

2020

CARELUMINA

BRAND AMBASSADOR

COMPENSATION PLAN
& POLICIES

WELCOME TO CARELUMINA. CARELUMINA PROVIDES SOMETHING FOR EVERYONE. WITH INNOVATIVE AND EVOLUTIONARY PRODUCTS AND SERVICES WE'RE TRANSFORMING LIVES USING A UNIQUE APPROACH TO HEALTHCARE, WELLNESS, BEAUTY AND LIFESTYLE. SUCCESS WITHIN THE CARELUMINA COMPENSATION PLAN STARTS WITH THE CUSTOMER. OUR PRIMARY FOCUS IS ATTRACTING, RETAINING AND GROWING CUSTOMERS.

THE PURPOSE OF THESE POLICIES AND PROCEDURES

The development of the guidelines designed by Carelumina, LLC is an outline to assist in the success of Carelumina and its Brand Ambassadors. This document should be read in its entirety. Every Brand Ambassador (hereafter "Brand Ambassador") must be familiar with these Policies and Procedures (hereafter "Agreement") and agree to comply with all policies set forth herein. Brand Ambassadors are subject to the regulations of the Agreement from the time that they receive their Brand Ambassador Identification Number - RIN. Submission of the Brand Ambassador Application and acceptance of any commissions constitutes acknowledgment on the part of the Brand Ambassador that he/she has read and agrees to abide by the Agreements of the Company. This Agreement, in its entirety, is applicable to all Brand Ambassadors.

Some aspects of the document may be modified by a separate, local addendum for Brand Ambassadors in other Countries or regarding specific topics such as compensation. If a conflict should arise between the Agreement and any addendum, the terms of the addendum shall be controlling. Brand Ambassadors must regularly review the most recent Agreements as they are published at www.carelumina.com. Carelumina, LLC (The Company and its affiliated companies (collectively "the Company" herein), is a network marketing Company which honors the Agreement outlined hereafter. This document is an integral part of the Brand Ambassador Agreement. It was created to protect the rights of all Brand Ambassadors and to provide a clear, procedural framework within which they may work effectively. These Policies and Procedures provide the following benefits:

- Provide equal opportunity for all Brand Ambassadors throughout the Compensation Plan.
- Provide Brand Ambassadors adequate definitions and explanation of the Carelumina Compensation Plan.
- Define the contractual obligation between Carelumina and its Brand Ambassadors.
- By complying with regulatory requirements, and by providing information about the programs to appropriate agencies.
- By providing Brand Ambassadors a guide that informs them of the Agreement(s) to which they must adhere, both in terms of what they must do, and what actions are prohibited.
- By establishing a basis for problem resolution between Brand Ambassadors and the Company.

BRAND AMBASSADOR ACKNOWLEDGEMENT

I _____ understand that to become a Brand Ambassador of Carelumina that I am only required to submit this Agreement, and pay any required fees where and when required by my Qualified positioning. I further acknowledge that my advancement in the Carelumina compensation plan is based solely upon the acquisition of customers. My purchase of sales aids or training material, or attendance at training classes, is strictly optional and at my sole discretion. I also understand that if I choose to enroll or sponsor other individuals to participate in the Carelumina Compensation Plan that I will only be compensated based upon the activities of other Brand Ambassadors and the sales made to customers. By my signature below I acknowledge that I have carefully read this Agreement including all its subsections contented herein; Section A (Compensation Plan), Section B (Polices and Proceeders) and Section C (Definitions) and that I accept the terms and conditions herein. Upon receipt of this Agreement I understand that the terms of this document shall be a binding Agreement between Carelumina and me. I have read and understand Carelumina's Policies and Procedures, Compensation Plan and Definitions, which are incorporated by the reference herein, and I agree to abide by them as they may be amended at any time.

I UNDERSTAND THAT I MAY CANCEL THIS AGREEMENT WITHOUT PENALTY OR OBLIGATION AT ANY TIME, FOR ANY REASON. I UNDERSTAND THAT MY NOTICE OF CANCELLATION MUST BE SUBMITTED IN WRITING TO THE COMPANY AT ITS PRINCIPAL BUSINESS ADDRESS.

Signature

On Behalf of (Business Name)

Date: _____

CARELUMINA
COMPENSATION PLAN AND POLICIES AND PROCEDURES

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SECTION A - INTRODUCTION AND COMPENSATION PLAN

WELCOME TO CARELUMINA. CARELUMINA PROVIDES SOMETHING FOR EVERYONE. WITH INNOVATIVE AND EVOLUTIONARY PRODUCTS AND SERVICES WE'RE TRANSFORMING LIVES USING A UNIQUE APPROACH TO HEALTHCARE, WELLNESS, BEAUTY AND LIFESTYLE.

1. STATUS AND QUALIFICATION LEVELS

Affiliate - AF	(AF's) receive discount buying on products and earn compensation on Personal Sales.
Brand Ambassador - BA	(BA's) receive discount buying on products and earn compensation on Personal Sales. (BA's) wishing to earn additional income and overrides as outlined in the Compensation Plan must qualify for the Status of Manager.
Manager - MG 3 LEVEL MATRIX 9 LEVEL SALES	To achieve Manager (MG) Status a (BA) must achieve by selling products or services three (3) Customer Points during the qualification pay period. Customer Points = 3
Senior Manager - SM 5 LEVEL MATRIX 9 LEVEL SALES	To achieve Senior Manager (SM) Status a (BA) must achieve by selling products or services three (3) Customer Points and Personally Sponsor two (2) Brand Ambassadors who qualify for the Status of Manager (MG) within the qualification pay period. "or" If a Manager has not Personally Sponsored two (2) Brand Ambassadors who qualify for the Status of Manager then the (BA) can qualify for the status of Senior Manger (SM) by achieve nine (9) personal Customer Points. Customer Points = 3 + Personally Qualified Managers (MG) = 2 "OR" by achieving 9 Personal Customer Points
Regional Manager - RM 7 LEVEL MATRIX 9 LEVEL SALES	To achieve Regional Manager (RM) Status a (BA) must achieve by selling products or services nine (9) Customer Points and Personally Sponsor two (2) Brand Ambassadors who qualify for the Status of Senior Manager (SM) within the qualification pay period. Customer Points = 9 + Personally Qualified Senior Managers (SM) = 2
National Manager - NM 9 LEVEL MATRIX 9 LEVEL SALES	To achieve National Manager (NM) Status a (BA) must achieve by selling products or services twenty (20) Customer Points and have three (3) Brand Ambassadors who qualify for the Status of Regional Manager (RM) within their nine (9) level pay ladder and within the qualification pay period. The three (3) Regional Managers (RM) can not be in the same leg and therefore must be across at least two (2) legs. Customer Points = 20 + Group Qualified Regional Managers (RM) = 3 and Organizational Group Customer Point Total = 500
Director - DR 9 LEVEL MATRIX 9 LEVEL SALES	To achieve Director (DR) Status a (BA) must achieve by selling products or services thirty (30) Customer Points and have three (3) Brand Ambassadors who qualify for the Status of National Manager (NM) within their nine (9) level pay ladder and within the qualification pay period. The three (3) National Managers (RM) can not be in the same leg and therefore must be across at least two (2) legs. The Director (DR) must also have a total of one thousand (1,000) total Group Customer Points throughout the Directors (DR) total Group. Customer Points = 30 + Group Qualified National Managers (NM) = 3 and Organizational Group Customer Point Total = 1,000
Presidential - PR 9 LEVEL MATRIX 9 LEVEL SALES	To achieve Presidential (PR) Status a (BA) must achieve by selling products or services thirty (30) Customer Points and have four (4) Brand Ambassadors who qualify for the Status of Director (DR) within their nine (9) level pay ladder and within the qualification pay period. The four (4) Directors (DR) can not be in the same leg and therefore must be across at least two (2) legs. The Presidential (PR) must also have a total of two thousand (2,000) total Group Customer Points throughout the Presidential's (PR) total Group. Customer Points = 30 + Group Qualified Directors (DR) = 4 and Organizational Group Customer Point Total = 2,000

2. COMPENSATION PLAN

2.1. - Commissions and Financial Payments to Brand Ambassadors

Brand Ambassadors must be Active and qualified according to the Compensation Plan in order to be eligible to receive Financial Payments from Carelumina. Compensation on each product or service is paid and calculated off of the product Commissionable Value ^(CV) or the Matrix Value ^(MV) of the product or service and “not” off of the retail rate unless specifically specified otherwise. Financial Payments to a Brand Ambassador will be calculated based on the Carelumina Compensation Plan. The Commissionable Value ^(CV) or Matrix Value ^(MV) of each product and service is outlined in the Brand Ambassadors back office system or can be reviewed online at www.carelumina.com under representative login. Carelumina reserves the right to change the Commissionable Value ^(CV) and/or Matrix Value ^(MV) of a product or service at any time without notice and at the Company’s sole discretion. In order to provide each Brand Ambassador with unprecedented earning potential the Carelumina Compensation Plan offers numerous ways for Brand Ambassadors to earn compensation within the Carelumina Compensation Plan.

Payments received from customers for product sales and which are used to calculate Carelumina compensation and bonuses listed here within or listed on other Carelumina owned properties must have cleared payment and been finalized successfully without refund, chargeback, or return during that certain pay period or calendar month and must be received prior to Midnight on the close date of that certain pay period or calendar month. Any Payment received after the cutoff time of Midnight on the close date of that certain pay period or calendar month will be credited on the next calculated period or payment cycle. Adjusted group pricing, employee benefit plans, list billing services or products with agreed to adjusted group pricing do not qualify as retail sales.

Immediate Income	Leadership Bonuses
Residual Income	Customer Sales Bonuses
Override Income	Training and Fast Start Path Bonuses

Brand Ambassadors are provided with two compensation programs:

1. The **Business Builder 3/9 Matrix Program** outlined in Section 2.3 is where Matrix Qualified Commissions are paid. These are typically internal products or services purchased to manage the Brand Ambassadors Carelumina business.
2. The **Qualifying and Product Sales Program** outlined in Sections 2.4 thru 2.8 is where Product and Service Commissions are normally paid. These are typically products that are purchased through the shopping program and that are not considered business building or not designated Matrix Qualified Products.

2.2. - Bonuses

Fast Start Path Bonus	30 Day Personal Sales Bonus
Fast Start Training Bonus	90 Day Group Sales Bonus
Customer Retail Sales Bonus	

With the Carelumina Compensation Plan you can earn short term income while building a sustainable long term residual income. *Please note that only one monetary bonus is paid per category, pre month or period. For example: if 30 customer points earns \$100 dollars in bonus and 60 customer points earns \$250 in bonus and the position qualifies with 61 customer points the higher bonus of \$250 is paid. Bonuses do not compound.*

Fast Start Path Bonus:

A one time fast start bonus will be paid to a Brand Ambassador, the first Reginal Manager (RM) upline and the next Director (DR) upline when a new Brand Ambassador enrolls in the company and purchases a Path within the first 30 days of the new Brand Ambassador’s enrollment in the Company. Fast Start Path pricing and program details or outlined on the Carelumina web site and is subject to change at the Company’s discretion.

Fast Start Path Bonus	Sponsor	First Senior Manager (RM)	First Regional Manager (DR)
Essential Path	\$45	\$5	\$5
Total Health Path	\$75	\$5	\$5
Illumination Path	\$150	\$10	\$10

Fast Start Training Bonus:

A one time Fast Start Training bonus is paid to an Active and Qualified Brand Ambassador for each newly enrolled Brand Ambassador who has paid the one-time enrollment fee and has completed the Carelumina Training Program. An override Bonus Fee will also be paid the first Regional Manger (RM) position directly above the sponsor and an override Bonus Fee will also be paid the first Director (DR) position above the sponsor.

Fast Start Training Bonus	Sponsor	Sponsor, Sponsor (RM)	First Regional Manager (DR)
Bonus	\$100	\$10	\$10

30 Day Personal Sales Bonus:

A one time 30 Day Personal Sales Bonus will be paid to an Active and Qualified Brand Ambassador when the Brand Ambassador's personal position achieves personal product sales in the first 30 calendar days from the date of the Brand Ambassador's enrollment and the Brand Ambassador's position achieves and qualifies that position as Status of Manager. The 30 Day Personal Sales Bonus will be paid to an Active and Qualified Brand Ambassadors on the next weekly pay period that follows the last day of the certain 30 day period.

30 Day Personal Customer Points Generated	Bonus
0 - 49 Customer Points	No Bonus Triggered - Must be 50 or more points.
50 - 99	\$500
100 +	\$1000

90 Day Group Sales Bonus (9 level calculation):

A one time 90 Day Group Sales Bonus will be paid to an Active and Qualified Brand Ambassador when the Brand Ambassador's personal position and/or the Brand Ambassador's entire 9 level group achieves certain Customer Points within the first 90 calendar days from the date of the Brand Ambassador's enrollment and the Brand Ambassador's position achieves and qualifies that position as Status of Manager. The 90 Day Group Sales Bonus will be paid to an Active and Qualified Brand Ambassadors on the next weekly pay period that follows the last day of the certain 90 day period.

