for Federal, State, or Provincial tax purposes. All distributors are responsible for paying local, State, Provincial, and Federal taxes due from all compensation earned as a distributor of EmzaGold. Any other compensation received by distributors from EmzaGold will be governed by applicable U.S. or Canadian tax laws (or the tax laws of any other applicable jurisdiction). The distributor has no express or implied authority to bind EmzaGold to any obligation or to make any commitments by or on behalf of EmzaGold. Each distributor, whether acting as management of a Business Entity or represented as an individual, shall establish his or her own goals, hours, and methods of operation and sale, so long as he or she complies with the Terms of the distributor Agreement, these Policies and Procedures and applicable State, Federal and Provincial laws.
- D. The EmzaGold distributor is fully responsible for all of his or her verbal and written communications made regarding EmzaGold products, services, and the Compensation Plan that are not expressly contained within official EmzaGold materials. Distributors shall indemnify and hold harmless EmzaGold, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by EmzaGold as a result of the distributor's unauthorized representations or actions. This Provision shall survive the termination of the EmzaGold distributor Agreement.

## **2.8 Insurance**

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

## **2.9 Errors or Questions**

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

## **3.0 VIRTUS FOR MEN's DISTRIBUTOR RESPONSIBILITIES**

### **3.1 Correct Addresses**

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- A. It is the responsibility of the distributor or Customer to make sure EmzaGold has the correct shipping address before any orders are shipped.
- B. A distributor or Customer will need to allow up to 30 days for processing after the notice of address change has been received by EmzaGold.
- C. A distributor or Customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

## **3.2 Training and Leadership**

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

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and its products. The marketing and promotion of EmzaGold, the EmzaGold opportunity, the Compensation Plan, and EmzaGold products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

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

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

### **3.4 Reporting Policy Violation**



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- A. A distributor who observes a policy violation by another distributor should submit a written and signed letter (e-mail will not be accepted) of the violation directly to the EmzaGold Corporate office. The letter shall set forth the details of the incident as follows:
  - I. The nature of the violation;
  - II. Specific facts to support the allegations;
  - III. Dates;
  - IV. Number of occurrences;
  - V. Persons involved; and
  - VI. Supporting documentation
- B. Once the matter has been presented to EmzaGold, it will be researched thoroughly by the Compliance Department and appropriate action will be taken if required.
- C. This section refers to the general reporting of Policy violations as observed by other distributors for the mutual effort to support, protect, and defend the integrity of the EmzaGold business and opportunity. If a distributor has a grievance or complaint against another distributor which directly relates to his or her EmzaGold business, the Procedures set forth in these Policies must be followed.

## **3.5 Sponsorship**

- A. The Sponsor is the person who introduces a distributor or Customer to EmzaGold, helps them complete their enrollment, and supports and trains those in their downline.
- B. EmzaGold recognizes the Sponsor as the name(s) shown on the first:
  - I. Physically signed EmzaGold distributor Agreement on file; or
  - II. Electronically signed distributor Agreement from a website or a EmzaGold distributor's website.
- C. A distributor Agreement that contains notations such as "by phone" or the signatures of other individuals (i.e. Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by EmzaGold.
- D. EmzaGold recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but EmzaGold will not allow distributors to engage in unethical sponsoring activities.

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- E. All active distributors in good standing have the right to Sponsor and enroll others into EmzaGold. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one distributor will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first distributor who presented a comprehensive introduction to EmzaGold products or business opportunity.
- F. A *Protected Prospect* is a guest of any EmzaGold distributor or Customer who attended a EmzaGold event or conference call. For 60 days following the event, a Protected Prospect cannot be solicited or sponsored by any other EmzaGold distributor who attended the same event. A EmzaGold event can be defined as the following:
  - I. Any EmzaGold training session;
  - II. Conference call;
  - III. Fly-in meeting; or
  - IV. Presentation, including but not limited to a EmzaGold at home presentation, whether sponsored by EmzaGold, a distributor, a Customer, or an agent or agency designated by EmzaGold.

