

## **POLICIES AND PROCEDURES** v3.0

### **1.0 INTRODUCTION**

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

The goal of Veribella Inc. (doing business as “Veribella,” and/or referred to as “We,” “Us,” “Our,” or simply the “Company”) is to provide exceptional products and services to consumers. This is only made possible with the support of and passion demonstrated by the members of the Veribella sales organization (known as “Brand Partners”). To achieve sustained success as a business, Veribella hereby commits to aid and support all Brand Partners in return for the mutual commitment made and shown by these Brand Partners to represent the Company in its efforts to reach all interested consumers.

#### **1.2 Purpose of Policies and Effective Date**

- A. To clearly define the relationship that exists between Us and you, and to explicitly set a standard for acceptable business conduct, We now put forth these Policies and Procedures.
- B. As A Brand Partner, you are required to comply with:
  - I. All of the terms and conditions set forth in the Brand Partner Agreement, which We may amend from time to time in Our sole and absolute discretion;
  - II. All federal, state, and/or local laws governing your Veribella business; and
  - III. Lastly, these Policies and Procedures.
- C. A Brand Partner must review the information in these Policies and Procedures carefully. Should you have any questions regarding a policy or rule, We encourage you to seek an answer from your Sponsor (as defined in the Glossary of Terms herein). Should your Sponsor not provide the appropriate clarification, you may contact Company Customer Service Department.
- D. These Policies and Procedures shall become effective as of November 1, 2019 (“Effective Date”).

#### **1.3 These Policies and Procedures and the Compensation Plan Incorporated into the Brand Partner Agreement**

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- A. Throughout these Policies, when the term “Agreement” is used, this collectively refers to the Brand Partner Agreement, these Policies and Procedures, and the Company Compensation Plan.
- B. It is the responsibility of a Sponsoring Brand Partner to provide the most current version of these Policies and Procedures (available on the company website) and the Company Compensation Plan to each applicant prior to any execution of A Brand Partner Agreement.

## 1.4 Changes, Amendments, and Modifications

- C. Because federal, state, and local laws, as well as the business environment, periodically change, We reserve the right to amend the Agreement from time to time. Additionally, the Company may change and amend the prices on all its product at any time in the future. *Please note, this provision does **NOT** apply to the arbitration clause found in Section 12, which can only be modified via mutual consent.*
- B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
  - I. Posting on the official Corporate website;
  - II. Electronic mail (e-mail); or
  - III. In writing through Company newsletters or corporate communication channels.
- C. Understand that any continued business, ordering, acceptance of a commission or bonus payout, or other benefit received by A Brand Partner pursuant to this Agreement constitutes the acceptance of this Agreement in whole with any and all amendments.

## 1.5 Delays

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

## 2.0 BASIC PRINCIPLES

### 2.1 Becoming A Brand Partner

- A. As a Veribella Brand Partner, you will be a part of a team of passionate, driven, like-minded individuals, all working towards the common goal of achieving emotional, personal and financial success. To become A Brand Partner, you must comply with the following requirements:

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- I. Be of the age of majority (not a minor) in your state of residence;
- II. Reside or have a valid address in the United States or other U.S. territory;
- III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
- IV. Submit a properly completed and signed (via hard copy or electronic signature) Brand Partner Agreement;
- V. Not be a Veribella employee, or the spouse or relative of a Company employee living in the same household;
- VI. Purchase an Annual Registration Fee at the time of enrollment.

## **2.2 Registration and Enrollment of A Brand Partner**

- A. You can submit your Brand Partner Agreement through mail or the Veribella website (<http://www.veribella.com>). The application must be received within five (5) business days of your enrollment for you to receive Brand Partner benefits. If the Brand Partner Agreement is not received within five (5) business days, your Brand Partner account will remain on temporary hold until We receive the Agreement.
- B. A potential new Brand Partner may also enroll on the Sponsor's replicated website. Instead of a physically signed Brand Partner Agreement, We will accept the web-enrollment through the "electronic signature." The electronic signature signifies that the new Brand Partner has accepted the terms and conditions of the Brand Partner Agreement, the Policies and Procedures, the Terms of Use, and the Compensation Plan. Please note that such electronic signature constitutes a legally binding agreement between you and the Company.
- C. Veribella reserves the right to require signed paperwork for any account, regardless of origin.
- D. Signed documents, including, but not limited to Brand Partner agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after execution. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been executed may lead to sanctions, up to and including involuntary termination of the Brand Partner's business.

## **2.3 Rights Granted**

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Veribella hereby grants to the Brand Partner a non-exclusive right, based upon the terms and conditions contained in the Brand Partner Agreement and these Policies and Procedures, to the following:

- I. The ability to purchase, sell and promote Veribella products and services;
- II. Sponsor new Brand Partners and Customers in the United States, building a sales organization and earning commissions of the personal and downline sales of Veribella products.

## **2.4 Identification Numbers**

- A. Each Brand Partner is required to provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to the Company on the Brand Partner Agreement. We reserve the right to withhold commission payments from any Brand Partner who fails to provide such information or who provides false information.
- B. At the time of enrollment, Veribella requests that you provide an email address. This email address will be used to place orders, structure organizations, and track commissions and bonuses.

## **2.5 Business Entities**

- A. A corporation, partnership, LLC, or trust (collectively referred to as a “Business Entity”) may apply to be A Brand Partner. This Brand Partner business and position will remain *temporary* until the submission of proper documents. As examples of proper documents, We expect a Business Entity application to come with some of the following: Certificate of Incorporation, Articles of Organization, Partnership Agreement or appropriate Trust documents. We must receive these documents within five (5) business days from the date of the Brand Partner Agreement’s execution. A Brand Partner is to upload these documents in the Veribella back office.
- B. A Brand Partner may change his or her status under the same Sponsor from an individual to a Business Entity so long as he or she complies with Section 2.5(A).

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

- A. As A Brand Partner, you are an independent contractor, and not a purchaser of a franchise or business opportunity. As a result, each Brand Partner’s success depends entirely upon his, her or its own independent efforts.
- B. The Agreement between you and Us does not create an employer/employee relationship, agency, partnership, or joint venture.

