



POLICIES & PROCEDURES

Hong Kong

1. INTRODUCTION

The Kyäni Policies and Procedures govern your rights as a Kyäni Independent Business Partner (whether individual Business Partner or corporate Business Partner) (“you” or “Business Partner” or collectively “Business Partners”). You should familiarize yourself with the contents of these Policies and Procedures, and any questions you may have regarding the Policies and Procedures should be directed to the Kyäni Customer Service staff.

a. Policies and Compensation Plan Incorporated into Independent Business Partner

Agreement: These Policies and Procedures, in their present form and as amended from time to time by Kyäni International Limited, or any Affiliate thereto, (hereafter collectively “Kyäni” or the “Company”), are referred to in the Kyäni Independent Business Partner Agreement. Where these Policies and Procedures are incorporated into the Kyäni Independent Business Partner Agreement by specific reference, these Policies and Procedures constitute an official part of that agreement.

Where these Policies and Procedures are not specifically incorporated into that agreement, they nevertheless reflect the official position of Kyäni with respect to the terms thereof, and any violation of these Policies and Procedures may constitute a breach of a Kyäni Business Partner’s obligations under that agreement, subjecting to the termination provisions of that agreement. Hereafter, when the term “Agreement” is used, it collectively refers to the mutual obligations between Kyäni and the Kyäni Business Partners as evidenced in the Enrollment form, Independent Business Partner Agreement, these Policies and Procedures, the Kyäni Global Compensation Plan, and (when applicable) the Kyäni Business Entity Application.

It is the responsibility of each Business Partner to understand and adhere to the most current version of these Policies and Procedures. When sponsoring a new Business Partner, the sponsoring Business Partner should help the new Business Partner applicant to understand this ongoing obligation.

b. Purpose of Policies: Kyäni produces innovative products and markets those products through Independent Business Partner. Kyäni invests heavily in providing marketing materials, developing brand value for the Company and developing Business Partner compensation systems. Still, the success of the Company and the success of Business Partners ultimately depends on the

integrity of the individual men and women who market the products. Because Kyäni Business Partners are independent business enterprises, Business Partners have broad latitude in how they choose to operate, and to determine the times and methods of their work. Notwithstanding this independence, Kyäni reserves a contractual right to protect its intellectual property, to prevent unsupportable product claims, and to preserve the integrity of its business model. These Policies and Procedures are designed to accomplish this. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from anyone in your upline or Kyäni.

- c. **Changes to Independent Business Partner Agreement:** Kyäni may amend the Independent Business Partner Agreement in its sole and absolute discretion. By signing the Independent Business Partner Agreement, a Business Partner agrees to abide by all amendments or modifications that Kyäni elects to make. Amendments shall become effective upon publication of notice of those amendments in published Kyäni materials or the Back Office. The Company will make available to all Business Partners a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official website; (2) electronic mail (e-mail); (3) inclusion in Company periodicals; (4) inclusion in product orders or bonus checks; or (5) special mailings. The continuation of a Business Partner's Kyäni business or a Business Partner's acceptance of bonuses or commissions constitutes acceptance of any and all amendments from time to time.
- d. **Delays:** Kyäni shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impractical due to circumstances beyond its control. This includes, but is not limited to, strikes, labor difficulties, riot, war, fire, death, forces of nature, supply shortages, or government decrees, judgments or orders.
- e. **Policies and Provisions Severable:** If any provision of the Agreement, in its current form or as may be hereafter amended, is found by any court of competent jurisdiction to be invalid or unenforceable for any reason, only the invalid portion(s) of the offending provision shall be severed and the remaining terms and conditions shall remain in full force and effect and shall be unaffected thereby.
- f. **Waiver:** Kyäni never gives up its right to insist on, and enforce, compliance with the Agreement and the applicable laws governing the conduct of a Business Partner. No delay or failure by Kyäni to exercise any right or power under the Agreement or to insist upon strict compliance by a Business Partner with any obligation or provision of the Agreement, shall constitute a waiver of Kyäni's right to demand exact compliance with the Agreement. Waiver by Kyäni can be affected only in writing by an authorized officer of the Company. Kyäni's waiver of any particular breach by a Business Partner, or Kyäni's waiver of any particular provision of the Independent Business Partner Agreement or these Policies and Procedures shall not affect or impair Kyäni's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Business Partner. Any delay or omission by Kyäni in exercising any right arising from a breach by a Business Partner shall not be deemed to be a continuing waiver, nor shall it affect or impair Kyäni's rights as to that or any subsequent breach thereof.

The existence of any claim or cause of action of a Business Partner against Kyäni shall not constitute a defense to Kyäni's enforcement of any terms or provisions of the Agreement or these Policies and Procedures.

2. BECOMING AN INDEPENDENT BUSINESS PARTNER

a. Requirements to Become an Independent Business Partner: To become a Kyäni Independent Business Partner, each applicant must:

- i. Be of legal age at the date of application submission and meet all other requirements by law to enter into a contract;
- ii. Provide true and accurate information regarding identity and location of residence as the Company may require from time to time.
- iii. Submit a properly completed enrollment form and Independent Business Partner Agreement to Kyäni and;
- iv. Pay the applicable enrollment fee to purchase the Starter Pack designated by Kyäni and selected by the Business Partner.
- v. Provide a unique identifying number for tax or business purposes as issued by the country where Business Partner is applying for Kyäni Business Partnership.

The Company reserves the right to withhold or reject any applications for a new Business Partner or applications for renewal at its sole and absolute discretion. Kyäni may, at its sole and absolute discretion, from time to time request the Business Partner to provide further information to verify his identity or such other information reasonably requested by Kyäni.

b. New Independent Business Partner Registration: New Distributors must be sponsored online at Kyäni's official website or at the Sponsor's replicated Kyäni website.

c. Business Partner Benefits: Once the enrollment form and Independent Business Partner Agreement has been accepted by Kyäni, the Business Partner is eligible to participate in the Kyäni Global Compensation Plan. As permitted by local law and Company policy for your location, these benefits include the right to:

- i. Purchase Kyäni products at the Business Partnership price;
- ii. Be paid the applicable commissions and bonuses as set forth in the Kyäni Global Compensation Plan;
- iii. Participate in any promotions, incentive programs or other contests as announced by Kyäni from time to time;
- iv. Enroll or sponsor other individuals as Customers or Business Partners into the Kyäni business;
- v. Receive periodic Kyäni literature and other Kyäni communications;
- vi. Participate in Kyäni-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable.

d. Term of Agreement: The Independent Business Partner Agreement term shall begin on the date of acceptance by Kyäni, and continue thereafter until cancelled as provided for herein or in the Independent Business Partner Agreement.