90 Day Group Customer Points Generated	Bonus
0 - 399 Customer Points	No Bonus Triggered - Must be 400 or more points.
400 - 999	\$1000
1000 +	\$2500

Monthly Retail Sales Customer Specialist Bonus:

A monthly Personal Customer Retail Sales Bonus will be paid to an Active and Qualified Brand Ambassador each month when the Brand Ambassador's personal position achieves certain customer retail sales within the prior calendar month period. The Customer Retail Sales Bonus will be paid to an Active and Qualified Brand Ambassadors on the next weekly pay period that follows the last day of the certain calendar period. *Adjusted group pricing, employee benefit plans, list billing services or products with agreed to adjusted group pricing do not qualify as retail sales.*

Personal Customer Point Retail Sales Generated	Bonus
0 - 24 Customer Points	No Bonus Triggered - Must be 25 or more points.
25 - 49	\$50
50 - 99	\$150
100 +	\$500

2.3. - Business Builder - 3/9 Matrix Program

The Carelumina Business Builder three-by-nine (3/9) Matrix Program provides each Brand Ambassador the opportunity to build monthly income from the performance of the group above the Brand Ambassador and help other Brand Ambassadors below their position (if they have 3 BA's frontline) with their own production activity. The Matrix Program is designed to provide Brand Ambassadors the opportunity to potentially earn income in the Matrix Program even if they have limited personal volume. The Matrix Program will pay compensation on products or services designed as a Matrix Qualified Product. **Any product or service that is "not" designated a Matrix Qualified Product is compensated according to the Qualifying and Product Sales Program outlined in Section 2.4 thru 2.8.**

A flat \$18.00 / \$2.00 per level amount will be designated and placed into the Matrix Program for each Business Builder MD program purchased. From time-to-time other products and services may be deemed Matrix Qualified* and monies will be placed into the Matrix Program according to a Matrix Value ^(MV) Percentage (%). MV is calculated and placed into the Matrix Program for payment to qualified Brand Ambassador each month. In the Matrix Program each Brand Ambassador is limited to three (3) front line Brand Ambassadors either by upline matrix placement or by personal recruitment. Once a Brand Ambassador has achieved three (3) frontline Brand Ambassadors by either personal or group placement then future recruits will be placed downward within the 3/9 Matrix Program in the next available open location within that 3/9 Group.

For Example: \$39.95 Monthly Business Builder MD program pays a Matrix Value ^(MV) of \$18.00 / \$2.00 per level. Meaning each level is populated with the designated (MV) and paid according to the Carelumina Compensation Plan. Other Matrix Qualified products will be paid out as a percentage (%) of the Matrix Value ^(MV) as outlined below.

3/9 MATRIX PROGRAM ^(MV)									* \$39.95 = \$2^(MV) per level (Max \$18 Payout)
\$40 Business Builder Monthly Fee	(AF)	(BA)	Manager (MG)	Senior Manager (SM)	Regional Manager (RM)	National Manager (NM)	Director (DR)	Presidential (PR)	
Level 1	-	-	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
2	-	-	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
3	-	-	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
4	-	-	-	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
5	-	-	-	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
6	-	-	-	-	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
7	-	-	-	-	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
8	-	-	-	-	-	\$2.00	\$2.00	\$2.00	\$2.00
9	-	-	-	-	-	\$2.00	\$2.00	\$2.00	\$2.00

MATRIX VALUE % ^(MV)										* matrix qualified products paying a %
LEVEL	1	2	3	4	5	6	7	8	9	
%	10%	5%	5%	5%	5%	15%	15%	20%	20%	

* Review the most recent Carelumina Matrix Program Qualified product list as outlined in the Carelumina Brand Ambassador back office. The Matrix Program and its payout designations and Qualified Matrix Products are subject to change without notice and at Carelumina's sole discretion.

2.4. - Monthly Overrides - Qualifying and Product Sales Program

The Qualified Product Sales Program provides monthly Residual Compensation on products or services that are purchased from Carelumina. Compensation is paid on products or services sold during the prior calendar month. Brand Ambassadors with a Status of Manager or higher will be paid an override on all Group levels for a total of 9 Levels at varying percentages depending on the Brand Ambassadors Status as outlined in this Agreement.

2.5. - Monthly Leader Bonus

A Monthly Leader Bonus will be paid to a qualified Brand Ambassador's who have reached the appropriate Status thirty (30) days from the close of a calendar months processing period. Leadership Bonuses will be paid to the Brand Ambassador who has achieved the appropriate Status on or before the last day of the prior month. *Please note that only one monetary bonus is paid per achieved status, pre month or period. For example: if Presidential (PR) Status is achieved a \$2,500 dollar bonus will be paid. Bonuses do not compound across achieved positions.*

2.6. - Earned Position Bonus

A one time Earned Position Bonus will be paid to an Active and Qualified Brand Ambassador when the Brand Ambassador's personal position achieves the designated status of National Manager, Director or Presidential within the designated time frame calculated from the start date of the Brand Ambassadors first enrolling with the Company and as it is outlined within the Qualifying Product Sales Program. *For example: if Presidential (PR) Status is achieved in the first 180 days a one time bonus of \$5,000 dollar bonus will be paid. Bonuses do not compound across achieved positions.*

2.7. - Compression

When a vacancy occurs due to the termination of a Independent Distributorship, each Brand Ambassador in the first level immediately below the terminated Brand Ambassador on the date of the Cancellation will be moved to the first level ("Front Line") of the terminated Brand Ambassador's Placement Sponsor (compresses up one level within the Sponsor tree).

QUALIFYING PRODUCT SALES PROGRAM ^(CV)

	(AF)	(BA)	Manager (MG)	Senior Manager (SM)	Regional Manager (RM)	National Manager (NM)	Director (DR)	Presidential (PR)
Personal Sales ^(CV)	30%	50%	50%	50%	50%	50%	50%	50%
Override Level 1 ^(CV)			5%	5%	5%	5%	5%	5%
Override Level 2 ^(CV)			1%	2%	3%	4%	4%	5%
Override Level 3 ^(CV)			1%	2%	3%	4%	4%	5%
Override Level 4 ^(CV)			1%	2%	3%	4%	4%	5%
Override Level 5 ^(CV)			1%	2%	3%	4%	4%	5%
Override Level 6 ^(CV)			1%	2%	3%	4%	4%	5%
Override Level 7 ^(CV)			1%	2%	3%	4%	4%	5%
Override Level 8 ^(CV)			1%	2%	3%	4%	4%	5%
Override Level 9 ^(CV)			1%	2%	3%	4%	4%	5%
Monthly Leader Bonus						\$500	\$1000	\$2500
Earned Position Bonus (days from enrollment to qualify for bonus)						\$500 (60 Days)	\$1,000 (90 Days)	\$5,000 (180 Days)

SECTION B - POLICIES AND PROCEDURES

THE PURPOSE OF THESE POLICIES AND PROCEDURES

The development of the guidelines designed by Carelumina, LLC is an outline to assist in the success of Carelumina and its Brand Ambassadors. This document should be read in its entirety. Every Brand Ambassador (hereafter "Brand Ambassador") must be familiar with these Policies and Procedures (hereafter "Agreement") and agree to comply with all policies set forth herein. Brand Ambassadors are subject to the regulations of the Agreement from the time that they receive their Brand Ambassador Identification Number - RIN. Submission of the Brand Ambassador Application and acceptance of any commissions constitutes acknowledgment on the part of the Brand Ambassador that he/she has read and agrees to abide by the Agreements of the Company. This Agreement, in its entirety, is applicable to all Brand Ambassadors. Some aspects of the document may be modified by a separate, local addendum for Brand Ambassadors in other Countries or regarding specific topics such as compensation. If a conflict should arise between the Agreement and any addendum, the terms of the addendum shall be controlling. Brand Ambassadors must regularly review the most recent Agreements as they are published at www.carelumina.com. Carelumina, LLC (The Company and its affiliated companies (collectively "the Company" herein), is a network marketing Company which honors the Agreement outlined hereafter. This document is an integral part of the Brand Ambassador Agreement. It was created to protect the rights of all Brand Ambassadors and to provide a clear, procedural framework within which they may work effectively. These Policies and Procedures provide the following benefits:

- A. Provide equal opportunity for all Brand Ambassadors throughout the Compensation Plan.
- B. Provide Brand Ambassadors adequate definitions and explanation of the Carelumina Compensation Plan.
- C. Define the contractual obligation between Carelumina and its Brand Ambassadors.
- D. By complying with regulatory requirements, and by providing information about the programs to appropriate agencies.
- E. By providing Brand Ambassadors a guide that informs them of the Agreement(s) to which they must adhere, both in terms of what they must do, and what actions are prohibited.
- F. By establishing a basis for problem resolution between Brand Ambassadors and the Company.

1. POLICIES AND PROCEDURES INTRODUCTION

1.1. - Policies and Procedures

The Brand Ambassador Agreement and these Policies and Procedures are, in their current form and as may be amended from time to time at the sole discretion of Carelumina, LLC ("Carelumina" or the "Company"), are hereby in its current or amended form incorporated into the Carelumina Brand Ambassador Agreement. Throughout these Policies and Procedures, the term "Agreement" is used, and refers to the Carelumina Brand Ambassador Agreement and Application, the Carelumina Terms and Conditions, Carelumina Policies and Procedures and Carelumina Compensation Plan. It is the responsibility of each Brand Ambassador to read, understand, adhere to the most current version of these Policies and Procedures. When enrolling a new Brand Ambassador, it is the responsibility of the Enroller (as further defined) to provide the most current version of these Policies and Procedures and the Carelumina Compensation Plan to the applicant prior to his or her execution of the Brand Ambassador Application Agreement.

1.2. - Purpose of Policies

Carelumina is a company that markets and sells products through Brand Ambassadors and direct to the consumer. It is important that all Brand Ambassadors understand that their success is dependent upon their integrity and the amount of time and effort put into the program. To clearly define the relationship that exists between Brand Ambassadors and Carelumina, and to explicitly set standards for acceptable business conduct, Carelumina has established the Agreement. Brand Ambassadors are required to comply with terms and conditions set forth in the Agreement, as well as all Federal, State and local laws governing their independent business and overall conduct. Brand Ambassadors must read and abide by the Agreement. The Agreement explains and governs the relationship between Brand Ambassadors and the Company. Any questions regarding the Agreement, the policy or the rules of the Company should be directed to Carelumina.

1.3. - Changes to the Agreement

Due to the fact that Federal, State and local laws, as well as the business environment may change, Carelumina reserves the right to amend the Agreement (including, without limitation, the Brand Ambassador Application and Agreement, Terms and Conditions, and Policies and Procedures) and its prices and product offering in its sole and absolute discretion. The Company shall provide or make available to all Brand Ambassadors a copy of the amended provisions by one or more of the following: (1) posting on the Company's official website Carelumina.com or Carelumina.live; (2) electronic e-mail; (3) fax-on-demand; (4) voice mail broadcast; (5) inclusion in Company periodicals; (6) inclusion in Brand Ambassador checks; or (7) special mailings from the Company. The most current and controlling version will be located at the Company web site Carelumina.com. It is the responsibility of all Brand Ambassadors to regularly review Carelumina.com for the most

recently published amendment(s). Once the amendment(s) are published, the Brand Ambassador may elect to accept the amendment(s) or reject them. If the Brand Ambassador rejects them, their Agreement will terminate and will not be renewed. If the Brand Ambassador continues to purchase or sell Company products, enroll and/or accept rebates, commissions or bonuses from Carelumina, such actions shall be deemed acceptance of any amendment(s).

1.4. - Delays

Carelumina shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, acts of God, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government orders.

1.5. - Waiver

The Company forever holds and never gives up its right to insist on Brand Ambassador compliance with the Agreement and with the applicable laws governing the conduct of a Brand Ambassador. No failure of Carelumina to exercise any right or power under the Agreement or to insist upon strict compliance by a Brand Ambassador with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Carelumina's right to demand exact compliance with the Agreement. Waiver by Carelumina can be affected only in writing by an authorized officer of the Company. Carelumina's waiver of any particular breach by a Brand Ambassador shall not affect or impair Carelumina's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Brand Ambassador. Nor shall any delay or omission by Carelumina to exercise any right arising from a breach affect or impair Carelumina's rights as to that or any subsequent breach. The allegation or existence of any claim or cause of action of a Brand Ambassador against Carelumina shall not constitute a defense to Carelumina's enforcement of any term or provision of the Agreement.

1.6. - Severability

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.

2. BECOMING A BRAND AMBASSADOR AND RULES OF CONDUCT

- A. Conduct themselves honestly, morally and legally in all aspects of their business and keep their activities honorable to reflect well on themselves and on Carelumina.
- B. Represent the products honestly and in keeping with what is reflected in the Carelumina literature, including references to health claims, white papers and the benefits of the Carelumina products and services.
- C. Answer questions and explain the Compensation Plan honestly and as set forth in the Carelumina materials.
- D. Take their business and Upline support responsibilities seriously, including, without limitation, readily training, aiding and supporting persons within your downline organization.
- E. Abide by the product guarantee and return policies for themselves and for their customers.
- F. Respect the professional relationships between Carelumina and any of its advisors, vendors, endorsers or affiliates by speaking of them appropriately as set forth in these policies and refraining from making contact with them.
- G. Direct all media and other inquiries to Carelumina.
- H. Adhere to the Agreement.
- I. Conduct their Independent Distributorship professionally in order to help protect the Carelumina brand.

2.1. - Requirements to Become a Brand Ambassador

In order to become a Brand Ambassador a person must:

- A. Be a minimum of eighteen (18) years of age;
- B. Have a valid Social Security or Federal Tax ID number;
- C. Submit a completed and signed Brand Ambassador Application and Agreement. The Company reserves the right to reject any applications for a new Brand Ambassador or applications for renewal in its sole and absolute discretion. The Agreement is effective upon acceptance of the Brand Ambassador Application and Agreement by the Company as set forth in the Terms and Conditions set forth in this Agreement.

2.2. - New Brand Ambassador Registration by Phone, Fax or Internet

In addition to registering online or another approved method, an applicant may call Representative Support during regular business hours to receive a temporary Brand Ambassador Identification Number (“RIN”) and a temporary authorization for a new Brand Ambassador. The applicant must be able to provide necessary information over the telephone. A new Brand Ambassador Start Kit must be ordered at that time using a valid credit card. When phoning in an application, until Carelumina has received all current information from the Brand Ambassador (by online, fax or mail), the Brand Ambassador’s account will be on hold and not allowed to receive commissions until such a time that it is received. The new Brand Ambassador’s RIN and authorization will be valid for thirty (30) days, pending receipt of the completed and signed Brand Ambassador Application and Agreement by Carelumina. Once the Brand Ambassador Application and Agreement is received by Carelumina, the new Brand Ambassador Agreement will be extended to the standard one (1) full year from the date on which the RIN was issued. If the new Brand Ambassador Application and Agreement is not completed within the temporary 30-day time period, the temporary authorization shall expire, the RIN will be cancelled, and the Brand Ambassador Application and Agreement will be automatically terminated.