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- C. A Brand Partner shall not be treated as an employee of Veribella for any purposes, including, without limitation, for federal or state tax purposes. You are responsible for paying local, state, and federal taxes due from all compensation earned as A Brand Partner. Any other compensation received by Brand Partners from the Company will be governed by applicable U.S. tax laws (or the tax laws of any other applicable jurisdiction). You as A Brand Partner have no express or implied authority to bind Veribella to any obligation or to make any commitments by or on behalf of the Company. Each Brand Partner, whether acting as management of a Business Entity or represented as an individual, shall establish goals, hours, and methods of operation and sale, so long as in compliance with the terms of the Brand Partner Agreement, these Policies and Procedures and applicable state and federal laws.
- D. You are fully responsible for all of your verbal and written communications made regarding Veribella products, services, and the Compensation Plan that are not expressly contained within official Company materials. Brand Partners shall indemnify and hold harmless Veribella, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by Veribella as a result of the Brand Partner's unauthorized representations or actions. This provision shall survive the termination of the Brand Partner Agreement.

## **2.7 Errors or Questions**

If A Brand Partner has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the Company requires any inquiries by email to [Corporate@veribella.com](mailto:Corporate@veribella.com) within thirty (30) days of the date of the error or incident in question. Any such errors, omissions or problems not reported within this thirty-day timeframe days is expressly waived by Brand Partner.

## **3.0 RESPONSIBILITIES OF A VERIBELLA BRAND PARTNER**

### **3.1 Correct Addresses**

- A. It is the responsibility of any Customer or Brand Partner to ensure the Company has the correct shipping address before the shipment of any orders.
- B. For any notice of address change sent to the Company, a Customer or Brand Partner will need to allow up to thirty (30) days for processing.

### **3.2 Training and Leadership**

- A. Any Brand Partner who sponsors another Brand Partner into Veribella must perform an authentic assistance and training function to ensure those made up of their downline organizations operate their business in accordance with these Policies and Procedures. Sponsoring Brand Partners should have ongoing contact and communication with those

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in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voice-mail, e-mail, personal meetings, accompaniment of downline Brand Partners to Company meetings, training sessions, webinars and any other related functions.

- B. A Sponsoring Brand Partner should monitor the Brand Partners in his or her downline organizations to ensure that downline Brand Partners do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, A Brand Partner should be able to provide documented evidence to the Company of his or her ongoing fulfillment of Sponsor responsibilities.
- C. Upline Brand Partners are encouraged to motivate and train new Brand Partners about Company products and services, effective sales techniques, the Company Compensation Plan and compliance with these Policies and Procedures.
- D. The marketing and sale of products is a required activity in Veribella and must be emphasized in all recruiting presentations.
- E. We prioritize all Brand Partners to sell Veribella products and services to Customers first and prospective and current Brand Partners second.
- F. Use of Sales Aids. Creation of Veribella sales tools is limited to Regional Marketing Director and above. These Brand Partners must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for approval prior to use. Unless the Brand Partner receives specific written approval to use the material, the request shall be deemed denied. All Brand Partners shall safeguard and promote the good reputation of Veribella and its products. Once approved, Company reserves the right to incorporate the approved training material in its own promotional efforts.

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

- A. It is Our goal to provide you with a combination of exceptional products and a rewarding Compensation Plan. Accordingly, We value constructive criticism and encourage the submission of written comments addressed to the Company's Compliance Department so long as such comments come by way of a respectful and in a productive manner.
- B. Negative and disparaging comments by Brand Partners made to others about the Company, its products or Compensation Plan, or disruptive behavior at Company meetings or events, serve no purpose other than to dampen the enthusiasm of all those who participate in the Veribella business. Brand Partners must not belittle the Company, other Brand Partners, the Company products or services, the Compensation Plan, or Company directors, officers, or employees, product suppliers or agents. Such conduct

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represents a material breach of these Policies and Procedures and may be subject to sanctions as the Company sees fit.

### **C. Veribella endorses the following Code of Ethics:**

- I. Brand Partners must show fairness, tolerance, and respect to all people Brand Partnered with Veribella, regardless of race, gender, social class or religion;
  - II. Brand Partners must contribute to and foster an atmosphere of positivity, teamwork, good morale and community spirit.
  - III. Brand Partners shall strive to resolve business issues, including situations with upline and downline members through tact, sensitivity, and good will.
  - IV. Brand Partners must be honest, responsible, professional and conduct themselves with integrity.
  - V. Brand Partners shall never disparage the Company, other Brand Partners, Company employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.
- D. Veribella may take appropriate action against A Brand Partner if it determines, in its sole discretion, that the Brand Partner's conduct is detrimental, disruptive, or injurious to the Company or other Brand Partners.

### **3.4 Reporting Policy Violation**

- A. A Brand Partner who observes a policy violation by another Brand Partner should submit a written and signed letter (e-mail will not be accepted) of the violation directly to the Company Compliance Department. The letter shall set forth the details of the incident as follows:
  - I. The nature of the violation and specific facts to support the allegation;
  - II. Number of occurrences and dates;
  - III. The Persons involved; and
  - IV. Any other supporting documentation
- B. Upon presentation to the Company Compliance Department, We will research the incident in question and take appropriate action if necessary.

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- C. This section refers to the general reporting of policy violations as observed by other Brand Partners for the mutual effort to support, protect, and defend the integrity of the Veribella business and opportunity. If A Brand Partner has a grievance or complaint against another Brand Partner which directly relates to his or her Veribella business, the procedures set forth in these Policies must be followed.

### **3.5 Sponsorship**

- A. The Sponsor is the person who introduces a person, whether a Customer or A Brand Partner, to the Veribella business and helps them complete their enrollment, supports those in their downline, and continues to provide training and assistance for all those in their downline.
- B. The Company recognizes the Sponsor as the name(s) shown on the first:
  - I. Physically signed Brand Partner Agreement on file; or
  - II. Electronically signed Brand Partner Agreement from either the Company's website or A Brand Partner's replicated website.
- C. A Brand Partner Agreement that contains notations such as "by phone" or the signatures of other individuals (i.e. Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by the Company.
- D. We recognize that each new prospect has the right to ultimately choose his or her own Sponsor, but We will not allow Brand Partners to engage in unethical sponsoring activities.
- E. All active Brand Partners in good standing have the right to Sponsor and enroll others into the Veribella business. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Brand Partner will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Brand Partner who presented a comprehensive introduction to the Company's products or opportunity.

### **3.6 Cross Sponsoring Prohibition**

- A. "Cross sponsoring" is defined as the enrollment of an individual or Business entity into a different line of sponsorship who has already signed A Brand Partner Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by the Company, sanctions up to and including termination of A Brand Partner's business may be imposed.

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- B. The use of a Spouse's or relative's name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this policy is strictly prohibited.
- C. This policy does not prohibit the transfer of a Veribella business in accordance with the Sale or Transfer policy set forth herein.

