

POLICIES & **PROCEDURES**



Effective July 6, 2020



THE **ULTRA** COMPANY™

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1. INTRODUCTION

CODE OF ETHICS

Zilis®, LLC (hereafter “Zilis”) is a values-based company that prides itself on the quality and character of its Ambassadors (hereinafter “Ambassador”). The following guidelines help ensure a uniform standard of excellence throughout our organization. Every Zilis Ambassador is expected to practice the following ethical behavior when acting in the name of the company:

1. I will be respectful of every person I meet while doing Zilis related business.
2. At all times, I will conduct myself and my business in an ethical, moral, legal, and financially sound manner.
3. I will not engage in activities that would bring disrepute to myself, Zilis, any Zilis corporate officer or employee, or other Ambassadors.
4. I will not make discouraging or disparaging claims toward other Zilis Ambassadors. I will ensure that in all Zilis business dealings I will refrain from engaging in negative language. I will refrain from making any type of slanderous statements.
5. I will provide support and encouragement to my Ambassadors to ensure that their experience with Zilis is a successful one. I understand that it is important to provide follow-up service and support to my downline.
6. I will correctly represent all the bonus/compensation plans available through Zilis and the income potential represented therein. I understand I may not use my own income as an indication of others’ potential success or use compensation checks as marketing materials. I further understand that I may only disclose my Zilis income to recruit a potential Ambassador(s) after I have given a copy of the Income Disclosure Statement to the potential Ambassador(s).
7. I will abide by all of Zilis’ Policies and Procedures now and as they may be amended in the future.

1.1 - POLICIES INCORPORATED INTO AMBASSADOR AGREEMENT

These Policies and Procedures (“Policies”), in their present form and as amended from time to time, are incorporated into, and form an integral part of, the Zilis Ambassador Agreement (hereafter “Ambassador Agreement”). The term “Agreement” collectively refers to the Zilis Ambassador Agreement, the Policies, and the Zilis Compensation Plan. These documents are incorporated by reference into the Ambassador Agreement (all in their current form and as amended by Zilis). It is the responsibility of each Ambassador to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies. When sponsoring a new Ambassador, it is the responsibility of the sponsoring Ambassador to provide the most current version of these Policies prior to the prospective Ambassador’s execution of the Ambassador Agreement. If there is any conflict between the Policies and Procedures, the Ambassador Agreement, and the Compensation Plan, the following order of precedence shall prevail:

- (a) the Policies and Procedures; then
- (b) the Ambassador Agreement; and then

(c) the Compensation Plan.

1.2 - PURPOSE

The purpose of these Policies and Procedures are:

- To define the relationship between Zilis and its Ambassadors;
- To maintain order and integrity in Zilis programs and between our Ambassadors;
- To set standards of acceptable business behavior; and
- To assist Ambassadors in building and protecting their businesses.

If for any reason an Ambassador violates any of the terms of the Ambassador Agreement and/or these Policies and Procedures, Zilis reserves the right to immediately take corrective action including but not limited to, suspending or terminating the Ambassador position. Such action by Zilis may terminate any and all rights of the Ambassador including, but not limited to, the receipt of further payments of any kind and is effective at the time of said violation.

1.3 - CONFIDENTIALITY

All Ambassadors shall hold the business and affairs of Zilis in strict confidence and shall not, during the term of the Ambassador Agreement or at any time thereafter, directly or indirectly disclose to any third party, or use for any other purpose than for the benefit of Zilis, information which in the reasonable judgment of a person engaged in the industry would be considered to be confidential. Without limiting the generality of the foregoing, confidential information shall include information with respect to the identity of current or Prospective Customers, Ambassadors, information with respect to the pricing or timing of any contracts, information relating to existing or potential suppliers, markets, marketing plans, programs, requirements, strategies, concepts, ideas, products, apparatus, devices, materials, technology, know-how, data, processes, inventions, developments, formulations, compounds, applications, methods of manufacture as well as the similar confidential information of third parties that Zilis has agreed to keep confidential.