3. OPERATING YOUR KYÄNI BUSINESS

- a. Adherence to the Kyäni Global Compensation Plan:** Business Partners shall not offer the Kyäni opportunity through, or in combination with, any other system, program, or method of marketing, other than that specifically set forth in official Kyäni literature, or in any way vary from the exclusive use of Kyäni's official forms. Business Partners shall not require or encourage participation in Kyäni in any manner that varies from the program as set forth in official Kyäni literature. Similarly, Business Partners shall not require or encourage others to make any purchase from, or payment to, any individual or other entity to participate in the Kyäni Global Compensation Plan other than those purchases or payments identified as recommended or required in official Kyäni literature.
- b. Advertising In General:** All Business Partners shall safeguard and promote the good reputation of Kyäni and its products. The marketing and promotion of Kyäni's business, the Kyäni opportunity, the Global Compensation Plan, and Kyäni products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.
- c. Identification of Rank:** All Business Partner's marketing materials, whether in print or electronic media, must clearly and correctly state the Business Partner rank according to the currently published ranks awarded by Kyäni. Use of any deceptive or unauthorized rank or title is a violation of the Independent Business Partner Agreement and these Policies and Procedures. For example, Diamond is a currently acceptable rank designation. Diamond RVP, or Diamond Manager are not as they improperly include additional designations that are not recognized or awarded by Kyäni.
- d. Business Reputation:** To promote both the products, and the tremendous opportunity Kyäni offers, Business Partners must use the sales aids and support materials produced by Kyäni. In the alternative, Business Partner may develop their own sales aids and support materials if the Business Partner obtains written approval and authorization from Kyäni in order to comply with the vast and complex legal requirements of national and local laws. Violation of this policy (including unauthorized Internet advertising) not only constitutes a material breach of the Agreement, but it endangers the Kyäni opportunity for all Business Partners.
- e. Business Partner Meetings:** Business Partners shall not conduct any meeting, or use any Kyäni facility provided for Business Partner meetings, to promote products or services from any non-Kyäni company, or to promote any religious, social or fraternal organization or group. All presentations at any Business Partner meetings shall be in conformance with local laws and regulations, and the content shall be consistent with officially published Kyäni marketing materials for the country in which the Business Partner meeting takes place.
- f. Sponsorship and Placement Restrictions:** All spouses, domestic partners, or others that are cohabitating in a mutually recognized relationship must be sponsored and placed directly to each other in the same downline (direct in both the sponsor and placement tree). These individuals may not be crossline, nor may they be placed so that another Distributor is between them unless otherwise approved in writing by Kyäni.
- g. Spamming and Unsolicited Mass Communications:** Except as provided in this section, Business Partners may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail, or "spamming" which relates to the operation of their Kyäni businesses. The terms

“unsolicited faxes” and “unsolicited e-mail” mean the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting Kyäni, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person’s prior express invitation or permission; or (b) to any person with whom the Business Partner has an established business or personal relationship. The term “established business or personal relationship” means a prior or existing relationship formed by a voluntary two-way communication between a Business Partner and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Business Partner; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

- h. Telemarketing:** Except as more specifically restricted by local law, Business Partners must not engage in telemarketing which relates to the operation of their Kyäni businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Kyäni product or to recruit them for the Kyäni opportunity. “Cold calls” made to prospective customers or Business Partners that promote either Kyäni’s products or the Kyäni opportunity constitute telemarketing and are prohibited.

Notwithstanding the foregoing, a Business Partner may place telephone call(s) to a prospective customer or Business Partner (a “prospect”) under any of the following limited situations:

1. If the Business Partner has an established business relationship with the prospect. An “established business relationship” is a relationship between a Business Partner and a prospect based on:
2. The prospect’s purchase, rental, or lease of goods or services from the Business Partner within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or services.
3. A financial transaction between the prospect and the Business Partner within the eighteen (18) months immediately preceding the date of such a call.
4. The prospect’s personal inquiry or application regarding a product or service offered by the Business Partner within the three (3) months immediately preceding the date of such a call.
5. If the Business Partner receives written and signed permission from the prospect authorizing the Business Partner to call. The authorization must specify the telephone number(s) which the Business Partner is authorized to call.
6. Business Partners may call family Business Partners, personal friends, and acquaintances. An “acquaintance” is someone with whom a Business Partner has at least a recent first-hand relationship (i.e., the Business Partner recently personally met him or her). Bear in mind, however, that if a Business Partner makes a habit of “card collecting” from everyone he or she meets and subsequently calling them, local law may consider this a prohibited form of telemarketing. Thus, if any Business Partner engages in calling “acquaintances”, the Business Partner must make such calls on an occasional basis only and not as a routine practice.

In addition, Business Partners shall not use automatic telephone dialing systems which relate to the operation of their Kyäni businesses. The term “automatic telephone dialing system” means equipment that has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

- i. **Business Partner Websites:** Except as provided in this section and section (j) below, if a Business Partner desires to utilize an Internet web page or website to promote his or her Kyäni business, no Business Partner may independently design a website that uses the names, logos, or product descriptions of Kyäni or otherwise promotes (directly or indirectly) Kyäni products or the Kyäni opportunity. All images on the Business Partner website shall be from the official downloads section for such Business Partner’s country of residence, and the site shall clearly identify the Business Partner’s name, contact information and contain the term “Kyäni Independent Business Partner”.

National and local laws regarding the Internet, including promotional web are complex. Violations of the law by Business Partners may subject Kyäni to possible regulatory enforcement actions that could jeopardize the company and all Business Partners’ businesses.

Accordingly, Kyäni strongly encourages all Business Partners to utilize the company’s self-replicating web site. These web sites are developed and maintained by Kyäni to ensure that they comply with all applicable areas of law.

Kyäni may allow a Business Partner to develop his or her own website as long as certain conditions are met. These include:

- i. A Business Partner must submit a Request for Authorization of an Independent Website in writing prior to the creation of his or her website. Requests for Authorization should be sent to the Compliance Department. Authorization for an independent web site is in the sole and absolute discretion of Kyäni.
- ii. In addition, the Business Partner shall pay the cost of any legal review that is necessary for the Business Partner’s independent website.

In the event that Kyäni concludes that the proposed independent website is not acceptable, it will inform the Business Partner that the site must be modified, and that approval will be withheld until such modifications are made. No Business Partner may make his or her independent website available to the public until he or she receives written approval from Kyäni.

No changes or modifications may be made to the authorized website, subject to the following:

If Kyäni encounters a website that was previously authorized but is now out of compliance, Kyäni will access the appropriate disciplinary action, which may include, but not be limited to, fines, suspension, and or termination. Changes may not be published to the web site until the Business Partner receives approval, in writing, from Kyäni.