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

- A. A Brand Partner must adhere to the terms of the Company Compensation Plan. Any deviation from the Compensation Plan is strictly prohibited.
- B. A Brand Partner shall not offer the Veribella opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Company materials.
- C. A Brand Partner shall not require or encourage a current or prospective Customer or Brand Partner to participate in the Veribella business in any manner that varies from the Compensation Plan or other Company materials.
- D. Other than such purchases or payments required to naturally build their business, A Brand Partner shall not require or encourage a current or prospective Customer or Brand Partner to make a purchase from or payment to any individual or other entity as a condition to participating in the Company Compensation Plan.

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

Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Brand Partners because of the nature of the business. However, Brand Partners must check their local laws and obey the laws that do apply to them. A Brand Partner shall comply with all federal, state and local laws and regulations in their independent conducting of Veribella business.

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

- A. Veribella will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US Brand Partner whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of Veribella products for resale, or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the Brand Partner, and a minimum charge of \$20 may be assessed by Veribella.
- B. A Brand Partner accepts sole responsibility for and agrees to pay all federal, state and local taxes on any income generated as an independent business owner, and further agrees to indemnify Veribella from any failure to pay such tax amounts when due.

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- C. If A Brand Partner's business is tax exempt, the Federal Tax Identification number must be provided to the Company in writing.
- D. Veribella encourages all Brand Partners to consult with a tax advisor for additional information for their business.

## **3.10 One Veribella Business Per Household**

A Brand Partner may operate or have an ownership interest, whether legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Veribella business. No individual may have, operate or receive compensation from more than one (1) Veribella businesses. As long as each subsequent family position is placed within the first enrolled family member's frontline, individuals in the same family unit may each enter into or have an interest in their own separate Veribella businesses. A "family unit" is defined as Spouses and dependent children living or conducting business at the same address. **Note: Children of legal age to contract and at least 18 years of age are not considered a part of their parents' household.**

## **3.11 Actions of Household Members or Brand Partnered Parties**

If any member of your immediate household engages in any activity which, if performed by you, would violate any provision of the Agreement, such activity will be deemed a violation by you. As a result, the Company may take disciplinary action pursuant to these Policies and Procedures against you. Similarly, if any individual Brand Partnered in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and the Company may take disciplinary action against the Business Entity. Likewise, if A Brand Partner enrolls in Veribella as a Business Entity, each Brand Partnered party of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

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

- A. A Brand Partner may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities (collectively "Network Marketing"). However, during the Term of this Agreement and for one (1) year thereafter, you may not recruit any other Veribella Customer or Brand Partner for any other Network Marketing business, unless said Customer or Brand Partner was personally sponsored by you.
- B. The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Customer or Brand Partner to enroll or participate in any Network Marketing opportunity. This conduct represents recruiting even if the Brand Partner's actions are in response to an inquiry made by another Customer or Brand Partner.

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- C. However, you may sell *non-competing* products or services to Veribella Customers and Brand Partners. Specifically, a non-competing company is defined as a company that does NOT sell nutritional, dietary supplements, or skincare products.

Due to the visibility of our higher-ranking Brand Partners, Veribella Brand Partners at the rank of Regional VP or above agree not to participate in **any** network marketing or party plan company, regardless if the company sells competing products or not.

- D. A Brand Partner may not display or bundle Veribella products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Brand Partner into believing there is a relationship between Veribella and the non-Company related products or services.
- E. You may not offer any non-Company related opportunity, products or services at any Veribella-related meeting, seminar or convention, or immediately following said event(s).
- F. In the event A Brand Partner helps facilitate or introduce Veribella to a third-party company that Veribella ultimately decides to engage in business with, Brand Partner agrees to disclose to Veribella *up front and ahead of time* any pecuniary interests he or she may have with said third-party. The failure to do so may result in disciplinary measures.
- G. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between the Company and you. As a result, such actions would inflict irreparable harm on Veribella. In such event, the Company may, at its sole discretion, impose any sanction it deems necessary and appropriate against the Brand Partner or Brand Partner's business including termination, the request for immediate injunctive relief, or the pursuit of any other legal and equitable remedies.

### **3.13 Presentation of the Veribella Opportunity**

In presenting the Company opportunity to potential Customers and Brand Partners, you must comply with the following provisions:

- I. Abstain from a misquote or omission of any significant material fact about the Compensation Plan.
- II. Make clear that the Compensation Plan is based upon sales of Veribella products and services to consumers.

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- III. Make clear that success can be achieved only through substantial independent efforts and hard work.
- IV. Abstain from unauthorized income projections, claims, or guarantees during any presentation or discussion the Veribella opportunity or Compensation Plan to prospective Customers or Brand Partners.
- V. Abstain from any claims regarding Company products or services not found in official Company materials.
- VI. Refrain from the promotion of Veribella in any country where We have not yet established a “presence.”

\*Note: The terms “income claim” and/or “earnings representation” (collectively “income claim”) include the following: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one Brand Partner earned over three hundred thousand dollars last year” or “Our average-ranking Brand Partner earns two thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher-ranking Brand Partners is six thousand dollars on the low end to twenty-five thousand dollars a month on the high end.”

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

- A. For all Veribella products, the Company provides a set sales price. There are no exclusive territories granted to anyone. No franchise fees are applicable to a Veribella business.
- B. The Veribella program is built on sales to the ultimate consumer. Thus, Brand Partners must only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for ultimate use. ***Brand Partners must never attempt to influence any other Brand Partner to buy more products than they can reasonably use or sell to Customers in a month.***

## **4.0 ORDERING**

### **4.1 General Order Policies**

- A. “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes any of the following scenarios: (i) the enrolment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (ii) the fraudulent enrolment of an individual or entity as a Customer or Brand Partner; (iii) the enrolment or attempted enrolment of non-existent individuals or Business Entities as Customers or Brand Partners (“phantoms”); (iv) purchasing Veribella products or

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services on behalf of another Customer or Brand Partner, or under another Customer's or Brand Partner's ID number, to qualify for commissions or bonuses; (v) purchasing excessive amounts of products or services that cannot reasonably be used or resold in a month; and/or (vi) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

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

- B. Regarding an order with an invalid or incorrect payment, We will attempt to contact the Brand Partner by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after ten (10) business days, the order will be canceled.
- C. Prices are subject to change without notice.
- D. A Customer or Brand Partner who is a recipient of a damaged or incorrect order must notify the Company within thirty (30) calendar days from receipt of the order and follow the procedures as set forth in these Policies.