1.4 - INCOME DISCLAIMER

In an effort to conduct best business practices, Zilis has developed the Income Disclosure Statement (“IDS”). The Zilis IDS is designed to convey truthful, timely, and comprehensive information regarding the income that Zilis Ambassadors earn. A copy of the IDS must be presented to a prospective Ambassador (someone who is not a party to a current Zilis Ambassador Agreement) anytime the Compensation Plan is presented or discussed, or any type of income claim, or earnings representation is made. The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (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 Ambassador earned over \$1 million last year” or “Our average ranking Ambassador makes \$5,000 per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher-ranking Ambassadors is \$10,000 on the low end to \$30,000 a month on the high end.” Copies of the IDS may be downloaded and printed without charge from the company website www.zilis.com/income-disclosure/.

1.5 - REFUND POLICY

Zilis stands behind all of its products and services and will accept product returns in accordance with Zilis' return policy described in Section 5.9.

1.6 - MISCELLANEOUS

1.6.1 - Amendments — Due to periodic changes in federal, state, and local laws, as well as the business environment, Zilis may, at its discretion amend the Agreement. Zilis will notify Ambassadors of any amendments via a posting on Zilis' website, in the Ambassador's e-mail distribution, publication in Zilis' newsletter, product inserts, or any other commercially reasonable method. Amendments shall be effective upon the date of the notification or the effective date indicated in the method of notification. The continuation of an Ambassador's Zilis business or an Ambassador's acceptance of bonuses or commissions constitutes acceptance of any and all amendments. The ability to modify the agreement does not extend to the dispute resolution section in these Policies (Section 9), as those provisions can only be modified by way of mutual consent.

1.6.2 - Delays — Zilis shall not be responsible for delays and failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riots, wars, fires, floods, deaths, curtailments of a party's source of supply, or government decrees or orders.

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

1.6.4 - Waiver — Zilis requires full compliance with the Terms and Conditions of the Ambassador Agreement, the Policies and Procedures, and state and federal laws governing the conduct of a business. Failure of Zilis to exercise any right or power under the Agreement or to insist upon strict compliance by an Ambassador with any obligation or provision of the Agreement, or any variance of Zilis' customs or practices or terms of the Agreement, shall not constitute a waiver of Zilis' right to demand full compliance with the Agreement. Waiver by Zilis can only be effectuated in writing by an authorized officer of the Company.

1.7 - CONTACT DETAILS

Zilis, LLC
415 US Highway 377, Suite 2020
Argyle, TX 76226
Phone: 940-535-7200
Email: compliance@zilis.com Fax: 972-692-7434
Hours of operation: Monday – Friday 8:30am to 5:30pm CST

2. AMBASSADORS

2.1 - BECOMING AN AMBASSADOR

2.1.1 - Ambassador Enrollment — An individual must submit a complete Ambassador Agreement to register with Zilis and to receive commissions. An individual may enroll by sending a

completed Ambassador Agreement by email to support@zilis.com, by fax to 972-692-7434, or by submitting the Agreement online. If an individual enrolls online, Zilis will accept an "electronic signature" whereby the individual agrees and accepts the terms and conditions of the Ambassador Agreement. An electronic signature constitutes a legally binding agreement between the Ambassador and Zilis. Faxed agreements must include both the front and back of the Ambassador Agreement.

2.1.2 - Ambassador Status — When an individual signs an Ambassador Agreement with Zilis, the individual becomes a Zilis Independent Ambassador who is a self-employed, independent contractor. Ambassadors are not an agent, employee, or in partnership with the Company. Ambassadors may not represent themselves as anything other than an Independent Ambassador. Ambassadors have no authority to bind Zilis to any obligation.

Ambassadors are responsible for paying their own self-employment taxes, federal income taxes and other taxes required by law.

Ambassadors must obey any federal, state, and local laws, as well as Company rules and regulations pertaining to their independent Zilis business or the acquisition, receipt, holding, selling, distributing, or advertising of Zilis' services or opportunity.

