

CELLiS Health, LLC

Policies & Procedures

October 2018

TABLE OF CONTENTS

SECTION 1.0 - INTRODUCTION	5
1.1 Mutual Commitment Statement	5
1.2 Code of Ethics	6
1.3 Promoter Agreement	6
1.4 Purpose of the Policies & Procedures	7
1.5 Changes, Amendments & Modifications	7
SECTION 2.0 - BASIC PRINCIPLES	8
2.1 Becoming a Cellis Promoter	8
2.2 New Promoter Registration	8
SECTION 3.0 – CELLIS’S PROMOTER RESPONSIBILITIES	9
3.1 Correct Address	9
3.2 Training and Leadership	9
3.3 Sponsorship	10
3.4 Unethical Sponsoring	10
3.5 Cross Sponsoring Prohibited	11
3.6 Solicitation for other Companies or Products	11
SECTION 4.0 – AGREEMENT & GENERAL UNDERSTANDINGS	12
4.1 Rights Granted	12
4.2 Renewals and Expiration	13
4.3 Effect of Cancellation	13
4.4 Modification of the Promoter Agreement	13
4.5 Unauthorized Transfer & Re-Enrollment	14
4.6 Change of Sponsor	14
4.7 Change of Organizations	14
4.8 Placement Lounge	15
4.9 Voluntary Termination	15
4.10 Involuntary Termination	15
SECTION 5.0 – BUSINESS ENTITIES	16
5.1 Definition	16
5.2 Independent Business Relationship	16
5.3 Insurance	17

SECTION 6.0 – POLICY VIOLATIONS	18
6.1 Reporting Policy Violations	18
6.2 Adherence to the Cellis Compensation Plan	18
6.3 Adherence to all Law	19
6.4 Compliance with Income Tax Laws	19
6.5 One Cellis Business Per Promoter	19
6.6 Actions of Household Members	19
6.7 Identification Numbers and Pay-Out	20
6.8 Sell, Assign or Delegate Ownership	20
6.9 Separating a Cellis Business	21
6.10 Succession	22
SECTION 7.0 – DISCIPLINARY ACTIONS	23
7.1 Imposition of Disciplinary Action (Purpose)	23
7.2 Consequences & Remedy of Breach	23
7.3 Suspension Procedures	24
SECTION 8.0 – DISPUTE RESOLUTION	25
8.1 Grievances	25
8.2 Mediation	26
8.3 Termination of Mediation	27
8.4 Severability	28
8.5 Waiver	28
8.6 Governing Law	28
SECTION 9.0 – PAYMENT OF COMMISSIONS & BONUSES	28
9.1 Bonus and Commissions Qualifications	29
9.2 Computation of Commissions	29
9.3 Adjustments for Returned Product	29
SECTION 10.0 – ORDERING PRODUCT	30
10.1 General Product Ordering Policies	30
10.2 Sale to Customers	30
10.3 Insufficient Funds	31
10.4 Credit Card Purchases	31
10.5 Sales Tax Obligation	32
10.6 Refund Policy	32
10.7 Return Process	33
SECTION 11.0 – CELLIS OPPORTUNITY	34
11.1 Presentation of Compensation Plan	34
11.2 Sales Requirements	34
SECTION 12.0 – PROPRIETARY INFORMATION & TRADE SECRETS	35
12.1 Business Reports	35
12.2 Obligation of Confidentiality	35
12.3 Breach and Return of Materials	35
12.4 Return of Materials	35
SECTION 13.0 – PRIVACY POLICY	36

13.1	Introduction	36
13.2	Expectation of Privacy	36
13.3	Employee Access to Information	36
13.4	Restrictions on the Disclosures	36
SECTION 14.0 – ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS		36
14.1	General Product Ordering Policies	36
14.2	Use of Company Names and Materials	37
14.3	Faxes and E-Mail – Limitations	39
14.4	Internet and Third-Party Website Restrictions	40
14.5	Advertising and Promotional Materials	42
14.6	Testimonial Permission	42
14.7	Telemarketing – Limitations	43
SECTION 15.0 – INTERNATIONAL MARKETING		44
15.1	International Marketing Policy	44
SECTION 16.0 – REFUND POLICY		44
SECTION 17.0 – AUTOSHIP CANCELLATION		45
SECTION 18.0 – SHIPPING POLICY		45
SECTION 19.0 – GLOSSARY OF TERMS		46

POLICIES & PROCEDURES

1.0 INTRODUCTION

1.1 Mutual Commitment Statement

Cellis Health, LLC (hereinafter referred to as “**Cellis**”) recognizes that to develop a long- term and mutually rewarding relationship with its Compensation Plan participants (hereinafter referred to as “**Promoter(s)**” or “**Promoters**”) must acknowledge and respect the true nature of the relationship and support the “**Customers**”.

(a) In the spirit of mutual respect and understanding, Cellis is committed to:

- (i) Provide prompt, professional and courteous service and communications to its Promoters and Customers;
- (ii) Provide the highest level of quality products, at fair and reasonable prices;
- (iii) Exchange or refund the purchase price of any product, service or membership as provided in our return policies contained herein;
- (iv) Deliver orders promptly and accurately;
- (v) Pay commissions accurately and on a timely basis;
- (vi) Maintain a mutually beneficial compensation plan;
- (vii) Support, protect and defend the integrity of the Cellis Business Opportunity;

(b) In return, Cellis expects that its Promoters will:

- (i) Conduct themselves in a professional, honest, and considerate manner;
- (ii) Present Cellis Corporate and product information in an accurate and professional manner;
- (iii) Present the Compensation Plan and return and exchange policies in a complete and accurate manner;
- (iv) Not make exaggerated income or product claims;

- (v) Make reasonable effort(s) to support and train other Promoters and Customers in their downline;
- (vi) Not engage in cross-line recruiting, unhealthy competition or unethical business practices;
- (vii) Provide positive guidance and training to Cellis Promoters and Customers in their downline while exercising caution to avoid interference with other downlines. As such, a Promoter is discouraged from providing cross-line training to other Promoters or Customers in a different organization without first obtaining consent of the Promoter's or Customer's upline leader;
- (viii) Support, protect, and defend the integrity of the Cellis Business Opportunity;

1.2 Code of Ethics

- (a) Cellis desires to provide its independent Promoters with the best products and Compensation Plan in the industry. Accordingly, Cellis values constructive criticism and encourages the submission of written comments addressed to the Cellis Compliance Department.
- (b) Promoter's negative and disparaging comments about Cellis, its products, the these Policies, or Compensation Plan, made to Cellis, or to the field or at any Cellis meeting and/or event, or disruptive behavior at any meeting and/or event, serve no purpose other than to dampen the enthusiasm of other Promoters and Customers. Cellis Promoters must not belittle Cellis, fellow Cellis Promoters, Cellis products or services, the Compensation Plan, or any and all Cellis directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by Cellis.
- (c) Cellis endorses the following code of ethics:
 - (i) A Cellis Promoter must show fairness, tolerance, and respect to all people associated with Cellis, regardless of race, gender, social class or religion, thereby fostering a "positive atmosphere" of teamwork, good morale and community spirit.
 - (ii) A Promoter shall strive to resolve business issues, including situations with upline and downline Promoters, by emphasizing tact, sensitivity, good will taking care not to create additional problems.
 - (iii) Cellis Promoters must be honest, responsible, professional and conduct themselves with integrity.

- (d) Cellis may take appropriate action against a Promoter if it determines, in its sole discretion, that a Promoter's conduct is detrimental, disruptive, or injurious to Cellis or to other Promoters.

1.3 Cellis Policies & Procedures and Compensation Plan Make Up the Promoter Agreement

- (a) Throughout these Policies & Procedures, when the term "Agreement" is used, it collectively refers to the most current version of the Policies and Procedures in effect and any addendums thereto, the *Compensation Plan*, and any and all social media guidelines or any other guidelines which may be implemented from time to time and any amendments thereto.
- (b) It is the responsibility of the Sponsoring Promoter to provide the most current version of these Policies and Procedures (available on the Cellis website www.cellisnow.com), the Income Disclosure Statement, the Cellis Compensation Plan, and any and all social media guidelines or any other guidelines which may be implemented from time to time and any amendments thereto to their downline Promoters.