## **3.6 Cross Sponsoring Prohibition**

- A. “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an individual, or Business Entity, that already has a signed distributor Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by EmzaGold, sanctions up to and including termination of a distributor’s distributorship may be imposed.
- B. The use of a Spouse’s or relative’s name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this Policy is not permitted.
- C. This Policy does not prohibit the transfer of a EmzaGold business in accordance with EmzaGold Sale or Transfer Policy set forth in these Policies.

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

- A. A distributor must adhere to the Terms of the EmzaGold Compensation Plan as set forth in these Policies and Procedures as well as in official EmzaGold literature. Deviation from the Compensation Plan is prohibited.
- B. A distributor shall not offer the EmzaGold opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official EmzaGold literature.

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- C. A distributor shall not require or encourage a current or prospective Customer or distributor to participate in EmzaGold in any manner that varies from the Compensation Plan as set forth in official EmzaGold literature.
- D. A distributor shall not require or encourage a current or prospective Customer or distributor to make a purchase from or payment to any individual or other entity as a condition to participating in the EmzaGold Compensation Plan, other than such purchases or payments required to naturally build their business.

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

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

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

- A. EmzaGold will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US distributor whose earnings for the year is at least \$600 or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the distributor, and a minimum charge of \$20 may be assessed by EmzaGold. Canadian T-4's will be sent to distributors who earn more than \$500 or who received trips, prizes, or awards valued at \$500 or more. EmzaGold distributors are responsible for the payment of taxes on these trips, prizes, or awards provided to them by EmzaGold.
- B. A distributor accepts sole responsibility for and agrees to pay all Federal, State, Provincial and local taxes on any income generated as an independent distributor, and further agrees to indemnify EmzaGold from any failure to pay such tax amounts when due.
- C. If a distributor's business is tax exempt, the Federal Tax Identification number must be provided to EmzaGold in writing.
- D. EmzaGold encourages all distributors to consult with a tax advisor for additional information for their business.

## **3.10 One EmzaGold Business Per Distributor**

- A. A distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) EmzaGold business. No individual may have, operate or receive compensation from more than one EmzaGold

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businesses. Individuals of the same family unit may each enter into or have an interest in their own separate EmzaGold businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A “family unit” is defined as Spouses and dependent children living at or doing business at the same address.

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

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

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

- A. A EmzaGold distributor may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the Term of this Agreement and for one (1) year thereafter, a EmzaGold distributor may not recruit any EmzaGold distributor or Customer for any other direct sales or network marketing business, unless that distributor or Customer was personally sponsored by such distributor.
- B. The term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another distributor or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the distributor’s actions are in response to an inquiry made by another distributor or Customer.
- C. During the term of this Agreement and for a period of six (6) months thereafter, any EmzaGold distributor must not sell, or entice others to sell, any competing products or services, including training materials, to EmzaGold Customers or distributors. Any product or service in the same category as a EmzaGold product or service is deemed to be competing (i.e., any competing product or service regardless of differences in cost or quality. This provision does not apply where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor’s offices, clinics, health clubs, spas and beauty salons).
- D. However, a distributor may sell non-competing products or services to EmzaGold Customers and distributors that they personally sponsored.
- E. A distributor may not display or bundle EmzaGold products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading

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a prospective Customer or distributor into believing there is a relationship between the EmzaGold and non-EmzaGold products and services.

- F. A EmzaGold distributor may not offer any non-EmzaGold opportunity, products or services at any EmzaGold related meeting, seminar or convention, or immediately following a EmzaGold event.
- G. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between EmzaGold and its distributors and would inflict irreparable harm on EmzaGold. In such event, EmzaGold may, at its sole discretion, impose any sanction it deems necessary and appropriate against such distributor or such distributor's distributorships including termination, or seek immediate injunctive relief without the necessity of posting a bond.