### 4.2 Insufficient Funds

- A. All checks returned for insufficient funds will be re-submitted for payment. A \$30 fee will be charged to the account of the Customer or Brand Partner for all returned checks and insufficient funds.
- B. Any outstanding balance owed to Us by a Customer or Brand Partner of yours from NSF (non-sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld from your future bonus and commission checks.
- C. All transactions involving returned checks or insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Brand Partner, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the Customer or Brand Partner will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or Brand Partner may be deemed ineligible to purchase Company products or services in the future.

### 4.3 Sales Tax Obligation

- A. You as A Brand Partner shall comply with all state and local taxes and regulations governing the sale of Our products and services.

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- B. We will collect and remit sales tax on Brand Partner orders unless A Brand Partner furnishes Us with the appropriate Resale Tax Certificate form. When orders are placed with Us, sales tax is prepaid based upon the suggested retail price. We will remit the sales tax to the appropriate state and local jurisdictions. The Brand Partner may recover the sales tax when a sale is made.
- C. We encourage each Brand Partner to consult with a tax advisor for additional information about their Veribella business.

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

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

- A. A Brand Partner must be active (as defined in the Glossary of Terms) and in compliance with these Policies and Procedures to qualify for bonuses and commissions. So long as A Brand Partner complies with the terms of the Agreement, We shall pay commissions to such Brand Partner in accordance with the Compensation Plan.
- B. We will not issue a payment to A Brand Partner without the receipt of a completed and signed Brand Partner Agreement via hard copy or through Electronic Authorization.
- C. The default payment form is ACH after the soft launch period. During the soft launch period Company issued checks will be the only manner in which commissions shall be paid. However, A Brand Partner must fill out an ACH form prior to activation. We reserve the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$10.00.
- D. Should A Brand Partner wish to receive a check, he or she must make such a request. However, be advised that the Company issues a \$10 processing fee for each issued check. During the Company soft launch period all commission payments will be paid out on a Company issued check. There will be no processing fee charged during this soft launch period.

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

- A. A Brand Partner placing his or her first order must review his or her monthly statement and bonus/commission reports located in the back office of their website and report any discrepancies within thirty (30) days of receipt. After this initial thirty-day “grace period and beginning in the second month of A Brand Partner’s Veribella business, all requests concerning bonus/commission reports must be reported within fourteen (14) business days in order to be considered for commission calculations.

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- B. A Brand Partner who believes a miscalculation of bonuses/commissions has occurred should email [Corporate@veribell.com](mailto:Corporate@veribell.com) and include a detailed description and account number within the body of the email.
- C. For additional information on payment of commissions, please review the Compensation Plan.

### **5.3 Adjustments to Bonuses and Commissions for Returned Products**

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

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

Veribella offers a one hundred percent (100%) thirty-day money back guarantee for all Customers. If a Customer purchased a product or service and is not satisfied with the product or service, the Customer may request a refund from their Brand Partner.

If you as A Brand Partner is not 100% satisfied with our products, you may return the items for product of equivalent value OR a refund if: (i) neither you nor We have terminated the Agreement; (ii) the products or services were purchased within the previous thirty (30) days; and (iii) the products remain in resalable condition (as defined in the Glossary of Terms). The refund shall be ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Upon cancellation of the Agreement, the Brand Partner may return all generic sales aids provided by the Company and purchased after enrollment within one (1) year from the date of cancellation for a refund if he or she is unable to sell or use the merchandise. A Brand Partner may only return sales aids personally purchased from the Company under his or her Brand Partner Identification Number, and which are in Resalable Condition. Any custom orders of printed sales aids (i.e., business cards, brochures, etc.) where on the Brand Partner's contact information is imbedded or hard printed, or has been added by the Brand Partner, are not able to be returned in Resalable Condition and are thus nonrefundable. Upon the Company's receipt of the products and sales aids, the Brand Partner will be reimbursed ninety percent (90%) of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to

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the same credit card account. The Company shall deduct from the reimbursement paid to the Brand Partner any commissions, bonuses, rebates or other incentives received by the Brand Partner which were Brand Partnered with the merchandise that is returned.

## **6.1 Return Process**

- A. All returns, whether by a Customer or Brand Partner, must be made as follows:
  - I. Obtain Return Merchandise Authorization (“RMA”) from the Company;
  - II. Ship items to the address provided by the Company Customer Service Department when you are given your RMA;
  - III. Provide a copy of the invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return; and
  - IV. Ship back product in the exact same manner as it was delivered, meaning the packaging should be the exact same.
- E. All returns must be shipped to the Company pre-paid, as We do not accept shipping collect packages. We recommend shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer or Brand Partner. If returned product is not received at the Company Distribution Center, it is the responsibility of the Customer or Brand Partner to trace the shipment and no credit will be applied.
- F. If a product is received in damaged or defective condition, the Company will cover all shipping charges by providing a shipping label. Proof of the defective product must be submitted via photograph to our shipping support staff via email to support@veribella.com.
- D. The return of \$199.99 or more of products accompanied by a request for a refund within a single calendar year by A Brand Partner may constitute grounds for involuntary termination.

## **7.0 PRIVACY POLICY**

### **7.1 Introduction**

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

### **7.2 Expectation of Privacy**

# Veribella Inc.

- A. Veribella recognizes and respects the importance its Customers and Brand Partners place on the privacy of their financial and personal information. Thus, we will make reasonable efforts to safeguard the privacy of and maintain the confidentiality of its Customers' and Brand Partners' financial and account information and nonpublic personal information.
- B. By entering into the Brand Partner Agreement, you authorize the Company to disclose your name and contact information to upline Brand Partners solely for activities related to the furtherance of the Veribella business. A Brand Partner hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing the downline organization and conducting Veribella business.

## **7.3 Employee Access to Information**

We limit the number of employees who have access to Customers' and Brand Partners' nonpublic personal information.

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

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

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

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

By completing and signing the Brand Partner Agreement, you acknowledge that Business Reports, lists of Customer and Brand Partner names and contact information, and any other information, which contain financial, scientific or other information both written or otherwise circulated by the Company pertaining to the business of Veribella (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to the Company.

### **8.2 Obligation of Confidentiality**

- A. During the Term of the Brand Partner Agreement and for a period of five (5) years after the termination or expiration of the Brand Partner Agreement between you and Us, you shall not:
  - I. Use the information in the Reports to compete with Veribella or for any purpose other than promoting your business;

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- II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

## **8.3 Breach and Remedies**

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

## **8.4 Return of Materials**

Upon demand by the Company, any current or former Brand Partner will return the original and all copies of all "Reports" to the Corporate office together with any other Company confidential information in such person's possession. Brand Partner shall contact Corporate office to return materials at Corporate@veribella.com.