1.4 Purpose of Policies & Procedures

- (a) Cellis is direct sales based networking company that markets products and services through a network of independent business owners. To clearly define the relationship that exists between Promoters and Cellis, and to explicitly set a

standard for acceptable business conduct, Cellis has established these Policies and Procedures.
- (b) Cellis Promoters and Customers are required to comply with; (i) all of the Terms and Conditions set forth in the Agreement which Cellis may amend from time to time her and/or its Cellis business.
- (c) Cellis Promoters must review the information in these Policies and Procedures carefully. Should a Promoter have any questions regarding a policy or rule, the Promoter is encouraged to seek an answer from their Sponsor or any other upline

Promoter. If further clarification is needed, the Promoter may contact the Cellis Customer Service Team by submitting an email to: support@cellishq.com.

1.5 Changes, Amendments, and Modifications

- (a) Because Federal, state and local laws, as well as the business environment, periodically change, Cellis reserves the right to amend the Cellis Agreement

and the prices in its Cellis Product Price List as set forth on its website in its sole and absolute discretion. Notification of amendments shall appear in official Cellis materials, Cellis website, social media outlets or the Promoter's back office.

- (b) Any such amendment, change, or modification shall be effective thirty (30) days following notice by one of the following methods:
 - i. Posting on the official Cellis website;
 - ii. Electronic mail (e-mail); or
 - iii. Any Cellis communication channels or social media outlets (i.e. Facebook, Instagram, Twitter and/or Cellis APP).

2.1 BASIC PRINCIPLES

2.2 Becoming A Cellis Promoter

(a) To become a Promoter, an applicant must comply with the following requirements:

- (i) Be of the age of majority (not a minor) in his or her province or territory of residence;
- (ii) Reside or have a valid address in the United States or U.S. territory, Canada, Australia or country wherein Cellis is licensed to operate.
- (iii) Have a valid tax payer identification number (i.e. Social Security Number, Federal Tax ID Number (TIN) or federal Business Number;
- (iv) Enter a verified mobile phone number, which is not in use or associated with any other Cellis accounts, which will be verified through a verification code sent to the number.
- (v) Acknowledge FTC requirements associated with Cellis Health participation as a promoter.

2.3 New Promoter Registration

- (a) A potential new Promoter may self-enroll on any Promoter/Sponsor's website. In such event, Cellis will accept the web enrollment and Cellis Application by accepting the "electronic signature" stating the new Promoter has accepted all terms and conditions of such the Cellis Agreement. Please note that such electronic signature constitutes a legally binding agreement between the Promoter and Cellis.
- (b) Signed documents, including, but not limited to, Promoter personal agreements,

are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been signed may lead to sanctions, up to and including involuntary termination of the promoter's position.

- (c) If one applicant enrolls creating an Account listing a certain sponsor and enrolls a second time listing multiple sponsors, only the first completed form to be received by Cellis will be accepted. Cellis reserves the right, at its sole discretion, to make the final decision with respect to all such disputes.

3.0 CELLIS PROMOTER RESPONSIBILITIES

3.1 Correct Address

- (a) It is the responsibility of the Promoter or Customer to make sure Cellis has the correct shipping address before any orders are shipped.
- (b) A Promoter and/or Customer will need to allow up to seventy-two (72) hours for processing after the notice of address change has been received by Cellis Support Team.

3.2 Training and Leadership

- (a) Any Cellis Promoter who Sponsors another Promoter into Cellis must perform an authentic assistance and training function to ensure his or her downline is properly operating his or her Cellis business. Sponsoring Promoters should have ongoing contact and communication with the Promoters in their downline organizations. (Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, direct contact, team conference calls, voice-mail, e-mail, personal meetings, accompaniment of downline Promoters to Cellis meetings, training sessions, events, workshops, and any other related functions.)
- (b) A Sponsoring Cellis Promoter should monitor the Promoters in his or her downline organizations to ensure that downline Promoters do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such Promoter should be able to provide documented evidence to Cellis of his or her ongoing fulfillment of the responsibilities of a Sponsor.
- (c) Up line Promoters are encouraged to educate and train new Promoters about Cellis' products and services, effective sales techniques, the Cellis Compensation Plan, along with compliance with Cellis Policies and Procedures and any and all social media guidelines or any other guidelines and amendments thereto implemented at that time. Marketing product is a required activity in Cellis and must be emphasized in all recruiting presentations.
- (d) We emphasize and encourage all Promoters to sell Cellis' products and

services to Customers.

- (e) Use of Sales Aids. To promote both the products and the opportunity Cellis offers, Promoters must use the sales aids and support materials produced by Cellis. If Cellis Promoters develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding Promoters' good intentions, along with the intentional violation of any number of statutes or regulatory laws affecting the Cellis business. These violations, could jeopardize the Cellis opportunity for all Promoters. Accordingly, Promoters must submit via email all written sales aids, promotional materials, advertisements, websites, training material, flyers, along with any other literature to the Compliance Department for approval prior to use. COMPLIANCE EMAIL: compliance@cellishq.com. ***Unless the Promoter receives specific written approval to use the material, the request shall be deemed denied.*** All Promoters shall safeguard and promote the good reputation of Cellis and its products. The marketing and promotion of Cellis, the Cellis opportunity, the Compensation Plan, and Cellis products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

3.3 Sponsorship

The Sponsor is the person who introduces a Promoter or Customer to Cellis, helps them complete their enrollment, and supports and trains those in their downline.

- (a) Cellis recognizes the Sponsor as the name(s) shown on the first:
 - (i) Electronically signed Promoter Agreement from a website or a Cellis Promoter website.
- (b) Cellis recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but Cellis will not allow Promoters to engage in unethical sponsoring activities.
- (c) All active Promoters in good standing have the right to Sponsor and enroll others into Cellis. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Promoter will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Promoter who presented a comprehensive introduction to Cellis products or business opportunity.

3.4 Unethical Sponsoring

- (a) Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition by attempting to acquire a prospect or new Promoter away from a fellow Promoter or influencing another Promoter to transfer to a different sponsor.

- (b) Allegations of unethical sponsoring must be reported in writing to the Cellis Compliance Department within the first 30 days of the new Promoter enrollment in question. If the reports are substantiated, Cellis may transfer the Promoter or the Promoter's downline to another sponsor or organization without approval from the current up-line Sponsor or Placement Promoters. Cellis remains the final authority in such cases.
- (c) Cellis prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the Cellis compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Promoter in an unearned manner. One example of stacking occurs when a Sponsor places Promoter(s) under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning purposes. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent Promoter positions of all individuals and/or entities found to be directly involved.
- (d) Should Promoters engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Cellis products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Promoter alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, Cellis will not pay any of Promoter's defense costs or legal fees, nor will Cellis indemnify the Promoter for any judgment, award, or settlement.

3.5 Cross Sponsoring Prohibition

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

3.6 Solicitation for Other Companies or Products

- (a) A Cellis Promoter and/or Customer may participate in other direct sales, multilevel, network marketing or relationship marketing businesses or marketing opportunities. However, during the Term of this Agreement and for six (6) months thereafter, a Cellis Promoter may not recruit any fellow Cellis Promoter or Customer for any other direct sales or network marketing business, unless that fellow Promoter or Customer was personally sponsored by such Promoter.

- (b) The term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Promoter or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Promoter’s actions are in response to an inquiry made by another Promoter or Customer.
- (c) During the term of this Agreement any Cellis Promoter must not sell, or entice others to sell, any competing products or services, including training materials, to Cellis Customers or Promoters. Any product or service in the same category as a Cellis product or service is deemed to be competing (i.e., any competing product or service regardless of differences in cost or quality.)
- (d) However, a Promoter may sell non-competing products or services to the Cellis Customers and Promoters that they personally sponsored.
- (e) A Promoter may not display or bundle Cellis products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Promoter into believing there is a relationship between the Cellis and non-Cellis products and services.
- (f) A Cellis Promoter may not offer any non-Cellis opportunity, products or services at any Cellis related meeting, event, seminar or convention, or immediately following a Cellis event.
- (g) A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Cellis and its Promoters and would inflict irreparable harm on Cellis. In such event, Cellis may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Promoter or such Promoter’s positions including termination, or seek immediate injunctive relief without the necessity of posting a bond.

4.0 AGREEMENTS & GENERAL UNDERSTANDINGS

4.1 Rights Granted

- (a) Cellis hereby grants to the Promoter a non-exclusive right, based upon the terms and conditions contained in the Agreement to:
 - (i) Purchase Cellis products and services;
 - (ii) Promote and sell Cellis products and services; and
 - (iii) Sponsor new Promoters and Customers in countries where Cellis is currently authorized to do business or becomes authorized to business in the future.
 - (iv) No feature of the Compensation Plan constitutes a personal purchase requirement to become a Promoter, move up in rank in or otherwise

fully participate in the Compensation Plan. No product purchase is required of anyone at any time to fully participate as a Promoter.