- j. **Business Partner Websites and Online Sales:** Business Partners may only conduct online sales through a Business Partner website with the approval of the Kyäni Corporate Office. Any Business Partner granted such permission shall strictly comply with the following restrictions:

- 1. Products may not be sold for less than the currently published wholesale (Business Partner) price;

2. Business Partners may not link to an online site such as eBay, Amazon or a similar online retailer;
 3. Business Partners may not offer products for sale in any Country where Kyäni is not officially open, and the identification of a Country as officially open shall be at the sole and absolute discretion of Kyäni;
 4. Business Partners must use approved company images and assets as identified in the Back Office downloads section;
 5. Business Partners may not sell any other products either separately or combined with any Kyäni products, unless otherwise approved in advance in writing by Kyäni.
 6. The URL must contain the phrase “kyanidist” or “kyaniteam” together with some other unique identifier for the Business Partner. No product names, countries, markets or territories may be included in the URL without the prior written permission of Kyäni. By way of example, the URL www.wellnesskyanidist.com or www.healthykyaniteam.com would be acceptable. The URL www.kyanigermany.com would not.
 7. Kyäni reserves the right to accept, deny, approve, or revoke any proposed Business Partner website in its sole and absolute discretion.
- k. Domain Names and E-Mail Addresses:** Business Partners may not use or attempt to register any of Kyäni’s trade names, trademarks, service names, service marks, product names, Kyäni’s name, or any derivative thereof, for any Internet domain name. Nor may Business Partners incorporate or attempt to incorporate any of Kyäni’s trade names, trademarks, service names, service marks, product names, Kyäni’s name, or any derivative thereof, into any electronic mail address.
1. Any e-mail address that uses the Kyäni name, must include “Kyänidist” or “Kyäniteam” and some other identifier. For example, johndoe.Kyänidist@gmail.com or johndoe.kyäniteam@gmail.com would be acceptable.
 2. If “Kyänidist” or “Kyäniteam” is included in the e-mail address the signature line of the e-mail address must also contain the name of the Business Partner and the words “Kyäni Independent Business Partner” or “Kyäni Independent Business Partner Team”.
- i. Social Media Accounts:** If Kyäni is to be used in Social Media, any usernames that have Kyäni in them must contain “Kyänidist” or “Kyäniteam” in them. No other variations will be accepted. Usernames may not have Kyäni by itself, or any Kyäni specific product or trade names such as “Sunrise”, “Sunset”, “PayGate Accumulator”, etc. All images posted to a social media account that relate to Kyäni products must be officially approved Kyäni images and assets obtained from the Back Office.
- m. Business Cards:** All business cards must contain an approved Kyäni Independent Business Partner logo. The Business Partner shall not have any reference or any content on the card that would reasonably lead a person receiving such card that the Business Partner is an employee of Kyäni. If the Business Partner chooses to publish his or her rank on the business card, any such rank designation must be accurate.

- n. Trademarks and Copyrights:** Kyäni will not allow the use of its trade names, trademarks, designs, or symbols by any person, including a Kyäni Business Partner, without its prior, written permission. Business Partners may not produce for sale or distribution any recorded company events and speeches without written permission from Kyäni; nor may Business Partners reproduce for sale or for personal use any recording of company-produced audio or video tape presentations.
- o. Media and Media Inquiries:** Business Partners must not attempt to respond to media inquiries regarding Kyäni or its products or with regard to Kyäni in respect of their independent Kyäni business. All inquiries by any type of media that involves Kyäni in any respect must be immediately referred to Kyäni's Public Relations Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.
- p. Bonus Buying:** "Bonus buying" includes: (a) the sponsoring of individuals or entities without the knowledge of and/or execution of the enrollment form and Independent Business Partner Agreement by such individuals or entities; (b) the fraudulent sponsoring or enrollment of an individual or entity as a Business Partner or Customer; (c) the sponsoring or attempted sponsoring of non-existent individuals or entities as Business Partner or Customers ("phantoms"); or (d) the use of a credit, debit or other card acceptable by Kyäni by or on behalf of a Business Partner or Customer when the Business Partner or Customer is not the account holder of such credit, debit or other card. Bonus buying constitutes a material breach of these Policies and Procedures, and is strictly and absolutely prohibited.
- q. Business Entities:** A corporation, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a Kyäni Business Partner by submitting its Certificate of Incorporation (together with other corporate documents requested), Partnership Agreement or trust documents (as the case may be), and any appropriate government documents proving the existence of the business (these documents are collectively referred to as the "Entity Documents") to Kyäni, along with a properly completed Business Entity Registration form. If a Business Partner is sponsored online, the Entity Documents and Business Entity Registration form must be submitted to Kyäni within 30 days of online sponsoring. A Kyäni business may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another, but will require the normal Change of Ownership process be followed. The Business Entity Registration form must be signed by the authorized signatory of the corporation (with evidence of board approval), all partners of the partnership or the trustee of the trust (as the case may be). Business Partners of the entity are jointly and severally liable for any indebtedness or other obligation to Kyäni. Business Entity changes cannot be used to circumvent Change of Genealogy or Change of Ownership rules.
- r. Changes to the Kyäni Business:** Each Business Partner must immediately notify Kyäni of all changes to the information contained on his or her enrollment form and Independent Business Partner Agreement by submitting a written request, a properly executed enrollment form and Independent Business Partner Agreement with the correct information, and appropriate supporting documentation.
- s. Change of Genealogy:** To protect the integrity of all marketing organizations and safeguard the hard work of all Business Partners, Kyäni strongly discourages changes in genealogy. Maintaining the integrity of trees or structure is critical for the success of every Business Partner

and marketing organization. Accordingly, the transfer of a Kyäni business from one upline to another is rarely permitted.

Requests for change of genealogy must be submitted in writing to the Business Partner Services Department, and must include the reason for the transfer. Transfers will only be considered in the following two (2) circumstances:

- i. In cases involving fraudulent inducement or unethical sponsoring, a Business Partner may request that he or she be transferred to another organization with his or her entire marketing organization intact. All requests for transfer alleging fraudulent sponsoring practices shall be evaluated on a case by case basis.
- ii. The Business Partner seeking to transfer submits a properly completed and fully executed Change of Genealogy Form which includes the written approval of all of the affected upline Business Partners. If an upline Business Partner fails to respond to the request for approval within the thirty days, the failure to respond shall be deemed a consent to the proposed transfer. Changes of Genealogy are only permitted within the first 30 days after enrollment. Changes after this date are not permitted. Downline Business Partners will be moved with the transferring Business Partner unless otherwise requested. Transferring Business Partners must allow thirty (30) days after the receipt of the Change of Genealogy Forms by Kyäni for processing and verifying change requests. There is a special provision within the first 10 days where a Change of Genealogy Form is not required. During this time a sponsor may send from their email address on file to Kyäni Customer Service. After 10 days a form is required.

t. Unauthorized Claims and Actions

1. *Indemnification:* A Business Partner is fully responsible for all of his or her verbal and written statements made regarding Kyäni products and the Global Compensation Plan which are not expressly contained in official Kyäni materials. Business Partners agree to indemnify Kyäni and Kyäni's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Kyäni as a result of the Business Partner's unauthorized representations or actions. This provision shall survive the termination of the Independent Business Partner Agreement.
2. *Product Claims:* No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Kyäni may be made except those contained in official Kyäni literature as applicable to the destination country of sale. In particular, no Business Partner may make any claim that Kyäni 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 Kyäni policies, but they are potentially dangerous and may violate various national and local laws.
3. *Income Claims:* In their enthusiasm to sponsor prospective Business Partners, some Business Partners are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counter-productive because new Business Partners may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At

Kyäni, we firmly believe that the Kyäni income potential is great enough to be highly attractive, without reporting the earnings of others. Moreover, national and local laws often regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Business Partners may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Kyäni as well as the Business Partner making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Kyäni Business Partners do not have the data necessary to comply with the legal requirements for making income claims, a Business Partner, when presenting or discussing the Kyäni opportunity or Global Compensation Plan to a prospective Business Partner, may not make income projections, income claims, or disclose his or her Kyäni income (including the showing of checks, copies of checks, bank statements, or tax records). Hypothetical income examples that are used to explain the operation of the Global Compensation Plan, and which are based solely on mathematical projections, may be made to prospective Business Partners, so long as the Business Partner who uses such hypothetical examples (1) makes clear to the prospective Business Partner(s) that such earnings are hypothetical; and (2) provides each prospective Business Partner with a current copy of Kyäni's official income disclosure statement.