2.3. - Renewal of a Independent Distributorship

The term of the Carelumina Agreement is for a period of one (1) month from the date of its acceptance by Carelumina. A monthly renewal fee is required and billed each month and will include support and product services for managing your Carelumina Independent Business. Once the renewal fee has been collected, the Agreement will be renewed provided the Brand Ambassador is in good standing and the Agreement has not been cancelled as provided herein.

3. OPERATING AS A INDEPENDENT DISTRIBUTORSHIP

3.1. - Adherence to the Carelumina Compensation Plan

Brand Ambassadors must agree to and adhere to the terms of the Carelumina Compensation Plan. Brand Ambassadors shall not offer the Carelumina opportunity through, or in combination with, any other program, product, service, system, or any other method of marketing other than with items specifically set forth in official Carelumina literature. Brand Ambassadors shall not require or encourage other current or prospective Brand Ambassadors to participate in Carelumina in any manner that varies from the program as set forth in official Carelumina materials. Brand Ambassadors shall not require or encourage other current or prospective Brand Ambassadors to make any purchase from, or payment to, any individual, vendor or other entity to participate in the Carelumina Compensation Plan other than those purchases or payments identified as recommended or required in official Carelumina literature.

3.2. - Business Entities

A sole proprietorship, partnership, Limited Liability Company (LLC) or corporation may become a Brand Ambassador subject to review and approval by Carelumina. However, no individual may participate in more than one position without the prior written approval of Carelumina. For a company to become a Brand Ambassador, or to change their current status to a company, Carelumina must be notified in writing. Written notice is also required when changing an existing individual’s personal or corporate status. The following items are required to apply for Brand Ambassador status as a company:

- A. The name of the company.
- B. The company’s Taxpayer Identification Number.
- C. A list of all partners/shareholders/members with more than 10% ownership – the document MUST include the Social Security Number for each person listed.
- D. A completed Brand Ambassador Agreement must be signed by each individual authorized to enter into binding agreements on behalf of the business entity. Individuals on behalf of a company who submit the Brand Ambassador agreement must be authorized to enter into binding contracts on behalf of the company.

3.3. - Minors

A person who is recognized as a minor in his or her state of residence may not be a Carelumina Brand Ambassador. Brand Ambassadors shall not enroll or recruit minors into the Carelumina program.

3.4. - One Independent Distributorship per Person and two per Household

Except as provided within this Section 3.4, a Brand Ambassador may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, member, owner or beneficiary, in only one Independent Distributorship. Individuals of the same family unit may not enter into or have an interest in more than two Carelumina Independent Distributorships (see Section 5.6 “Stacking”). A “family unit” is defined as spouses (as further defined below)

and dependent children living at or doing business at the same address. In order to maintain the integrity of the Carelumina Compensation Plan, husbands and wives or common-law couples (collectively “Spouse(s)”) who wish to become separate Brand Ambassadors must sign a separate Brand Ambassador Application and Agreement, and must have the same Enroller. A spouse may be “placed” under their spouse’s Brand Ambassador as long as they have the same Enroller. An individual may have a second and third position only with the express written consent of Carelumina.

3.5. - Actions of Household Members or Affiliated Individuals

Actions of Household Members or Affiliated Individuals; If any member of a Brand Ambassador’s immediate household engages in any activity which, if performed by the Brand Ambassador, would violate any provision of the Agreement, such activity will be deemed a violation by the Brand Ambassador and Carelumina may take disciplinary action pursuant to the Agreement against the Brand Ambassador. Similarly, if any individual associated in any way with a Business Entity (collectively “Affiliated Individual”) violates the Agreement, such action(s) will be deemed a violation by the entity, and Carelumina may take disciplinary action against the Business Entity.

3.6. - Independent Contractor Status

Brand Ambassadors are independent contractors, not employees of the Company. Brand Ambassadors are not purchasers of a franchise or a business opportunity. The Agreement between Carelumina and its Brand Ambassadors does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Brand Ambassador. Carelumina may, at its discretion, require notarized documents before implementing any changes to an Independent Distributorship. Allow thirty (30) days after the receipt of the request by Carelumina for processing. The Brand Ambassador is responsible for paying all applicable local, state and federal taxes due from all compensation earned as a Brand Ambassador of the Company. The Brand Ambassador has no authority (expressed or implied) to bind the Company to any obligation. Each Brand Ambassador shall establish his or her own goals, hours and methods of sale, so long as he or she complies with the terms of the Agreement and all applicable laws.

3.7. - Enrolling/ Placing or Sponsoring

All active Brand Ambassadors in good standing may enroll and/or place others into the Carelumina program. Each prospective Direct Retail Customer, Preferred Customer or Brand Ambassador has the ultimate right to choose his or her own Enroller and Placement Sponsor. If two Brand Ambassadors claim to be the Enroller and/or Placement Sponsor of the same new Brand Ambassador, Preferred Customer or Direct Retail Customer, the Company shall presume that the first application received by the Company is controlling.

3.8. - Changes to a Independent Distributorship

Brand Ambassadors must immediately notify Carelumina of any and all changes to the information contained on his or her Brand Ambassador Application and Agreement. Brand Ambassadors may modify their existing Brand Ambassador Application and Agreement (i.e., change Social Security number to Federal I.D. number, or change the form of ownership from an individual proprietorship to a Business Entity owned by the Brand Ambassador) by submitting a written request for a Name Change, a properly executed Brand Ambassador Application and Agreement, and other appropriate documents.

3.8.1. - Additional Owners or a Co-Applicant

When adding a co-applicant (either an individual or a Business Entity) to an existing Independent Distributorship, the Company requires a written request, as well as a properly completed Brand Ambassador Application and Agreement containing the applicant and co-applicant’s Social Security Numbers and signatures. To prevent the circumvention of Section 3.10 (regarding transfers and assignments), the original applicant must remain as the main party to the original Brand Ambassador Application and Agreement. If the original Brand Ambassador wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her Independent Distributorship. All bonus and commission checks will be sent to the address of record of the original Brand Ambassador. Please note that the modifications permitted within the scope of this Section 3.8.2 do not include a change of Enroller or Placement Sponsor. Changes of Enroller or Placement Sponsor are outlined in Section 3.8.3 below. Carelumina reserves the right to charge a processing fee for any change requested, which must be included with the written request and the completed Brand Ambassador Application and Agreement.

3.8.2. - Change of Enroller

To protect the integrity of all marketing organizations Carelumina strongly discourages changes in Enrollers or Placement Sponsors. Maintaining the integrity of placement is critical for the success of every marketing organization. Accordingly, the transfer of an Independent Distributorship from one Enroller to another may be denied

and not permitted. Requests for a change must be submitted in writing by contacting the Representative Support Department and must include an outline of the reason for the change request. Any change will be at the sole discretion of the Company. If the change is approved, only one change will be allowed per Enroller per annum. A change of Enroller will only be considered in the following:

A. In cases involving fraudulent inducement or unethical sponsoring, and in such cases a Brand Ambassador may request to be transferred/changed to another organization with his or her entire Marketing Organization intact. All requests for transfer/change alleging fraudulent enrollment practices shall be evaluated on a case-by-case basis.

B. The Brand Ambassador seeking to transfer/change submits a properly completed and fully executed Enroller Change Request Form, which includes the written approval of his or her Enroller and immediate three (3) Enroller Upline Brand Ambassadors. Photocopied or facsimile signatures are not acceptable. If the transferring Brand Ambassador also wants to move any of the Brand Ambassadors in his or her Marketing Organization, each Downline Brand Ambassador must obtain a properly completed Enroller Change Request Form and return it to Carelumina with any required processing fee (i.e., the transferring/changing Brand Ambassador and each Brand Ambassador in his or her Marketing Organization multiplied by the processing fee is the cost to move a Carelumina organization.) Downline Brand Ambassadors will not be moved with the transferring/changing Brand Ambassador unless all of the requirements of this Section 3.8 are met. Transferring/changing Brand Ambassadors must allow thirty (30) days after the receipt of the Enroller Change Request Form by Carelumina for processing while a decision is being made.

3.8.3. - Change of Placement Sponsor

New Participants that have not been placed under a particular Placement Sponsor at the time of enrollment will, by default, be placed Front Line to their Enroller. If a Placement Sponsor has not been selected by the end of the first thirty (30) days of enrollment, their Enroller becomes their permanent Placement Sponsor and changes thereafter must be made in accordance with a properly completed and fully executed Placement Sponsor Change Request form, which includes the written approval of his or her immediate three (3) Placement Sponsor Upline Brand Ambassadors. The Brand Ambassador who request changes must submit a processing fee for administrative charges and data processing. Allow thirty (30) days after the receipt of the Placement Sponsor Change Request form by Carelumina for processing while a decision is being made. If the change is approved, only one Placement Sponsor change will be allowed per annum per Brand Ambassador and Customer.

3.8.4. - Cancellation and Re-application

A Brand Ambassador may at any time cancel his or her Independent Distributorship and remain inactive (i.e., no purchases of Carelumina products for resale, no sales of Carelumina products, no enrolling, no attendance at any Carelumina functions, participation in any other form of Brand Ambassador activity, or operation of any other Independent Distributorship) for six (6) full calendar months. Following the six (6) month period of inactivity, the former Brand Ambassador may reapply under a new Enroller. Carelumina will consider waiving the six (6) month waiting period under exceptional circumstances. Waivers must be in writing.

3.9. - Roll-up and Compression of Marketing Organization

When a vacancy occurs due to the termination of a Independent Distributorship, each Brand Ambassador in the first level immediately below the terminated Brand Ambassador on the date of the Cancellation will be moved to the first level ("Front Line") of the terminated Brand Ambassador's Placement Sponsor (compresses up one level within the Sponsor tree).

3.10. - Sale, Transfer or Assignment of a Independent Distributorship

Although an Independent Distributorship is a privately owned, independently operated distributorship, the sale, transfer or assignment of an Independent Distributorship is subject to certain limitations. If a Brand Ambassador wishes to sell his or her Independent Distributorship, the following criteria outlined herewith must be met. If the buyer is an active Carelumina Brand Ambassador, he or she must first terminate his or her Independent Distributorship and wait the appropriate six (6) months term before becoming eligible to purchase another Independent Distributorship under another Enroller.

- A. The transaction must be approved by Carelumina in its sole discretion.
- B. The selling Brand Ambassador must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign an Independent Distributorship.
- C. Prior to selling an Independent Distributorship, the seller must notify Carelumina in writing, of the intent to sell. No changes in line of enrollment will result from the sale or transfer of a Independent Distributorship

3.11. - Separation of a Independent Distributorship

Brand Ambassadors sometimes operate their Carelumina Independent Distributorships as a Business Entity. At any such time a Business Entity dissolves, arrangements must be made to assure that any separation or division of the Business Entity is accomplished so as not to adversely affect the interests and income of other Brand Ambassadors upline or downline of the distributorship. If the separating business parties fail to provide for the best interests of other Brand Ambassadors and the Company, Carelumina may involuntarily and immediately terminate the Agreement and roll-up their Independent Distributorship and its entire Marketing Organization pursuant to Section 3.8 and 3.9 . Under no circumstances will the Downline of divorcing or legally separating spouses or a dissolving Business Entity be divided based on the requests or desires of the divorcing or legally separating parties. Similarly, under no circumstances will Carelumina split commission and bonus checks between divorcing or legally separating spouses or members of dissolving Business Entities. Carelumina will recognize only one authorized person and only issue one commission payment per Independent Distributorship. Commission payments shall be issued to the individual or Business Entity on the signed and submitted Distributorship application. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the Independent Distributorship, commissions will continue to be paid to the primary member on the account. If a former spouse or a former Affiliated Individual has completely relinquished all rights in their original Independent Distributorship, they are thereafter free to enroll under any other Enroller of their choosing. In such case, however, the former spouse or partner shall have no rights to the former organization or Group. The former spouse or partner must develop a new Marketing Organization in the same manner as would any other.

3.12. - Succession

Upon the death of or incapacitation of any Brand Ambassador, his or her Independent Distributorship may be passed to his or her heirs upon approval of Carelumina. Appropriate legal documentation must be submitted to the Company to ensure the transfer. Whenever a Independent Distributorship is transferred by will or other testamentary process, the legal successor in interest acquires the right to collect Financial Payments (defined in Section 3.13) of the deceased Brand Ambassador's Marketing Organization provided the following qualifications are met:

- A. Execute a Brand Ambassador Application and Agreement and comply with the terms of the Agreement;
- B. Meet all of the qualifications for the deceased Brand Ambassador's status;
- C. If the Independent Distributorship is bequeathed to multiple legal successors in interest, they must form a Business Entity and acquire a Federal Taxpayer Identification number. Carelumina will issue all bonus and commission checks and a Form 1099 as required by the IRS

3.13. - Transfer Upon Death of a Brand Ambassador

To effect a testamentary transfer of a Independent Distributorship, the successor in interest must provide the following documents: (1) An original death certificate; (2) A notarized copy of the will or other instrument establishing the successor's rights; and If the testamentary transfer is held in Trust, then a copy of the Trust instrument establishing the successor's right to the Independent Distributorship must be submitted; (3) A completed and executed Brand Ambassador Application and Agreement. If the successor in interest is already a Carelumina Brand Ambassador, the Company may grant exception to the One Distributorship per Household rule upon written request from the successor in interest.

3.14. - Transfer Upon Incapacitation of a Brand Ambassador

To effect a transfer of a Independent Distributorship because of incapacity, a legally appointed representative must provide the following: (1) a notarized copy of an appointment as trustee or other legally appointed representative; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Independent Distributorship; and (3) a completed Brand Ambassador Application and Agreement executed by the trustee. If the representative in interest is already a Carelumina Brand Ambassador, the Company may grant exception to the One Distributorship per Household rule upon written request from the representative in interest.