4.2 Renewals and Expiration of the Promoter Agreement

- (a) If the Promoter allows his or her Promoter Agreement to expire due to nonpayment, the Promoter will lose any and all rights to his, her or its downline organization unless the Promoter re-activates within sixty (60) days following the expiration of the Application.
 - (i) If the former Promoter re-activates within the sixty (60) day time limit, the Promoter will resume the rank and position held immediately prior to the expiration of the Promoter Agreement. However, such Promoter's paid as level will not be restored unless he, she and/or an entity qualifies at that payout level in the new month. The Promoter is not eligible to receive commissions for the time period that the Promoter's position was expired.
 - (ii) Any Promoter who was terminated or whose Agreement has expired and lapsed the sixty (60) day grace period is not eligible to re-apply for a Cellis business for six (6) months following the expiration of the Promoter Agreement.
 - (iii) The downline of the expired Promoter will roll up to the immediate, active upline Sponsor.

4.3 Effect of Cancellation

- (a) Following a Promoter's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Promoter:
 - (i) Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Promoter's former organization or any other payments in association with the Promoter's former independent position;
 - (ii) Effectively waives any and all claims to property rights or any interest in or to the Promoter's former Downline organization;
 - (iii) Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, and less any other amounts owed to Cellis.

4.4 Modification of the Promoter Agreement

- (a) A Cellis Promoter may modify his or her existing Promoter Agreement (i.e., add a Spouse or partner to the account, or change the form of ownership from an individual to a Business Entity owned by the Promoter) by submitting a written request, accompanied by a new Promoter Agreement and the Business

Registration Form, if applicable, completed with fresh signatures (not a “crossed out” or “white-out” version of the first Agreement), and any appropriate supporting documentation.

4.5 Unauthorized Transfer & Re-Enrollment

- (a) In the event a Promoter discovers that a Promoter in their downline has re-enrolled under a different Promoter, the Promoter has thirty (30) days from the date the downline Promoter enrolled under a new Promoter to notify the Cellis Compliance department and request the downline Promoter be transferred back to his/her downline. Upon the expiration of the thirty (30) day notice period, the right to re-claim a new Promoter to his or her downline will be waived.

4.6 Change of Sponsors or Placement for Promoters

- (a) Placement changes/corrections may be requested within a period of 72 hours from the time of enrollment. Such adjustments require written permission directed to the Support Department submitted from the personal back office of the sponsor as well as the Promoter to be moved and in some cases the upline distributor.
- (b) Sponsor changes are generally not permitted. However, sponsor corrections can be made if they are reported to the Support Department within 72 hours from the time of enrollment. Sponsor corrections must be requested from the distributor back office of the current (original) sponsor, stating the reason that the correction needs to be made.
- (c) At the discretion of Cellis, Promoters who have not ordered products or services for at least 12 months, and who have not tendered a letter of termination resignation, are eligible to re-enroll in Cellis under the Sponsor/Placement of their choice.
- (d) Upon written notice to Cellis that a former Promoter wishes to re-enroll, Cellis will “compress” (close) the original account. A new Cellis ID number will then be issued to the former Promoter.
- (e) Such Promoter does not retain former rank, downline, or rights to commission from his or her former organizations.
- (f) Cellis reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

4.7 Change Organizations

- (a) If a Cellis Promoter wishes to transfer organizations, he or she must submit a letter of termination resignation to the Cellis Customer Service Department and remain inactive (place no orders, or be on an auto ship) with or in Cellis for 6 months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.

- (b) Cellis retains the right to approve or deny any request to re-enroll after a Promoter's termination.
- (c) If re-enrollment is approved, the former Promoter will be issued a new Cellis ID number and will be required to submit a new Promoter Agreement. The Promoter will not be entitled to keep any former rank, downline, or rights to commission from any prior organization.

4.8 Placement Lounge

- (a) When you personally enroll Promoters or Customers, they are automatically placed in your Placement Lounge for up to sixty (60) days.
- (b) Promoter has up to sixty (60) days to place the new promoter or customer into an open position in their placement tree. Upon the expiration of sixty (60) days this option expires indefinitely. Once the Promoter or Customer in your Placement Lounge have been placed they cannot be moved again.

4.9 Voluntary Termination

- (a) A Promoter may immediately terminate his or her position by submitting a written notice or email to the Cellis Compliance Department at compliance@Cellishq.com. The written notice must include the following;
 - (i) The Promoter's intent to terminate the Agreement; Date of termination;
 - (ii) Cellis Identification Number;
 - (iii) Reason for terminating; and
 - (iv) A Cellis Promoter may not use termination as a way to immediately change Sponsor and Placement. Instead, the Promoter who has voluntarily terminated is not eligible to reapply for a position or have any financial interest in a or any Cellis business for 6 months from the receipt of the written notice of termination.
 - (v) Signature.

4.10 Involuntary Termination

- (a) Cellis reserves the right to terminate a Promoter's position for, but not limited to, the following reasons;
 - (i) Violation of any Terms or Conditions of the Promoter Agreement;
 - (ii) Violation of any provision of these Policies and Procedures in effect at the time the violation occurred or was discovered;
 - (iii) Violation of any provision in the Compensation Plan;

- (iv) Violation of any applicable law, ordinance, or regulation regarding the Cellis business;
 - (v) Engaging in unethical business practices or violating standards of fair dealing; or
 - (vi) Returning over \$500 worth of products, services and/or sales tools for a refund within a 12-month period.
- (b) Cellis will notify the Promoter in writing by certified mail, return receipt requested or overnight documented mail, at his or her last known address of its intent to terminate the Promoter's position and the reasons for termination. The Promoter will have 15 calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice. Cellis will then have 30 calendar days from the date of receipt of the Promoter's response to render a final decision as to termination.
 - (c) If a decision is made by Cellis to terminate the Promoter's position, Cellis will inform the Promoter in writing that the position is terminated effective as of the date of the written notification.
 - (d) If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by Cellis. The former Promoter shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Cellis products or services. Cellis will notify the active Upline Sponsor within 10 days after termination. The organization of the terminated Promoter will "roll up" to the active Upline Sponsor on record.
 - (e) The Cellis Promoter who is involuntarily terminated by Cellis may not reapply for a position, either under his or her present name or any other name or entity, without the express written consent of an officer of Cellis, following a review by the Cellis Compliance Committee. In any event, such Promoter may not re-apply for a position for 12 months from the date of termination.

5.0 BUSINESS ENTITIES

5.1 Definition

- (a) A corporation, partnership, or trust (collectively referred to as a ("Business Entity")) may apply to be a Cellis Promoter.
- (b) A Cellis Promoter may change their status under the same Sponsor from an individual to a partnership, corporation, trust or from one type of business entity to another.

5.2 Independent Business Relationship; Indemnification for Actions

- (a) Promoters are independent contractors acting in the capacity of a wholly independent marketing representative who establish and services retail customers for Company products. Promoter status, as such does not

constitute either a sale of a security, franchise or a distributorship (exclusive or otherwise), and absolutely no fees have been or will be required from Promoter for the right to distribute Company products pursuant to the Promoter Agreement. The Promoter Agreement is not intended and shall not be construed to create a relationship of employer- employee, agency, partnership, or joint venture between Promoter and any other participant in the Company marketing plan and/or Company. As an independent contractor, Promoter will: (i) comply with all applicable federal, provincial and local laws, rules and regulations pertaining to the Promoter Agreement, including the sale, distribution and advertising of Company products, and (ii) at Promoter's own expense, complete all filings, and obtain such licenses as are required by applicable federal, provincial and local laws, rules and regulations, with respect to the Promoter Agreement and Promoter's activities as a Promoter.

