

Zooki™ Policies & Procedures

1. The Agreement. These Policies & Procedures govern the relationship between you, as an Independent Zooki Representative, and Zooki, LLC (hereafter “Zooki” or the “Company”). These Policies & Procedures, together with the Zooki Compensation Plan make up the Agreement between you and Zooki. Therefore, as used in this document, the term “Agreement” collectively refers to these Policies & Procedures and the Zooki Compensation Plan, in their current form and as may be amended in the future at the Company’s discretion. Independent Representatives shall be referred to herein as “Representatives.” Any promises, representations, offers, or other communications not expressly set forth in the Agreement are of no force or effect.

2. Independent Contractor Status. Representatives are independent contractors and not employees, partners, legal representatives, or franchisees of Zooki. Representatives are solely responsible for paying all expenses they incur, including but not limited to travel, food, lodging, secretarial, office, long distance telephone and other business expenses. **REPRESENTATIVES SHALL NOT BE TREATED AS A ZOOKI EMPLOYEE FOR FEDERAL OR STATE TAX PURPOSES.** Zooki is not responsible for withholding and shall not withhold or deduct FICA, or taxes of any kind from Representatives’ compensation. Representatives are not entitled to workers compensation or unemployment security benefits of any kind from Zooki.

In all written, graphic, or digital material used for Zooki business purposes, Representatives must represent themselves as a “Zooki™ Independent Representative.” In verbal conversations with prospective Representatives and Members, Representatives must introduce themselves as an “independent Zooki Representative.” Representatives shall not lead anyone to believe that they are employees of Zooki.

3. Income Taxes. As an independent contractor, you are responsible for paying local, state, and federal taxes on any income generated as a Zooki Representative. Every year, Zooki will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000. To facilitate this reporting, you must provide Zooki with your Social Security Number, Employer Identification Number, or Taxpayer Identification Number as appropriate.

4. Tax ID Verification / Substitute W-9. With respect to the Social Security Number or Taxpayer Identification Number that you provide to Zooki during the enrollment process, you certify, under penalty of perjury, as follows:

- The number shown on this enrollment form is my correct taxpayer identification number (or I am waiting for a number to be issued to me);
- I am not subject to backup withholding because: (i) I am exempt from backup withholding, or (ii) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (a U.S. resident alien, a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, an estate (other than a foreign estate), or a domestic trust (as defined in 26 CFR 301.7701-7)).

5. Adherence to the Agreement. Representatives must comply with the Agreement. If you have not yet reviewed the Policies & Procedures at the time you execute this Agreement, they are posted in your Representative Back-Office. You must review the Policies & Procedures within five days from the date on which you execute this Agreement. If you do not agree to the Policies & Procedures, your sole recourse is to notify the Company and cancel the Agreement. Failure to cancel constitutes your acceptance of the Policies & Procedures. You must be in good standing, and not in violation of the Agreement, to be eligible for bonuses or commissions from Zooki.

6. Amendments to the Agreement. The Company reserves the right to amend the Agreement at its discretion. Amendments shall be effective 30 days after notice and publication of the amended provisions in each Representative's Back-Office, but amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. If you do not agree to any amendments, your sole recourse is to cancel the Agreement. The continuation of a Representative's Zooki business, the acceptance of any benefits under the Agreement, the acceptance of bonuses or commissions, or the continued use of the Representative replicated website or Back-Office constitutes acceptance of all amendments.

7. No Purchase Required. No purchase is necessary to become a Representative other than the payment for the replicated website and back-office which are provided to Representatives at the company's cost (currently \$20). The at-cost payment or fee covers basic and ongoing sales and marketing materials and support in both written and electronic and online media formats, including the Representative's Replicated Website, Back-Office, and product and service updates.

In addition to the initial payment, a modest monthly fee (currently \$5) will be charged for expanded at-cost ongoing sales and marketing materials support, including back-office accounting review, training, training updates, replicated website and communication tools to support the sales and marketing process. By submitting the Representative Agreement, Representative specifically authorizes this monthly fee to be charged to the Representative's on-file debit or credit card (or other form of payment acceptable to the Company) each month during the term of the Agreement and any renewals thereof.

8. Representatives' Rights. Representatives:

- Have the right to sell, and solicit orders for, Zooki products and services in accordance with these Policies & Procedures. It is within the exclusive right of Zooki to accept or reject orders submitted by Representatives.
- Have the right to enroll others as Zooki Members (customers) and Representatives.
- If qualified, have the right to earn commissions and bonuses pursuant to the Zooki Compensation Plan.

9. Assignment of Rights and Delegation of Duties. Representatives may not assign any rights under the Agreement without the prior written consent of Zooki. Any attempt to transfer or assign the Agreement without the express written consent of Zooki renders the Agreement voidable at the option of Zooki and may result in termination of the Agreement.

If the assets of Zooki, or a controlling ownership interest in Zooki, is transferred to a third party, Zooki may assign its rights and delegate its duties and obligations under the Agreement to such third party as part of the sale or transfer.

10. Waiver. Any waiver by either Party of any breach of the Agreement must be in writing and signed by an authorized agent of the Party against which the waiver is asserted. Any waiver of a breach by a Party shall be a one-time waiver only and shall not operate or be construed as a waiver of any subsequent breach.

11. Waiver of Right of Publicity. Representatives grant Zooki an irrevocable license to reproduce and use their name, photograph, video, personal story, testimonial, and/or likeness in its advertising or promotional materials, including but not limited to use in online forums. Representatives waive all claims for remuneration for such use and all rights to inspect or approve all draft, beta, preliminary, and finished material.

12. Minimum Age. Persons under age 18 may not be Representatives and no Representative shall knowingly recruit or enroll, or attempt to recruit or enroll, any person under age 18.