### **3.13 Presentation of the EmzaGold Opportunity**

- A. In presenting the EmzaGold opportunity to potential Customers and distributors, a distributor is required to comply with the following provisions:
  - I. A distributor shall not misquote or omit any significant material fact about the Compensation Plan.
  - II. A distributor shall make it clear that the Compensation Plan is based upon sales of EmzaGold products and services and upon the sponsoring of other Distributors.
  - III. A distributor shall make it clear that success can be achieved only through substantial independent efforts.
  - IV. A EmzaGold distributor shall not make unauthorized income projections, claims, or guarantees while presenting or discussing the EmzaGold opportunity or Compensation Plan to prospective distributors or Customers.
  - V. A distributor may not make any claims regarding products or services of any products offered by EmzaGold, except those contained in official EmzaGold literature.
  - VI. A distributor may not use official EmzaGold material to promote the EmzaGold business opportunity in any country where EmzaGold has not established a "presence."
  - VII. In an effort to conduct best business practices, EmzaGold has developed the Income Disclosure Statement ("IDS"). The EmzaGold IDS is designed to convey truthful, timely, and comprehensive information regarding the income that EmzaGold distributors earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective distributors.

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

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

## **3.14 Sales Requirements are Governed by the Compensation Plan**

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

## **4.0 ORDERING**

### **4.1 General Order Policies**

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

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commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

A distributor shall not use another distributor's or Customer's credit card or debit checking account to enroll in EmzaGold or purchase products or services without the account holder's *written permission*. Such documentation must be kept by the distributor indefinitely in case EmzaGold needs to reference this.

- B. Regarding an order with an invalid or incorrect payment, EmzaGold will attempt to contact the distributor by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after 10 business days, the order will be canceled.
- C. If a distributor wants to move an order to another distributor's position, he or she must have prior authorization, of all parties involved. EmzaGold will charge the distributor a \$20 fee for processing.
- D. Prices are subject to change without notice.
- E. A distributor or Customer who is a recipient of a damaged or incorrect order must notify EmzaGold within 30 calendar days from receipt of the order and follow the Procedures as set forth in these Policies.

## **4.2 Insufficient Funds**

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

## **4.3 Sales Tax Obligation**

- A. The distributor shall comply with all State, Provincial and local taxes and regulations governing the sale of EmzaGold products and services.

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

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

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

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

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

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

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

- A. A distributor receives bonuses and commissions based on the actual sales of products and services to end consumers and to distributors through product and service purchases. When a product or service is returned to EmzaGold for a refund from the end consumer or by a distributor, the bonuses and commissions attributable to the returned product or service will be deducted from the distributor who received bonuses or commissions on such sales. Deductions will occur



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in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.

- B. In the event that a distributor terminates his or her distributorship, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by EmzaGold, the remainder of the outstanding balance may be offset against any other amounts that may be owed by EmzaGold to the terminated distributor.

## **6.0 SATISFACTION GUARANTEED AND RETURN OF SALES AIDS**

EmzaGold offers a one hundred percent (100%) ninety-day money back guarantee for all Customers. If a Customer purchased a product or service and is not satisfied with the product or service, the Customer may request a refund from their distributor. If you are not 100% satisfied with our products, you may return the items for a refund if neither you nor we have terminated the Agreement and the products or services were purchased within twelve (12) months and remain in resaleable condition. The refund shall be ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

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

### **6.1 Return Process**

- A. All returns, whether by a Customer, or distributor, must be made as follows:
  - I. Obtain Return Merchandise Authorization ("RMA") from EmzaGold;
  - II. Ship items to the address provided by EmzaGold Customer service when you are given your RMA.
  - III. Provide a copy of the invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.
  - IV. Ship back product in manufacturer's box exactly as it was delivered.

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- B. All returns must be shipped to EmzaGold pre-paid, as EmzaGold does not accept shipping collect packages. EmzaGold recommends shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer, or distributor. If returned product is not received at EmzaGold Distribution Center, it is the responsibility of the Customer, or distributor to trace the shipment and no credit will be applied.
- C. The return of \$500 or more of products accompanied by a request for a refund within a calendar year, by a distributor, may constitute grounds for involuntary termination.

## **7.0 PRIVACY POLICY**

### **7.1 Introduction**

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

### **7.2 Expectation of Privacy**

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

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

EmzaGold limits the number of employees who have access to Customer's and distributors' nonpublic personal information.