- (b) Promoters have no authority to bind Company to any obligation. It is each Promoter's responsibility to pay all income, local or applicable taxes as an independent contractor, and Promoters are not eligible for employee benefits, such as unemployment compensation, worker's compensation or minimum wages. Company encourages its Promoters to set their own hours and to supply all of their own equipment and tools for operating their Company business, such as telephones, transportation, professional services, office equipment and supplies. Further, Promoters should determine their own methods of sale, so long as they comply with the policies of Company. Without limiting the generality of the foregoing, Promoters shall be fully responsible for (i) all applicable federal, state and local withholding taxes, worker's compensation contributions license requirements and fees related to the Promoter's earnings and activities as an Promoter, and (ii) all expenses incurred in connection with the operation of the Promoter's Company-related business, including but not limited to travel, meals, accommodation, secretarial, office, telephone and other business expenses.
- (c) The Cellis Promoter is fully responsible for all of his or her verbal and written communications made regarding Cellis products, services, and the Compensation Plan that are not expressly contained within official Cellis materials. Promoters shall indemnify and hold harmless Cellis, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, lawyer fees and court costs incurred by Cellis as a result of the Promoter's unauthorized representations or actions. This provision shall survive the termination of the Cellis Promoter Agreement.

5.3 Insurance

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

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

6.0 POLICY VIOLATIONS

6.1 Reporting Policy Violation

- (a) A Promoter who observes a policy violation by another Promoter, Promoter or Customer associated with Cellis should submit an e-mail to compliance@cellishq.com any and all violations directly to the Cellis Corporate office. The message shall set forth the details of the incident as follows: The nature of the violation:
 - (i) Specific facts to support the allegations;
 - (ii) Dates;
 - (iii) Number of occurrences;
 - (iv) Persons involved; and
 - (v) Supporting documentation
- (b) Once the matter has been presented to Cellis, it will be researched thoroughly by the Compliance Department and appropriate action will be taken if required.
- (c) This section refers to the general reporting of Policy violations as observed by other Promoters for the mutual effort to support, protect, and defend the integrity of the Cellis business and opportunity. If a Promoter has a grievance or complaint against another Promoter which directly relates to his or her Cellis business, the Procedures set forth in these Policies must be followed.

6.2 Adherence to the Cellis Compensation Plan

- (a) A Promoter must adhere to the terms of the Cellis Compensation Plan as set forth in these Policies and Procedures as well as in official Cellis literature. Deviation from the Compensation Plan is prohibited.
- (b) A Promoter shall not offer the Cellis opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Cellis literature.
- (c) A Promoter shall not require or encourage a current or prospective Promoter to participate in Cellis in any manner that varies from the Compensation Plan as set forth in official Cellis literature.

- (d) A Promoter shall not require or encourage a current or prospective Promoter to make a purchase from or payment to any individual or other entity as a condition to participating in the Cellis Compensation Plan.

6.3 Adherence to Laws and Ordinances

- (a) Many cities, counties and townships have laws regulating certain home-based businesses. Promoters must check their local laws and obey the laws that do apply to them.
- (b) A Cellis Promoter /Promoter or Customer shall comply with all Federal and local laws and regulations in their conduct of his or her Cellis business.
- (c) A Promoter accepts sole responsibility for and agrees to pay all fines and incur all liabilities for his or her actions that violate any laws or ordinances.

6.4 Compliance with Applicable Income Tax Laws

- (a) A Promoter accepts sole responsibility for and agrees to pay all Federal, Provincial and local taxes on any income generated as an independent Promoter, and further agrees to indemnify Cellis from any failure to pay such tax amounts when due.
- (b) If a Promoter's business is tax exempt, the Federal Business Number must be provided to Cellis in writing.
- (c) Cellis encourages all Promoters to consult with a tax advisor for additional information for their business. Cellis is required to charge and remit sales tax to the various states or provinces based on the retail price. (Receipt of trips, prizes or awards in the amount of \$600.00 or more.)

6.5 One Cellis Business Per Promoter

- (a) A Promoter may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Cellis business. No individual (together with their spouse) may have, operate or receive compensation from more than one Cellis business. Individuals of the same family unit, excluding spouses, may each enter into or have an interest in their own separate Cellis businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A "family unit" is defined as parents or dependent children living at or doing business at the same address. Each position must build their position separate and independent of the other or the position will be deemed to be stacking.

6.6 Actions of Household Members or Affiliated Parties

- (a) If any member of a Promoter's immediate household engages in any activity which, if performed by the Promoter, would violate any provision of the

Agreement, such activity will be deemed a violation by the Promoter and Cellis may take disciplinary action pursuant to these Policies and Procedures against the Promoter. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Cellis may take disciplinary action against the Business Entity. Likewise, if a Promoter enrolls in Cellis as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the Terms and Conditions of the Agreement.

6.7 Identification Numbers and Pay-Out

- (a) Each Promoter is required to provide his or her federal Social Security Number or Federal Tax Identification Number, if located in the United States or any of its territories to Cellis at the time Promoter initiates a transfer of monies or earnings accumulated in the Promoter's Wallet. The transferring and disbursement of commission payments or bonuses acquired is known as a Pay- Out and Cellis reserves the right to withhold Pay-Out from any Promoter who fails to provide such information or who provides false information.
- (b) Upon enrollment, Cellis will provide a Cellis Identification Number to the Promoter. This number will be used to place orders, structure organizations, and track commissions and bonuses.

6.8 Sell, Assign or Delegate Ownership

- (a) In order to preserve the integrity of the hierarchical structure, it is necessary for Cellis to place restrictions on the transfer, assignment, or sale of apposition.
- (b) A Cellis Promoter may not sell or assign his or her rights or delegate his or her position as a Promoter without prior written approval by Cellis, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Cellis.
- (c) Should the sale be approved by Cellis, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.
- (d) To request corporate authorization for a sale or transfer of a Cellis position, the following items must be submitted to the Cellis Compliance Department:
 - (i) A Sale/Transfer of Position Form properly completed, with the requisite signatures.
 - (ii) A copy of the Sales Agreement signed, dated and notarized by both Buyer and Seller.
 - (iii) A Cellis Promoter Agreement completed and signed by the signed by the Buyer and proof of good standing;

- (iv) Payment of the \$100 administration fee paid by Seller;
- (v) Any additional supporting documentation requested by Cellis.
- (e) Any debt obligations that either Seller or Buyer may have with Cellis must be satisfied prior to the approval of the sale or transfer by Cellis.
- (f) A Cellis Promoter who sells his or her position is not eligible to re-enroll as a Cellis Promoter in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

6.9 Separating a Cellis Business

- (a) Pending a divorce or dissolution of a partnership or other business entity, the parties must adopt one of the following methods of operation:
 - (i) One of the parties may, with the written consent of the other(s), operate the Cellis business whereby the relinquishing Spouse (which term herein means either an individual that is legally married or an individual that is party to a legally recognized common law relationship), shareholders, partners, members or trustees authorize Cellis to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee;
 - (ii) The parties may continue to operate the Cellis business jointly on a “business as usual” basis, whereupon all compensation paid by Cellis will be paid in the name designated as the Promoters or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, Cellis will pay compensation to the name on record and in such event, the Promoter named on the account shall indemnify Cellis from any claims from the other business owner(s) or the other Spouse with respect to such payment.
- (b) Cellis recognizes only one Downline organization and will issue only one commission payment transfer per Cellis business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will Cellis split commission and/or bonuses.
- (c) If a relinquishing Spouse, partner or owner of the business has completely relinquished (“Relinquishing Party”), in writing, all rights to the original Cellis business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Promoter or active Customer in the former organization, and must develop a new business in the same manner as any other new Cellis Promoter. A Promoter in the Relinquishing Party’s former Downline who wishes to transfer to the Relinquishing Party’s new organization or to any other organization, must comply with the requirements in Section 4.0.

6.10 Succession

- (a) The Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
- (b) Upon the death or incapacity of a Promoter, the Promoter's business may be passed on to his or her legal successors in interest (successor). Whenever a Cellis business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Promoter's sales organization. The successor must:
 - (i) Complete and sign a new Cellis Promoter Agreement;
 - (ii) Comply with the Terms and provisions of the Promoter Agreement; and
 - (iii) Meet all of the qualifications for the last rank achieved by the former Promoter.
- (c) Bonus and commission of a Cellis business transferred based on this section will be paid in a single transfer to the successor. The successor must provide Cellis with an "address of record" to which all bonus and commission Payments will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.
- (d) If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a federal Business Number. Cellis will issue all bonus and commission payments to the managing business entity only.
- (e) Appropriate legal documentation must be submitted to Cellis Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Cellis business, the successor must provide the following to Cellis Compliance Department;
 - (i) A certified copy of the death certificate; and
 - (ii) A notarized copy of the will or other appropriate legal documentation establishing the successors right to the Cellis business.
- (f) To complete a transfer of the Cellis business because of incapacity, the successor must provide the following to the Cellis Compliance Department;
 - (i) A notarized copy of an appointment as trustee;
 - (ii) A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the Cellis business; and
 - (iii) A completed Promoter Agreement executed by the trustee.