13. Severability. If any provision of the Agreement, in its current form or as amended, is held void or unenforceable, only the void or unenforceable portion(s) of the provision shall be severed from the Agreement and the remaining provisions shall remain in effect. The severed provision shall be reformed so that it is in compliance with the law and reflects the purpose of the original provision as closely as possible. The existence of any claim or cause of action of a Representative against Zooki shall not constitute a defense to Zooki's enforcement of any term or provision of the Agreement.

14. Term and Renewal of the Agreement. The term of the Agreement is one year from the date of enrollment. A Representative may cancel the Agreement at any time and for any reason. In order to continue as a Representative beyond the initial term of this Agreement (unless the Agreement has been previously terminated as provided at Section 39), Representatives must renew the Agreement each year. An annual renewal fee (currently \$20) will be imposed at that time. Representatives will be reminded of their upcoming renewal, as well as the amount of the annual renewal fee, through their Back-Offices and/or email. At that time, Representatives may elect to renew or cancel the Agreement. **Zooki reserves the right to elect not to renew a Representative's Agreement at its option upon 30 days' prior written notice.**

A participant in this multilevel marketing program has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the company at its principal business address or via the Representative's Back-Office.

Zooki reserves the right to terminate all Representative Agreements upon 30 days' notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels.

15. General Conduct. Representatives shall safeguard and promote the good reputation of Zooki and its products, and must avoid all illegal, deceptive, misleading, unethical, or immoral conduct or practices. Representatives agree that they shall exhibit high moral character in their personal and professional conduct. Representatives shall not engage in any conduct that may damage the Company's goodwill or reputation. While it is impossible to specify all misconduct that would be contrary to this provision, and the following list is not a limitation on the standards of conduct to which Representatives must adhere pursuant to this section, the following standards specifically apply to Representatives' activities:

- Deceptive conduct is always prohibited. Representatives must ensure that their statements are

truthful, fair, accurate, and are not misleading.

- If the Agreement is cancelled for any reason, the Representative must discontinue using the Zooki name, and all other Zooki intellectual property, and all derivatives of such intellectual property, in postings on all Social Media, websites, or other promotional material.
- Representatives may not represent or imply that any state or federal government official, agency, or body has approved or endorses Zooki, its program, or products.
- Representatives must not engage in any illegal, fraudulent, deceptive, or manipulative conduct in their business or their personal lives that, in the Company's sole discretion, could damage the Company's reputation or the culture that exists within the field sales force.

16. Social Media. In addition to meeting all other requirements specified in these Policies & Procedures, should a Representative utilize any form of social media in connection with her Zooki business, including but not limited to blogs, Facebook, Twitter, Instagram, LinkedIn, YouTube, or Pinterest, the Representative agrees to each of the following:

- Representatives are responsible for the content of all material that they produce and all of their postings on any social media site, as well as **all** postings on any social media account that they own, operate, or control.
- Representatives agree that they shall not make any product claims, weight loss testimonials, income claims (including lifestyle claims), or compensation plan claims in any social media posting unless such claims are in compliance with the provisions of Sections 22 and 23 as applicable.
- Representatives shall not make any social media postings, or link to or from any postings or other material that is negative, unkind, defamatory, or disparaging to any other person. Absolutely no posts, or links to posts, that are negative or harmful to any other person, entity, religion, political philosophy, gender, identity, sexual orientation, race, ethnicity, etc. will be tolerated.
- Representatives shall not make any social media postings, or link to or from any postings or other material that is sexually explicit, obscene, pornographic, offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, national origin, creed, religion, gender, gender identity, sexual orientation, physical or mental disability, or otherwise), is graphically violent, is solicitous of any unlawful behavior, that engages in personal attacks on any individual, group, or entity, or is in violation of any intellectual property rights of the Company or any third party.
- No sales or enrollments may occur on or through any social media site. To process sales or enrollments, a social media posting must link only to the Representative's Zooki replicated website, Zooki's corporate website or an official Zooki corporate social media page.
- It is each Representative's responsibility to follow the social media site's terms of use.
- Any social media account that is directly or indirectly operated or controlled by a Representative that is used to discuss or promote Zooki's products or the Zooki opportunity may not link to any website or social media page or account that promotes the products, services, or business program of any direct selling company other than Zooki.
- If a Representative creates a business page, team page, or group page on any social media site that promotes or relates to Zooki, its products, or opportunity, if the Agreement is cancelled for any reason or if the Representative becomes inactive, the Representative must immediately deactivate the business page, team page, or group page or, at the former Representative's option, turn over administrative rights to the page to Zooki so that the Company may deactivate the page.
- Representatives shall respect the privacy of other social media users. Representatives shall not engage in abusive social media practices including but not limited to harvesting or trolling for connections, shaming, or bullying others.

17. Representative Web Sites and Mobile Apps. Representatives may create their own websites or mobile apps to promote their Zooki business or Zooki's products and services, provided the website or mobile app is in compliance with the following listed requirements. If a Representative publishes any website or mobile app that does not comply with the following requirements, the Representative will be subject to disciplinary sanctions (including potential termination of the Agreement).

- The website or mobile app may not be enabled to take or process product or service orders or product or service sales.
- The website or mobile app may not be enabled to process Representative or Member enrollments.
- The website or mobile app must be directed to the Representative's Zooki replicated website to process sales and/or enrollments.
- The website or mobile app must clearly and conspicuously a) identify the Representative who is operating the website; b) disclose that he/she is a Zooki Representative; and c) disclose that the website is not Zooki's corporate website or mobile app.
- Websites or mobile apps that do not identify the Representative who is the promoter of the site and/or that he/she is promoting Zooki's products or the Zooki opportunity (so called "blind" websites), are not permitted.
- The website must comply with all applicable provisions of these Policies & Procedures regarding advertising and claims including, without limitation, Sections 15, 18, 19, 22, and 23.