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

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

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

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

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

## **8.2 Obligation of Confidentiality**

- A. During the Term of the EmzaGold distributor Agreement and for a period of five (5) years after the termination or expiration of the distributor Agreement between the distributor and EmzaGold, the distributor shall not:
  - I. Use the information in the Reports to compete with EmzaGold or for any purpose other than promoting his or her EmzaGold business;
  - II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

## **8.3 Breach and Remedies**

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

## **8.4 Return of Materials**

- A. Upon demand by EmzaGold, any current or former distributor will return the original and all copies of all “Reports” to EmzaGold together with any EmzaGold confidential information in such person’s possession.

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

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

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

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

- A. A EmzaGold distributor must safeguard and promote the good reputation of EmzaGold and the products and services it markets. The marketing and promotion of EmzaGold, the EmzaGold opportunity, the Compensation Plan, and EmzaGold products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.
- B. All promotional materials supplied or created by EmzaGold must be used in their original form and cannot be changed, amended or altered except with prior written approval from the EmzaGold Compliance Department.
- C. The name of EmzaGold, each of its product and service names and other names that have been adopted by EmzaGold in connection with its business are proprietary trade names, trademarks and service marks of EmzaGold. As such, these marks are of great value to EmzaGold and are supplied to distributors for their use only in an expressly authorized manner.
- D. A EmzaGold distributor's use of the name "EmzaGold" is restricted to protect EmzaGold proprietary rights, ensuring that the EmzaGold protected names will not be lost or compromised by unauthorized use. Use of the EmzaGold name on any item not produced by EmzaGold is prohibited except as follows:

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- I. [distributor's name] Independent EmzaGold distributor
  - II. [distributor's name] Independent distributor of EmzaGold products and services.
- E. Further procedures relating to the use of the EmzaGold name are as follows:
- I. All stationary (i.e. letterhead, envelopes, and business cards) bearing the EmzaGold name or logo intended for use by the distributor must be approved in writing by the EmzaGold Compliance Department.
  - II. EmzaGold distributors may list "Independent EmzaGold distributor or distributor" in the white pages of the telephone directory under his or her own name.
  - III. EmzaGold distributors may not use the name EmzaGold or EmzaGold in answering his or her telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent EmzaGold distributor."
- F. Certain photos and graphic images used by EmzaGold in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to distributors. If a distributor wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- G. A EmzaGold distributor shall not appear on or make use of television or radio, or make use of any other media to promote or discuss EmzaGold or its programs, products or services without prior written permission from the EmzaGold Compliance Department.
- H. A distributor may not produce for sale or distribution any Company event or speech, nor may a distributor reproduce EmzaGold audio or video clips for sale or for personal use without prior written permission from the EmzaGold Compliance Department.
- I. EmzaGold reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected distributor.
- J. A distributor shall not promote non-EmzaGold products or services in conjunction with EmzaGold products or services on the same websites or same advertisement without prior approval from EmzaGold Compliance.
- K. Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by EmzaGold may not be made except those contained in official EmzaGold literature. In particular, no distributor may make any claim that EmzaGold products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate

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EmzaGold policies, but also they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

## 9.3 Faxes and E-mail - Limitations

- A. Except as provided in this section, a distributor may not use or transmit unsolicited faxes, email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her EmzaGold business. The exceptions are;
  - I. Faxes or e-mailing any person who has given prior permission or invitation;
  - II. Faxing or e-mailing any person with whom the distributor has established a prior business or personal relationship.
- B. In all States, Provinces or Territories where prohibited by law, a distributor may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.
- C. All faxes, e-mail or computer broadcasted documents subject to this provision shall include each of the following;
  - I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
  - II. A clear return path or routing information;
  - III. The use of legal and proper domain name;
  - IV. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
  - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - VI. The true and correct name of the sender, valid senders fax or e-mail address, and a valid sender physical address;
  - VII. The date and time of the transmission;
  - VIII. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, a EmzaGold distributor shall not transmit any further documents to that recipient.