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

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

- A. A Brand Partner may not re-label, re-package, refill, or alter labels of any Veribella product or service information, materials or program(s) in any way. Such re-labeling or re-packaging violates federal and state laws, which may result in criminal or civil penalties or liability.
- B. A Brand Partner shall not cause any Company product or service or any Company trade name to be sold or displayed in retail establishments, including but not limited to kiosks in malls, during normal business hours.
- C. A Brand Partner may sell Company products and services and display the Company trade name at any appropriate display booth (such as trade shows) upon *prior written approval* from the Company. The request for Company approval may be made by way of email to Corporate@veribella.com.
- D. We reserve the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services.

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

## Veribella Inc.

- A. A Brand Partner must safeguard and promote the good reputation of the Company and the products and services it markets. The marketing and promotion of the Company, the Veribella opportunity, the Compensation Plan, and its products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.
- B. All promotional materials supplied or created by Us must be used in their original form and cannot be changed, amended or altered except with prior written approval from the Company Compliance Department.
- C. The name Veribella, each of its product and service names and other names that have been adopted by the Company in connection with its business are proprietary trade names, trademarks and service marks of Veribella. As such, these marks are of great value to the Company and are supplied to Brand Partners for their use only in an expressly authorized manner.
- D. A Brand Partner's use of the name "Veribella" is restricted to protect the Company's proprietary rights, ensuring that the Company protected names will not be lost or compromised by unauthorized use. Use of the Veribella name on any item not produced by the Company is prohibited except as follows:
  - I. [Brand Partner's name] A Brand Partner of Veribella; or
  - II. [Brand Partner's name] Independent Business Owner of Veribella products and services.
- E. Further procedures relating to the use of the Veribella name are as follows:
  - I. All stationary (i.e., letterhead, envelopes, and business cards) bearing the Veribella name or logo intended for use by the Brand Partner must be approved in writing by the Company Compliance Department.
  - II. Veribella Brand Partners may list "Brand Partner of Veribella" in the white pages of the telephone directory under his or her own name.
  - III. Brand Partners may not use the name "Veribella," "Veribella Inc.," or "Corporate Office of Veribella" in answering the telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Veribella Brand Partner".
- F. Certain photos and graphic images used by Veribella in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Brand Partners. If A Brand Partner wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.

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- G. A Brand Partner or A Brand Partners representative shall not appear on or make use of television or radio or make use of any other media to promote or discuss the Company, its programs, products or services without prior written permission from the Company Compliance Department.
- H. A Brand Partner may not produce for sale or distribution any Company event or speech, nor may A Brand Partner reproduce Company audio or video clips for sale or for personal use without prior written permission from the Company Compliance Department.
- I. Veribella reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Brand Partner.
- J. A Brand Partner shall not promote non-Veribella products or services in conjunction with Company products or services on the same websites or same advertisement.
- K. Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Veribella may not be made except those contained in official Company literature. In particular, no Brand Partner may make any claim that Veribella and its marketed 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 Veribella policies, but also, they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

### **9.3 Faxes and E-mail Limitations**

- A. Except as provided in this section, A Brand Partner may not use or transmit unsolicited faxes, email, mass email distribution, or “spamming” that advertises or promotes the operation of the Veribella business. The exceptions are:
  - I. Faxes or e-mailing any person who has given prior permission or invitation;
  - II. Faxing or e-mailing any person with whom the Brand Partner has established a prior business or personal relationship.
- B. In all states where prohibited by law, A Brand Partner may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.

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- C. All faxes, e-mail or computer broadcasted documents subject to this provision shall include each of the following:
  - I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
  - II. A clear return path or routing information;
  - III. The use of legal and proper domain name;
  - IV. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
  - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - VI. The true and correct name of the sender, valid senders’ fax or e-mail address, and a valid sender physical address;
  - VII. The date and time of the transmission;
  - VIII. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, A Brand Partner shall not transmit any further documents to that recipient.
- D. All e-mail or computer broadcasted documents subject to this provision shall not include any of the following:
  - I. Use of any third-party domain name without permission; and
  - II. Sexually explicit materials.

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

- A. A Brand Partner may not use or attempt to register any of Veribella’s trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company’s name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- B. A Brand Partner cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, be misleading, or deceive individuals into believing that a communication is from, or is the property of Veribella Inc.

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Regarding the registered mark of Veribella in URLs, examples of improper use include but are not limited to:

- I. [Veribella@comcast.net](mailto:Veribella@comcast.net);
- II. [VeribellaInc@comcast.net](mailto:VeribellaInc@comcast.net);
- III. [www.VeribellaDirect.com](http://www.VeribellaDirect.com);
- IV. [www.facebook.com/Veribella](http://www.facebook.com/Veribella); or
- V. Any other derivatives as described herein.

Examples of permitted URLs, email addresses, and online aliases might appear as follows:

- I. Facebook.com/iloveVeribella; or
- II. [KarenJones@VeribellaBrand Partner.net](mailto:KarenJones@VeribellaBrandPartner.net)

Determination as to what could cause confusion, mislead or be considered deceptive is at the sole discretion of the Company.

- C. A Brand Partner may not sell Veribella products, services or the Veribella opportunity via “online auctions,” such as eBay®, or “online marketplaces” such as Amazon or Etsy. For more information, please see the Veribella Online Marketplace Provision pursuant to Section 9.4(R).
- D. The Company provides all Brand Partners with one (1) replicated website. Veribella replicated website is a personal Brand Partner website that is hosted on Company servers. As for any Brand Partner who wishes to develop its own third-party website (or site not Brand Partnered with the Company and independently owned and operated by the Brand Partner) must seek and receive the Company’s prior written approval before going live with such third-party website. Should the Company grant the Brand Partner approval to use a third-party website, the site must:
  - a. Identify yourself as A Brand Partner for Veribella;
  - b. Use only the approved images and wording authorized by the Company;
  - c. Adhere to the branding, trademark, and image usage policies described in this document.
  - d. Adhere to any other provision regarding the use of a third-party website described in this document;
  - e. Agree to modify your website to comply with current or future Company policies.