Zooki reserves the right to require that a Representative disable and delete a non-complying website or mobile app, and Representatives waive all claims against Zooki, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such requirement. Upon cancellation of a Representative's Zooki Agreement for any reason, the former Representative must immediately remove the website from the internet.

18. Sales Tools. Representatives, as independent contractors, are free to create their own Sales Tools including, without limitation, advertising materials, promotional materials, and other marketing methods, provided such Sales Tools are in compliance with all applicable provisions of these Policies & Procedures regarding advertising and claims including, without limitation, Sections 15, 17, 19, 22, and 23. The display or distribution of non-compliant Sales Tools may subject the offending Representative to disciplinary sanctions (including potential termination of the Agreement). Representatives may make compliant Sales Tools available to other Representatives free of charge if they wish but may not sell the Sales Tools to other Representatives. Any sale or attempt to sell Sales Tools to another Representative will result in the termination of the offending Representative's Zooki business. **Zooki reserves the right to require that a Representative cease using non-compliant Sales Tools, and Representatives waive all claims against Zooki, its officers, directors, owners, employees, and agents for damages, expenses, costs, or remuneration of any other nature arising from or relating to such requirement.**

19. Trademarks and Copyrights. The name "Zooki" and other names and logos as may be adopted by the Company are proprietary trade names, trademarks, and service marks of Zooki. The Company grants Representatives a limited license to use its trademarks and trade names in promotional media for so long as the Representative's Agreement is in effect. Upon cancellation of a Representative's Agreement for any reason, the license shall expire, and the Representative shall immediately discontinue all use of the Company's trademarks and trade names. Under no circumstances may a Representative use any of Zooki's trademarks or trade names in any email address, website domain name, social media handle, social media name or address, or in any Sales Tools.

Zooki regularly produces live and recorded events as well as webinars and telephone conference calls.

During these events Company executives, Representatives, and guests appear and speak. The content of such events is copyrighted material that is owned exclusively by the Company. Representatives may not record company functions for any reason, whether such event is live, a webinar, via conference call, or delivered through any other medium.

In addition, Company produced Sales Tools, videos, audios, podcasts, and printed material are also copyrighted. Representatives shall not copy or make derivatives of any such materials for their personal or business use without the Company's prior written approval.

20. Change of Enroller. As a rule, Representatives may not change their Enrollers (the Representatives under whom they are enrolled or sponsored). The only means by which a Representative may legitimately change his/her Enroller is by voluntarily canceling the Agreement and re-enrolling under a new Enroller. The Representative will lose all rights to his/her former downline organization upon his/her cancellation.

21. Waiver of Claims. In cases wherein a Representative improperly changes his/her Enroller, Zooki reserves the sole and exclusive right to determine the final disposition of the downline organization that was developed by the Representative in his/her second line of enrollment. **REPRESENTATIVES WAIVE ANY AND ALL CLAIMS AGAINST ZOOKI, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM ZOOKI'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW A REPRESENTATIVE WHO HAS IMPROPERLY CHANGED HIS/HER ENROLLER.**

22. Income Claims. When presenting or discussing the Zooki opportunity or Compensation Plan to a prospective Representative, Representatives may not make income projections, income claims, income testimonials, or disclose their Zooki income (including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records), or the income of any other Zooki Representative. Nor may Representatives make lifestyle income claims. A lifestyle income claim is a statement or depiction that infers or states that the Representative is able to enjoy a luxurious or successful lifestyle due to the income they earn from their Zooki business. Examples of prohibited lifestyle claims include, but are not limited to, the following types of representations:

- That a Representative (or his/her spouse) was able to quit his/her job.
- That a Representative was able to replace his/her income from a job.
- That a Representative was able to pay for a child's private school or college education due to his/her Zooki earnings.
- That a Representative was able to acquire expensive or luxury material possessions (e.g., homes, cars, jewelry, boats, recreational vehicles, etc.).
- That because of his/her Zooki earnings a Representative was able to travel to exotic or expensive destinations.

The foregoing income claims restrictions apply to in-person presentations as well as promotional materials distributed by a Representative including social media postings.

23. Compensation Plan and Opportunity Claims. When presenting or discussing the Zooki Compensation Plan and/or the Zooki opportunity, Representatives must make it clear to prospects that financial success in Zooki requires commitment, effort, and sales skill. Conversely, Representatives must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include, but are not limited to:

- It's a turnkey system.
- The system will do the work for you.
- Just get in and your downline will build through spillover.
- Just join and I'll build your downline for you.
- The Company does all the work for you.
- You don't have to sell anything.
- All you have to do is buy your products every month.

The above are just examples of improper representations about the Compensation Plan and the Company's program. It is important that Representatives do not make these or any other representations that could lead a prospect to believe that they can be successful as a Representative without commitment, effort, and sales skill.

24. Media Inquiries. Representatives must not interact with the media regarding the Zooki business or products. All inquiries from the media, including radio, television, print, online, or any other medium, shall be directed to the Zooki marketing department.

25. Confidential Information. "Confidential Information" includes, but is not limited to, the identities, contact information, and/or sales information relating to Zooki Representatives and/or Members: (a) that is contained in or derived from any Representatives' respective Representative Back-Office; (b) that is derived from any reports issued by Zooki to Representatives to assist them in operating and managing their Zooki business; and/or (c) to which a Representative would not have access or would not have acquired but for his/her affiliation with Zooki. Confidential Information constitutes proprietary business trade secrets belonging exclusively to Zooki and is provided to Representatives in strict confidence. Confidential Information shall not be directly or indirectly disclosed to any third party nor used for any purpose other than Representative's use in building and managing his/her Independent Zooki business.