3.15. - Errors or Questions

All questions must be submitted directly to Carelumina if the Brand Ambassador believes that errors have been made regarding commissions, bonuses, Group Activity Reports or credit card charges. The Brand Ambassador must notify Carelumina in writing within sixty (60) days of the date of the purported error or incident in question. Carelumina will not be responsible for any errors, omissions or problems not reported to the Company within sixty (60) days of the purported error or incident in question.

4. RESPONSIBILITIES OF BRAND AMBASSADORS

4.1. - Change of Contact Information

To ensure effective delivery of services, products, support materials and payments, it is critically important that Carelumina's files are kept current and accurate. Street addresses are required for shipping since product will not be delivered to a post office box. If a Brand Ambassador is planning to move then a change of address form should be submitted to Representative Support. If a Brand Ambassador is presently on the Smartship plan, the Smartship will automatically be updated to the new address once the form is submitted. If more than one change of address notice or Smartship Agreement has been submitted to Carelumina, the most recent one will supersede any previous notices or Agreements. Please allow thirty (30) days after the receipt of the notice or Agreement by Carelumina for processing.

4.2. - Ongoing Training and Increased Training Responsibilities

Successful Brand Ambassadors who enroll a new Brand Ambassador (the "Enroller") must perform a bona fide assistance and training function to ensure proper operation of all Independent Distributorships. Successful Brand Ambassadors have ongoing contact and communication with the Brand Ambassadors in their downline organizations. Examples of such contact and communication may include, but are not limited to: personal phone calls, emails, written correspondence, in-person meetings, auto voice mail, and the accompaniment of downline Brand Ambassadors to Carelumina meetings, training sessions and other functions. Successful upline Brand Ambassadors (the "Sponsors") also motivate and effectively train new Brand Ambassadors on Carelumina product knowledge, effective sales techniques, the Carelumina Compensation Plan and compliance with the Company Policies and Procedures. Communication with and the training of downline Brand Ambassadors must not, however, violate Section 6 (regarding the development of Brand Ambassadors in their Downline Organizations) to ensure that downline Brand Ambassadors do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request by Carelumina, every Brand Ambassador should be able to provide documented evidence to Carelumina of his or her ongoing efforts as a mentor and an Enroller.

4.3. - Non-Disparagement

Carelumina's goal is to provide Brand Ambassadors with the best products, Compensation Plan and services. All Brand Ambassador comments should be submitted in writing to the Representative Support Department. Brand Ambassadors should not, however, disparage, demean or make negative remarks about Carelumina, other Brand Ambassadors, Carelumina's products or services, the Compensation Plan, or Carelumina's directors, officers or employees.

4.4. - Providing Documentation to Applicants

An Enroller must provide the most current version of the Policies and Procedures and the Compensation Plan to the individual(s) whom he or she is considering to enroll to become a Brand Ambassador before such applicant signs a Brand Ambassador Application and Agreement.

4.5. - Reporting Policy Violations

Brand Ambassadors who become aware of a policy violation by another Brand Ambassador should submit a written report of the violation directly to the attention of the Carelumina. Details of the incidents such as dates, number of occurrences, persons involved and any supporting documentation such as product or service in question should be included in the submission report.

4.6. - No Implied Claims

No claims may be made or implied that any Brand Ambassador has advantages with or special privileges with the Company or is in any way exempt from the same obligations and requirements of every other Brand Ambassador.

5. CONFLICTS OF INTEREST

5.1. - Selling Other Products & Services

Representatives may participate in other direct selling or marketing or multilevel marketing ventures (collectively "Marketing Ventures"), and Brand Ambassadors may engage in selling activities related to non-Carelumina products and services. If a Brand Ambassador elects to participate in another Marketing Venture, in order to avoid conflicts of interest and loyalties, Brand Ambassadors must follow and adhere to items within this Section 5 and the Agreement.

5.2. - Non-Solicitation

During the term of the Agreement and for a period of one (1) year after, a Brand Ambassador shall not engage in any actual or attempted recruitment or enrollment of a Carelumina Brand Ambassador for another Marketing Venture(s), either directly or indirectly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of another Marketing Venture to any Carelumina Brand Ambassador or Customer, or implicitly or explicitly encouraging any Carelumina Brand Ambassador or Customer to join another Marketing Venture. During the term of the Agreement, a Brand Ambassador may not:

- A. Produce, offer or transfer any literature, audio files, tapes, CDs, DVDs or other promotional material of any nature for another Marketing Venture which is used by the Brand Ambassador or any third person to recruit Brand Ambassadors, Preferred Customers or Direct Retail Customers for that Marketing Venture;
- B. Sell, offer to sell, or promote any competing non-Carelumina products or services to Brand Ambassadors, Preferred Customers or Direct Retail Customers (any product in the same generic product category as a Carelumina product is deemed to be competing (e.g., any nutritional supplement in the same generic category as Carelumina's nutritional supplements, and is therefore a competing product, regardless of differences in cost, quality, ingredients or contents);
- C. Offer Carelumina products or promote the Carelumina Compensation Plan in conjunction with any non-Carelumina products, services, business plan, opportunity or incentive; or
- D. Offer any non-Carelumina products, services, business plan, opportunity or incentive at any Carelumina meeting, seminar, launch, convention or other Carelumina function, or immediately following such event

5.3. - Targeting Other Marketers

Carelumina does not allow Brand Ambassadors to target the sales force of another sales company to sell Carelumina products or to become a Brand Ambassador for Carelumina, nor does Carelumina allow Brand Ambassadors to solicit or entice members of the sales force of another sales company to violate the terms of their contract with such other company.

5.4. - Cross-Sponsoring

Actual or attempted cross-sponsoring is strictly prohibited. "Cross-Sponsoring" is defined as the enrollment of an individual or entity which already has a current customer or Brand Ambassador Application and Agreement with Carelumina, or which has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID's to circumvent this policy or any other provision of the Agreement is strictly prohibited. Brand Ambassadors shall not demean, discredit or defame other Brand Ambassadors in an attempt to entice another Brand Ambassador to become part of the first Brand Ambassador's Marketing Organization. Notwithstanding the foregoing, this policy shall not prohibit the transfer of an Independent Distributorship in accordance with Section 3.10. If Cross-Sponsoring is discovered, it must be brought to the Company's attention immediately. Carelumina may take action against the Brand Ambassador who changed organizations and/or those Brand Ambassadors who encouraged or participated in the Cross-Sponsoring. Carelumina may also move all or part of the offending Brand Ambassador's Group to its original Group organization if the Company deems it equitable and feasible to do so. However, Carelumina is under no obligation to move the Cross-Sponsored Brand Ambassador's Group organization, and the ultimate disposition of the organization remains within the sole discretion of Carelumina. Brand Ambassadors waive all claims and causes of action against Carelumina arising from or relating to the disposition of the Cross-Sponsored Brand Ambassador's Group organization.

5.5. - Holding Applications or Orders

Brand Ambassadors must act in good faith and must not manipulate enrollments of new applicants and the purchase of products. All Brand Ambassador Applications and Agreements, and product orders must be sent immediacy to Carelumina within twenty-four (24) hours from the time they are signed by a Brand Ambassador or placed by a Retail Customer, respectively (see "Stacking").

5.6. - Stacking

"Stacking" is strictly prohibited. The term Stacking includes but is not limited to: (1) the failure to transmit or the holding of a Brand Ambassador Application and Agreement in excess of one (1) business day after its execution; (2) violating the two Independent Distributorships per household rule (see Section 3.4); and/or (3) enrolling fictitious individuals or Business Entities into the Carelumina program (see Section 10 "Sales Requirements")

6. COMMUNICATION AND CONFIDENTIALITY WITHIN INDEPENDENT DISTRIBUTORSHIP

6.1. - Group Activity Reports and Genealogy Reports

Reports are available at Carelumina's official website. Brand Ambassador access to Group Activity Reports is username and password protected. Group Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets and are owned exclusively by Carelumina. Group Activity Reports are provided to Brand Ambassadors in strictest confidence and are made available for the sole purpose of assisting Brand Ambassadors in working with their respective Group Organizations in the development, support and growth of their Independent Distributorship. Brand Ambassadors should use their Group Activity Reports to assist, motivate and train their Brand Ambassadors and support their customers. The Brand Ambassador and Carelumina acknowledge and agree that, but for this agreement of confidentiality and nondisclosure, Carelumina would not provide Group Activity Reports to the Brand Ambassador. A Brand Ambassador shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- A. Directly or indirectly disclose any information contained in any Report to any third party;
- B. Directly or indirectly disclose the username or password or other access codes to his or her Group Activity Report;
- C. Use information to compete with Carelumina or for any purpose other than promoting his or her Independent Distributorship;
- D. Recruit or solicit any Brand Ambassador, Preferred Customer or Direct Retail Customer of Carelumina listed on any report, or in any manner attempt to influence or induce any Brand Ambassador, Preferred Customer or Direct Retail Customer, to alter their business relationship with Carelumina;
- E. Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Group Activity Report. Upon demand by the Company, any current or former Brand Ambassador will return the original and all copies of Group Activity Reports to the Company; and
- F. It is a violation of these Policies and Procedures for a Brand Ambassador or a third party to access this data via reverse engineering, keystroke monitoring or by any other means.

6.2. - Communication Opt-in

Brand Ambassador agrees that Carelumina or a party acting on its behalf may contact you by telephone using automated technology (e.g., an auto-dialer or pre-recorded messaging), text messaging or email to provide information about the product or services of Carelumina. You consent and agree to Carelumina contacting you in this manner at the telephone number(s) or email address that you provided or as updated. You understand that your carrier's standard rates may apply for calls and text messages. You understand that you may opt-out of receiving text messages at any time by following the instructions on each communication. You understand that your consent is not a condition of purchase. You consent and agree to Carelumina's privacy policy by signing and submitting this Distributor Agreement.

7. ADVERTISING

7.1. - General

The Brand Ambassador is 100% responsible for all marketing, promotion and ongoing cost related to managing and supporting their independent business. In order to safeguard and promote the good reputation of the established brands of Carelumina and its products and services and to ensure that the promotion of the Carelumina opportunity, the Compensation Plan, and Carelumina products and services are consistent with public interest and to avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices, all Brand Ambassadors, are required to only use the sales aids and support materials produced by Carelumina. The Company has carefully designed its products, product labels, Compensation Plan and promotional materials to ensure that the presentation of each aspect of Carelumina is fair, truthful, substantiated and complies with the vast and complex legal requirements of Federal, State and other applicable local laws. At no time shall a Brand Ambassador use any non approved Carelumina marketing material without the prior written approval from Carelumina. All such materials may not be sold and may only be offered free of charge. Carelumina further reserves the right to rescind approval for any sales tools, promotional materials, advertisements or other literature, and Brand Ambassadors waive all claims for damages or remuneration arising from or relating to such rescission. As these compliance policies are vital to the long-term stability of Carelumina and the preservation of the opportunity for all, violations of these policies will be strictly enforced. Failure to obtain written approval for supplemental marketing materials of any kind and/or the failure to implement the policies in any material may result in any of the actions set forth in the Agreement, without limitation, the following:

- A. Formal warning letter and/or probation;
- B. Suspension of commission and bonus payments;
- C. Termination of the Brand Ambassador Agreement; and/or Legal Action

7.2. - Trademarks and Copyrights

No Brand Ambassador shall use Carelumina's trade names, trademarks, designs, or symbols without its prior, written permission. For example, Brand Ambassadors may not use or attempt to register "Carelumina," or any of Carelumina's trademarks, other product names or any derivatives thereof connected with the Company for use in any Internet domain name, Internet/search engine, adwords (see Section 8.5.17 "Search Engines"), social pages or blogs, e-mail address, user name, team names, telephone numbers or any other address or title or online aliases that could cause confusion or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from or is the property of Carelumina. Brand Ambassadors may not produce for sale or distribution any recorded Company events or speeches without the prior written permission from Carelumina. Brand Ambassadors may not reproduce for sale or other use any recording of Company produced print, audio or digital media presentations. The name "Carelumina," and other names as may be adopted by Carelumina are examples of proprietary Company trade names, trademarks and service marks. As such, these marks are of great value to Carelumina and are supplied to Brand Ambassadors for their use only in an expressly authorized manner. Use of Carelumina's marks on any item not produced by the Company is prohibited except as follows: (John Smith, Carelumina® Brand Ambassador). All Brand Ambassadors must list themselves as a "Carelumina Brand Ambassador" or their archived title name in any advertising medium under their own name. No Brand Ambassador may place, use or display ads using Carelumina's name or logo. Brand Ambassadors may not answer the telephone by saying "Carelumina," "Carelumina Corporation," or in any manner that would lead the caller to believe that he or she has reached corporate offices of Carelumina. Similarly, Brand Ambassadors are prohibited from using the names of persons or companies, trademarks, designs or symbols to further their Independent Distributorship without full written consent.

7.3. - Unauthorized Claims and Actions

7.3.1. - Indemnification

A Brand Ambassador is fully responsible for all verbal and written statements made regarding the Carelumina products and services and the Compensation Plan which are not expressly contained in the official Carelumina materials. Brand Ambassadors agree to indemnify Carelumina's vendors, partners, directors, officers, employees and agents, and hold them harmless from any and all liability including, but not limited to, judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred as a result of the Brand Ambassador's unauthorized representations or actions. This provision shall survive the termination of the Agreement.

7.3.2. - Medical Claims

No medical claims shall be made, which include personal testimonials, as to therapeutic, curative or beneficial properties of any product or service offered by Carelumina may be made except those contained in official materials. In particular, no Brand Ambassador may make any claim that Carelumina products or services are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases or signs or symptoms of disease. Not only are such claims violations of Carelumina policies, but they potentially violate Federal and State laws, and regulations, such as the Federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act. A Brand Ambassador that provides product experience testimonials in any medium should use care to disclose their affiliation with Carelumina, i.e., "Carelumina@Brand Ambassador," be honest in their testimonial personal experience and assert that they are not claiming that their experience is the typical result experienced by consumers.