- (g) If the successor is already an existing Promoter, Cellis will allow such Promoter to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the six (6) month period, the Promoter must have compressed (if applicable), sold or otherwise transferred either the existing position or the inherited position.
- (h) If the successor wishes to terminate the Cellis position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- (i) Upon written request, Cellis may grant a 1month bereavement waiver and pay out at the last “paid as” rank.

7.0 DISCIPLINARY ACTIONS

7.1 Imposition of Disciplinary Action - Purpose

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

7.2 Consequences and Remedies of Breach

- (a) Disciplinary actions may include one or more of the following:
 - (i) Monitoring a Promoter’s conduct over a specified period of time to assure compliance;
 - (ii) Issuance of a written warning or requiring the Promoter to take immediate corrective action;
 - (iii) Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments (“Commission Hold”) until the matter causing the Commission Hold is resolved or until Cellis receives adequate additional assurances from the Promoter to ensure future compliance;
 - (iv) Suspension from participation in Company or Promoter events, rewards, or recognition;
 - (v) Suspension of the Cellis Promoter Agreement and position for one or more pay periods;
 - (vi) Involuntary termination of the Promoter’s Agreement and position;
 - (vii) Any other measure which Cellis deems feasible and appropriate to justly

resolve injuries caused by the Promoter's Policy violation or contractual breach; OR

(viii) Legal proceedings for monetary or equitable relief.

7.3 Suspension Procedures

(a) First Violation: Counseling and initial warning letter.

(i) A first violation usually occurs because the Promoter is not familiar with the Policies and Procedures or the law. Counseling and the initial warning provide an opportunity for Compliance to bring to the attention of the Cellis the Policies and Procedures and the specific violation, and to provide counseling on complying with the Policies and Procedures and applicable laws. Compliance will also describe expectations and steps the Promoter must take to resolve the violation including, but not limited to, either removing or revising the non-compliant claim or how to remedy other policy violations. Within three days of this notice, Compliance will determine if the non-compliant material or other policy violation has been remediated. If so, Compliance will close the file. If not, Compliance will proceed to 2nd Violation notice.

(b) Second Violation: Second warning letter and temporary suspension

(i) Although it is hoped that the Promoter will promptly correct the violation(s), Cellis recognizes that this may not always occur. The second written warning indicates the seriousness of repeated violations and will prompt a temporary suspension of the Promoter's account. During the suspension period, the Promoter waives any and all rights to Pay-Out and must submit a signed a reinstatement letter wherein the Promoter acknowledges the violation(s) and describes the steps taken to correct the violation(s). Once the reinstatement letter is accepted by Cellis, the suspension will be lifted and the Promoter will be able to request a Pay-Out. The Promoter maybe subject to additional discipline up to and including termination if the violation is not remedied or further violations occur.

(c) Third Violation: Suspension and final written warning

(i) Repeated violations of the Policies and Procedures is very problematic and potentially harmful. Therefore, the most effective and prudent action is suspension of the Promoter and forfeiture of commissions for at least a month. The final written warning letter will include notification of such suspension, the extent of the commission forfeiture, and an indication that if the Promoter violates the Policies and Procedures again, the Promoter will be terminated immediately.

(d) Fourth Violation: Termination

- (i) As described above, Cellis will try to exercise the progressive nature of the Discipline Policy by first providing warnings, a final written warning and suspension and commissions forfeiture before proceeding to termination; however, Cellis reserves the right to combine and omit steps depending on the circumstances of each situation and the nature of the violation. Furthermore, Promoter may be terminated without prior notice or disciplinary action, as authorized by the Policies and Procedures.

8.0 DISPUTE RESOLUTION

8.1 Grievances

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

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

8.2 Mediation

- (a) Promoter and Cellis (collectively “the Parties”) recognize disputes and differences may arise between the Parties and therefore agree it is in their best interest to appoint an impartial mediator to resolve such disputes as they arise. Additionally, the Parties recognize that litigation in court can be time consuming and expensive, hence THE PARTIES AGREE TO THE FOLLOWING:
- (b) The Parties hereto agree to refer the following matters and responsibilities to the Mediator:
 - (i) The Mediator shall conduct the mediation based on the principle of party self-determination, in which the Parties come to a voluntary, uncoerced decision where each party makes free and informed choices.
 - (ii) The Mediator shall conduct any necessary separate or ex parte meetings and other communications with parties or representatives, before, during, and after any scheduled mediation conference.
 - (iii) The Parties should exchange all documents pertinent to the relief requested. The Mediator may request the exchange of memoranda and

other information; items that a party wishes to keep confidential may be sent to the Mediator in a separate communication.

- (iv) The Mediator does not have the authority to issue a settlement, but will help facilitate a satisfactory resolution of the dispute.
 - (v) The Mediator will not make decisions for a Party or act as an arbitrator.
 - i. Should a complete settlement of some or all issues not be achieved, the Mediator may continue to communicate with the Parties following the mediation conference.
 - (vi) The Mediator is not a legal representative of any party.
 - (vii) The Mediator shall set the date, time, and place for each session of the mediation conference and the Parties shall respond in a timely manner.
- (c) The Mediator shall direct the Parties to file statements of their respective claims, legal submissions and reliefs claimed. Each party will file statements of defense in reply to the statements of claims of others. The Mediator shall allow the Parties to produce documents in support of their claims.
 - (d) The Mediator shall allow the Parties to be represented by their respective advocates, who have the authority to consummate a settlement. Any party may participate without representation (pro se).
 - (e) Mediation sessions and related mediation communications are private proceedings. The Parties and their representatives may attend mediation sessions. Other persons may attend only with the permission of the Parties and with the consent of the Mediator.

8.3 Termination of Mediation

- (a) The mediation shall be terminated:
 - (i) By the execution of a settlement agreement by the Parties; or
 - (ii) By a written or verbal declaration of the Mediator to the effect that further efforts at mediation would not contribute to a resolution of the Parties' dispute; or
 - (iii) By a written or verbal declaration of all Parties to the effect that the mediation proceedings are terminated; or
 - (iv) When there has been no communication between the Mediator and any party or party's representative for twenty (21) days following the conclusion of the mediation conference.
- (b) Each Party will pay its own costs and expense of the mediation unless the Parties agree otherwise. The expenses of participants for either side shall be paid by the party requesting the attendance of such participants.

- (c) The Parties agree that all mediation communications are privileged and not subject to discovery or admissible in evidence in a proceeding unless waived or precluded by both Parties or unless the evidence would otherwise be admissible or subject to discovery if it were not by reason of its disclosure or use in mediation.
- (d) Jurisdiction and venue of any controversy or claim brought under this mediation provision shall be submitted to a Mediator with a principal office in Collin County, Texas. The mediation shall occur at the office of the Mediator or at any neutral location located in Collin County, Texas. The Parties further agree that the laws of the State of Texas shall govern all matters, claims or controversy submitted to mediation pursuant to the Agreement.

8.4 Severability

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

8.5 Waiver

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

8.6 Governing Law

- (a) Subject to and without waiving the terms set forth in Sections 8.2 (Mediation) and 8.3 (Termination of Mediation) above, jurisdiction and venue of any controversy or claim arising from the Agreement or between Cellis and Promoter, shall be in Collin County, Texas. The law of the State of Texas shall govern all matters relating to or arising from the Agreement or between Cellis and Promoter.

9.0 PAYMENT OF COMMISSIONS & BONUSES

9.1 Bonus and Commission Qualifications

- (a) A Promoter must be active and in compliance with any and all Cellis Policies and Procedures set forth herein, along with all guidelines implemented to qualify for bonuses and commissions. So long as a Promoter complies with the terms and conditions set forth in the Agreement, Cellis shall pay commissions to such Promoters in accordance with the Compensation Plan and any amendments

thereto.

- (b) Cellis will not issue a payment earned of any form to a Promoter without the receipt of a of the annual membership fee and completed electronic Cellis Application.
- (c) Cellis reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.00.