26. Handling Personal Information. If a Representative receives Personal Information from or about a Representative, a prospective Representative, a Member, or a prospective Member, it is the Representative's responsibility to maintain the security of the Personal Information. The Representative should shred or irreversibly delete the Personal Information of others once the Representative no longer needs it. Personal Information is information that identifies or permits a person or entity to contact an individual. It includes the name, address, email address, telephone number, credit card information, social security or tax identification number, and other information associated with these details, of another person including Members, potential Members, Representatives, and prospective Representatives.

27. Inventory Loading, Bonus Buying, Retail Sales Verification.

- All products and services available through Zooki are either digital downloads or are direct shipped from the Zooki Marketplace seller to the buyer. Representatives should only purchase digital downloads or Marketplace products if they have a current need for the download (e.g., App) or products for their own personal or household use.
- Bonus buying is strictly prohibited. Bonus buying is the purchase of services or products for any reason other than bona fide personal or household use, or any mechanism or artifice to qualify for rank advancement or maintenance, incentives, prizes, commissions or bonuses that are not driven

- by bona fide product purchases by end user consumers for actual use.
- All sales made by Representatives to customers (Members) are subject to retail sales verification by Zooki. If a sale to a Member is not verified as a legitimate retail sale, the sales volume associated with the purchase will not be credited to the selling Representative. If Zooki determines that a Representative is falsifying retail sales, the Company shall impose disciplinary sanctions on the Representative, which may include the involuntary termination of the Representative's Agreement.

28. Actions of Third Parties. If a third party acting on behalf of, or with the active or passive assistance or knowledge of a Representative engages in conduct that would be a violation of the Agreement, the conduct of the third-party may be imputed to the Representative. "Knowledge" of misconduct is not limited to actual knowledge. If a Representative engages in acts or omissions that the Representative knows or SHOULD KNOW will enable a third party to violate this Agreement if such action was taken by the Representative, the Representative shall be deemed to have knowledge of the violation.

29. Negative Comments/Nondisparagement. Negative comments in the field serve only to sour the enthusiasm of other Representatives. Therefore, Representatives must not disparage, libel, slander, demean, or make negative or critical comments to third parties or other Representatives about Zooki, its owners, officers, directors, management, employees, other Zooki Representatives, or the Compensation Plan. Disputes or disagreements between any Representative and Zooki shall be resolved through the dispute resolution process, and the Company and Representatives agree specifically not to demean, discredit, or criticize one another on the Internet or any other public forum. Complaints and concerns about Zooki should be directed to the Customer Service Department (support@zooki.biz).

30. Retail Sales. The Zooki Compensation Plan is based on the sale of Zooki products and services to end consumers. Representatives must fulfill personal and downline organization retail sales requirements specified in the Compensation Plan (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions, and advancement to higher levels of achievement. If a sale to a Member is not verified as a legitimate retail sale, the sales volume associated with the purchase will not be credited to the selling Representative. If Zooki determines that a Representative is falsifying retail sales, the Company shall impose disciplinary sanctions on the Representative, which may include the involuntary termination of the Representative's Agreement.

31. Transaction Submission Integrity. It is essential to the success of the Company, its Representatives, and Members, that submissions of transactions to the Company maintain integrity of communication. It is to be expected that all transactions submissions to the Company, including, but not limited to, Representative applications and enrollments, Representative communications, Representative financial transactions, and Member transactions, be submitted by the individual or entity involved in the transaction. Third party submission of any and all transactions submissions is prohibited. A Representative may not communicate any transactions submissions on behalf of another Representative, Representative applicant, or Member. A Representative may not use his or her credit card or bank account on behalf of another individual or Representative. This rule is applicable to any and all forms of transactions submissions, including, but not limited to, online, telephone, fax, email, etc.

32. Adjustment to Bonuses and Commissions. Compensation stemming from product and service sales is fully earned when the applicable return, repurchase, and chargeback periods applicable to product sales have all expired. If a product is returned to Zooki for a refund or is repurchased by the Company, or a chargeback occurs, the compensation attributable to the returned or repurchased

product(s) will be recovered by the Company from the Representatives who were paid commissions or bonuses based on the original sales of such products. Such unearned compensation will be deducted, in the month in which the refund is issued or the chargeback occurs and continuing every pay period thereafter until the commissions are fully recovered from the selling Representative and upline Representatives who received bonuses and commissions on the sales of the refunded products. Likewise, if it is the responsibility of a Representative to issue a refund to a Member, but if Zooki issues the refund, the Company may deduct the amount refunded to the Member from the Representative's subsequent bonus and commission payments.

Zooki reserves the right to withhold or reduce any Representative's compensation as it deems necessary to comply with any garnishment or court order directing Zooki to retain, hold, or redirect such compensation to a third party.

33. Purchase Refunds. The Zooki platform is a marketplace for third party vendors to sell their products and services to Zooki Members and Representatives. Therefore, no refunds are offered by Zooki on such product or service purchases. Refunds, if any, will be issued by the third-party vendor of the product or service. For information regarding refunds, Members and Representatives should contact the vendor.

34. Refunds Upon Cancellation or Termination. Within 30 days from the cancellation or termination of a Representative's Agreement, the Representative may return Starter Kits and Sales Tools that he or she personally purchased from Zooki during the 12-month period preceding the date of cancellation or termination for a refund so long as the goods are in currently marketable condition. (The one-year limitation shall not apply to residents of Louisiana, Maryland, Massachusetts and Wyoming and Puerto Rico). Upon the Company's timely receipt of returned goods and confirmation that they are in currently marketable condition, the Representative will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. Goods are in "currently marketable condition" if they are unopened and unused and packaging and labeling has not been altered or damaged. Merchandise that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, or which has passed its commercially reasonable usable or shelf-life, is not in currently marketable condition. Back-Office and Replicated website fees are not refundable except as may be required under applicable state law.