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- D. All e-mail or computer broadcasted documents subject to this provision shall not include any of the following;
  - I. Use of any third party domain name without permission;
  - II. Sexually explicit materials.

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

- A. A distributor may not use or attempt to register any of EmzaGold's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company's name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- B. A EmzaGold distributor may not sell EmzaGold products, services or offer the Business Opportunity using "online auctions," such as eBay®.
- C. All distributors may have one (1) Approved third-party website. A third-party website is a EmzaGold-approved personal website that is hosted on non-EmzaGold servers and has no affiliation with EmzaGold. Any distributor who wishes to develop their own third-partywebsite must submit a properly completed third-partywebsite Application and Agreement along with the proper Website registration fee and receive EmzaGold's prior written approval before going live with their third-partywebsite. Third-partywebsites may be used to promote your business and EmzaGold's products so long as the third-partywebsite adheres to EmzaGold's advertising policies. Moreover, no orders may be placed through third-party websites, and no enrollments may occur through a third-party website. If you wish to use anythird-partywebsite, you must do the following:
  - a. Identify yourself as a distributor for EmzaGold;
  - b. Use only the approved images and wording authorized by EmzaGold;
  - c. Adhere to the branding, trademark, and image usage policies described in this document.
  - d. Adhere to any other provision regarding the use of a third-party website described in this document;
  - e. Agree to give the Compliance Department at EmzaGold access to the third-party website and, if the website is password protected, the Compliance Department must receive passwords or credentials allowing unlimited access.
  - f. Agree to modify your website to comply with current or future EmzaGold policies.
- D. All marketing materials used on a distributor's third-party website must be provided by EmzaGold or approved in writing by EmzaGold.
- E. To avoid confusion, the following three elements must also be prominently displayed at the top of every page of your third-party website:

1. The EmzaGold Distributor Logo

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2. Your Name and Title
3. EmzaGold Corporate Website Redirect Button

- F. A distributor may not use third-party sites that contain materials copied from corporate sources (such as EmzaGold brochures, CDs, videos, tapes, events, presentations, and corporate websites). This Policy ensures brand consistency, allows Customers and distributors to stay up-to-date with changing products, services and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.
- G. EmzaGold products may be displayed with other products or services on a distributor's third-party websites so long as the other products and services are consistent with EmzaGold values and are not marketed or sold by a competing network-marketing company.
- H. If the independent EmzaGold business of a distributor who has received authorization to create and post a third-party website is voluntarily or involuntarily canceled for any reason, or if EmzaGold evokes its authorization allowing the distributor to maintain a third-party website, the distributor shall assign the URL to his/her third-party website to the EmzaGold within three (3) days from the date of the cancellation and/or re-direct all traffic to the site as directed by the EmzaGold. EmzaGold reserves the right to revoke any distributor's right to use a third-party website at any time if EmzaGold believes that such revocation is in the best interest of EmzaGold, its distributors, and Customers. Decisions and corrective actions in this area are at EmzaGold's sole discretion.
- I. Social Media sites may not be used to sell or offer to sell EmzaGold products or services. **PROFILES A DISTRIBUTOR GENERATES IN ANY SOCIAL COMMUNITY WHERE VIRTUS FOR MEN IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE DISTRIBUTOR AS A VIRTUS FOR MEN DISTRIBUTOR**, and when a distributor participates in those communities, distributors must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at EmzaGold's sole discretion, and offending distributors will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the EmzaGold approved library. If a link is provided, it must link to the posting distributor's Replicated website or an approved third-party website.
- J. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending distributors will be subject to disciplinary action.
- K. Distributors may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments distributors create or leave must be useful, unique, relevant and specific to the blog's article.
- L. Distributors must disclose their full name on all Social Media postings, and conspicuously identify themselves as an independent distributor for EmzaGold. Anonymous postings or use of an alias is prohibited.