4. *Commercial Outlets:* Kyäni strongly encourages the selling of its products through person to person contact. In order to preserve Kyäni brand value and to help provide a standard of fairness for its Business Partner base, Business Partners may not without prior written permission from the Company display or sell Kyäni products or literature in any retail or service establishment, except as set forth herein. Kyäni will permit Business Partners to solicit and make sales in retail or service establishments so long as the establishment is: (1) an independent locally-owned retail establishment, and not part of a national, regional, or statewide chain; or (2) an office of a health care practitioner. Kyäni will permit Business Partners to solicit and make commercial sales upon prior written approval from the Company. For the purposes of these Policies and Procedures, the term "commercial sale" means the sale of: (a) Kyäni products that equal or exceed one thousand U.S. dollars (\$1,000) or more in a single order; and (b) To a third party who intends to resell the products to an end consumer.

5. *Trade Shows, Expositions and Other Sales Forums:* Business Partners may display and/or sell Kyäni products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Business Partners must contact the Business Partnership Services Department in writing for conditional approval, as Kyäni's policy is to authorize only one Kyäni business per event. Final approval will be granted to the first Business Partner who submits an official advertisement of the event, a copy of the contract signed by both the Business Partner and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Business Partnership Services Department. In order to preserve its valuable brand, Kyäni further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products or the Kyäni opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image Kyäni wishes to portray.

6. *No Predatory Pricing:* All sales of Kyäni products by Business Partner must be the published wholesale (Business Partner) price as shown on the Kyäni website on the date of sale.

u. Conflicts of Interest

1. *Non-solicitation:* Kyäni Business Partners may participate in other direct selling or network marketing or multilevel marketing ventures (collectively “network marketing”), related to non-Kyäni products if they desire to do so. However, if a Business Partner elects to participate in another network marketing opportunity, in order to avoid conflicts of interest and loyalties, Business Partners are prohibited from Unauthorized Recruiting, which includes the following:

During the term of the Agreement, any actual or attempted recruitment or sponsoring of Kyäni Customers or Business Partners for other network marketing business ventures, either directly or through a third party, that offer products that compete with Kyäni is prohibited. This includes, but is not limited to, presenting or assisting in the presentation of other network marketing business ventures to any Kyäni Customer or Business Partner, or implicitly or explicitly encouraging any Kyäni Customer or Business Partner to join other business ventures. Because there is an extreme likelihood that conflicts will arise if a Business Partner operates two network marketing programs, it is the Business Partner’s responsibility to first determine whether a prospect is a Kyäni Customer or Business Partner before recruiting or sponsoring the prospect for another network business venture.

For a period of six months following the cancellation of an Independent Business Partner Agreement, the former Business Partner may not recruit any Kyäni Business Partner or Customer for another network marketing program.

Producing or offering any literature, tapes or promotional material of any nature for another network marketing business which is used by the Business Partner or any third person to recruit Kyäni Customers or Business Partners for that business venture;

Selling, offering to sell, or promoting any competing non-Kyäni products to Kyäni Customers or Business Partners. Any product in the same generic category as a Kyäni product is deemed to be competing; e.g.; any dietary supplement is in the same generic category as Kyäni’s dietary supplements, and is therefore a competing product, regardless of differences in cost, quality, ingredients or nutrient content.

Offering Kyäni products, or promoting the Kyäni Global Compensation Plan, in conjunction with any non-Kyäni products, business plan, opportunity, or incentive; or

Offering any non-Kyäni products, business plan, opportunity, or incentive at any Kyäni meeting, seminar, launch, convention, or other Kyäni function, or immediately following such event.

- v. **Targeting Other Direct Sellers:** Kyäni does not condone Business Partners specifically or consciously targeting the sales force of another direct sales company to sell Kyäni products or to become Business Partners for Kyäni, nor does Kyäni condone Business Partners solicitation or enticement of Business Partners of the sales force of another direct sales company to violate the

terms of their contract with such other company. Should Business Partners engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against a Business Partner alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, Kyäni will not pay any of the Business Partner's defense costs or legal fees, nor will Kyäni indemnify the Business Partner for any judgment, award, or settlement.

- w. **Cross-Recruiting:** Actual or attempted cross-recruiting is strictly prohibited. Cross-recruiting is defined as solicitation, enrollment or sponsoring of an individual or entity that already has a current Customer or Independent Business Partner Agreement on file with Kyäni within a different line of sponsorship, or who has had such an agreement within the preceding twelve calendar months. The use of a spouse's or relative's name, trade names, assumed names, corporations, partnerships, trusts, identity card numbers, or fictitious identity card numbers to circumvent this policy is prohibited. Business Partners shall not demean, discredit or defame other Kyäni Business Partners in an attempt to entice another Business Partner to become part of the first Business Partner's marketing organization.

If cross-recruiting is discovered, it must be brought to the Company's attention immediately. Kyäni may take disciplinary action against the Business Partner that changed organizations and/or those Business Partners who encouraged or participated in the cross-recruiting. Kyäni may also move all or part of the offending Business Partners downline to his or her original Downline Organization if the Company deems it equitable and feasible to do so. However, Kyäni is under no obligation to move the cross-recruited Business Partner's Downline Organization, and the ultimate disposition of the organization remains within the sole discretion of Kyäni. Business Partners waive all claims and causes of action against Kyäni arising from or relating to the disposition of the cross-sponsored Business Partner's Downline Organization.

- x. **Errors or Questions:** If a Business Partner has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Business Partner must notify Kyäni in writing within 60 days of the date of the purported error or incident in question. Kyäni will not be responsible for any errors, omissions or problems not reported to it within 60 days.
- y. **Excess Inventory Purchases Prohibited:** Business Partners are not required to carry inventory of products or sales aids. Business Partners who do so may find making retail sales and building a marketing organization somewhat easier because of the decreased response time in fulfilling customer orders or in meeting a new Business Partner's needs. Each Business Partner must make his or her own decision with regard to these matters. To ensure that Business Partners are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to Kyäni upon the Business Partner's cancellation pursuant to the terms described herein.