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- E. All marketing materials used on A Brand Partner's third-party website must be provided by the Company in writing.
- F. To avoid confusion, the following three elements must also be prominently displayed at the top of every page of any third-party website:
  - 1. The Veribella Brand Partner Logo
  - 2. Your Name and Title
  - 3. Veribella Corporate Website Redirect Button
- G. A Brand Partner may not use third-party sites that contain materials copied from corporate sources (such as Veribella brochures, CDs, videos, tapes, events, presentations, and corporate websites). This policy ensures brand consistency, allows Customers and Brand Partners to stay up-to-date with changing products, services and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.
- H. If A Brand Partner who has received authorization to create and post any third-party website has the business voluntarily or involuntarily canceled for any reason, or if the Company revokes authorization allowing the Brand Partner to maintain such a third-party website, the Brand Partner shall assign the URL to the third-party website to the Company within three (3) days from the date of the cancellation and/or re-direct all traffic to the site as directed by the Company. We reserve the right to revoke any Brand Partner's right to use a third-party website at any time if We believe that such revocation is in the best interest of Veribella, its Brand Partners, and Customers. Decisions and corrective actions in this area are at the Company's sole discretion.
- I. Social Media sites may be used to market Veribella products. **PROFILES A BRAND PARTNER GENERATES IN ANY SOCIAL COMMUNITY WHERE VERIBELLA IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE BRAND PARTNER AS A VERIBELLA BRAND PARTNER**, and when A Brand Partner participates in those communities, he or she must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at the Company's sole discretion, and offending Brand Partners will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Veribella approved library. If a link is provided, it must link to the posting Brand Partner's replicated website or an approved third-party website.
- J. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Brand Partners will be subject to disciplinary action.
- K. Brand Partners may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Brand Partners create or leave must be useful, unique, relevant and specific to the blog's article.

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- L. Brand Partners must disclose their full name on all Social Media postings, and conspicuously identify themselves as A Brand Partner for Veribella. Anonymous postings or use of an alias is prohibited.
- M. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Veribella income opportunity, the Company products and services, and/or your biographical information and credentials.
- N. Brand Partners are personally responsible for their postings and all other online activity that relates to Veribella. Therefore, even if A Brand Partner does not own or operate a blog or Social Media site, if A Brand Partner posts to any such site that relates to Veribella or which can be traced to the Company, the Brand Partner is responsible for the posting. Brand Partners are also responsible for postings which occur on any blog or Social Media site that the Brand Partner owns, operates, or controls.
- O. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, Veribella therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that Brand Partners using, or who wish to use, such sites adhere to the Veribella's policies relating to third-party websites.
- P. If your Veribella business is cancelled for any reason, you must discontinue using the Company name, and all of the Company's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as A Brand Partner of Veribella, you must conspicuously disclose that you are no longer a Veribella Brand Partner.
- Q. Failure to comply with these Policies for conducting business online may result in the Brand Partner losing their right to advertise and market Company products, services and the Veribella opportunity online or any other disciplinary action available under the Policies and Procedures.
- R. Veribella predicates its business on in-home and event sales. Therefore, face-to-face interactions with Customers and Brand Partners are critical to one's individual success in this business. Because of this, Veribella has a strict approach to online marketplace sales via Amazon, eBay or Etsy. The Company does not allow A Brand Partner to sell any Veribella products on Amazon, eBay, Etsy or Facebook Marketplace (collectively known as "Online Marketplaces"). During the term of your contract as A Brand Partner, you are allowed to maintain a profile on any of these Online Marketplaces, but must refrain completely from selling or offering Company products. This same policy applies to other third-party sites by which A Brand Partner could sell Veribella products.

### **9.5 Advertising and Promotional Materials**

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- A. No special enticement advertising is allowed. This includes, but is not limited to, offers of a free business, free product packages, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.
- C. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Company Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the Company Compliance Department.
- E. Veribella approval is not required to place blind ads that do not mention Veribella, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. Veribella reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations and may require the removal of such advertisements from the marketplace without obligation to the affected Brand Partner.

### **9.6 Testimonial and Company Recording Permissions**

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

However, you agree not to record any Company call, video or meeting without first obtaining prior written permission from the Compliance Department. A failure to obtain such permission will result in disciplinary measures.

### **9.7 Telemarketing Limitations**

- A. A Brand Partner must not engage in telemarketing in relation to the operation of his or her Veribella business. The term "telemarketing" means the placing of one or more

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telephone calls to an individual or entity to induce the purchase of Veribella products or services, or to recruit them for the Veribella opportunity.

- B. The Federal Trade Commission (“FTC”) and the Federal Communications Commission (“FCC”) each have laws that restrict telemarketing practices. Both federal agencies, as well as a number of states have “do not call” regulations as part of their telemarketing laws.
- C. While A Brand Partner may not consider herself a “telemarketer” in the traditional sense, these regulations broadly define the term “telemarketer” and “telemarketing” so that the unintentional action of calling someone whose telephone number is listed on the Federal “Do Not Call” registry could cause the Brand Partner to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).
- D. “Cold calls” or “state-to-state calls” made to prospective Customers or Brand Partners that promote either Veribella products, services or the Veribella opportunity is considered telemarketing and is prohibited.
- E. Exceptions to Telemarketing Regulations. A Brand Partner may place telephone calls to prospective Customers or Brand Partners under the following limited situations:
  - I. If the Brand Partner has an established business relationship with the prospect;
  - II. In response to the prospect’s personal inquiry or application regarding a product or service offered by the Brand Partner within three (3) months immediately before the date of such a call;
  - III. If the Brand Partner receives written and signed permission from the prospect authorizing the Brand Partner to call;
  - IV. If the call is to family members, personal friends, and acquaintances. However, if A Brand Partner makes a habit of collecting business cards from everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption;
  - V. A Brand Partner engaged in calling “acquaintances,” must make such calls on an occasional basis only and not as a routine practice.
- F. A Brand Partner shall not use automatic telephone dialing systems in the operation of her Veribella businesses.
- G. Failure to abide by Company policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Brand Partner’s business, up to and including termination of the business.

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- H. By signing the Brand Partner Agreement, or by accepting commission checks, other payments or awards from Veribella, A Brand Partner gives permission to Veribella and other Brand Partners to contact them as permitted under the Federal Do Not Call regulations.
- I. In the event A Brand Partner violates this section, We reserve the right to institute legal proceedings to obtain monetary or equitable relief.