7.3.3. - Income Claims

Making income claims are strictly prohibited. Income claims are counterproductive because new Brand Ambassadors may become disappointed if their results are not as extensive or as rapid as the results others have achieved. At Carelumina, we firmly believe that the Carelumina income potential is great enough to be highly attractive, without reporting the earnings of others. Moreover, there are laws and regulations that regulate, or even prohibit, certain types of income claims and testimonials made by persons engaged in network marketing. While Brand Ambassadors may believe it beneficial to provide copies of checks or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Carelumina as well as the Brand Ambassador making such claims, unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Brand Ambassadors do not have the data necessary to comply with the legal requirements for making such income claims, a Brand Ambassador, when presenting or discussing the Carelumina opportunity or Compensation Plan to a prospective Brand Ambassador, may not make any income projections, income claims or disclose his or her Carelumina income (including the showing of checks, copies of checks, bank statements or tax records). Hypothetical income examples that are used to explain the operation of the Compensation Plan and which are based solely on mathematical projections, may be made to prospective Brand Ambassadors, so long as the Brand Ambassador who uses such hypothetical examples makes clear to the

prospective Brand Ambassador(s) that such earnings are hypothetical and the Brand Ambassador provides the prospect with a copy of the most current income disclosure chart prepared by the Company.

7.3.4. - Use of Celebrity Names and Likeness

No names or likeness of a celebrity may be published by Brand in association with Carelumina without the prior written approval of Carelumina.

7.3.5. - Interaction with Scientific Advisory Board and other Company Consultants

Carelumina maintains and holds many relationships with doctors, scientist, marketing, Public Relations (“PR”), business and legal professionals. In the interest of preserving these relationships for the benefit of all Brand Ambassadors and the Company, Brand Ambassadors must: (1) adhere strictly to the Company’s advertising policies; and (2) refrain from any contact with any member of the Company’s Board of Directors, Advisory Board or other consultant or advisors of the Company, without the express prior written consent of the Company.

7.3.6. - Governmental Approval or Endorsement

Government regulatory agencies do not approve or endorse any direct selling or network marketing companies or programs. Therefore, Brand Ambassadors shall not represent or imply that Carelumina or its Compensation Plan has been “approved,” “endorsed” or otherwise sanctioned by any government agency.

7.4. Media

7.4.1. - Promotions Utilizing Mass Media Prohibited

Except as otherwise specifically authorized herein, or when approved by Carelumina, a Brand Ambassadors may not at any time use any form of media or mass communication advertising to promote the products or opportunity. Mass Media includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, Internet ads, etc. Products may be promoted by personal contact or by literature authorized by Carelumina. Brand Ambassadors may place generic advertisements in accordance with the Policies and Procedures of the Company and in compliance with applicable laws.

7.4.2. - Media Interviews

Brand Ambassadors may not promote the Products or Services or the opportunity through interviews with the media, articles in publications, news reports, press releases or any other public information, trade or industry information source, unless specifically authorized, in writing, by the Company. This includes private, paid membership or “closed group” publications. Brand Ambassadors may not speak to the media on behalf of the Company and may not represent that they have been authorized by the Company to speak on its behalf. All media contacts or inquiries should be immediately referred to the Company.

7.5. - Internet

7.5.1. - General

Regardless of compliance with the policies and procedures set forth herein, all Brand Ambassadors are personally responsible for their online postings and all other online activity that relates to Carelumina. Therefore, even if a Carelumina Brand Ambassador does not own or operate an electronic message center, blog or social media site, if a Carelumina Brand Ambassador posts to any such site that relates to Carelumina or which can be traced to Carelumina, the Brand Ambassador is responsible for the posting and must act in a way that builds, strengthens and enhances Carelumina’s reputation, image and standing in the community. Brand Ambassadors are also responsible for postings which occur on any external website that the Brand Ambassador owns, operates or controls. Brand Ambassadors must disclose their full names on all relevant social media profiles that relate to Carelumina and its products, services or business, and each must conspicuously identify themselves as an “Carelumina Brand Ambassador.” Anonymous postings or use of an alias is prohibited. Brand Ambassadors must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. Determination of what is inappropriate is at Carelumina’s sole discretion, and offending Brand Ambassadors will be subject to disciplinary action. Brand Ambassadors may not use blog spam, spam-dexing or any other mass-replicated methods to leave comments on any website, blog or message board. Comments Brand Ambassadors create or leave online must be useful, unique, relevant and specific to the blog’s article. As a general rule, Brand Ambassadors may not use any geographic references in the page names/ titles or URLs of their Carelumina-related

social media or external websites. For purposes of clarification and the avoidance of doubt, other than for a Default URL or an approved amendment to a Default URL, Brand Ambassadors may not use the terms “Carelumina,” or any derivation thereof, in any external website address or related URL (e.g., www.buycarelumina.com or www.blog.careluminausa.com) Any External Website which contains “Carelumina” other Carelumina product and program names, or any derivation thereof in the URL, must be transferred to Carelumina or closed/terminated upon and demand by Carelumina. In no event may the Carelumina Brand Ambassador sell such domain name to any third party without the prior express written consent of Carelumina.

7.5.2. - Brand Ambassador Websites

If a Brand Ambassador desires to utilize an Internet web page to promote his or her Independent Distributorship, he or she may do so only through the Company’s replicated website program, using the official authorized web systems or templates. These websites give the Brand Ambassador a professional and Company-approved presence while complying with Carelumina marketing requirements. Online sales may only be generated from a Brand Ambassador’s Carelumina replicated website or Carelumina approved shopping cart plugin. A Brand Ambassador shall not use “blind” ads on the Internet that make product or income claims which are ultimately associated with Carelumina products, the Carelumina opportunity or the Carelumina Compensation Plan.

7.5.3. - Social Media and Other Websites

Non-replicated external websites, specifically social media sites, are relationship-building sites. While building relationships is an important part of the sales process, external websites, including, without limitation, social media sites may be used as a direct medium for generating sales or explaining the income opportunity or products only when using approved Carelumina material provided in the Brand Ambassador back office.

The Official Carelumina Public Social Media Pages:

Carelumina has an official and public Social Media page (i.e Facebook, Twitter, Pinterest, Instagram etc.) which it uses to invite potential customers and investors to investigate the company. It is not intended to be used by Brand Ambassadors to sell product or promote their business or to interact with other distributors or consumers. As such, Brand Ambassadors may not place linking information on the public Carelumina Social Media pages, nor may they post any pricing, promotions, marketing material, sales, advertisements, or announcements relating to their businesses. Carelumina reserves the right to remove any messages posted on any official Company Social Media pages as determined in its sole discretion.

Closed Brand Ambassador Social Media Pages:

Carelumina will also create a closed corporate Social Media pages or communities for company and Brand Ambassador use (i.e Facebook, Twitter, Pinterest, Instagram etc.). Brand Ambassadors may also create a closed group and may utilize such group to educate, discuss and disseminate information about Carelumina, its products, services and business opportunity amongst themselves. Brand Ambassadors may join these groups only with the consent of Carelumina, and all content and discussions will be password protected and closed to the public. No Brand Ambassador shall allow access to or disseminate information from such groups.

Other Internet Use:

Brand Ambassadors may use the Internet, social networking sites, blogs, social media and applications, and other sites that have content that is based on user participation and user-generated content, forums, message boards, blogs, wikis and podcasts to do the following and only using approved Carelumina material provided in the Brand Ambassadors back office:

Communicate preliminary information about Carelumina or their involvement with Carelumina;

Direct users, members or potential participants to their Carelumina replicated website; and

Such use is permitted provided that it (1) is incidental to the primary use of the website or forum, (2) does not contain any false or misleading information about Carelumina, its products, its services or its business opportunities, and (3) conforms to the other policies set forth herein, including, without limitation, the policies related to the use of Carelumina’s trademarks, trade names and other intellectual property

7.5.4.- Use of Third-Party Intellectual Property

If a Carelumina Brand Ambassador uses the trademarks, trade names, service marks, copyrights or intellectual property of any third party in any online posting, it is their responsibility to ensure that they have received the proper license to use such intellectual property and pay the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third party, and the Brand Ambassador must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

7.5.5. - Respecting Privacy

Brand Ambassadors must always respect the privacy of other individuals, groups and businesses in their postings. They must not engage in gossip or rumors about any individual, group, company or competitive products or services. Brand Ambassadors may not list the names of other individuals, groups or entities on their postings unless they have the written permission of the individual, group or entity.

7.5.6. - Professionalism

Brand Ambassadors must ensure that their postings are truthful and accurate. This requires that they fact-check all material posted online. Using false or incorrect posting is strictly prohibited. They should also carefully check postings for spelling, punctuation and grammatical errors. Use of offensive language is also strictly prohibited.

7.5.7. - Prohibited Postings

Brand Ambassadors may not make any postings or link to any postings or other material that: (1) Is sexually explicit, obscene or pornographic; (2) Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise); (3) Is graphically violent, including any violent video game images; (4) Is solicitous of any unlawful behavior; (5) Engages in personal attacks on any individual, group or entity; or (6) Is in violation of any intellectual property rights of the Company or any third party. (7) Is in violation of any Federal, State or local laws.

7.5.8. - Responding to Negative Online Posts

Brand Ambassadors should not converse with one who places any negative post against them, other Brand Ambassadors or Carelumina. They should report negative posts to the Company and let the Company respond. Responding to such negative posts fuels a discussion with someone that maybe carrying a grudge that does not hold themselves to the same high standards, and therefore damages the reputation and goodwill of the Brand Ambassador and Carelumina.

7.5.9. - Termination or Cancellation of a Carelumina Business

If a Carelumina Brand Ambassador's Carelumina business is terminated or cancelled for any reason, they must discontinue using the Carelumina name, and all of Carelumina's trademarks, trade names, service marks and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all external websites that they utilize. If a Carelumina Brand Ambassador's post on any social media site on which they have previously identified themselves as an Independent Carelumina representative, they must conspicuously disclose that they are no longer an Independent Carelumina Representative.

7.5.10. - E-mail

Brand Ambassadors must use the following disclaimers within any email correspondence when discussing the Carelumina opportunity, service or program:

The sender of this email is a Brand Ambassador of Carelumina and as such is an independent contractor of Carelumina. Brand Ambassadors are not employees of Carelumina. If you have questions about the company, please contact Representative Support by phone or by submitting the online contact us form listed on carelumina.com. This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender.

7.5.11. - Online Classifieds and Auction Websites

Brand Ambassadors may not use online classifieds (including, but not limited to; Craigslist) to list, sell or retail specific

Carelumina products, product bundles or the opportunity. Carelumina's products and program may not be listed on Auction Websites (including, but not limited to; Ebay), or other online auctions, nor may Brand Ambassadors enlist or knowingly allow or facilitate a third party to sell Carelumina products on other online auctions.

7.5.12. - Online Retailing

Brand Ambassadors may not market, list or sell Carelumina products on any retail store or e-commerce site, (including, but not limited to; Amazon) or the like (with the exception of their own Replicated Website or shopping cart widget). Additionally, Brand Ambassadors may not (1) enlist or knowingly allow a third party to sell Carelumina products on any online retail store or e-commerce site or (2) sell products to a third party that the Brand Ambassador has reason to believe will sell such products on any online retail store or e-commerce site.

7.5.13. - Banner Advertising

Brand Ambassadors may place banner advertisements on third-party websites (as described herein); provided, however, that they only use approved templates and images provided to them by Carelumina, and do not list any pricing, discounts or promotions of any Carelumina product on such advertisement. Any Carelumina banner ads on these websites must be linked directly to their Replicated Carelumina Website or Shopping Cart widget.

7.5.14. - Spam Linking

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spam-dexing. Any comments a Brand Ambassador makes on blogs, forums, guest book, etc., must be unique, informative and relevant.

7.5.15. - Digital Media Submission

Brand Ambassadors may not without the written approval from Carelumina upload, submit or publish Carelumina-related video, audio or photo content to any website (e.g., YouTube, iTunes, PhotoBucket, Instagram, Pinterest etc.)

7.6. - Spamming and Unsolicited Faxes

Except as provided in these Policies and Procedures, Brand Ambassadors may not send or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail or "spamming" relative to the operation of their Carelumina Independent Distributorships. The terms "unsolicited faxes" and "unsolicited e-mail" mean the transmission via telephone, facsimile or electronic mail, respectively, of any material or information advertising or promoting Carelumina, its products, its Compensation Plan or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or e-mail: (1) to any recipient with that recipient's prior express invitation or permission; or (2) to any person with whom the Brand Ambassador has an established business or personal relationship. The term "established business or personal relationship" means prior or existing relationship formed by a voluntary two-way communication between a Brand Ambassador and a person, on the basis of: (1) an inquiry, application, purchase or transaction by the person regarding products offered by such Brand Ambassador; or (2) a personal or familial relationship, which relationship has not been previously terminated by either party.

7.7. - Telemarketing

Telemarketing is strictly prohibited. The Federal Trade Commission and the Federal Communications Commission, as well as other applicable local authorities, each have regulations that restrict telemarketing practices. Many authorities have "do not call" regulations as part of their telemarketing laws. Although Carelumina does not consider Brand Ambassadors to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that a Distributor's inadvertent action of calling someone whose telephone number is listed on a "do not call" registry could cause them to violate the law. Moreover, these regulations must be taken seriously, as they can carry significant penalties and fines, per violation. Therefore, Brand Ambassadors must not engage in telemarketing in the operation of their Independent Distributorship. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Carelumina product or service, or to recruit them for the Carelumina opportunity. "Cold calls" made to prospective customers or Brand Ambassadors that promote either Carelumina's products or services or the Carelumina opportunity constitute telemarketing and are prohibited. In addition, Brand Ambassadors shall not use automatic telephone dialing systems or random phone lists relative to the operation of their Carelumina Independent Distributorships. The term "automatic telephone dialing system" means equipment which as the capacity to: (1) store or produce telephone numbers to be called using a random or sequential number generator; and (2) to dial such numbers. In addition, Brand Ambassadors acknowledge and agree to abide by telemarketing guidelines.