Kyäni strictly prohibits the purchase of products in unreasonable amounts primarily for the purpose of qualifying for commissions, bonuses or advancement in the Kyäni Global Compensation Plan. Business Partners may not purchase more inventory than they can reasonably resell or consume in a month nor may they encourage others to do so. Business Partners are prohibited from purchasing more than twenty thousand Hong Kong dollars (\$20,000 HKD) in products per month unless they certify to Kyäni that they have pending retail orders in

excess of that amount or provide Kyäni with other written reason why such a purchase is necessary.

- z. Governmental Approval or Endorsement:** Neither local nor national governmental regulatory agencies nor governmental officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Business Partners shall not represent or imply that Kyäni or its Global Compensation Plan have been “approved,” “endorsed” or otherwise sanctioned by any government agency or official.
- aa. Identification:** All Business Partners are required to provide any requested identification card number on or in conjunction with the enrollment form and Independent Business Partner Agreement. Upon joining, the Company will provide a unique Business Partner Identification Number to the Business Partner by which he or she will be identified. This number will be used to place orders, and track commissions and bonuses.
- bb. Income Taxes:** Every year, Kyäni will provide such tax and information forms or declarations as it is legally required to submit to the relevant governmental bodies or agencies. Each Business Partner is responsible for paying all taxes on any income generated as an Independent Business Partner.
- cc. Independent Contractor Status:** Business Partners are independent contractors. The Agreement does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Business Partner, nor does the relationship involve the purchase of a franchise or the purchase of a business opportunity. The Business Partner has no authority (expressed or implied), to bind the company to any obligation. Each Business Partner shall establish his or her own goals, hours, and methods of sale, and other means of operating the Business Partner’s independent business, except as may be limited by the Business Partner’s contractual obligations and applicable laws.

The name of Kyäni and other names as may be adopted by Kyäni are proprietary trade names, trademarks and service marks of Kyäni. As such, these marks are of great value to Kyäni and are supplied to Business Partners for their use only in an expressly authorized manner. Use of Kyäni name on any item not produced by the company is prohibited except as follows:

Business Partner’s Name Independent Kyäni Business Partner

All Business Partners may list themselves as an “Independent Kyäni Business Partner” in the white or yellow pages of the telephone directory under their own name. No Business Partner may place telephone directory display ads using Kyäni’s name or logo. Business Partners may not answer the telephone by saying Kyäni”, “Kyäni Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of Kyäni.

- dd. Insurance Business Pursuits Coverage:** Kyäni does not provide insurance coverage for your independent business operation. Business Partners may wish to arrange insurance coverage for their business pursuant to local legislation or as they deem appropriate.
- ee. Product Liability Coverage:** Kyäni maintains insurance to protect the Company and Business Partners against product liability claims through a “Vendors Endorsement” which extends coverage to Independent Business Partner so long as they are marketing Kyäni products in accordance with Policies and Procedures and applicable laws and regulations. Kyäni’s product

liability policy does not extend coverage to claims or actions that arise as a result of a Business Partner's misconduct in marketing the products or to other risk factors involved in the Business Partner's independent business activities.

- ff. International Marketing:** Business Partners are authorized to sell Kyäni products, and enroll Customers or sponsor Business Partners only in the countries in which Kyäni is authorized to conduct business, as announced in official company literature. In countries where Kyäni has authorized sales and Business Partner activities, Business Partners shall conform to the specific Kyäni rules for that individual country. Such rules may vary from country-to-country and Business Partners are obligated to know the appropriate rules for the country and venues in which they intend to conduct business. Country-specific information may be presented from time to time under a country addendum to these Policies and Procedures.
- gg. Adherence to Laws and Ordinances:** Many communities have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Business Partners because of the nature of their businesses. However, Business Partners must obey those laws that do apply to them. If a government official or agency notifies a Business Partner that an ordinance applies to him or her, the Business Partner should respond politely and cooperatively; when appropriate, the Business Partner is encouraged to send a copy of the ordinance to the Compliance Department of Kyäni.
- hh. Minors:** No person who is recognized as a minor in his/her state or country of residence may be a Kyäni Business Partner. Business Partners shall not sponsor or recruit minors into the Kyäni program.
- ii. Actions of Household Business Partners or Affiliated Individuals:** If any Business Partner of a Business Partner's immediate household engages in any activity which, if performed by the Business Partner, would violate any provision of the Agreement, such activity will be deemed a violation by the Business Partner and Kyäni may take disciplinary action against the Business Partner. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the entity, and Kyäni may take disciplinary action against the entity.
- jj. Re-packaging and Re-labeling Prohibited:** Business Partners may not re-package, re-label, refill or alter the labels on any Kyäni products, information, materials or programs in any way. Kyäni products must be sold in their original containers only: re-labeling or repackaging could subject Business Partners to criminal or civil liability, especially if harm results to property or to another person.
- kk. Separation of a Kyäni Business:** Kyäni Business Partners sometimes operate their Kyäni businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Business Partners and the Company, Kyäni may unilaterally terminate the Independent Business Partner Agreement.

During the pendency of a divorce or entity dissolution, the parties must adopt one of the following methods of operation:

1. One of the parties may, with consent of the other(s), operate the Kyäni business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Kyäni to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
2. The parties may continue to operate the Kyäni business jointly, whereupon all compensation paid by Kyäni will be paid in the joint names of the Business Partners or in the name of the entity to be divided as the parties may independently agree between themselves.
3. If the parties cannot mutually agree on how the business shall be allocated during the pendency of a divorce or dissolution, the Company shall treat the business according to the status quo as existed prior to the filing of the divorce or dissolution.

Under no circumstances will the Downline organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will Kyäni split commission and bonus checks between divorcing spouses or Business Partners of dissolving entities. Kyäni will recognize only one Downline Organization and will issue only one commission check per Kyäni business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business, the Independent Business Partner Agreement shall be involuntarily cancelled.

If a former spouse or a former entity affiliate has completely relinquished all rights in their original Kyäni business, they are thereafter free to sponsor under any sponsor of their choosing, so long as he or she meets the waiting period requirements set forth herein. In such case, however, the former spouse or partner shall have no rights to any Business Partners in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Business Partner.

- II. **Sponsoring:** All active Business Partners in good standing have the right to sponsor and enroll others into Kyäni. Each prospective Customer or Business Partner has the ultimate right to choose his or her own Sponsor. If two Business Partners claim to be the Sponsor of the same new Business Partner or Customer, the Company shall regard the first application received by the Company as controlling. In addition, Kyäni reserves the right to deny enrollment in countries or territories where the company is not officially open.
- mm. **Stacking:** The term “stacking” includes: (a) the failure to transmit to Kyäni, or the holding of the enrollment form and Independent Business Partner Agreement longer than 72 hours after its execution; (b) the placement or manipulation of the enrollment form and Independent Business Partner Agreement for the purpose of maximizing compensation pursuant to Kyäni’s Global Compensation Plan; or (c) providing financial assistance to new Business Partners for the purpose of maximizing compensation pursuant to Kyäni’s Global Compensation Plan. Stacking constitutes a material breach of these Policies and Procedures, and is strictly and absolutely prohibited.
- nn. **Succession:** Upon the death of an individual Business Partner, his or her business may be passed to his or her heirs. Appropriate legal documentation under local law must be submitted to the Company to ensure the transfer is proper. Accordingly, a Business Partner should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument as required under local law. Whenever a Kyäni business is transferred by a will or other

testamentary process as required under local law, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Business Partner's marketing organization provided the following qualifications are met. The successor(s) must:

1. Execute a new Independent Business Partner Agreement;
2. Comply with terms and provisions of the Agreement; and
3. Meet all of the qualifications for the deceased Business Partner's status.