9.2 Computation of Commissions and Discrepancies

- (a) In order to qualify to receive commissions and/or bonuses, a Promoter must be in good standing and comply with the Terms of the Application and these Policies and Procedures. Commissions, bonuses, overrides, and achievement levels are calculated each month.
- (b) A Cellis Promoter must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the thirty (30) day “grace period” no additional requests will be considered for commission recalculations.
- (c) For additional information on payment of commissions, please review the Compensation Plan, a copy of which is attached hereto as “ADDENDUM 2”.

9.3 Adjustments to Bonuses and Commissions for Returned Products or Promoter Memberships.

- (a) A Promoter receives bonuses and commissions based on the actual sales of products and services to end consumers and to Promoters through product and service purchases. When a product or service is returned to Cellis for a refund from the end consumer or by a Promoter, the bonuses and commissions attributable to the returned product or service will be deducted from the Promoter who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.
- (b) In the event that a Promoter terminates his or her position, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Cellis, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Cellis to the terminated Promoter.

10.0 ORDERING PRODUCT

10.1 General Product Ordering Policies

- (a) "Bonus Buying" is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Application by such individuals or Business Entities; (b) the fraudulent enrollment of an individual or entity as a Promoter or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Promoters or Customers ("phantoms"); (d) purchasing Cellis products or services on behalf of another Promoter or Customer, or under another Promoter's or Customer's ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products, services or smartships that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end consumers.
- (b) Cellis requires that Promoters use their own credit cards and not allow others to use them. A Promoter shall not use another Promoter's or Customer's credit card or debit account to enroll in Cellis or purchase products, services or smartship without the account holder's written permission. Such documentation must be kept by the Promoter indefinitely in case Cellis needs to reference this.
- (c) Regarding an order with an invalid or incorrect payment, Cellis will attempt to contact the Promoter by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after the expiration of ten (10) business days, the order will be canceled.
- (d) Prices are subject to change without notice. Same credit card use is limited to three times per processing day.
- (e) A Promoter or Customer who is a recipient of a damaged or incorrect order must notify Cellis within thirty (30) calendar days from receipt of the order and follow the Procedures as set forth in these Policies and Procedures, along with the Return/Exchange Policies and any and all guidelines instated and effective and any amendments thereto.

10.2 Sales to Customers

- (a) Sales to retail customers may be done directly through Promoters' replicated websites or directly using product that Cellis has in inventory.
- (b) Promoters will comply with applicable consumer protection laws and regulations (including any consumer rights to receive specific notices and any rights to return product) afforded consumers under applicable consumer protection legislation. When making a sale to an end customer, a Promoter must provide him/her with an official Cellis retail receipt at or prior to the time of the initial sale and every sale thereafter. Promoter will need to customize the template with his/her personal information. If the customer exercises the right to cancel the sale, Promoter shall follow the refund procedures described in this section.

- (c) The customer should return all unused Product to Cellis. These sales receipts set forth:
 - (i) the consumer protection rights afforded by applicable law for direct sales, including the right to cancel (without any reason) the sales receipt up to ten (10) days after the end customer receives a copy of the receipt or invoice; and
 - (ii) Cellis' thirty (30) day return policy. The retail sales receipt may be downloaded from Promoter's back office in template form. Promoters must duplicate the form and provide one to the retail customer and retain a copy for their records.

10.3 Insufficient Funds

- (a) All electronic payments that are declined for insufficient funds will be automatically re-submitted for payment.
- (b) Any outstanding balance owed to Cellis by a Promoter or Customer of a Promoter from NSF (non- sufficient funds) or insufficient fund fees (ACH), will be withheld by Cellis from that Promoter's future bonus and commission funds.
- (c) All transactions involving insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Promoter, constitute grounds for disciplinary sanctions or termination of the account.
- (d) If a credit card order or automatic debit is declined the first time, the Customer or Promoter will be contacted directly and a request for an alternate form of payment will be made before any product will be shipped. If payment is declined a second time, the Customer or Promoter may be deemed ineligible to purchase Cellis products or services or participate in the monthly auto ship. Note: Participation by Promoters in Cellis' monthly auto ship, which is a recurring product order program, is entirely optional, and is not required in order to become a Promoter, move up in rank or otherwise, fully participate in the Rewards Program.

10.4 Credit Card Purchases

- (a) Credit card purchases may only be made by the individual whose name and address are on the credit card. Any Promoter or Customer who uses another individual's credit card to pay for purchases risks having his/her Account being placed on suspension pending an investigation and resolution of any complaints regarding unauthorized charges. Cellis considers such transactions fraudulent and will report them to the proper authorities for settlement.
- (b) Under no circumstance will any Promoter and/or Customer charge back any credit card purchases. Any Promoter and/or Customer who does so will immediately lose all credit card ordering privileges until the charges are replaced

with certified funds. If an erroneous charge is applied to a Promoter and/or Customer's credit card, the Promoter or Customer should immediately contact the Cellis Support Team via email at support@cellishq.com to initiate an investigation and resolution.

- (c) If a Promoter or Customer notifies his/or her banking institution and requests a chargeback for the amount of the purchase, the person's Account will be automatically closed indefinitely upon Cellis' notification of the disputed purchase.

10.5 Sales Tax Obligation

- (a) The Promoter shall comply with all federal and local taxes and regulations governing the sale of Cellis products and services.
- (b) Cellis will collect and remit sales tax, on Promoter orders. When orders are placed with Cellis, sales tax is prepaid based upon the suggested retail price. Cellis will remit the sales tax to the appropriate Provincial and local jurisdictions. The Promoter may recover the sales tax when he or she makes a sale. Cellis Promoters are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- (c) Cellis encourages each Promoter to consult with a tax advisor for additional information for his or her business.
- (d) Cellis required to charge and remit sales tax to the various states and U.S territories based on the retail price.

10.6 Refund Policy

- (a) Cellis Customers:
 - (i) If within the first twelve months days you are not satisfied with the product you must contact support@cellishq.com to return the unused portion of the product for a full refund of the product purchase amount, minus shipping and handling charges incurred. After thirty (30) days and up to ninety (90) days post purchase, you must contact support@cellishq.com to return the remaining sellable portion of the product for a full refund, minus shipping and handling charges incurred.
- (b) Cellis Promoters:
 - (i) If within the first thirty (30) days of the original purchase, you are not satisfied with the product, you must contact support@cellishq.com to return the unused portion of the product for a full refund, minus shipping and handling charges. Your promoter account will then be subject to six (6) months suspension.
 - (ii) Between thirty (30) and ninety (90) days, if you are not 100% satisfied with our products or are unable to sell them, you may return the items

for a refund if the products are in resalable condition. (*Resalable condition means in sealed enclosed boxes with wrapper intact.) The refund shall be 70% percent of the original price for all returned product. Any shipping and handling charges incurred will not be refunded.

- (c) Problems with Shipments:
 - (i) If within thirty (30) days of the expected reported delivery date, you do not notify support@cellishq.com of a problem with the receipt of your order, including but not limited to, failure to receive the product, improper sealing, damaged to the container, quality of the internal product, and/or receipt of wrong product, refunds or exchanges will not be given.
- (d) All purchases are charged and refunded in U.S. Dollars. All returns, refunds and exchanges will also be refunded or exchanged in U.S. Dollars. Cellis Health, LLC is not responsible for fluctuating exchange rates.

10.7 Return Process

- (a) All returns, whether by a Customer, or Promoter, must be made as follows:
 - (i) Obtain a Return Merchandise Authorization (“RMA”) from Cellis by contacting support@cellishq.com and submit a request.
 - (iii) Ship items to the address provided by Cellis customer service when you receive your Return Merchandise Authorization.
 - (iv) Provide a copy of the sales receipt or invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.
 - (v) Ship product back in the original manufacturer’s box exactly as it was delivered.
 - (vi) All returns must be shipped to Cellis pre-paid, as Cellis does not accept shipping collect packages. Cellis recommends shipping returned product by UPS or FedEx which includes tracking information and insurance, as risk of loss or damage in the shipping process of the returned product shall be borne solely by the Customer or Promoter. If returned product is not received at the address provided on the RMA, it is the responsibility of the Customer or Promoter to trace the shipment of the product wherein no credit will be applied.
 - (vii) The return of \$500 or more of products accompanied by a request for a refund within one (1) calendar year by a Promoter, may constitute grounds for involuntary termination.