## **10.0 CHANGES TO A BRAND PARTNER'S BUSINESS**

### **10.1 Modification of the Brand Partner Agreement**

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

### **10.2 Change Sponsor or Placement for Inactive Brand Partner**

- A. At the discretion of Veribella, Brand Partners who neither sold nor purchased products for at least six (6) months, and who have not tendered a letter of resignation, are eligible to re-enroll in the Company under the Sponsor/Placement of their choice.
- B. Upon written notice to the Company that a former Brand Partner wishes to re-enroll, Veribella will "compress" (close) the original account. A new Brand Partner ID number will then be issued to the former Brand Partner.
- C. Such Brand Partner does not retain former rank, downline, or rights to commission checks from the former organizations.
- D. The Company reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.
- E. At the discretion of Veribella, Brand Partners who neither sold nor purchased products at the qualifying amount for at least six (6) months, and who have not tendered a letter of resignation, the Company has the right to change their status from A Brand Partner to a Preferred Customer or Customer.

### **10.3 Change Organizations**

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- A. If A Brand Partner wishes to transfer organizations, he or she must submit a letter of resignation to the Company Customer Service Department and remain inactive (neither buy or sell) with or in Veribella for twelve (12) months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. The Company retains the right to approve or deny any request to re-enroll after A Brand Partner's resignation.
- C. If re-enrollment is approved, the former Brand Partner will be issued a new Brand Partner ID number and will be required to submit a new Brand Partner Agreement. The Brand Partner will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.
- D. Transfers may not be done outside of the original organization.

### 10.4 Unethical Sponsoring

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Brand Partner from another Brand Partner or influencing another Brand Partner to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported **in writing** to the Company Compliance Department within the first 90 days of enrollment. If the reports are substantiated, Veribella may transfer the Brand Partner or the Brand Partner's downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Brand Partners. The Company remains the final authority in such cases.
- C. Veribella prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the Company compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Brand Partner in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent consultant positions of all individuals and/or entities found to be directly involved.
- D. Should Brand Partners engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Veribella products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against A Brand Partner alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, the Company will not

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pay any of the Brand Partner's defense costs or legal fees, nor will the Company indemnify the Brand Partner for any judgment, award, or settlement.

### 10.5 Sell, Assign or Delegate Ownership

- A. To preserve the integrity of the hierarchical structure, it is necessary for Veribella to place restrictions on the transfer, assignment, or sale of a business.
- B. A Brand Partner may not sell or assign rights or delegate the position as A Brand Partner without *prior written approval* by the Company, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of the Company.
- C. Should the sale be approved by the Company, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.
- D. To request corporate authorization for a sale or transfer of a Veribella business, the following items must be submitted to the Company Compliance Department:
  - I. A Sale/Transfer of Business Form properly completed, with the requisite signatures.
  - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
  - III. A Brand Partner Agreement completed and signed by the Buyer;
  - IV. Payment of the \$100 administration fee;
  - V. Any additional supporting documentation requested by the Company.
- E. Any debt obligations that either Seller or Buyer may have with Veribella must be satisfied prior to the approval of the sale or transfer by the Company.
- F. A Brand Partner who sells his or her business is not eligible to re-enroll as A Brand Partner in any organization for twelve (12) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

### 10.6 Separating A Brand Partner's Veribella Business

- A. Pending a divorce or dissolution of a partnership or other business entity, the parties must adopt one of the following methods of operation:

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- I. One of the parties may, with the written consent of the other(s), operate the Veribella business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize the Company to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee;
  - II. The parties may continue to operate the Veribella business jointly on a “business as usual” basis, whereupon all compensation paid by the Company will be paid in the name designated as the Brand Partner or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, Veribella will pay compensation to the name on record and in such event, the Brand Partner named on the account shall indemnify Veribella from any claims from the other business owner(s) or the other Spouse with respect to such payment.
- B. The Company recognizes only one Downline organization and will issue only one commission check per Veribella business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will Veribella split commission and/or bonus checks.
- C. If a relinquishing Spouse, partner or owner of the business has completely relinquished (“Relinquishing Party”), in writing, all rights to the original Veribella business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Brand Partner or active Customer in the former organization, and must develop a new business in the same manner as any other new Brand Partner. A Brand Partner in the Relinquishing Party’s former Downline who wishes to transfer to the Relinquishing Party’s new organization or to any other organization, must comply with the requirements in Section 12.5.

### 10.7 Succession

- A. Upon the death or incapacity of A Brand Partner, the Brand Partner’s business may be passed on to his or her legal successors in interest (successor). Whenever a Veribella business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Brand Partner’s sales organization. The successor must:
- I. Complete and sign a new Brand Partner Agreement;
  - II. Comply with the terms and provisions of the Brand Partner Agreement; and
  - III. Meet all of the qualifications for the last rank achieved by the former Brand Partner.

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

### **10.8 Resignation/Voluntary Cancellation**

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- A. A Brand Partner may immediately terminate his or her business by submitting a written notice or email to the Company Compliance Department. The written notice must include the following:
  - I. The Brand Partner's intent to resign;
  - II. Date of resignation;
  - III. Veribella Identification Number;
  - IV. Reason for resigning; and
  - V. Signature.
- B. A Brand Partner may not use resignation or voluntary cancellation as a way to immediately change Sponsor and Placement. Instead, the Brand Partner who has voluntarily resigned is not eligible to reapply for a business or have any financial interest in a or any Veribella business for six (6) months from the receipt of the written notice of resignation.
- C. Following any voluntary cancellation, A Brand Partner:
  - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Brand Partner's former organization or any other payments in association with the Brand Partner's former independent business;
  - II. Effectively waives any and all claims to property rights or any interest in or to the Brand Partner's former downline organization;
  - III. Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, and less any other amounts owed to the Company.

### **10.9 Involuntary Termination**

- A. Veribella reserves the right to terminate A Brand Partner's business for, but not limited to, the following reasons:
  - I. Violation of any terms or conditions of the Brand Partner Agreement;
  - II. Violation of any provision in these Policies and Procedures;

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- III. Violation of any provision in the Compensation Plan;
  - IV. Violation of any applicable law, ordinance, or regulation regarding the Veribella business;
  - V. Engaging in unethical business practices or violating standards of fair dealing;  
or
  - VI. Returning over \$199.99 worth of products, services and/or sales tools for a refund within a twelve (12) month period.
- B. Veribella will notify the Brand Partner in writing at the last known address of the intent to terminate the Brand Partner's business and the reasons for termination. The Brand Partner will then have seven (7) calendar days from the date of such notice to appeal the termination in writing. Veribella must receive the Brand Partner's written appeal within seven (7) calendar days of the date of the termination letter. If the written appeal is not received within this time period, the termination will be considered final.
- C. If the Brand Partner does file a timely appeal of termination, the Company will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the Brand Partner of its decision. The decision of the Company is then considered final and not subject to further review.
- D. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by the Company. The former Brand Partner shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Veribella products or services. The Company will notify the active Upline Sponsor of the termination, and the organization of the terminated Brand Partner will "roll up" to the active Upline Sponsor on record.
- E. The Brand Partner who is involuntarily terminated by the Company may not reapply for a business, either under the present name or any other name or entity, without the *express written consent of an officer of Veribella*. In any event, such Brand Partner may not re-apply for a business for twelve (12) months from the date of termination.