Bonus and commission checks of a Kyäni business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide Kyäni with an "address of record" to which all bonus and commission checks will be sent. If the business is bequeathed to joint devisees, they must form a business entity to continue a Business Partnership.

- oo. Transfer Upon Incapacitation of a Business Partner:** To effect a transfer of a Kyäni business because of incapacity, the successor must provide the following to Kyäni: (1) a notarized copy of an appointment as guardian or trustee; (2) a notarized copy of the court Order or other documentation as required under local law that establishes the right by the successor to administer the Kyäni business; and (3) a completed Independent Business Partner Agreement executed by the trustee.

4. RESPONSIBILITIES OF BUSINESS PARTNERS

- a. Change of Address or Telephone:** To ensure timely delivery of products, support materials, and commission checks, it is critically important that Kyäni's files are current. Business Partners are required to keep all address and telephone number information current. This may be done in the Business Partner's Back Office or in the alternative by sending such corrections as are necessary to Customer Service. To guarantee proper delivery of orders, all changes should be received not less than two weeks prior to the effective date of the address or telephone number change.
- b. Ongoing Training:** In order to be successful with the Kyäni opportunity, any Business Partner who sponsors another Business Partner into Kyäni should perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her Kyäni business. Business Partners should have ongoing contact and communication with the Business Partners in their Downline Organizations. Examples of such contact and communication may include but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voicemail, electronic mail, and the accompaniment of downline Business Partners to Kyäni meetings, training sessions, and other functions. Upline Business Partners should also seek to motivate and train new Business Partners in Kyäni product knowledge, effective sales techniques, the Kyäni Global Compensation Plan, compliance with Company Policies and Procedures, and compliance with local law. Business Partners must monitor the Business Partners in their Downline Organizations to ensure that downline Business Partners do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Business Partner should be able to provide documented evidence to Kyäni of his or her ongoing fulfillment of the responsibilities of a Sponsor.
- c. Ongoing Sales Responsibilities:** Regardless of their level of sponsoring activity, successfully Business Partners feel an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing their existing customers.

- d. Non-disparagement:** Kyäni wants to provide its Independent Business Partner with the best products, compensation plan, and service in the industry. Accordingly, constructive criticisms and comments are welcomed and should be submitted in writing to the Customer Services Department. Remember, to best serve you, we must hear from you! While Kyäni welcomes constructive input, negative comments and remarks made in the field by Business Partners about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other Kyäni Business Partners. Similarly, “trash talking” the competition creates a negative environment that damages the industry in a way that ultimately can harm Kyäni as well. For this reason, and to set the proper example for their downline, Business Partners should not disparage the Company and its products or the competition and its products. Kyäni reserves the right to take action against Business Partners whose personal behavior in this regard proves disruptive and harmful to Kyäni.
- e. Providing Documentation to Applicants:** Business Partners should help provide the most current version of the Policies and Procedures (always available at the Kyäni website) and the Compensation Plan to individuals whom they are sponsoring to become Business Partners before the applicant signs an Independent Business Partner Agreement.
- f. Reporting Policy Violation:** Business Partners observing a Policy violation by another Business Partner are encouraged to submit a written report of the violation directly to the attention of the Kyäni Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

5. SALES

- a. Product Sales:** The Kyäni Global Compensation Plan is based upon the sale of Kyäni products to end consumers. Business Partners must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions, and advancement to higher levels of achievement.
- b. Price and Territory Restrictions:** Business Partners may not sell Kyäni products for less than the published wholesale (Business Partner) price. Business Partners may only sell Kyäni products in countries that are officially recognized by Kyäni as open for Kyäni business.
- c. Sales Receipts:** Kyäni encourages all Business Partners to provide their retail customers with two copies of an official Kyäni sales receipt at the time of the sale. Records documenting the purchases of Business Partners’ normal and Preferred Customers will be maintained by Kyäni, and Business Partners should maintain all retail sales receipts for a period of two years and furnish them to Kyäni at the company’s request. Further, Business Partners should remember to retain records related to Business Partner transactions in order to comply with the requirements for their independent businesses under local law (for example to establish document regarding income and expenses in support of a Business Partner’s tax obligations).

If a sale qualifies as a “door-to-door” sale, Business Partners should ensure that any receipt complies with the requirements of local law. For example, in some jurisdictions the following information must be contained on each sales receipt (with two copies provided to the buyer):

1. The date of the transaction;
2. The date by which the buyer may give notice of cancellation; and

3. Name and address of the selling Business Partner.

6. BONUSES AND COMMISSIONS

- a. **Bonus and Commission Qualifications:** A Business Partner must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Business Partner complies with the terms of the Agreement, Kyäni shall pay commissions to such Business Partner in accordance with the Global Compensation plan. The minimum amount for which Kyäni will issue a direct bank deposit is the equivalent of fifty U.S. dollars (\$50) and twenty U.S. dollars (\$20) for a Payoneer deposit. If a Business Partner's bonuses and commissions do not equal or exceed fifty U.S. dollars (\$50) or twenty U.S. dollars (\$20) for Payoneer, the Company will accrue the commissions and bonuses until they total fifty U.S. dollars (\$50) or twenty U.S. dollars (\$20) for Payoneer. A direct bank deposit will be issued once fifty U.S. dollars (\$50), or a Payoneer credit once twenty U.S. dollars (\$20) has accrued. Payment policies for bonuses and commissions in currencies other than the U.S. dollar or local currency will be established from time to time by the Company. Bonuses and commissions will be calculated, and checks will be issued, on or before the end of each month.

All payments referenced in this document in U.S. dollars may be calculated in U.S. dollars or the local equivalent.

- b. **Adjustment to Bonuses and Commissions:** Business Partners receive bonuses and commissions based on the actual sales of products to end consumers. When a product is returned to Kyäni for a refund or is repurchased by the Company for any reason whatsoever, the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the Business Partners who received bonuses or commissions on the sales of the refunded products. In the event that any such Business Partner terminates his or her Independent Business Partner Agreement, and the amounts of the bonuses or commissions attributable to the returned products have not yet been fully recovered by the company, the remainder of the outstanding balance may be set off against any amounts owed to the terminated Business Partner by Kyäni.
- c. **Unclaimed Commissions and Credits:** Customers or Business Partners who have a credit on account should use their credit within six months from the date on which the credit was issued. If credits have not been used within six months, Kyäni shall attempt to notify the Business Partner or Customer on a monthly basis, by sending written notice to the last known address, advising the Business Partner or Customer of the credit. There shall be a ten U.S. dollars (\$10) charge for each attempted notification. This charge shall be deducted from the Business Partner's or Customer's credit on account.
- d. **Downline Activity Reports:** All information provided by Kyäni in online or telephonic downline activity reports, including but not limited to personal and group sales volume (or any part thereof), downline sponsoring activity, and other information is believed to be accurate and reliable. Nevertheless, due to various factors including the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit, debit or other card and electronic check payments; returned products; credit, debit or other card and electronic check charge-backs; the information is not guaranteed by Kyäni or any persons creating or transmitting the information.