11.0 CELLIS OPPORTUNITY

11.1 Presentation of Compensation Plan

- (a) In presenting the Cellis opportunity to potential Customers and Promoters, a Promoter is required to comply with the following provisions:
- (b) A Promoter shall not misquote or omit any significant material fact about the Compensation Plan.
 - (i) A Promoter shall make it clear that the Compensation Plan is based upon sales of Cellis products and services and upon the sponsoring of other Promoters.
 - (ii) A Promoter shall make it clear that success can be achieved only through substantial and diligent independent efforts.
 - (iii) A Cellis Promoter shall not make income projections, claims, or guarantees while presenting or discussing the Cellis opportunity or Compensation Plan to prospective Promoters or Customers. A Cellis Promoter should inform all Promoters that success requires substantial work.
 - (iv) A Promoter may not make any claims regarding products or services of any products offered by Cellis, except those contained in official Cellis literature.
 - (v) A Promoter may not use official Cellis material to promote the Cellis business opportunity in any country where Cellis has not established a “presence” or is duly authorized to conduct business.

11.2 Sales Requirements Are Governed by the Compensation Plan

- (a) Cellis Promoters may purchase Cellis products and then re-sell them at any price they choose, unless otherwise specified by Cellis or by any/its product suppliers on a per product basis. Cellis will provide suggested selling prices. There are no exclusive territories granted to anyone. No franchise fees are applicable to a Cellis business. Cellis products may only be sold where Cellis is licensed or otherwise authorized to conduct business.
- (b) The Cellis program is built on sales to the ultimate consumer or end user. Cellis encourages its Promoters to only purchase inventory, in reasonable quantities, that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Promoters must never attempt to influence any other Promoter to buy more products than they can reasonably use or sell to retail Customers in a month.
- (c) Each Cellis Promoter commits to personally use, sell, or use in business building at least 70% of every order placed with Cellis prior to placing another order, and must be able to certify as much if demanded by Cellis or by any regulatory agency. ***Purchasing product solely for the purpose of collecting bonuses or achieving rank is strictly prohibited.*** Cellis retains the right to

limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

12.0 PROPRIETARY INFORMATION & TRADE SECRETS

12.1 Business Reports, Lists, and Proprietary Information

- (a) By agreeing to the Cellis Promoter Agreement, the Promoter acknowledges that business reports, lists of Customer and Promoter names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by Cellis or pertaining to the business of Cellis (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to Cellis.

12.2 Obligation of Confidentiality

- (a) During the term of the Cellis Promoter Agreement and for a period of two (2) years after the termination or expiration of the Promoter Agreement between the Promoter and Cellis, the Promoter shall not;
- (b) Use the information in the Reports to compete with Cellis or for any purpose other than promoting his or her Cellis business;
- (c) Use or disclose to any person or entity any confidential information contained in the reports, including the replication of the genealogy in another network marketing company.

12.3 Breach and Remedies

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

12.4 Return of Materials

- (a) Upon demand by Cellis, any current or former Promoter will return the original and all copies of all "Reports" to Cellis together with any Cellis confidential information in such person's possession.

13.0 PRIVACY POLICY

13.1 Introduction

- (a) This Privacy Policy is to ensure that all Customers and Promoters understand and adhere to the basic principles of confidentiality. Without limiting the terms of this section 7.0, all Promoters must comply with applicable privacy laws governing the collection, use and disclosure of Customer and fellow Promoter information.

13.2 Expectation of Privacy

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

13.3 Employee Access to Information

- (a) Cellis limits the number of employees who have access to Customer's and Promoters' nonpublic personal information.

13.4 Restrictions on the Disclosure of Account Information

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

14.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS

14.1 Labeling, Packaging, and Displaying Products

- (a) A Cellis Promoter and/or Customer may not re-label, re-package, refill, or alter labels of any Cellis product, or service, information, materials or program(s) in any way. Cellis products and services must only be sold in their original containers from Cellis. Such re-labeling or re-packaging violates federal and regulatory laws, which may result in criminal or civil penalties or liability.

- (b) A Cellis Promoter shall not cause any Cellis product or service or any Cellis trade name to be sold or displayed in retail establishments except;
 - (i) Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas and beauty salons);
 - (ii) Where the retail establishment is owned or managed by the Cellis Promoter and the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.
- (c) A Promoter may sell Cellis products and services and display the Cellis trade name at any appropriate display booth (such as trade shows, expositions, conferences etc.) with the express written consent of Cellis.
 - (i) A Promoter or Customer is prohibited to sell Cellis products and services and display the Cellis trade name, trademark or service mark at any kiosk or booth located in any retail establishment, such as a mall or retail facility.
 - (ii) Cellis reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the Cellis opportunity.

14.2 Use of Company Names and Protected Materials

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

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

- (l) A Promoter shall not state or imply that the KETO//OS product can be taken as part of a weight loss strategy. The KETO//OS product is primarily intended to help elevate blood ketones, which can lead to a decrease in food cravings, increased satiety and improved energy levels. As stated above, a Promoter and/or Customer may not make any claims regarding products or services of any products offered by Cellis, except those contained in official Cellis literature.

14.3 Faxes and E-mail - Limitations

- (a) Except as provided in this section, a Promoter may not use or transmit unsolicited email, mass email distribution, other commercial electronic messages or “spamming” that advertises or promotes the operation of his or her Cellis business. The exceptions are;
 - (i) E-mailing any person who has given prior permission or invitation;
 - (ii) E-mailing any person with whom the Promoter has established a current business or personal relationship.
- (b) In all states or U.S. or International territories where prohibited by law, a Promoter may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.
- (c) All e-mail or computer broadcasted documents subject to this provision shall include each of the following;
 - (i) A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
 - (ii) A clear return path or routing information;
 - (iii) The use of legal and proper domain name;
 - (iv) A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
 - (v) Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
 - (vi) The true and correct name of the sender, valid senders fax or e-mail address, and a valid sender physical address;
 - (vii) The date and time of the transmission;

- (viii) Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, a Cellis Promoter shall not transmit any further documents to that recipient.
- (d) All e-mail or computer broadcasted documents subject to this provision shall not include any of the following;
 - (i) Use of any third-party domain name without permission;
 - (ii) Sexually explicit materials.

14.4 Internet and Third-Party Website Restrictions

- (a) A Promoter and/or Customer is prohibited from creating or registering any third-party website in order to promote, sell or advertise their Cellis business. A Promoter and/or Customer is prohibited to use or attempt to register any of Cellis' trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Cellis name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- (b) A Cellis Promoter may not sell Cellis products, services or offer the Business Opportunity using "online auctions," such as eBay®, Amazon, Etsy or other external retail websites or auction sites.
- (c) Social Media sites may be used to sell or offer to sell Cellis products or services. PROFILES A PROMOTER OR CUSTOMER GENERATES IN ANY SOCIAL COMMUNITY WHERE CELLIS IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE PROMOTER AS AN INDEPENDENT CELLIS PROMOTER, and when a Promoter and/or Customer participates in those communities, Promoters and/or Customers must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Cellis' sole discretion, and offending Promoter and/or Customer will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Cellis approved library, official Cellis website or social media outlet. If a link is provided, it must link to the posting Promoter's Replicated website.
- (d) Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Promoters will be subject to disciplinary action.
- (e) Promoters and/or Customers may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Promoters or Customers create or leave must be useful, unique, relevant and specific to the blog's article.
- (f) Promoters and/or Customers must disclose their full name on all Social Media postings, and conspicuously identify themselves as an Independent Cellis Promoter for Cellis. Anonymous postings or use of an alias is prohibited.

- (g) Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Cellis income opportunity, Cellis' products and services, and/or your biographic information and credentials.
- (h) Promoter and/or Customer are personally responsible for their postings and all other online activity that relates to Cellis. Therefore, even if a Promoter does not own or operate a blog or Social Media site, if a Promoter and/or Customer posts to any such site that relates to Cellis or which can be traced to Cellis, the Promoter is responsible for the posting. Promoter and/or Customer are also responsible for postings which occur on any blog or Social Media site that the Promoter and/or Customer owns, operates, or controls.
- (i) As a Cellis Promoter, it is important to not converse with any person who places a negative post against you, other Promoters, or Cellis. Report negative posts to Cellis at support@Cellishq.com. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Cellis, and therefore damages the reputation and goodwill of Cellis.
- (j) The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, Cellis therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites which are herein prohibited.
- (k) If your Cellis business is cancelled for any reason, you must discontinue using the Cellis name, and all of Cellis' trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an Independent

Cellis Promoter, you must conspicuously disclose that you are no longer an Independent Cellis Promoter.

- (l) Failure to comply with these Policies for conducting business online may result in the Promoter losing their right to advertise and market Cellis products, services and Cellis' business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.