35. Montana Residents: A Montana resident may cancel his or her Representative Agreement within 15 days from the date on which this application is submitted and may return his or her sales kit within such time and is entitled to a full refund for the sales kit and for any other consideration he/she paid within such time period to participate in the program.

36. Louisiana, Massachusetts, and Wyoming Residents: If a resident of Louisiana, Massachusetts, or Wyoming cancels the Representative Agreement, upon receipt of a written request from such canceling Representative, Zooki will refund 90% of the costs incurred by such canceling Representative to participate in the program during the one-year period immediately preceding the date of the cancellation.

37. Maryland Residents: A Representative who resides in Maryland may cancel the contract for any reason within 3 months after the date of receipt of goods or services first ordered; upon cancellation, the Company shall repurchase the goods; and the repurchase price shall be at least 90% of the original

price paid by the Representative.

38. Puerto Rico Residents: A Puerto Rico resident may cancel this Agreement at any time within 90 days from the date of enrollment, or at any time upon showing the Company's noncompliance with any of the essential obligations of the distribution contract or any act or omission by the Company adversely affecting the interests of the cancelling Representative in the development of the market of the properties or services. Such cancellation must be sent to the Company in writing and sent via registered mail. If a Puerto Rico resident cancels under these conditions, the Company shall: (a) Reacquire the total of the products that he/she purchased from the Company which are in his/her possession and in good condition at a price of not less than ninety percent (90%) of their original net cost; (b) Return to the cancelling Representative not less than ninety percent (90%) of the original net cost of any services that he/she acquired from the Company; (c) Return 90% of any sum paid by the cancelling Representative for the purpose of participating in the business.

39. Cancellation or Termination of the Agreement; Disciplinary Sanctions.

- **Voluntary Cancellation.** A participant in this network-marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address or by cancelling his/her business through the Representative Back-Office. The written notice must include the Representative's signature, printed name, address, and Representative I.D. Number. A Representative may also voluntarily cancel the Agreement by failing to pay the monthly Representative Replicated Website fee or by withdrawing consent to contract electronically.
- **Cancellation for Inactivity.** If a Representative fails to earn any commissions for six consecutive months, his/her Representative Agreement and Zooki business will be cancelled for inactivity.
- **Suspension or Cancellation for Non-Payment.** A Representative's failure to pay any required monthly fee or annual renewal fee when due may result, at the company's discretion, in the suspension or termination of the Agreement. In the event any such fees remain unpaid for 60 days, the Agreement shall be automatically terminated.
- **Involuntary Cancellation/Termination; Disciplinary Sanctions.** Violation of any term of the Agreement, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Representative that the Company reasonably believes may damage its reputation or goodwill, may result in the suspension or termination of this Agreement, and/or any other disciplinary measure that Zooki deems appropriate to address the misconduct. In situations deemed appropriate by Zooki, the Company may institute legal proceedings for monetary and/or equitable relief, subject to the Dispute Resolution Policy at Section 48.
- **Effect of Cancellation.** So long as a Representative remains active and complies with the terms of the Agreement, Zooki shall pay bonuses and commissions to such Representative in accordance with the Compensation Plan. A Representative's bonuses and commissions constitute the entire consideration for the Representative's efforts in generating sales and all activities related to generating sales (including building a Marketing Organization).

A Representative whose business is cancelled for any reason will lose all Representative rights, benefits, and privileges. This includes the right to represent yourself as an Independent Zooki Representative, to sell Zooki products and services and the right to receive commissions, bonuses, or

other income resulting from his/her own sales and the sales and other activities of the Representative and the Representative's former downline sales organization. There is no whole or partial refund for tangible sales kits that are not currently marketable, Representative Back-Office, replicated website or renewal fees if a Representative's business is cancelled.

A Representative whose Representative Agreement is canceled 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).

- **Reclassification.** If at the time of the cancellation of a Representative's Representative Agreement the Representative is also registered as a Zooki Member, the Representative's Member Agreement shall continue in force unless the Representative specifically requests that his or her Zooki Member agreement be canceled. If the former Representative does not request the cancellation of his or her Member Agreement, the former Representative shall be reclassified as a Member.
- **Re-Enrollment.** A Representative whose Agreement is cancelled or terminated may re-enroll as a Representative unless the cancellation or termination was due to a violation of the Agreement. In the event the cancellation or termination was due to a violation of the Agreement, the former Representative may only re-enroll if approved by Zooki. If a former Representative re-enrolls within 12 months of the date of the cancellation or termination, the former Representative will not be required to pay the enrollment fee. If a former Representative re-enrolls 12 months or more after the date of the cancellation or termination, the former Representative will be required to pay the then current enrollment. All re-enrolling Representatives will be required to agree to the then current Policies and Procedures and the then current monthly Replicated Website and Back-Office fee.

40. Indemnification. Each Representative agrees to indemnify Zooki for any and all costs, expenses, consumer reimbursements, fines, sanctions, damages, settlements or payments of any other nature that Zooki incurs resulting from or relating to any act or omission by the Representative that is illegal, fraudulent, deceptive, negligent, unethical, or in violation of the Agreement. Zooki may elect to exercise its indemnification rights through withholding any compensation due the Representative. This right of setoff shall not constitute Zooki's exclusive means of recovering or collecting funds due Zooki pursuant to its right to indemnification.

41. Business Transfers. Representatives in good standing who wish to sell or transfer their business must receive Zooki's prior written approval before the business may be transferred. A business that is on disciplinary probation, suspension, or under disciplinary investigation is not in good standing and may not be transferred unless and until the disciplinary matter is resolved. Requests to transfer a business must be submitted in writing to support@zooki.biz. The request to transfer will be denied if the business is not in good standing or if there is another reasonable reason for denying the request.