- e. **Warranties:** ALL VOLUME INFORMATION (as described in Kyäni's Global Compensation Plan) IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, KYÄNI AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY BUSINESS PARTNER OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF KYÄNI OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, KYÄNI OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of Kyäni's online and telephonic information services is at your own risk. All Information is provided to you "as is". If you are dissatisfied with the information, your sole and exclusive remedy is to discontinue use of and access to Kyäni's online and telephone information services.

7. PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

a. Product Satisfaction Guarantee for Customers

Kyäni offers a one hundred percent (100%) thirty (30) day money-back satisfaction guarantee (less shipping charges) on all products purchased by Customers. Customers must return all used and unused products to Kyäni. Once received Kyäni's Distribution Center will process all returns and refunds within thirty days after receipt of the product.

b. Return of Inventory by Business Partners

Kyäni will repurchase from the Business Partner any portion of the Business Partner's currently marketable inventory that Business Partner purchased from Kyäni in the preceding 30 days. The repurchase price shall be 90 percent of the purchase price paid by the Business Partner, less all applicable shipping and handling costs to return the product to Kyäni.

For purposes of the Agreement, inventory shall include all company produced products, promotional materials, starter packs designated by Kyäni, or other sales aids purchased by Business Partner from Kyäni.

The repurchase provisions of this section shall not apply to any inventory that is not currently marketable inventory. Currently marketable inventory shall not include inventory that is beyond its expiration date, that has the tamper proof safety seal damaged or removed, that has been

opened or partially consumed, that has been discontinued by the company, or that is seasonal in nature or a special promotional product.

8. DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

- a. Disciplinary Sanctions:** Breach of the Agreement, including these Policies and Procedures (as applicable), or any illegal, fraudulent, deceptive or unethical business conduct by a Business Partner may result, at Kyäni's discretion, in one or more of the following corrective measures, which shall, when necessary, be considered as liquidated damages for a breach of the Agreement, but shall not waive Kyäni's other rights under the Agreement:
1. Issuance of a written warning or admonition;
 2. Requiring the Business Partner to take immediate corrective measures;
 3. Imposition of a fine, which may be withheld from bonus and commission checks;
 4. Loss or suspension of rights to one or more bonus and commission checks;
 5. Kyäni may withhold from a Business Partner all or part of the Business Partner's bonuses and commissions during the period that Kyäni is investigating any conduct that may violate the Agreement. If Kyäni chooses to terminate the Agreement because of a breach of the Agreement by the Business Partner or a violation of applicable laws or regulations, the Business Partner will not be entitled to receive any commissions or payments that were withheld during the investigation period prior to actual termination;
 6. Suspension of the Business Partner's right to purchase products and/or receive payments;
 7. Termination of the Agreement;
 8. Any other measure expressly allowed within any provision of the Agreement or which Kyäni deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Business Partner's conduct or omission;
 9. The measures above do not exhaust Kyäni's rights and do not mean that Kyäni cannot also initiate legal proceedings for monetary and/or equitable relief or take other measures permitted by the Agreement or applicable laws.
- b. Grievances and Complaints:** When a Business Partner has a grievance or complaint with another Business Partner regarding any practice or conduct in relationship to their respective Kyäni businesses, they are encouraged to seek to resolve the issue through private discussions with the other party. Where this is impractical or unsuccessful, the complaining Business Partner is encouraged to discuss the problem with his or her Sponsor who may review the matter and try to resolve it, perhaps through the "good offices" of the other party's upline sponsor. Unresolved disputes may be reported in writing to the Customer Service Department at the Company, which may seek assistance from a Dispute Resolution Board for final review and determination as appropriate.

c. Dispute Resolution Board: The Dispute Resolution Board (or “DRB”) is composed of one or more qualified individuals selected by Kyäni senior management. The composition of the Dispute Resolution Board may change at any time. The purpose of the DRB is to:

1. Review appeals of any actions taken by the Company for an alleged breach of a Business Partner’s obligations; and
2. Review matters between Kyäni Business Partners. If the response or settlement suggested by Customer Service has been rejected or the matter otherwise remains unresolved, the Dispute Resolution Board may review evidence, deliberate, and respond to remaining issues.

A Business Partner may submit a written request for a telephonic or in-person review within seven business days from the date of: (1) the written notice by Kyäni of action; or (2) the written decision of Business Partner Services regarding disputes between Business Partners under section 9.2. All communication with Kyäni and the Business Partner seeking resolution of a dispute must be in writing. It is within the DRB’s discretion whether a claim is accepted for review. If the DRB agrees to review the matter, it shall schedule a review within thirty (30) days of the receipt of the Business Partner’s written request. All evidence (e.g., documents, exhibits, etc.) that a Business Partner desires to have considered by the DRB must be submitted to Kyäni no later than seven business days before the date of the review. The Business Partner shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be present at the review. The decision of the DRB will be final and subject to no further Company review. During the pendency of a claim before the DRB, Company will actively oppose any effort by a Business Partner to seek arbitration or any other remedy against the other party or parties to the dispute or against Kyäni.

d. Governing Law and Jurisdiction: The Independent Business Partner Agreement between the Business Partner and Kyäni has been entered into in Hong Kong, as this is the location where the Business Partner submitted the application to enroll as a Kyäni Independent Business Partner, and where the application was reviewed and approved by Kyäni. The Independent Business Partner Agreement shall be governed exclusively by the laws of Hong Kong, and the Business Partner agrees to submit exclusively to binding arbitration in Hong Kong for resolution of any claims to interpret or enforce the terms of the Independent Business Partner Agreement.

9. ORDERING

a. Direct & Preferred Customers: Business Partners are encouraged to promote Kyäni’s Direct Customer Program to retail customers. The Direct Customer Program allows retail customers to purchase their products directly from Kyäni. Customers place their orders online, which they can charge to their credit, debit or other card acceptable by Kyäni. Kyäni will send the ordered products directly to the customer. To ensure that Business Partners receive the appropriate commission, Customers may not place an order without a Business Partner’s ID Number. Even more efficient than the Direct Customer Program is Kyäni’s Preferred Customer Program. Under the Preferred Customer Program, an individual may sign up to have a pre-selected package of Kyäni products delivered to his or her home automatically each month. Not only does this take all of the hassles out of buying, it also allows the customer to take advantage of the discounted Preferred Customer Prices.