### **11.0 DISCIPLINARY SANCTIONS**

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

It is the spirit of Veribella that integrity and fairness should pervade among its Brand Partners, thereby providing everyone with an equal opportunity to build a successful business. Therefore, We reserve the right to impose disciplinary sanctions at any time, when We determine that A Brand Partner has

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violated the Agreement, any of these Policies and Procedures, or the Compensation Plan as may be amended from time to time by the Company.

### **11.2 Consequences and Remedies of Breach**

- A. Disciplinary actions may include one or more of the following:
  - I. Monitoring A Brand Partner's conduct over a specified period of time to assure compliance;
  - II. Issuance of a written warning or requiring the Brand Partner to take immediate corrective action;
  - III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until the Company receives adequate additional assurances from the Brand Partner to ensure future compliance;
  - IV. Suspension from participation in Company or Brand Partner-related events, rewards, or recognition;
  - V. Suspension of the Brand Partner Agreement and your business for one or more pay periods;
  - VI. Involuntary termination of the Brand Partner Agreement and your business;
  - VII. Any other measure which We deem feasible and appropriate to justly resolve injuries caused by the Brand Partner's violation or contractual breach; OR
  - VIII. Legal proceedings for monetary or equitable relief.

### **12.0 DISPUTE RESOLUTION**

#### **12.1 Grievances**

- A. If A Brand Partner has a grievance or complaint against another Brand Partner regarding any practice or conduct relating to their respective Veribella businesses, the Brand Partner is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the Company Compliance Department as outlined below.

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- B. The Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Brand Partners involved.
- C. Veribella will confine its involvement to disputes regarding Veribella business matters only. We will not decide issues that involve personality conflicts or unprofessional conduct by or between Brand Partners outside the context of Company business. These issues go beyond the scope of the Company and may not be used to justify a Sponsor, placement change or transfer.
- D. Veribella does not consider, enforce, or mediate third party agreements between Brand Partners, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:
  - I. A Brand Partner should submit a written letter of complaint (e-mail will not be accepted) directly to the Company Compliance Department. The letter shall set forth the details of the incident as follows:
    - a. The nature of the violation and specific facts to support such allegations;
    - b. Dates and the number of occurrences;
    - c. Persons involved; and
    - d. Any other supporting documentation.
  - II. Upon receipt of the written complaint, the Company will conduct a general investigation.
- F. The Company will make a final decision and timely notify the Brand Partners involved.

### 12.2 Arbitration

- A. **Any controversy or claim arising out of or relating to the Agreement and/or these Policies and Procedures (or the breach thereof), your business or any other dispute between the Company and you, shall be settled by binding and confidential arbitration administered by the American Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Any such arbitration shall be held in Colorado Springs, Colorado. There shall be one arbitrator, who shall have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the American Arbitration Association.
- B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including reasonable attorney's fees and

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filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.

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

### 12.3 Damages

- A. In any case which arises from or relates to the wrongful termination of the Brand Partner Agreement and/or A Brand Partner's Veribella business, the Company and Brand Partner agree that damages will be extremely difficult to ascertain. Therefore, the Company and Brand Partner stipulate that if the involuntary termination of the Brand Partner Agreement and/or loss of the Brand Partner's Veribella business is proven and held to be wrongful under any theory of law, the Brand Partner's sole remedy shall be liquidated damages calculated as follows:
  - I. For Brand Partner's at the "Paid As" rank of Regional Marketing Director, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the Veribella Compensation Plan in the twelve (12) months immediately preceding the termination.
  - II. For Brand Partner's at the "Paid As" rank of Executive Marketing Director or above, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the Veribella Compensation Plan in the twenty-four (24) months immediately preceding the termination.
- B. In any action arising from or relating to the Agreement, the Veribella business, or the relationship between the Company and Brand Partner, both parties waive all claims for

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incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The Company and Brand Partner further waive all claims to exemplary and punitive damages.

### **12.4 Severability**

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

### **12.5 Waiver**

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

### **12.6 Successors and Claims**

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

### **13.0 GOVERNING LAW**

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

### **14.0 GLOSSARY OF TERMS**

**ACTIVE BRAND PARTNER:** A Brand Partner who satisfies the minimum volume requirements as defined in the Compensation Plan to ensure eligibility for commissions and bonuses.

**AGREEMENT:** The contract between the Company and each Brand Partner, which includes: the Brand Partner Agreement, these Policies and Procedures, and the Company Compensation Plan, all in their current form and as amended by the Company in the future. These documents are collectively referred to as the "Agreement."

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

**CANCEL:** The termination of A Brand Partner's business. Cancellation may be either voluntary or involuntarily.

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

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

**LINE OF SPONSORSHIP (LOS):** A report generated by Veribella that provides critical data relating to the identities of Brand Partners, sales information, and enrolment activity of each Brand Partner's organization. This report contains confidential and trade secret information which is proprietary to Veribella.

**ORGANIZATION:** The Customers and Brand Partners placed below a particular Brand Partner.

**OFFICIAL COMPANY MATERIALS:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Veribella to its Brand Partners.

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

**RECRUIT:** For purposes of the Company's Conflict of Interest policy, the term "Recruit" means the actual or attempted solicitation, enrolment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Customer or Brand Partner to enrol or participate in another multilevel marketing, network marketing, or direct sales opportunity.

**RESALABLE:** Products shall be deemed "resalable" if each of the following elements is satisfied: (i) the products remain unopened and unused; (ii) the original product packaging and labelling is unaltered and free from damage; (iii) the products are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and (iv) the product contains current Veribella labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SPONSOR:** A Brand Partner who enrolls a Customer or another Brand Partner into the Company, and is listed as the Sponsor on the Brand Partner Agreement. The act of enrolling others and training them to become Brand Partner is referred to as "sponsoring."

**UPLINE:** This term refers to the Brand Partner(s) above a particular Brand Partner in a sponsorship line up to the Company. It is the line of sponsors that links any particular Brand Partner to the Company.