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- M. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the EmzaGold income opportunity, EmzaGold's products and services, and/or your biographical information and credentials.
- N. Distributors are personally responsible for their postings and all other online activity that relates to EmzaGold. Therefore, even if a distributor does not own or operate a blog or Social Media site, if a distributor posts to any such site that relates to EmzaGold or which can be traced to EmzaGold, the distributor is responsible for the posting. Distributors are also responsible for postings which occur on any blog or Social Media site that the distributor owns, operates, or controls.
- O. As a EmzaGold distributor, it is important to not converse with any person who places a negative post against you, other distributors, or EmzaGold. Report negative posts to EmzaGold at customerservice@virtusformen.com. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as EmzaGold, and therefore damages the reputation and goodwill of EmzaGold.
- P. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, EmzaGold therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that distributors using, or who wish to use, such sites adhere to the EmzaGold's policies relating to third-party websites.
- Q. If your EmzaGold business is cancelled for any reason, you must discontinue using the EmzaGold name, and all of EmzaGold's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent EmzaGold distributor, you must conspicuously disclose that you are no longer an independent EmzaGold distributor.
- R. Failure to comply with these Policies for conducting business online may result in the distributor losing their right to advertise and market EmzaGold products, services and EmzaGold's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.

## **9.5 Advertising and Promotional Materials**

- A. You may not advertise any EmzaGold products or services at a price LESS than the highest company published, established retail price of ONE offering of the EmzaGold product or service plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.

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- C. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the EmzaGold Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the EmzaGold Compliance Department.

## **9.6 Testimonial Permission**

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

## **9.7 Telemarketing - Limitations**

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

A EmzaGold distributor may place telephone calls to prospective Customers, or distributors under the following limited situations;

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

## **10.0 INTERNATIONAL MARKETING**

### **10.1 International Marketing Policy**

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

## **11.0 CHANGES TO A DISTRIBUTOR BUSINESS**

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## 11.1 Modification of the Distributor Agreement

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

## 11.2 Change Sponsor or Placement for Active distributors

- A. Maintaining the integrity of the organizational structure is mandatory for the success of EmzaGold and our independent distributors. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first 30 days of initial enrollment as a distributor. Furthermore, such changes may only occur within the same organization.
- B. Sponsors may make “Placement changes” from one distributor to another for personally Sponsored (frontline) distributors during the first 30 days of enrollment.
- C. New distributors or their original Sponsor may request a change of Sponsor or Placement within the first 30 days of enrollment for the purpose of structuring an organization. The new distributor Agreement must be received within the calendar month for commission calculations to be effective with the requested change.
- D. To change or correct the Sponsor, a distributor must comply with following procedures;
  - I. Submit a Sponsor Placement Transfer Form;
  - II. Submit a EmzaGold distributor Agreement showing the correct Sponsor and Placement, and any appropriate supporting documentation;
  - III. The distributor Agreement must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first Agreement.
- E. Upon approval, the distributor’s downline, if any, will transfer with the distributor.
- F. If one transfer has already been made a \$20 fee will be assessed for the second and for each transfer thereafter.
- G. After the first 30 days from initial enrollment, EmzaGold will honor the Sponsor/Placement as shown:
  - I. On the most recently signed distributor Agreement on file; or

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- II. Self-enrolled on the website (i.e., electronically signed Web Agreement).
- H. EmzaGold retains the right to approve or deny any requests to change Sponsor or Placement and to correct any errors related thereto at any time and in whatever manner it deems necessary.

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

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

## **11.4 Change Organizations**

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

## **11.5 Unethical Sponsoring**

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new distributor from another distributor or influencing another distributor to transfer to a different sponsor.
- D. Allegations of unethical sponsoring must be reported in writing to the EmzaGold Compliance Department within the first 90 days of enrollment. If the reports are substantiated, EmzaGold

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may transfer the distributor or the distributor's downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement distributors. EmzaGold remains the final authority in such cases.

- E. EmzaGold prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the EmzaGold compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline distributor in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent consultant positions of all individuals and/or entities found to be directly involved.
- F. Should Distributors engage in solicitation and/or enticement of members of another direct sales company to sell or distribute EmzaGold products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a distributor alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, EmzaGold will not pay any of Distributor's defence costs or legal fees, nor will EmzaGold indemnify the Distributor for any judgment, award, or settlement.