- b. Purchasing Kyäni Products:** Each Business Partner should purchase his or her products directly from Kyäni in order to be credited with the Personal Sales Volume associated with that purchase.
- c. General Order Policies:** On mail orders with invalid or incorrect payment, Kyäni may attempt to contact the Business Partner by phone, and/or mail to try to obtain correct payment. Kyäni may also attempt to process the order up to five more times. Unsuccessful orders will not be processed. No C.O.D. orders will be accepted. Kyäni maintains no minimum order requirements. Orders for products and sales aids may be combined.
- d. Shipping and Back Order Policy:** Kyäni will normally ship products within five (5) working days from the date an order is received. Kyäni will promptly ship ordered items that are currently in stock. Ordered items that are out-of-stock will be placed on backorder and sent when Kyäni receives additional inventory. Business Partners will be charged and given Personal Sales Volume on back-ordered items unless notified on the invoice that the product has been discontinued. Kyäni will notify Business Partners and Customers if items are backordered and are not expected to ship within 30 days from the date of the order. An estimated shipping date will also be provided. Backordered items may be cancelled upon a Customer's or Business Partner's request. Customers and Business Partners may request a refund, credit on account, or replacement merchandise for cancelled back orders. If a refund is requested, the Business Partner's Personal Sales Volume will be decreased by the amount of the refund in the month in which the refund is issued.
- e. Confirmation of Order:** A Business Partner and/or recipient of an order must confirm that the product received matches the product listed on the shipping invoice, and is free of damage. Failure to notify Kyäni of any shipping discrepancy or damage within 30 days of receiving the shipment will waive the Business Partner's right to request a correction.

10. PAYMENT AND SHIPPING

- a. Deposit:** Kyäni advises strongly against Business Partners accepting money for a sale to a personal retail customer except at the time of product delivery (e.g. don't accept monies in anticipation of future deliveries).
- b. Insufficient Funds:** It is the responsibility of each Business Partner to ensure that there are sufficient funds or credit available in his or her account to cover a monthly Autoship order. Kyäni will not contact Business Partners in regard to orders cancelled due to insufficient funds or credit. This may result in a Business Partner's failure to meet his or her Personal Sales Volume requirements for the month.

Kyäni will not make adjustments after the end of the calendar month to Autoship orders. Example: a Business Partner has an Autoship order set for the 25th of the month and for whatever reason the Business Partner's credit, debit or other card acceptable by Kyani is declined. The Business Partner is responsible for contacting Kyäni and providing a credit, debit or other card acceptable by Kyani that will clear before the end of the month in order to have the Autoship order count for that month.

- c. **Returned Packages:** Business Partners with packages that are returned to Kyäni for an incorrect address, unsuccessful delivery attempts, return to sender, or any other reason will be charged for shipping to and from Kyäni and a processing fee. This charge will be covered by charging the credit, debit or other card(s) acceptable by Kyäni on file with Kyäni.
- d. **Restrictions on Third Party Use of Credit Cards and Checking Account Access:** In order to preserve the independence of Kyäni Business Partners and to preserve the integrity of the Company's compensation plan, Kyäni Business Partners are requested not to enter into any arrangement between the independent Business Partners creating indebtedness between them, and Business Partners are expressly prohibited from using a Business Partner's credit, debit or other card or permitting debits to a Business Partner's checking account to enroll or sponsor other Business Partners, or to make purchases from the Company on behalf of another Business Partner.

11. INACTIVITY AND CANCELLATION

- a. **Effect of Cancellation:** So long as a Business Partner remains active and complies with the terms of the Agreement and these Policies and Procedures, Kyäni shall pay commissions to the Business Partner in accordance with the Global Compensation Plan. A Business Partner's bonuses and commissions constitute the entire consideration for the Business Partner's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a Business Partner's non-renewal of his or her Agreement, cancellation for inactivity as described herein, or voluntary or involuntary cancellation of his or her Agreement, including for breach of the Agreement or violation of the Policies and Procedures (all of these methods are collectively referred to as being "cancelled" or a "cancellation"), the former Business Partner shall have no right, title, claim or interest to the marketing organization in which he or she operated, to any past, present or future Kyäni trade secrets or other proprietary information or intellectual property, or to any commission or bonus from the sales generated by the organization after the Business Partner's cancellation. A Business Partner whose Agreement is cancelled will lose all rights as a Business Partner. This includes the right to sell Kyäni products, and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Business Partner's former downline sales organization. To remove all doubt, in the event of cancellation, the Business Partner agrees to waive all rights he or she may have, including but not limited to property rights, trade secret rights, intellectual property rights, or otherwise, to their former downline organization, marketing data, financial data, or contact information related to that downline organization, or to any bonuses, commissions, or other remuneration that might otherwise have arisen from the sales or other activities of that downline organization, had the Business Partner not been cancelled.

The former Business Partner shall not hold himself or herself out as a Kyäni Business Partner. A cancelled Business Partner shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

- b. **Involuntary Cancellation:** A Business Partner's filing of bankruptcy or insolvency proceedings, or a violation of any of the terms of the Agreement, including any amendments, may result in any of the sanctions listed in Section 8(a), including the involuntary cancellation of his or her Independent Business Partner Agreement. Cancellation shall be effective on the date on which

written notice is mailed, return receipt requested, to the Business Partner's last known address, or when the Business Partner receives actual notice of cancellation, whichever occurs first.

In addition, Kyäni may cancel a Business Partner's account if there are no product purchases for a period of twelve consecutive months.

- c. **Voluntary Cancellation:** A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation is requested by satisfying the requirements of and executing a Business Partnership Cancellation Form and returning this form to Kyäni by postal mail, scanned document through email, or FAX. Upon receipt of the Business Partnership Cancellation Form, Kyäni will process the cancellation. A Business Partner may also voluntarily cancel his or her Independent Business Partner Agreement by failing to make an order in the period of one calendar year.
- d. **Inactive or Cancelled Distributors Re-Enrollment Policy:** A Kyäni Business Partner who voluntarily terminate as a Business Partner may re-enroll as a new Business Partner twelve consecutive months following the date of termination. If any such Business Partner re-enrolls with Kyäni, the Business Partner shall be enrolled as a new Business Partner, but any downline that was formerly under the Business Partner prior to termination shall not be affected by such re-enrollment.

A Kyäni Business Partner who has been inactive for a period of twelve consecutive months may be cancelled at Kyäni's discretion. The Business Partner's downline shall be unaffected by the change and shall not be moved with the Business Partner. For purposes of this Policy an inactive Business Partner shall be deemed to be any Business Partner who has failed to make any purchase for twelve consecutive months.

This Policy shall not apply to any Kyäni Business Partner whose Independent Business Partner Agreement was terminated by the company for cause. Any such Business Partner must have approval from the Kyäni Chief Executive Officer prior to being re-enrolled with the company.

12. RIGHT TO AMEND

Kyäni Global Compensation Plan: Kyäni reserves the right to modify the Kyäni Global Compensation Plan at any time and for any reason, including but not limited to bonuses, positions of leadership, percentages and incentives, etc.

13. GOVERNING LANGUAGE

This Agreement is drafted in the English language, and English shall be the controlling language for the interpretation and enforcement of this Agreement.