42. Transfer Upon a Representative's Death. Upon the death of a Representative, the Representative's Zooki business and may be passed to his/her heirs. Prior to such transfer, the beneficiary of the business must provide Zooki with certified letters testamentary or letters of administration and written instructions of the executor of the estate, or an order of the court, that provides direction on the proper disposition of the business. The beneficiary must also execute and submit to the Company a Zooki Representative Agreement within 30 days from the date on which the business is transferred by the estate to the beneficiary or the business will be cancelled. Because Zooki

cannot divide commissions among multiple beneficiaries or transferees, if there are multiple beneficiaries or transferees of the business, the beneficiaries or transferees must form a business entity (corporation, LLC, partnership, etc.) and submit a Zooki Representative Agreement in the name of the business entity. Upon the completion of these requirements, Zooki will transfer the business and issue commissions to the individual beneficiary or business entity.

43. Divorce of a Representative. Zooki is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in divorce cases, any settlement or divorce decree must award the business in its entirety to one party. Zooki will recognize as the owner of the business the former spouse to whom the business is awarded pursuant to a legally binding settlement agreement or decree of the court. The former spouse who receives the Zooki business must also execute and submit a Zooki Representative Agreement within 30 days from the date on which the divorce becomes final or the business will be cancelled.

44. Inducing Representatives to Violate the Agreement. Representatives shall not directly or indirectly induce, encourage, or assist another Representative to violate the Agreement.

45. Reporting Policy Violations. Representatives observing a Policy violation by another Representative should submit a written report of the violation to the Company at support@zooki.biz. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in or attached to the report.

46. Reporting Errors. If a Representative believes that Zooki has made an error in his/her compensation, the structure or organization of his/her genealogy, or any other error that impacts the Representative's income, he/she must report it to the Company in writing within 30 days from the date on which the mistake occurred. While Zooki shall use its best efforts to correct errors reported more than 30 days after the date of the error, Zooki shall not be responsible to make changes or remunerate Representatives for losses for mistakes that are reported more than 30 days after the mistake occurs.

47. International Activities. Representatives may not enroll Members or Representatives who reside in any foreign country that the Company has not announced is officially open for business.

48. Dispute Resolution. If a dispute between a Representative and Zooki arises from or relates to the Agreement, the Zooki business, the rights and obligations of either party, or the relationship between the parties, the parties shall resolve the dispute as set forth in the following dispute resolution provisions. The following shall apply to all proceedings under this dispute resolution provision:

- Any claim a party has against the other must be brought within one year from the date on which the first act or omission supporting or giving rise to the claim occurred. In cases in which informal negotiation is required, once informal negotiation is requested in writing this one-year limitation of actions provision shall be tolled until the completion of the mediation phase of this provision and for ten calendar days thereafter.
- At no time prior to the completion of the negotiation and mediation steps described below shall either party initiate arbitration or litigation in small claims court related to this Agreement or the business except as may be specified otherwise in this dispute resolution provision.
- All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation and/or mediation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment,

in arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation and/or mediation.

- Each party shall be responsible for its own attorney's fees, expert, professional and witness fees incurred in pursuing any claim, regardless of the forum.
- **If an action is brought in small claims court instead of arbitration, the parties agree that the matter shall remain in small claims court and shall advance only on an individual (non-class, non-representative) basis.**
- A dispute relating to whether the dispute between the Company and a Representative is subject to arbitration shall be decided through arbitration.

Stages of Dispute Resolution & General Dispute Resolution Procedures. Disputes between the Company and a Representative(s) that arise from or relate to the Agreement, the business operated by the Representative and/or the Company, the opportunity offered by the Company, or the relationship between the parties, shall be resolved according to the three-step procedure of (a) informal negotiation; (b) non-binding mediation; and (c) binding arbitration or in small claims court. **THE PARTIES AGREE TO RESOLVE THE DISPUTE THROUGH BINDING ARBITRATION AND WAIVE CLAIMS TO A TRIAL BEFORE ANY COURT OR JURY EXCEPT IN SMALL CLAIMS COURT AS PROVIDED HEREIN.**

Step 1 - Informal Negotiation. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement or the Company's business promptly by negotiation between the aggrieved Representative(s) and executives of the Company who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. A party may, at its election, choose to be accompanied in such negotiation by an attorney. If one party elects to have its attorney present, the other party must also agree to have its attorney present if that party has retained counsel. Informal negotiations shall occur in Sevier County, Utah unless the parties mutually agree on another location. Informal negotiations shall take place telephonically or by videoconference if either party requests such.

To institute the negotiation process, either party may give the other party written notice of any dispute not resolved in the normal course of business. Within 10 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive and attorney who will accompany that party (if applicable), or the name of the Representative and his/her attorney (if applicable) who will accompany him/her in the negotiation. Within 20 days after delivery of the notice, the parties and the attorneys (as applicable) of both parties shall meet at a mutually acceptable time and place. Such meeting may occur telephonically if one party requests that the meeting be held telephonically.

Unless otherwise agreed in writing by the negotiating parties, mediation may be commenced one business day following the close of the negotiation phase described above. The negotiation phase is "closed" when one party notifies the other in writing that it considers the negotiation "closed." Such closure shall not preclude continuing or later negotiations if desired by both parties.

Step 2 – Mediation. If the parties are unsuccessful in resolving their dispute through good faith negotiation, they shall seek to resolve the dispute through mediation. If a party elects to pursue mediation, the party shall submit a written request for mediation to the other party within 10

calendar days after the negotiation phase is completed. The parties shall have 10 calendar days following such request to select a mutually acceptable mediator. If the parties cannot agree on a mutually acceptable mediator, they shall apply to JAMS to have a neutral mediator appointed.