## **11.6 Sell, Assign or Delegate Ownership**

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for EmzaGold to place restrictions on the transfer, assignment, or sale of a distributorship.
- B. A EmzaGold distributor may not sell or assign his or her rights or delegate his or her position as a distributor without *prior written approval* by EmzaGold, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of EmzaGold.
- C. Should the sale be approved by EmzaGold, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.
- D. To request corporate authorization for a sale or transfer of a EmzaGold distributorship, the following items must be submitted to the EmzaGold Compliance Department;
  - I. A Sale/Transfer of Distributorship Form properly completed, with the requisite signatures.
  - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
  - III. A EmzaGold distributor Agreement completed and signed by the Buyer;
  - IV. Payment of the \$100 administration fee;
  - V. Any additional supporting documentation requested by EmzaGold.

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- E. Any debt obligations that either Seller or Buyer may have with EmzaGold must be satisfied prior to the approval of the sale or transfer by EmzaGold.
- F. A EmzaGold distributor who sells his or her distributorship is not eligible to re-enroll as a EmzaGold distributor in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

## **11.7 Separating a EmzaGold Business**

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

## **11.8 Succession**

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

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

## **11.9 Resignation/Voluntary Termination**

- A. A distributor may immediately terminate his or her distributorship by submitting a written notice or email to the EmzaGold Compliance Department compliance [at] [www.virtusformen.com](http://www.virtusformen.com). The written notice must include the following;



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- I. The distributor's intent to resign;
  - II. Date of resignation;
  - III. EmzaGold Identification Number;
  - IV. Reason for resigning; and
  - V. Signature.
- B. A EmzaGold distributor may not use resignation as a way to immediately change Sponsor and Placement. Instead, the distributor who has voluntarily resigned is not eligible to reapply for a distributorship or have any financial interest in a or any EmzaGold business for 6 months from the receipt of the written notice of resignation.

## 11.10 Involuntary Termination

- A. EmzaGold reserves the right to terminate a distributor's distributorship for, but not limited to, the following reasons;
- I. Violation of any Terms or Conditions of the distributor Agreement;
  - II. Violation of any provision in these Policies and Procedures;
  - III. Violation of any provision in the Compensation Plan;
  - IV. Violation of any applicable law, ordinance, or regulation regarding the EmzaGold business;
  - V. Engaging in unethical business practices or violating standards of fair dealing; or
  - VI. Returning over \$500 worth of products, services and/or sales tools for a refund within a 12 month period.
- B. EmzaGold will notify the distributor in writing *by certified mail; return receipt requested or overnight documented mail*, at his or her last known address of its intent to terminate the distributor's distributorship and the reasons for termination. The distributor will have 15 calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice. EmzaGold will then have 30 calendar days from the date of receipt of the distributor's response to render a final decision as to termination.
- C. If a decision is made by EmzaGold to terminate the distributor's distributorship, EmzaGold will inform the distributor in writing that the distributorship is terminated effective as of the date of the written notification. The distributor will then have 15 calendar days from the date of mailing of such notice to appeal the termination in writing. EmzaGold must receive the distributor's written appeal within 20 calendar days of the date of the EmzaGold termination letter. If the written appeal is not received within this time period, the termination will be considered final.
- D. If the distributor does file a timely appeal of termination, EmzaGold will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the distributor of its decision. The decision of EmzaGold is then considered final and not subject to further review.

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- E. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by EmzaGold. The former distributor shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any EmzaGold products or services. EmzaGold will notify the active Upline Sponsor within 10 days after termination. The organization of the terminated distributor will “roll up” to the active Upline Sponsor on record.
- F. The EmzaGold distributor who is involuntarily terminated by EmzaGold may not reapply for a distributorship, either under his or her present name or any other name or entity, without the *express written consent of an officer of EmzaGold*, following a review by the *EmzaGold Compliance Committee*. In any event, such distributor may not re-apply for a distributorship for 12 months from the date of termination.