7.8. - Advertised Product Price

Brand Ambassadors may not at anytime advertise Carelumina Products or Services at a price LESS than the suggested retail price of one (1) unit of the Carelumina product or service. Brand Ambassadors also agree that all advertising regarding the price of Products will be honest, truthful and will not contain misleading statements (e.g. “lowest price available” which infers the false ability to sell the Products at a lower price than other Brand Ambassadors, etc.). Any violation of this Section 7.8 by a Brand Ambassador shall constitute a breach of the Agreement and may result in punitive action including, but not limited to, any of the actions set forth in Section 14, including legal action.

8. RULES AND REGULATION

8.1. - Identification

All Brand Ambassadors are required to provide their Social Security Number, Federal Employer Identification Number, or equivalent government issued identification number, to Carelumina on the Brand Ambassador Application and Agreement. Upon enrollment, the Company will provide a unique Brand Ambassador Identification Number (RIN) to the Brand Ambassador by which he or she will be identified. This number will be used to place orders and track Financial Payments. Brand Ambassadors may also be given unique product tracking numbers from Carelumina or its Vendors to provide purchased, embedded or other support products or services.

8.2. - Income Taxes

Brand Ambassadors are not considered employees for purposes of the Social Security Act, the Federal Unemployment Tax Act, Federal Income Tax laws or any other laws governing employees. It is the Brand Ambassador’s responsibility to make self-employment and income tax payments as required by law. Carelumina does not deduct taxes from any compensation. It is the Brand Ambassador’s responsibility to provide Carelumina with the proper Social Security Number or Taxpayer Identification Number. If the provided information is incorrect or the Internal Revenue Service notifies Carelumina that the information does not match their records then Carelumina will hold future payments until the matter is resolved. Carelumina will send a 1099 Form to all Brand Ambassadors who: (1) had earnings over \$600 in the previous calendar year; (2) made purchases during the previous calendar year in excess of \$5,000; or (3) earned an incentive award trip.

8.3. - Business Insurance Coverage

A Carelumina Brand Ambassador may wish to arrange insurance coverage for their Distributorship. Be advised that a homeowner’s insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment. Each Brand Ambassador should contact their insurance agent to make certain that their relevant property is protected. In the U.S., this can often be accomplished with a simple “Business Pursuit” endorsement attached to their present homeowner’s policy.

8.4. - International Marketing

Brand Ambassadors are authorized to sell Carelumina products, and enroll Direct Retail Customers, Preferred Customers, or Brand Ambassadors only in Countries in which Carelumina is authorized to conduct business as announced in Official Carelumina Materials or on the Company website. However, before initiating any Carelumina related activities in any authorized country, a Brand Ambassador must first complete and submit the Carelumina International Enrollment Application to the Company. Once such application has been received and approved, as evidenced by written authorization by a member of the Company, the Brand Ambassador may begin activities in any authorized country in accordance with the applicable terms and conditions of that country. Permissible conduct and activity in unauthorized and/or Not-For-Resale markets as described below.

- 8.4.1. - Un-Authorized Markets (Pre-Market) Prior to the official opening of a country, permissible Brand Ambassador activity is limited to providing business cards and conducting, organizing or participating in meetings with no more than five (5) attendees, including the Brand Ambassador. Other attendees must be personal acquaintances or acquaintances of personal acquaintances. These meetings must be held in a home or a public place but may not be held in a private hotel room. Brand Ambassador Pre-Market opening conduct prohibited in all markets includes but is not limited to:
- 8.4.2. - All cold-calling techniques (soliciting persons who are not prior personal acquaintances of the contacting Brand Ambassador) are strictly prohibited in unauthorized markets;
- 8.4.3.- Placing any type of advertisement or distributing any promotional materials regarding the Company, its products, services or the opportunity, except for official Carelumina material specifically authorized for distribution in unopened markets as designated by the Company is prohibited;

- 8.4.4. - Soliciting or negotiating any agreement for the purpose of committing a citizen or resident of an unopened market to the opportunity, a specific Enroller or specific line of sponsorship. Furthermore, Brand Ambassadors may not sign up a citizen or resident of unopened markets in an Authorized Country or by using the Distributor Agreement forms from an Authorized Country, unless the citizen or resident of the unopened market has, at the time of sign-up, permanent residence and the legal authorization to work in the Authorized Country. It is the enrolling Brand Ambassador's responsibility to ensure compliance with residency and work authorization requirements. Membership or participation in, or ownership of a corporation, partnership or other legal entity in an Authorized County does not by-itself fulfill the residency or legal authorization to work requirements. If a Enroller to a Distributorship fails to provide verification of residency and work authorization when requested by the Company, the Company may, at its election, declare the Distributor Agreement void from its inception;
- 8.4.5. - Accepting money or other consideration, or being involved in any financial transaction with any potential Brand Ambassador either personally, or directly or indirectly through an agent, for purposes relating to Company products, services or the opportunity, including renting, leasing or purchasing facilities for the purpose of promoting or conducting Company-related business;
- 8.4.6. - Promoting, facilitating or conducting any type of activity which exceeds the limitations set forth in the Company's Policies and Procedures or which the Company, in its sole discretion, deems to be contradictory to the Company's business or ethical interests in international expansion.
- 8.4.7.- Not-For-Resale ("NFR") - Countries where residences of the country are allowed to import products for personal use only on a "not-for-resale" basis, but where the reselling of those products is prohibited.

8.5. - Adherence and Compliance to Laws and Ordinances

There are local, regional and national laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Brand Ambassadors because of the nature of an Independent Distributorships. However, Brand Ambassadors must obey all laws that apply to them. If any Agency tells a Brand Ambassador that an ordinance applies, that Brand Ambassador shall be polite and cooperative, and immediately send a copy of the ordinance to Carelumina. In most cases there are exceptions to the ordinance that may apply to Brand Ambassadors. All Brand Ambassadors shall comply with all Federal, State and local laws and regulations in the conduct of their Independent Distributorships

9. SALES

9.1. - Commercial Outlets

Carelumina strongly encourages the retailing and selling of its products through person-to-person contact and communication. In an effort to reinforce this method of marketing and to help provide a standard of fairness for all Brand Ambassadors, Brand Ambassadors may not display or sell Carelumina products or literature in any retail establishment without prior written approval. Brand Ambassadors may, however, sell Carelumina products from service establishments which see customers or clients on an appointment basis only such as hair salons, spas or doctor offices, chiropractic clinics, etc. Carelumina will permit Brand Ambassadors to solicit and make commercial sales upon prior written approval from the Company. The term "commercial sale" means the sale of Carelumina products to a third party who intends to resell such products to an end consumer.

9.2. - Trade Shows and Other Sales Forums

Brand Ambassadors may display and/or sell Carelumina products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Brand Ambassadors must contact Carelumina in writing for conditional approval, as Carelumina's policy is to authorize only one Carelumina Brand Ambassador per event. Final approval will be granted to the first Brand Ambassador who submits an official advertisement for the event, a copy of the contract signed by both the Brand Ambassador and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to Carelumina prior to each event. Carelumina further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services or the Carelumina opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets, as these events are not conducive to the professional image Carelumina wishes to portray.

9.3. - Excess Inventory Purchases Prohibited

Brand Ambassadors are not required to carry inventory of products or sales aids. Brand Ambassadors who do so may find selling to customers and building a marketing organization somewhat easier because of the decreased response time in fulfilling customer orders or in meeting a new Brand Ambassador's needs. Each Brand Ambassador must make his or her own decision with regard to these matters. To ensure that Brand Ambassadors are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to Carelumina upon the Brand Ambassador's Cancellation pursuant to the terms of Section 12. Carelumina strictly prohibits the purchase of products in unreasonable amounts primarily for the purpose of qualifying for commissions, bonuses or carrier advancement. Brand Ambassadors may not purchase more inventory than they can reasonably resell or consume in a month nor may they encourage others to do so.

9.4. - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. "Bonus buying" includes, but is not limited to the direct or indirect involvement of: (1) the enrollment of individuals or entities without the knowledge of and/or execution of a Brand Ambassador Application and Agreement by such individuals or entities; (2) the fraudulent enrollment of an individual or entity as a Brand Ambassador, Preferred Customer or Direct Retail Customer; (3) the enrollment or attempted enrollment of non-existent individuals or entities as Brand Ambassadors, Preferred Customer or Direct Retail Customers (see Section 5.6 "Stacking"); (4) the use of a credit card by or on behalf of a Brand Ambassador, Preferred Customer, or Direct Retail Customer when the Brand Ambassador, Preferred Customer or Direct Retail Customer is not the account holder of such credit card; and (5) purchasing Carelumina product on behalf of another Brand Ambassador or Customer or under another Brand Ambassador's RIN, or Customer ID to qualify for commissions, bonuses or incentives.

9.5. - Repackaging and Relabeling Prohibited

Brand Ambassadors may not repackage, relabel, refill or alter the labels on any Carelumina products, information, materials or programs in any way whatsoever. Carelumina products must be sold in their original containers only and complete packaging. Such relabeling or repackaging would violate applicable laws, which could result in severe criminal penalties. Brand Ambassadors should also be aware that civil liability may arise when, as a consequence of the repackaging or relabeling of products, the person(s) using the product(s) may suffer any type of injury or their property is damaged. Carelumina will prosecute any person or Brand Ambassador to the fullest extent of the law if Carelumina is made aware of any repackaging or relabeling of its products, information, materials or programs.

10. SALES REQUIREMENTS

10.1. - Product Sales and Customer Points

The Carelumina Compensation Plan is based upon the sale of Carelumina products. Brand Ambassadors must fulfill personal and Group Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for rebates, bonuses, commissions and advancement to levels of achievement. The following sales requirements must be satisfied for Brand Ambassadors to be eligible for commission payments. Brand Ambassadors must satisfy a Customer Point ("CP"), Customer Sales total and training requirements to fulfill the requirements associated with a particular Status as specified in the Carelumina Compensation Plan. CP includes purchases made by the Brand Ambassador and Direct Retail Customers, except that personally enrolled Preferred Customer points will also be included in a Brand Ambassador's CP for the purposes of Status advancement. All Brand Ambassadors are still required to have their personal monthly Smartship order to fulfill monthly requirements as specified in the Compensation plan. CP shall include the total CP of all Brand Ambassadors in his or her Marketing Organization plus the Brand Ambassador's CP.

10.2. - No Territory Restrictions, There are no exclusive territories granted to anyone.

10.3. - 70% Sales Rule

By placing a new product order, a Brand Ambassador is deemed to have certified that he or she has sold or consumed at least 70% of all products purchased in prior orders. Each Brand Ambassador that receives rebates, bonuses or commissions and orders additional product agrees to retain documentation that demonstrates compliance with this policy, including evidence of retail sales, for a period of at least three (3) years. A Brand Ambassador agrees to make this documentation available to the Company at the Company's request. Failure to comply with this requirement or falsely representing the amount of product sold or consumed in order to advance in the Compensation Plan constitute a breach of the Agreement and is grounds for termination. Furthermore, a breach of this requirement entitles the Company to recover any commissions paid to the Brand Ambassador for any period of time during which such documentation is not maintained or for which this provision has been breached.

10.4. - Sales Receipts

Brand Ambassadors must provide Retail Customers with two copies of an official Carelumina sales receipt at the time of a sale. These receipts set forth consumer protection rights afforded by applicable law. Brand Ambassadors must maintain all retail sales receipts for a period of four years and furnish them to Carelumina upon request. Records documenting the purchases of Brand Ambassador's Direct Retail Customers will be maintained by Carelumina. Brand Ambassadors must ensure that the following information is contained on each sales receipt: (1) The date of the transaction; (2) the date (not earlier than the third business day following the date of the transaction) by which the buyer may give notice of cancellation; and (3) name and address of the selling Brand Ambassador. Remember that customers must receive two copies of the sales receipt. In addition, Brand Ambassadors must verbally inform the buyer of his or her cancellation rights.

11. REBATES, BONUSSES AND COMMISSIONS

11.1. - Rebates, Bonuses and Commission Qualifications

A Brand Ambassador must be active and compliant with the Agreement to qualify for rebates, bonuses and commission payments ("Financial Payments"). Carelumina will pay commissions via Direct Deposit and Brand Ambassador will be required to complete, agree to and sign a Direct Deposit release form prior to any Direct Deposit or Financial Payments. So long as a Brand Ambassador complies with the terms of the Agreement, Carelumina shall pay Financial Payments to such Brand Ambassador in accordance with the Compensation Plan. The minimum amount for a Direct Deposit which Carelumina will issue is \$10.00. If a Brand Ambassador's Financial Payments do not equal or exceed \$10.00, the Company will accrue the Financial Payments until they total \$10.00. If a Brand Ambassador wishes to receive a paper check then the Brand Ambassador must contact the corporate office for set up and approval to receive a paper check.

- A. Direct Deposit Fee - \$0
- B. Paper Check Processing Fee - Carelumina will charge a \$4.00 paper check processing fee for all mailed checks.
- C. Replacement Check Fee - Carelumina will charge a \$10.00 fee for each replacement check provided.

11.2. - Adjustment to Rebates, Bonuses and Commissions

Brand Ambassadors may receive rebates for large volume Customer Point purchases and may receive a reduced Financial Payment based on the actual large volume sales of products to end consumers with may have an adjusted Commissionable Value (e.g. employee benefit plans, association plans etc.). When a product is returned to Carelumina for a refund, the Financial Payments attributable to the returned product(s) will be deducted in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the Brand Ambassador who received the Financial Payments on the sales or purchase of the large volume or refunded products.