14.5 Advertising and Promotional Materials

- (a) You may not advertise any Cellis products or services at a price LESS than the highest company published, established retail price of ONE offering of the Cellis product or service plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.
- (b) Advertising and all forms of communications must adhere to principles of honesty and propriety.
- (c) All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Cellis Compliance Department.
- (d) All requests for approvals with respect to advertising must be directed in writing to the Cellis Compliance Department.
- (e) A Promoter who is currently paid at the Circle of Champions rank may create his or her own ads or promotional materials including the development of commercials or infomercials. However, all such materials, and any subsequent changes thereto, shall be submitted to the Cellis Compliance Department for approval.
- (f) Circle of Champions are encouraged to work with the Compliance Department prior to the production of commercials, infomercials, or websites.
- (g) Cellis reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations, and may require the removal of such advertisements from the marketplace without obligation to the affected Promoter.

14.6 Testimonial Permission

- (a) By agreeing to the Cellis Promoter Agreement, a Promoter gives Cellis permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in the Cellis Business Opportunity, a Promoter waives any right to be compensated for the use of his or her testimonial or image and likeness even though Cellis may be paid for items or sales materials containing such image and likeness, and represents

that any testimonial represents Promoter's current, original, honest opinion, thoughts, beliefs, findings or experiences, based on Promoter's actual experience with Cellis and any stated use of Cellis products and/or services, and agrees to notify Promoter immediately of any changes in the views expressed in the testimonial. In some cases, a Promoter's testimonial may appear in another Promoter's advertising materials. If a Promoter does not wish to participate in Cellis sales and marketing materials, he or she should provide a written notice to the Cellis Compliance Department to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

14.7 Telemarketing - Limitations

- (a) A Cellis Promoter must not engage in telemarketing in relation to the operation of the Promoter's Cellis business. The term "telemarketing" means the placing of one or more telephone calls or facsimile transmissions to an individual or entity to induce the purchase of Cellis products or services, or to recruit them for the Cellis opportunity.
- (b) The federal government administers the Unsolicited Telecommunication Rules and operates a national Do-Not-Call registry that requires businesses to refrain from calling phone numbers listed on the national "Do-Not-Call" list (DNCL) and or people who tell the caller directly not to call/fax in the future.
- (c) While a Promoter may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Promoter to violate the law. These regulations must not be taken lightly, as they carry significant penalties.
- (d) "Cold calls" or unsolicited calls/faxes made to prospective Customers or Promoters in order to promote Cellis products, services or the Cellis opportunity is considered telemarketing and is prohibited.
- (e) Exceptions to Telemarketing Regulations
- (f) A Cellis Promoter may place telephone calls or faxes to prospective Customers, or Promoters under the following limited situations:
 - (i) If the Promoter has an established current business relationship with the prospect;
 - (ii) In response to the prospect's personal inquiry or application regarding a product or service offered by the Cellis Promoter, within 3 months immediately before the date of such a call/fax;
 - (iii) If the Promoter receives written and signed permission from the prospect authorizing the Promoter to call/fax; collecting business cards from everyone he/she meets and subsequently calls/faxes them,

the federal government may consider this a form of telemarketing that is not subject to this exemption;

- (iv) Cellis Promoters engaged in calling “acquaintances,” must make such calls/faxes on an occasional basis only and not as a routine practice.
- (g) A Promoter shall not use automatic telephone dialing systems in the operation of his or her Cellis businesses.
- (h) Failure to abide by Cellis policies or regulations as set forth by the federal government regarding telemarketing may lead to sanctions against the Promoter’s position, up to and including termination of the position.
- (i) By signing the Promoter Agreement, or by accepting commissions, other payments or awards from Cellis, a Promoter gives permission to Cellis and other Promoters to contact them as permitted under the Federal Do Not Call regulations.
- (j) In the event a Promoter violates this section, Cellis reserves the right to institute legal proceedings to obtain monetary or equitable relief.

15.0 INTERNATIONAL MARKETING

15.1 International Marketing Policy

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

16.0 REFUND POLICY

- (a) You may request a refund of the product amount charged by contacting customer support at support@cellishq.com. If for any reason you are not completely satisfied with any Cellis Health product purchased directly from Cellis Health via our website, you may request a refund within 30 days from the date of purchase. Refunds will be made to the credit card with which the product was purchased. You will need the following to make your request for a refund:
 - Proof of Purchase

- Unused portion of the product or empty product containers

Your refund will include only the cost of the product. It does not include the cost of shipping. Before any product is returned to Cellis Health, LLC, the promoter or customer must contact customer support to obtain a Return Merchandise Authorization (“RMA”) number and return instructions. The cost of shipping the product back for a refund is the customer or promoter’s responsibility. Any package received without this information on the outside of the box may be refused, and may result in a refund not issuing.

17.0 AUTO SHIP CANCELLATION

Please email to cancel or modify your auto ship at any time at support@cellishq.com without penalty. You can also modify or cancel your order at any time on your portal at cellisnow.com By selecting the "smartship" option on our order form, you are giving Cellis Health LLC authorization to submit paperwork on your behalf to the manufacturer to enroll you in the automatic shipping program. The manufacturer (Cellis Health LLC) will ship your products directly to you. You are also authorizing Cellis Health, LLC to charge your credit card for the products you have ordered on a monthly basis. You may cancel at any time without obligation and without penalty by emailing support@cellishq.com or canceling the order on the cellisnow.com portal. All auto ship cancellations must be performed or delivered to Cellis Health LLC within 3 business days of the next shipment to guarantee cancellation of that shipment.

18.0 SHIPPING POLICY

18.1 Shipment processing time and rates

All orders are processed within 2-3 business days. Orders are not shipped or delivered on weekends or holidays.

If we are experiencing a high volume of orders, shipments may be delayed by a few days. Please allow additional days in transit for delivery. If there will be a significant delay in shipment of your order, we will contact you via email or telephone.

Shipping charges and options for your order will be calculated and displayed at checkout. Delivery delays can occasionally occur.

18.2 Damages

Cellis Health is not liable for any products damaged or lost during shipping. If you received your order damaged, please contact the shipment carrier to file a claim.

Please save all packaging materials and damaged goods before filing a claim.

Our Returns Policy provides detailed information about procedures for returning your order

19.0 CELLIS GLOSSARY OF TERMS

ACTIVE PROMOTER: A Promoter who is in good standing with respect to the Agreement and who satisfies the minimum sales volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

AGREEMENT: The contract between Cellis and each Cellis Promoter and Customer; includes the Promoter Agreement, the Cellis Policies and Procedures, and the Cellis Compensation Plan, all in their current form and as amended by Cellis in its sole discretion in accordance with the terms hereof. These documents are collectively referred to as the “Agreement.”

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

COMPENSATION PLAN: The guidelines and referenced literature for describing how Promoters can generate commissions and bonuses. See Cellis Health compensation plan at cellisnow.com.

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

PROMOTER: A Promoter who enrolls a Customer, Retailer, or another Promoter into the Company, and is listed as the Sponsor on the Promoter Agreement. The act of enrolling others and training them to become Promoters is called “Sponsoring.”

***Note: Any reference to “personally enrolling/sponsoring” herein is simply descriptive of the method of building a community of Promoters, ie. personally enrolling other participants into the Plan. The phrase is not intended to imply any connection between the simple act of recruitment, sponsorship, or enrollment, and payment of compensation.**

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

***Note: Any reference to “personally enrolling/sponsoring” herein is simply descriptive of the method of building a community of Promoters, ie. personally enrolling other participants into the Plan. The phrase is not intended to imply any connection between the simple act of recruitment, sponsorship, or enrollment, and payment of compensation.**

PROMOTER: An individual or entity who actively promotes, markets and sells Cellis products for profit and who actively seeks and recruits others to do the same in accordance with the Agreement.

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

ORGANIZATION: The Customers and Promoter placed below a particular Promoter.

OFFICIAL CELLIS MATERIAL: Literature, audio or video tapes, and/or any other materials developed, printed, published, or distributed by Cellis to Promoter and Customers.

PLACEMENT: Your position inside your Sponsor's organization.

RECRUIT: For purposes of the Agreement, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Cellis Promoter or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

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

UPLINE: This term refers to the Promoter or Promoters above a particular Cellis Promoter or Sponsor in a sponsorship line up to the Company. It is the line of sponsors that links any particular Promoter to the Company.