Mediation shall be conducted within 20 calendar days from the date on which the mediator is selected or appointed or as otherwise agreed upon by the parties and the mediator. The mediation shall occur in Sevier County, Utah unless the parties mutually agree on another location. Mediation shall take place telephonically or by videoconference if either party requests such. The parties shall split the mediator's fees equally unless the value of the relief sought by a Representative is \$5,000 or less. If the value of the relief sought by a Representative is \$5,000 or less, at the Representative's request, Zooki will pay all of the mediator's fees associated with the mediation.

Unless otherwise agreed upon by the parties, the mediation shall be closed no later than 30 calendar days following the completion of the meeting between the mediator and the parties.

Step 3 – Binding Confidential Arbitration or Small Claims Court. If the parties do not successfully resolve their dispute through the negotiation and mediation procedures above, the dispute shall be resolved through binding confidential arbitration as set forth below. If the dispute is within the jurisdictional limits of the small claims court in the state in which Representative resides, the dispute may be resolved in such small claims court. If an action is brought in small claims court instead of arbitration, the parties agree that the matter shall remain in small claims court and shall advance only on an individual (non-class, non-representative) basis.

JAMS to Administer Arbitration. If the dispute between the Company and a Representative is subject to arbitration, the arbitration shall be filed with, and administered by JAMS in accordance with its Comprehensive Rules and Procedures, which are available on JAMS' website at <https://www.jamsadr.com>. Copies of JAMS Rules and Procedures will also be emailed to Representatives upon request to Zooki (support@zooki.biz). Notwithstanding the rules of JAMS, unless otherwise stipulated by the Parties, the following shall apply to all Arbitration actions:

- The Federal Rules of Evidence shall apply in all cases.
- The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure.
- The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure.
- The arbitration hearing shall commence no later than 500 days from the date on which the arbitrator is appointed and shall last no more than five business days.
- The Parties shall be allotted equal time to present their respective cases.
- An Arbitrator's Award will consist of a written statement stating the disposition of each claim. The award will also provide a concise written statement of the essential findings and conclusions on which the award is based.
- Unless the parties mutually agree to another location, all arbitration proceedings shall be filed and held in Sevier County, Utah.
- If the value of the relief sought is \$25,000 or less, the arbitration shall be conducted based solely on written submissions, unless either party requests an in-person, telephonic, or videoconference hearing or the arbitrator decides that a hearing is necessary. In cases where an in-person hearing is held, either party may attend by telephone or video conference unless the arbitrator requires otherwise.

- The parties shall split the arbitrator's fees equally unless the value of the relief sought by a Representative is \$5,000 or less. If the value of the relief sought by a Representative is \$5,000 or less, at the Representative's request, Zooki will pay all of the arbitrator's fees associated with the arbitration.
- Any dispute relating to whether the dispute is subject to arbitration shall be decided through arbitration.

Confidentiality. Disputes shall remain confidential between the Company and the Representative in question. With the exception of discussing the claims with bona fide witnesses to the dispute and the party's legal counsel, neither party shall verbally or in writing discuss, publish, or otherwise disseminate the claims, allegations, merits, evidence, positions, pleadings, testimony, rulings, awards, orders, issues, or any other aspect of the dispute with or to any third party, including but not limited to disclosure on the internet or on any social media or blog platform prior to, during, or after any phase of the dispute resolution process unless a specific exemption contained in this dispute resolution provision applies. Nothing in this confidentiality provision shall prohibit or limit the Company from discussing any compliance matter and/or its resolution with the upline of a Representative who has received disciplinary action by the Company or any matter related to the resolution of a dispute between the Company and a Representative.

Liquidated Damages for Breach of the Confidentiality Obligation. If a Party violates its confidentiality obligations under this arbitration provision, the nonbreaching party shall incur significant damages to its reputation and goodwill that shall not be readily calculable. Therefore, if a Party, its attorneys, agents, or a proxy of a party breaches the confidentiality provision of this dispute resolution provision, the following shall apply:

- The non-breaching party shall be entitled to liquidated damages in the amount of \$10,000.00 per violation, or \$50,000 per violation if the disclosure is published on the internet, including but not limited to disclosure on any website or blog or on any social media forum. Every disclosure of each claim, allegation, pleading, or other prohibited disclosure shall constitute a separate violation. Notwithstanding this confidentiality and liquidated damage provision, nothing herein shall limit the right or ability of a Party to disclose evidence, claims or allegations relating to the dispute to any individual who is, or who may be, a bona fide witness to the dispute. **The Parties agree that this liquidated damage amount is reasonable and waive all claims and defenses that it constitutes a penalty; AND**
- **Breach of the confidentiality provision by disseminating or publishing information described in subparagraph c. above through any form of mass media (including but not limited to posting on the Internet or on any social media platform) by a party, a party's agent, or a party's proxy shall constitute an act of wanton and gross bad faith, and shall constitute a waiver of the breaching party's right to pursue the claim(s) and/or defense(s) against the non-breaching party, and shall entitle the non-breaching party to a default judgment against the breaching party.**

Arbitration Opt-Out. A Representative who does not wish to be subject to this Arbitration provision may opt-out by notifying Zooki in writing of his/her desire to opt-out of this Arbitration provision within 30 days of the Representative's execution of the Agreement. The opt-out notice shall be sent via regular mail to Zooki, Attn: Compliance Department, 90 S. Sevier Hwy, Sevier, UT 84766.