## **11.11 Effect of Cancellation**

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

## **12.0 DISCIPLINARY SANCTIONS**

### **12.1 Imposition of Disciplinary Action - Purpose**

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

### **12.2 Consequences and Remedies of Breach**

- A. Disciplinary actions may include one or more of the following;
  - I. Monitoring a distributor’s conduct over a specified period of time to assure compliance;
  - II. Issuance of a written warning or requiring the distributor to take immediate corrective action;

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- III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments (“Commission Hold”) until the matter causing the Commission Hold is resolved or until EmzaGold receives adequate additional assurances from the distributor to ensure future compliance;
- IV. Suspension from participation in Company or distributor events, rewards, or recognition;
- V. Suspension of the EmzaGold distributor Agreement and distributorship for one or more pay periods;
- VI. Involuntary termination of the distributor’s Agreement and distributorship;
- VII. Any other measure which EmzaGold deems feasible and appropriate to justly resolve injuries caused by the distributor’s Policy violation or contractual breach; OR
- VIII. Legal proceedings for monetary or equitable relief.

## **13.0 DISPUTE RESOLUTION**

### **13.1 Grievances**

- A. If a EmzaGold distributor has a grievance or complaint against another distributor regarding any practice or conduct relating to their respective EmzaGold businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the EmzaGold Compliance Department as outlined below in this Section.
- B. The EmzaGold Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the distributors involved.
- C. EmzaGold will confine its involvement to disputes regarding EmzaGold business matters only. EmzaGold will not decide issues that involve personality conflicts or unprofessional conduct by or between distributors outside the context of a EmzaGold business. These issues go beyond the scope of EmzaGold and may not be used to justify a Sponsor or Placement change or a transfer to another EmzaGold organization.
- D. EmzaGold does not consider, enforce, or mediate third party agreements between distributors, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:
  - I. The EmzaGold distributor should submit a written letter of complaint (e-mail will not be accepted) directly to the EmzaGold Compliance Department. The letter shall set forth the details of the incident as follows;
    - a. The nature of the violation;
    - b. Specific facts to support the allegations;
    - c. Dates;
    - d. Number of occurrences;
    - e. Persons involved; and

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- f. Supporting documentation.
- II. Upon receipt of the written complaint, EmzaGold will conduct an investigation according to the following procedures;
- a. The Compliance Department will send an acknowledgment of receipt to the complaining distributor;
  - b. The Compliance Department will provide a verbal or written notice of the allegation to the distributor under investigation. If a written notice is sent to the distributor, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by EmzaGold
  - c. The Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case by case basis, and the length of time to reach a resolution will vary.
  - d. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Distributor calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- E. EmzaGold will make a final decision and timely notify the EmzaGold distributors involved.

## 13.2 Arbitration

- A. **Any controversy or claim arising out of or relating to the EmzaGold distributor agreement, these Policies and Procedures, or the breach thereof, the distributor’s business or any dispute between EmzaGold and the distributor, shall be settled by binding and confidential arbitration administered by the American Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Any such arbitration shall be held in Rumson, New Jersey. There shall be one arbitrator, who shall have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the American Arbitration Association.
- B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including reasonable attorney’s fees and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.
- C. This agreement to arbitration shall survive any termination or expiration of the distributor agreement.

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- D. Nothing in these Policies and Procedures shall prevent EmzaGold from applying for or obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect EmzaGold interests or its Confidential Information prior to, during or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.
- E. **NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.**
- F. These Policies and Procedures and any arbitration involving a distributor and EmzaGold shall be governed by and construed in accordance with the laws of the state of New Jersey, without reference to its principles of conflict of laws.

## **13.3 Severability**

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

## **13.4 Waiver**

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

## **13.5 Successors and Claims**

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

## **14.0 GOVERNING LAW**

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

## **15.0 VIRTUS FOR MEN GLOSSARY OF TERMS**

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

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

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

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

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

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

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

**ORGANIZATION:** The Customers and Distributors placed below a particular Distributor.

**OFFICIAL EMZAGOLD MATERIAL:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by EmzaGold to Distributors.

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

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

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

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

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