11.3. - Cancellation Within the First 30 Days

If a Brand Ambassador chooses to cancel the Agreement within the first thirty (30) days of enrollment and also chooses to return product(s) ordered or purchased, a refund will be issued on the product(s) purchase and returned to the Company less any shipping, handling, rebates, bonuses or commissions that were issued. All one time enrollment fee's are non-refundable as they are a purchase of a business system that is deemed delivered in full and accepted by the Brand Ambassador as such when payment is made and the business systems activated, which is immediate upon purchase.

11.4. - Unclaimed Commissions and Credits

Brand Ambassadors must deposit or cash rebate, commission and bonus checks within six months from their date of issuance. A check that remains un-cashed after six (6) months will be void. After a check has been voided, Carelumina will attempt to notify a Brand Ambassador who has an un-cashed check by sending a written notice to his or her last known election or physical address identifying the amount of the check and advising that the Brand Ambassador can request that the check be reissued. There shall be a \$10.00 charge for reissuing a check. This charge shall be deducted from the balance owed to the Brand Ambassador. Direct Retail Customers, Preferred Customers and Brand Ambassadors who have a credit on account must use their credit within six (6) months from the date on which the credit was issued. If credits have not been used within six (6) months, Carelumina shall attempt to notify the Brand Ambassador, Preferred Customer or Direct Retail Customer on by sending written notice to his or her last known election or physical address, advising the Brand Ambassador, Preferred Customer or Direct Retail Customer of the credit. There shall be a \$5.00 charge for each attempted notification sent by postal mail, There will be no charge for electronic mail notifications. This charge shall be deducted from the Brand Ambassador's or Customer's credit on account.

11.5. - Trips and Awards

From time to time, the Company may provide incentive trips and other awards to qualified Brand Ambassadors. These awards or trips may be based on title and on Brand Ambassador performance and are provided only to the person(s) listed on a qualifying Brand Ambassador Agreement, up to airfare for two such persons and hotel accommodations of one room. Incentive trips or awards may not be deferred for future acceptance and have no real cash value. No payment or credit will be given to those who cannot or choose not to attend trips or to accept awards. Notwithstanding anything to the contrary herein, and although the Company may pay some or all of the costs of such incentive trips, the Brand Ambassador agrees to indemnify and hold harmless the Company from any claim, injury, loss or other damage sustained in association with the trip by the Brand Ambassador and/or its guests. The Brand Ambassador cannot make claim upon, or rely upon, any insurance policy of the Company to cover the costs and expenses of any injury, loss or other damage to the Brand Ambassador and/or the Brand Ambassador's guests. The Company may be required by law to include the fair market value of any incentive awards, trips, etc. on the Brand Ambassador's end of the year tax report. The Brand Ambassador is liable for all applicable taxes and agrees to hold the Company harmless from claims of tax liability relating to these incentive trips and awards. If it is discovered that the Brand Ambassador has made any misrepresentations or has violated the Agreement in becoming eligible for these incentive trips and awards, the Company may charge the Brand Ambassador for any costs incurred by the Company or for any benefits or awards received by the Brand Ambassador. The Company reserves the right at its sole and absolute discretion to disallow participation for any reason it deems necessary.

11.6. - Reports

For the purposes of this Section, "Carelumina" means the entity and all of its vendors, employees, officers, directors, independent contractors, Brand Ambassadors, Customers and agents. Brand Ambassador understands that Carelumina regularly provides information to each of its Brand Ambassadors. This includes, but is not limited to reports of online or telephonic Group activity, such as placement sponsoring activity and purchase history (the "Information").

11.7. - Report Indemnification

Brand Ambassador agrees never to assert any claim of any nature against Carelumina, including its vendors, officers, directors, employees and independent contractors, that arises out of or which is in any way connected with the presentation, compilation, development, publication and dissemination by Carelumina of the Information including, but not limited to, a claim for lost profits, bonuses, commissions, trips and loss of opportunity. This agreement on the part of each Brand Ambassador extends to any act or omission to act by Carelumina such as, but not limited to, the inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the Information. However, this Section 11.7 does not apply to claims that may arise as a result of intentional misconduct or reckless disregard of the rights of Brand Ambassadors on the part of Carelumina.

12. PRODUCT GUARANTEE, RETURNS AND INVENTORY REPURCHASE

12.1. - Product Guarantee

Product and marketing materials returned within thirty (30) days after the purchase shall receive a ninety (90) percent refund, less shipping and handling costs. Only unopened product shall be eligible for a refund, unless defective. Product must be in resalable and restockable condition in order to be eligible for a refund. Resalable is defined as product still in its original packaging, with seals and wrapping in place. All returns must have a Return Merchandise Form ("RMF"), issued through Carelumina. Brand Ambassadors and Customers are responsible for returning product to the Company within ten (10) business days of receipt of the RMF or the product will not be eligible for return.

12.2. - Inventory Repurchase & Refused Shipments

The Company will repurchase, on reasonable commercial terms, currently marketable inventory in the possession of a Brand Ambassador and purchased by that Brand Ambassador who voluntarily terminates their Distributorship. For purposes of this policy, "Reasonable Commercial Terms" shall include the repurchase of marketable inventory within six (6) months from the Brand Ambassadors date of purchase at ninety (90) percent of the Brand Ambassadors original net cost, less shipping costs, appropriate set offs (e.g. Commissions, rebates, promotions) and legal claims if any. Refunds will not be given until Carelumina has received a notice of termination from the Brand Ambassador or until the Brand Ambassador has been terminated by Carelumina. Multiple order refunds are also subject to a prorated value of Financial Payments already paid out and now unable to be collected because of Upline Brand Ambassador cancellations, inactivity, and non-commissions being earned. Please allow for up to thirty (30) days from the time that the product is received for the refund to be processed. If a shipment is refused whether it is an Smartship or an order that has just been placed, Carelumina will charge a \$10.00 shipment refusal fee to the form of payment on file.

12.3. - Exceptions to the Refund Policies

Previously paid Financial Payments (as described in Section 12) may be reversed or adjusted as a result of the exceptions and at the sole discretion of the Company. Any Commissions paid to the Brand Ambassador and his or her upline for the product returned by the Brand Ambassador or customer may be debited from the respective upline Brand Ambassador's account or withheld from present or future commission payments. A Brand Ambassador agrees that he or she will not rely on existing downline volume at the close of a commission's period, as returns may cause changes to his or her title, Status and/or commissions payout.

12.4. - Montana Residents

Montana residents may cancel the Agreement within fifteen (15) days from the date of enrollment and may return their Start Kit for a full refund within such time period

13. DISPUTE RESOLUTION AND REMEDIES

13.1. - Remedies

Any breach of the Agreement, including these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by a Brand Ambassador may result, at Carelumina's discretion, in one or more of the following actions:

- A. Issuance of a written warning or admonition;
- B. Issuance of a writing that directs the Brand Ambassador to make immediate corrective measures;
- C. Loss of rights to one or more bonus and commission checks; in whole or in part;
- D. The withholding from a Brand Ambassador's Financial Payments (as described in Section 12) during the period that Carelumina is investigating any conduct that allegedly violates the Agreement;
- E. Suspension of the Agreement for one or more pay periods;
- F. Cancellation of the Agreement;
- G. Cancellation of the Brand Ambassador Agreement of any other household member or affiliated Individual who is in association with the breaching Brand Ambassador;
- H. Any other measure expressly allowed by the Agreement of which Carelumina deems necessary to implement and appropriate in order to provide a remedy for injuries caused partially or exclusively by the Brand Ambassador's breach;
- I. The commencement of legal proceedings for monetary or equitable relief in any manner Carelumina deems necessary.

13.2. - Grievances and Complaints

When a Brand Ambassador has a grievance or complaint with another Brand Ambassador or Carelumina regarding any practice or conduct in relationship to their respective Independent Distributorship, the complaining Brand Ambassador should first report the problem to his or her Enroller who should review the matter and try to resolve it with the other party's upline Enroller. If the matter cannot be resolved, it must be reported immediately in writing to Carelumina. The Representative Support Department will review the facts and attempt to resolve the issue.

13.3. - Governing Law, Jurisdiction, Venue and Attorneys' Fees

The interpretation and enforcement of this Agreement is governed by and shall be construed and interpreted in accordance with the laws of the State of Florida, without giving effect to conflicts of interests principles. The parties agree that personal jurisdiction and venue for any dispute arising out of or relating to this Agreement are proper exclusively in the State and Federal courts located in the State of Florida, County of Duval, and both parties hereby submit to, and waive any objection to, personal jurisdiction or venue in such courts for such purpose. Each party shall bear its own attorneys' fees and any other costs and expenses incurred in the resolution of any dispute without regard to the outcome.

13.4. - Injunctive Relief

The Brand Ambassador acknowledges that the covenants set forth in this Agreement relating to the protection of Carelumina's confidential and/or proprietary information are reasonable and necessary to protect the legitimate interests of Carelumina. The Brand Ambassador further acknowledges that his/her breach of such covenants would cause Carelumina irreparable harm, the amount and extent of which would be very difficult to estimate or ascertain. Therefore, the Brand Ambassador agrees that Carelumina shall be entitled, without the necessity of posting a bond or other security, to the issuance of injunctive relief to enjoin the Brand Ambassador from breaching or threatening to breach such covenants. In any case, injunctive relief shall not be the exclusive remedy available to Carelumina.

14. ORDERING

14.1. - Direct Retail Customers and Preferred Customers

Brand Ambassadors are encouraged to promote Carelumina's Direct Retail Customer and Preferred Customer Programs to their customers. The Direct Retail Customer and Preferred Customer Program allow both types of customers to purchase their products directly from Carelumina. Customers simply call Carelumina's toll-free order number to place their orders, which they may charge to their credit card. Carelumina will send the ordered products directly to the customer. To ensure that Brand Ambassadors receive the appropriate commissions, Direct Retail Customers and Preferred Customers may not place an order without a Brand Ambassador's ID Number -RIN. Preferred Customers must also enroll in Carelumina's Smartship program whereby the Preferred Customer will sign up to have a pre-selected package of Carelumina products delivered to his or her home automatically each month. (For clarification as to the difference between Direct Retail and Preferred Customers, please refer to their respective definitions under Section C "Definitions.")

14.2. - Purchasing Carelumina Products

Brand Ambassador should purchase his or her products directly from Carelumina under his or her Brand Ambassador Number. If a Brand Ambassador purchases products from another Brand Ambassador or any other source, the purchasing Brand Ambassador will not receive any compensation credit or consideration that is associated with that purchase.

14.3. - General Order Policies

On mail orders with invalid or incorrect payment, Carelumina will attempt to contact the Brand Ambassador or Customer by phone, email and/or mail to try to obtain another form of payment. If these attempts are unsuccessful after five (5) working days the order will be returned unprocessed. No charge-on-delivery or C.O.D. orders will be accepted. Carelumina maintains no minimum order requirements. Orders for products and sales aids may be combined.

14.4. - Shipping and Back Orders

Carelumina will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out of stock, it will be placed on back order and sent when Carelumina receives additional inventory. Brand Ambassadors will be charged and given credit on back ordered items unless notified on the invoice that the product has been discontinued. Carelumina will notify Brand Ambassadors, Preferred Customers and Direct Retail Customers if items are backordered and are not expected to ship within thirty (30) days from the date of the order. An estimated shipping date will also be provided. Back ordered items may be cancelled upon a Direct Retail Customer's, Preferred Customer's or Brand Ambassador's request. Direct Retail Customers, Preferred Customers and Brand Ambassadors may request a refund, credit on account, or replacement merchandise for cancelled back orders. If a refund is requested, the Brand Ambassador's Commission Value will be decreased by the amount of the refund in the month in which the refund is issued.

14.5. - Confirmation of Order

A Brand Ambassador and/or recipient of an order must confirm that the product received matches the product listed on the shipping invoice and is free of damage. Failure to notify Carelumina of any shipping discrepancy or damage within thirty (30) days of shipment waives a Brand Ambassador's right to request a correction.

15. PAYMENT AND SHIPPING

15.1. - Deposits

No monies shall be paid to or accepted by a Brand Ambassador for a sale to a personal Retail Customer except at the time of product delivery. Brand Ambassadors should not accept monies from Customers to be held for deposit in anticipation of future deliveries.

15.2. - Insufficient Funds and Third Party Use of Credit Cards

It is the responsibility of each Brand Ambassador to ensure that there are sufficient funds or credit available in his or her account to cover the monthly Smartship order. Carelumina is not obligated to contact Brand Ambassadors in regard to orders cancelled due to insufficient funds or credit. This type of order cancellation may result in a Brand Ambassador's failure to receive product or to meet his or her sales requirements for the month. Brand Ambassadors shall not permit other Brand Ambassadors or Customers to use his or her credit card not should they use any other persons credit card.

15.3. - Sales Taxes

By virtue of its business operations, Carelumina is required to charge sales taxes on all purchases made by Brand Ambassadors, Preferred Customers and Direct Retail Customers, and remit the taxes charged to the respective States. Accordingly, Carelumina will collect and remit sales taxes on behalf of Brand Ambassadors, based on the suggested retail price of the products, according to applicable tax rates in the state or territory to which the shipment is destined. If a Brand Ambassador has submitted, and Carelumina has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Brand Ambassador. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Carelumina is not retroactive.