Actions Not Subject to Arbitration. Notwithstanding the foregoing, the following claims may be, but

need not be, resolved through confidential binding arbitration:

- Claims by Representatives who have properly opted out of the arbitration provision.
- Claims that are within the jurisdictional limit of the small claims court in jurisdiction in which the Representative resides.
- Claims seeking only public equitable relief that is authorized by state or federal statute and such relief is not available through arbitration. If equitable relief is specifically authorized by an applicable federal or state statute, the parties agree that an action may be brought before a state or federal court residing in the county in which either party resides or has its principal place of business so long as (a) the relief sought is limited to equitable relief that is specifically authorized by federal or state statute; and (b) the equitable relief is unavailable through arbitration proceedings. The confidentiality provisions and corresponding liquidated damages provisions for breach of confidentiality provision contained in this dispute resolution provision shall remain in effect for claims and actions asserted under this Step 3(c).

Emergency Relief. Either party may bring an action before JAMS seeking emergency relief to protect its intellectual property rights, including but not limited to protecting its rights pursuant to the non-solicitation provisions of these Policies & Procedures. A claim or cause of action seeking emergency relief shall be brought pursuant to the Emergency Relief Procedures in JAMS Comprehensive Rules and Procedures, available at <https://www.jamsadr.com>, or by contacting the Company at support@zooki.biz. The parties agree that any violation of Section 25 (regarding Confidential Information) shall entitle Zooki to emergency and permanent equitable relief because: (a) there shall be no adequate remedy at law; (b) Zooki shall suffer immediate and irreparable harm should such policies be breached; and (c) if emergency and permanent equitable relief is not granted, the injury to Zooki shall outweigh the potential harm to Representative if emergency and/or permanent equitable relief is granted.

Disputes Not Subject to the Informal Negotiation and/or Mediation Steps. A party need not go through the informal negotiation or mediation steps described above in the following situations:

- **Action to Enforce Arbitration Award or Order.** Either party may bring an action in a court properly vested with jurisdiction to enforce an arbitration award or order including but not limited to an order for emergency relief.
- **Petitions for Emergency Relief.** If a party deems it necessary to seek emergency relief to protect its interests, it may seek emergency relief as set forth in this dispute resolution provision without engaging in the negotiation or mediation process set forth above. Notwithstanding the foregoing, the parties are encouraged, but not required, to engage in negotiation and or mediation concurrently with any pending request for emergency relief.
- **Disciplinary Sanctions.** The Company shall not be required to engage in the three-step dispute resolution process prior to imposing disciplinary sanctions for violation of the Agreement.

49. Remedies. Unless limited by the terms of this Agreement, remedies available to you under U.S. federal laws, the laws of the state of Utah, and the state and local laws of your state, shall remain available to you in any arbitration proceeding.

50. Class Action Waiver. All disputes, whether pursued through arbitration or before the courts, that arise from or relate to the Agreement, that arise from or relate to the Zooki business, or that arise from or relate to the relationship between the parties, shall be brought and proceed on an individual basis. The parties waive their rights to pursue any action against the other party and/or their

respective owners, officers, directors, and agents, on a class or consolidated basis. You may opt out of this class action waiver if you wish by submitting written notice to the Company of your desire to opt out within 30 days from the date on which you enroll as a Representative. Submit your written opt-out notice to Zooki, Attn: Compliance Department, 90 S. Sevier Hwy, Sevier, UT 84766.

51. Governing Law. The Federal Arbitration Act shall govern all matters relating to arbitration. Except as is otherwise specifically referenced in these Policies & Procedures, the law of the State of Utah without regard to principles of conflicts of laws, shall govern all other matters relating to or arising from the Agreement, the business, the relationship between the parties, or any other claim between the Parties, whether such claim is grounded in contract, tort, warranty, or any other theory of law. Notwithstanding the foregoing, if a dispute is brought in a small claims court properly vested with jurisdiction, the law of the state in which the small claims court resides shall apply.

52. Damages for Wrongful Termination. In any case which arises from or relates to the wrongful termination of a Representative's Agreement and/or independent business, the parties agree that damages will be extremely difficult to ascertain. Therefore, the parties stipulate that if the involuntary termination of a Representative's Agreement and/or loss of their independent business is proven and held to be wrongful under any theory of law, Representative's sole remedy shall be liquidated damages calculated as follows:

- For Representatives earning up to \$10,000.00 in the twelve (12) calendar months prior to termination, liquidated damages shall be in the amount of her gross compensation that he/she earned pursuant to the Zooki Compensation Plan in the twelve (12) months immediately preceding the termination.
- For Representatives earning between \$10,000.01 and \$20,000.00 during the twelve (12) calendar months prior to termination, liquidated damages shall be in the amount of her gross compensation that he/she earned pursuant to the Zooki Compensation Plan in the twenty-four (24) months immediately preceding the termination.
- For Representatives earning more than \$20,000.00 in the twelve (12) calendar months prior to termination, liquidated damages shall be in the amount of her gross compensation that he/she earned pursuant to the Zooki Compensation Plan in the thirty-six (36) months immediately preceding the termination.

53. Damage Waiver. In any action arising from or relating to the Agreement, the parties waive all claims for consequential, indirect, incidental, special, exemplary, punitive, or enhanced damages, or lost profits or revenues, arising out of, relating to, or in connection with any breach of the Agreement, regardless of (a) whether such damages were foreseeable, (b) whether or not the breaching party was advised of the possibility of such damages, or (c) the legal or equitable theory (contract, tort, warranty or otherwise) upon which the claim is based. The parties further waive all claims to exemplary and punitive damages. Nothing in this provision or this Agreement shall restrict or limit a party's right to recover liquidated damages as set forth in these Policies & Procedures.

54. Attorney's Fees and Costs. Each party to a dispute shall bear its own attorney's fees and costs.

55. Louisiana Residents. The dispute resolution provisions in these Policies & Procedures shall apply to Louisiana residents with the exception that any arbitration between the Company and a Louisiana resident Representative may be brought in the Representative's home forum and pursuant to Louisiana law.