16. INACTIVITY AND CANCELLATION

16.1. - Effect of Cancellation

So long as a Brand Ambassador remains Active and complies with the terms of the Agreement, including these Policies and Procedures, Carelumina shall pay Financial Payments (as described in Section 12) to such Brand Ambassador in accordance with the Compensation Plan. A Brand Ambassador's Financial Payments constitute the entire consideration for the Brand Ambassador's efforts and activities related to generating sales (including building a group organization). Following a Brand Ambassador's non-renewal of his or her Agreement (all of these methods are collectively referred to as "Cancellation"), the former Brand Ambassador shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the marketing organization. A Brand Ambassador whose independent distributorship is cancelled will permanently lose all rights as a Brand Ambassador. This includes the right to market and sell Carelumina products and the right to receive future commissions, bonuses, trips or other income resulting from the sales and other activities of the Brand Ambassador's former marketing organization. In the event of cancellation, Brand Ambassadors agree to waive all rights they may have including, but not limited to, property rights, to their former marketing organization and to any bonuses, commissions, trips or other remuneration derived from the sales and other activities of his or her former marketing organization. Following a Brand Ambassador's cancellation of his or her Agreement, the former Brand Ambassador shall not hold himself or herself out as a Carelumina Brand Ambassador and shall not have the right to market or sell Carelumina products. A Brand Ambassador whose Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation). Brand Ambassadors may reapply as a new Independent Distributor in accordance with Section 3.7.4 "Cancellation and Reapplication."

16.2. - Cancellation Due to Inactivity

A Brand Ambassador has the responsibility to lead his or her marketing organization with the proper example in Personal Sales of sales to end consumers. Without this proper example and leadership, the Brand Ambassador will lose his or her right to compensation from sales generated through his or her marketing organization. Brand Ambassadors who generates less than \$10 in compensation for any pay period will not receive a commission for the sales generated through his or her marketing organization for that pay period. If a Brand Ambassador has not fulfilled his or her Personal Commitment for a period of twelve (12) consecutive calendar months, his or her Agreement may be cancelled at the Company's sole discretion for inactivity. The Cancellation will become effective on the day following the last day of the twelfth month of inactivity. Brand Ambassadors may reapply in accordance with Section 3.8.4 "Cancellation and Reapplication."

16.3. - Voluntary and Involuntary Cancellation

Voluntary: A Brand Ambassador's breach of any of the terms of the Agreement may result in any of the sanctions actions in this Section 16, including the involuntary cancellation of his or her Agreement. Unless otherwise provided for in the cancellation notice, cancellation shall be effective on the date on which written notice is sent electronically, mailed, faxed or delivered to an express courier to the Brand Ambassador's last known address, email, or his or her attorney, or when the Brand Ambassador receives actual notice of cancellation, whichever occurs first. Readmission, if ever granted, must be proactive and totally discretionary on the part of the Company.

Involuntary: A Brand Ambassador has the right to cancel the Agreement at any time. Cancellation must be submitted in writing to the Company at its principal business address: 6440 Southpoint Parkway #300, Jacksonville, FL 32216. The written notice must include the Brand Ambassador's signature, printed name, address and Brand Ambassador ID Number - RIN. However, if a Brand Ambassador is not in good standing with the Company at the time Carelumina receives notice of cancellation, the consequences of an involuntary cancellation may take effect (as per Section 16). Brand Ambassadors may reapply as a new Brand Ambassador in accordance with Section 3.8.4 "Cancellation and Reapplication."

16.4. - Non-Renewal

A Brand Ambassador may voluntarily cancel his or her Brand Ambassador Agreement by sending written notice within thirty (30) days of the anniversary date. The Company may also elect not to renew the Agreement upon the Agreement's anniversary date.

SECTION C - DEFINITIONS

Acceptance – means the acceptance of the offer of Carelumina to become a Brand Ambassador by completing a Brand Ambassador Application and Agreement. “Acceptance” shall be deemed to occur when Carelumina first receives a Brand Ambassador Application and Agreement from a person who has decided to become a Brand Ambassador.

Active or Active Brand Ambassador – means a Brand Ambassador who satisfies requirements, as set forth in the Carelumina Compensation Plan, to ensure that he or she is eligible to receive compensation, rebates, bonuses, and trips.

Active Status – means the current Status of a Brand Ambassador, as determined by the Carelumina Compensation Plan, for any calendar month. To be considered “Active” relative to a particular Status, a Brand Ambassador must meet the criteria set forth in the Carelumina Compensation Plan for his or her respective Status. (See the definition of “Status” below.)

Group Activity Report – means reports generated by Carelumina that provides critical data relating to the identities of Brand Ambassadors, Customers, sales information and enrollment activity of each Brand Ambassador's marketing organization. This report contains confidential and trade secret information which is proprietary to Carelumina. It is owned solely by Carelumina.

Affiliate (AF) – means an independent contractor who has signed and completed the Carelumina Affiliate Agreement. Affiliates are entitled to purchase Carelumina products, but “not” allowed to enroll Brand Ambassadors, or participate in the Compensation Plan.

Agreement – means the contract between the Company and each Brand Ambassador which includes the Brand Ambassador Application and Agreement, the Carelumina Policies and Procedures, the Carelumina Compensation Plan, Smartship Agreement, the Business Entity Form, and other contracts customary in the course of normal business operations (where appropriate), all in their current form or as amended by Carelumina from time to time in its sole discretion. These documents are collectively referred to as and comprise the “Agreement.”

Brand Ambassador (BA) – means an independent contractor who has signed and completed the official Carelumina Brand Ambassador Application and Agreement and whose Distributor Agreement has been accepted by Carelumina. Brand Ambassador also means any person or entity who has achieved executive status by rank advancement including but not limited to; Manger (MG), Senior Manager (SM), Reginal Manager (RM), National Mangaer (NM), Director (D), Presidential (PR), Customer Specialist (CS). A Brand Ambassador is required to meet certain qualifications and is responsible for the training, motivation, support and development of the Brand Ambassadors in their respective marketing organization. Brand Ambassadors are entitled to purchase Carelumina products, enroll Customers and new Brand Ambassadors, and participate in the Compensation Plan. Preferred Customers and Direct Retail Customers are not Brand Ambassadors.

Breach – “Breach,” “Default” and “Violation” mean an actual or alleged transgression or violation of the Agreement.

Business Center(s) – means additional Independent Distributorship positions allowed under the Agreement.

Cancellation – means the termination of an Independent Distributorship. Cancellation may be either voluntary or involuntary, through non-renewal or inactivity.

Commissionable Value ^(CV) – means a dollar value that is given to a Carelumina product, service, kit or bundle of products and services, through one time purchase or through a Smartship and on which Financial Payments to Brand Ambassadors are calculated and paid in the Qualifying and Product Sales Program or other Programs.

Company – means Carelumina, LLC a Florida limited liability company.

Compression – means the method by which a vacancy is filled in a marketing organization left by a Brand Ambassador or Preferred Customer whose respective Agreement has been cancelled.

Customer – means Direct Retail or Preferred Customer. Customers may purchase product or services for personal use only and may not resell products. A Brand Ambassador is not and may not act as a Customer.

Customer Point - means a number value that is given to a Carelumina product, services, kit or bundle of products and services, through one time purchase or through a Smartship on which Ranks and Bonus Payments may be calculated.

Direct Retail Customer (sometimes referred to as Retail Customer) – means a customer who purchases directly from Carelumina at retail prices and who is not a Brand Ambassador. Customers may purchase product for personal use only and may not resell products. A Brand Ambassador is not and may not act as a Direct Retail Customer.

Downline – means the network of Brand Ambassadors and Customers who exist under an Independent Distributorship. Brand Ambassador understands that (1) Brand Ambassador does not have any ownership or possessory right, title or interest in any downline individual, entity, organization or in any materials generated by Carelumina or created by Brand Ambassador or any other individual or entity to the extent that it consists, in whole or in part, of any information about Carelumina downlines or any part of the Agreement; (2) the sole property interest of a Brand Ambassador with respect to downlines is the contractual right to receive commissions as set forth in the Agreement; (3) that Carelumina is the sole owner of any and all downline rights, titles, interests and materials; (4) one or multiple persons or entities enrolled by a Brand Ambassador is considered a Downline; and (5) persons or entities enrolled by others who were enrolled by a Brand Ambassador are also consider in the Downline.

End Consumer – means a person who purchases Carelumina products or services for the purpose of personal consumption.

Enrolled – means the Brand Ambassadors and Customers who have been signed up as a Brand Ambassador or Customer by another Brand Ambassador or Customer, as the case may be.

Enroller – means the Brand Ambassador who enrolls a new Brand Ambassador or Customer into Carelumina. The Enroller may “place” the new Brand Ambassador or Customer under himself or herself, or may place the new Brand Ambassador or Customer under any eligible downline, group person or entity. The person whom the new Brand Ambassador or Customer is placed under is the new Brand Ambassador’s “placement sponsor.” The same Brand Ambassador may be a new Brand Ambassador’s “Enroller” and “Placement Sponsor.” See the definition of “Placement Sponsor” below.

Generation Bonus – means a Financial Payment made to the next Brand Ambassador upline that has obtained the same or higher Status.

Group – means the network of Brand Ambassadors and Customers who exist under an Independent Distributorship. Brand Ambassador understands that (1) Brand Ambassador does not have any ownership or possessory right, title or interest in any downline individual, entity, organization or in any materials generated by Carelumina or created by Brand Ambassador or any other individual or entity to the extent that it consists, in whole or in part, of any information about Carelumina downlines or any part of the Agreement; (2) the sole property interest of a Brand Ambassador with respect to downlines is the contractual right to receive commissions as set forth in the Agreement; (3) that Carelumina is the sole owner of any and all downline rights, titles, interests and materials; (4) one or multiple persons or entities enrolled by a Brand Ambassador is considered a Downline; and (5) persons or entities enrolled by others who were enrolled by a Brand Ambassador are also consider in the Downline.

Immediate Household – means heads of household and dependent family members residing at the same house or address.

Level – means the layers of groups in a Brand Ambassadors marketing organization. This term refers to the relationship of a Brand Ambassador relative to a particular upline Brand Ambassador, determined by the number of Brand Ambassadors between them who are related by sponsorship. For example, if A is the sponsor of B, B is the Sponsor of C, C is the sponsor of D, and D is the sponsor of E, then E is on A’s fourth level.

Marketing Organization – means the Brand Ambassadors and Customers who are enrolled or sponsored below a particular Brand Ambassador or Customer.

Official Carelumina Material – means literature, audio or digital recordings – and other materials developed, printed, published and distributed by Carelumina to Brand Ambassadors.

Matrix Program – means the payment system outlined as a three-by-nine (3/9) payment structure and whereby commission on certain products designed Matrix Qualified are paid to Brand Ambassadors. All products and/or services “not” designated Matrix Qualified are paid to the Brand Ambassador through the Qualifying Product Sales Program.

Matrix Qualified Product – means a product or services that is designated as such and commissions on these designated products are paid to a Brand Ambassador through the 3/9 Matrix Program. Products that are “not” Matrix Qualified are paid to the Brand Ambassador according to the Qualifying and Product Sales Program.

Matrix Value ^(MV) – means a dollar value that is given to a Carelumina product, service, kit or bundle of products and services, through one time purchase or through a Smartship and on which Financial Payments to Brand Ambassadors are calculated and paid in the Matrix Program or other Programs.

Personal Sales – means the selling of a product or service to an end consumer for personal use.

Placement (sometimes referred to as Sponsor or Placement Sponsor) – means a Brand Ambassador or Customer under whom the Enroller places a new Brand Ambassador or Customer to another person within its Group.

Preferred Customer – means a customer who has completed a Carelumina Preferred Customer Application and Agreement and purchases products or services directly from Carelumina at preferred prices. Preferred Customers participate in Carelumina's Smartship program and receive a selection of Carelumina products or services automatically each month. Customers may purchase product or services for personal use only and may not resell product. A Brand Ambassador is not and may not act as a Preferred Customer.

Qualifying and Product Sales Program - means the payment system outlined as a Uni-level Program and where commissions and bonuses on product or service sales that are not designated Matrix Qualified are paid to a Brand Ambassadors. All products and service sales commissions are paid in this Qualifying and Product Sales Program excluding any product or service that is designated a Matrix Qualified Product. Any product or services designated a Matrix Qualified Product will be paid according to the Matrix Program.

Recruit – means, for purposes of Carelumina's Conflict of Interest Policy (Section 6), actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another Carelumina Brand Ambassador or Customer, Direct or Retail, to enroll or participate in another marketing or direct sales opportunity. This conduct constitutes recruiting even if the Brand Ambassador's actions are in response to an inquiry made by another Brand Ambassador or Customer.

Restockable and Resalable – means products, services, and sales aids if each of the following elements is satisfied: (1) they are unopened and unused; (2) packaging and labeling has not been altered or damaged; (3) the product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; (4) products are returned to Carelumina within thirty (30) days from the date of purchase; (5) the product expiration date has not elapsed; and (6) the product contains current Carelumina labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued or as a seasonal item, shall not be resalable.

Retail Profit – means the difference between the wholesale price of a product or services and the retail price a Brand Ambassador receives for products when they are resold.

Roll-Up – means the method by which a vacancy is filled in a marketing organization left by a Brand Ambassador or Preferred Customer whose respective Agreement has been cancelled.

Smartship, Smartship Agreement – means the optional Carelumina program or service that automatically ships or renews a product or service to the Brand Ambassadors. The Smartship Agreement is incorporated into the "Agreement" and can be found as part of the Brand Ambassador or Preferred Customer Application and Agreement.

Starter Kit – means a selection of Carelumina training materials and business support materials that each new Brand Ambassador is required to purchase. This purchase may be optional in some states.

Status – means the "title" that a Brand Ambassador has achieved pursuant to the Carelumina Compensation Plan.

Suggested Retail Price (SRP) – means the price at which Carelumina suggests Brand Ambassadors advertise and the price that Carelumina charges for its products or services to retail customers.

Upline – means the Brand Ambassador(s) above a particular Brand Ambassador in a sponsorship line or enrollment line up to the Company. Conversely stated, it is the line of sponsors or enrollers that links any particular Brand Ambassador or Customer to the Company.

Wholesale or Wholesale Price – means the reduced price of a product or service that is paid to the Company by other employers, companies, businesses, Customers or Brand Ambassadors. All commissions and bonuses to Brand Ambassadors are paid on a Commissionable Value rate.

(844) 261-1280
6440 Southpoint Parkway
Suite 300, Jacksonville FL,
32216

www.carelumina.com

CARELUMINA