Ambassadors may not answer the telephone by saying "Zilis," "Zilis Incorporated," or by any other manner that would lead the caller to believe that they have reached Zilis' Corporate offices. An Ambassador may only represent that he/she is a Zilis Independent Ambassador. Therefore, all correspondence and business cards relating to or in connection with an Ambassador's Zilis business shall contain the Ambassador's name followed by the term "Ambassador."

2.1.3 - Income Taxes — Every year, Zilis will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident as required by the Internal Revenue Service. Each Ambassador is responsible for paying local, state and federal taxes on any income generated as an Ambassador. If a Zilis business is tax exempt, the Federal Tax Identification Number must be provided to Zilis. Any Ambassador that does not provide a valid tax identification number is subject to the federal backup withholding laws. Additionally, 28% of their commissions and bonus will be withheld and submitted to the IRS.

2.1.4 - Residency and Age — An individual applying to become an Ambassador must live in the USA or a country in which Zilis officially operates and must be eighteen (18) years of age or older, or the age of majority in the place of residency.

2.1.4.1 - Social Security — Zilis requires a Social Security number of all Ambassadors for purposes of internal identification. Social Security numbers will be kept strictly confidential. Zilis accepts Federal Tax Identification Numbers for individuals enrolling a business into an Ambassador position; the individual will also be required to provide their Social Security number.

2.1.4.2 - Fictitious Positions — An Ambassador must be a real person. Any attempt by an Ambassador to falsify documents, or enroll as a fictitious person, or enroll a fictitious Ambassador, or use a Social Security number which is fictitious, or does not belong to the party indicated is grounds for disciplinary action, which may include suspension or termination of the Ambassador position.

2.1.5 - Ambassador ID# — All Ambassadors are given a unique Ambassador Identification Number that will be used to track all transactions and communication with Zilis.

2.1.6 - Ambassador Benefits — Once Zilis accepts the Ambassador Agreement, the Ambassador will have access to several benefits. Benefits include the following:

- A. Ambassador pricing on Zilis products;
- B. Ability to sell Zilis products and services;
- C. Participation in the Zilis Compensation Plan (receive bonuses and commissions, if eligible);
- D. Access to Zilis literature, marketing materials, industry news, and other communications;
- E. Participation in Zilis-sponsored support service training, motivational and recognition functions; and
- F. Participation in promotional and incentive contests and programs sponsored by Zilis.

2.1.7 - Enrollment Options and Renewal Fee — A new Ambassador may start with a Basic Enrollment or one of three Product Packs. The Basic Enrollment kit provides the Ambassador with all of the necessary tools to build the Zilis business, however, the Ambassador is not eligible for commission or bonuses.

2.2 - OPERATING AN AMBASSADOR POSITION

2.2.1 - Types of Ambassador Entities —

- A. Independent Ambassador — A Zilis Independent Ambassador is someone who solely operates his or her own position.
- B. Entity Enrollments — A corporation, limited liability company, formal partnership, limited partnership, or limited liability partnership (an “Entity”) may apply for an Ambassador position. In order to enroll, an individual must complete and submit the following documentation to Ambassador Support at support@zilis.com:
 - An Ambassador Agreement signed by the individual authorized to enter into binding agreements on behalf of the Entity;
 - Company Enrollment form; Names and Social Security numbers of each Entity principal who will be involved in the Entity (individual partner, principal, stockholder, officer and director);
 - Relevant Entity registration documents (articles of incorporation, articles of organization, certificate of good standing, corporate FEIN or similar); and
 - Any other Entity documentation which Zilis may require. The principal who submits the form must be authorized to enter binding contracts on behalf of the Entity. An Entity may not hold an Ambassador position if any of its principals are currently or have been an Ambassador or principal of another Entity, with an Ambassador status, within the twelve (12) calendar months preceding the execution of an Ambassador agreement.
- C. Married Couples and Domestic Partnerships¹ — A husband and wife, or domestic partnership may operate as Ambassadors jointly or separately, as follows:

Ambassadors who have separate organizations prior to marrying or forming a domestic partnership, may work together as a single Ambassador position; however, one of the Ambassadors must forfeit their position and join the spouse’s position. Married Ambassadors and/or partnerships who operate a position together shall be jointly liable, responsible and bound by any act or omission of either Ambassador. Commission payouts made to one of the Ambassadors working a joint position will be considered payout to both Ambassadors. Zilis will not mediate any disputes regarding commission payouts to Ambassador operating a position jointly.

Individuals that enroll as Ambassadors after marrying or forming a domestic partnership, may hold separate positions; however, the second Ambassador to enroll must enroll in the other’s downline. If it is established that a husband and wife, or domestic partnership are enrolled in separate sales organizations, the second position enrolled will be moved under the first position. Any downline built under the second position will not move. An Ambassador who has a position in a separate organization before marrying or forming a domestic partnership, may maintain that position.

¹This includes other relationships such as common law marriages and domestic partnerships.

2.2.2 - Divorce — In the situation of a divorce or separation, Zilis shall treat the spouse whose name is on the Ambassador Agreement as the owner of the business. If the husband and wife, or partners were working a position jointly under a business name, Zilis must receive notice, signed by both parties as to how the business is to be managed. Under no circumstances will Zilis divide commissions, bonuses, recognition or other rewards, nor will Zilis divide a downline organization between spouses.

All requests regarding changes of names or Identification Numbers of the Ambassador position must be submitted in writing to Ambassador Support by sending an email to support@zilis.com. Both parties must agree. Zilis reserves the right to verify all authorizations prior to making any changes. Otherwise, Zilis will only recognize the individual whose Social Security number was originally listed on the Ambassador Agreement. Zilis will only continue to service the Ambassador who remains in our system.

Upon the entry of a final divorce decree or proof of separation, the former spouse may enroll under any sponsor of their choosing without waiting six (6) calendar months. A former spouse shall have no rights to any Ambassadors in their former organization or to any former Customer. They must develop the new business in the same manner as would any other new Ambassador.

2.2.3 - Family Members — If a family member or partner residing in the same household as an existing Ambassador, enrolls as an Ambassador, the individual must enroll in the downline of the existing Ambassador.

2.2.4 - Number of Positions — An Ambassador may only own and operate one Zilis Ambassador account. An individual may not have, operate, or receive compensation from more than one Zilis business. Individuals of the same family unit may each enter into or have an interest in their own separate Zilis businesses, only if each subsequent family position is placed front line to the first family member enrolled. A “family unit” is defined as spouses and dependent children living at or doing business at the same address.

2.2.5 - Sale, Transfer, or Assignment of an Ambassador

Position — Although a Zilis business is a privately owned, independently operated business, the sale, transfer, or assignment of a Zilis business is an option. Prior to selling a Zilis business, the selling Ambassador must notify Zilis' Compliance department at compliance@zilis.com of their intent to sell the Zilis business. No changes in line of sponsorship can result from the sale or transfer of a Zilis business. An Ambassador may not sell, transfer, or assign portions of their business—the position must be sold in its entirety. The following criteria must also be met:

- A. The Ambassador selling or transferring their position must be an active Community Director (or higher) during the last ninety (90) days prior to the sale. The selling Ambassador cannot enroll as an Ambassador for a period of twelve (12) months after the date of the sale.
- B. The selling Ambassador must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign a Zilis business.
- C. Before the sale, transfer, or assignment can be finalized and approved by Zilis, any debt obligations the selling Ambassador has with Zilis must be satisfied.
- D. The buyer or transferee must become a qualified Zilis Ambassador. If the buyer is an active Zilis Ambassador, they must first terminate their Zilis business and wait six (6) calendar months before acquiring any interest in the new Zilis business;
- E. Any sale or transfer of a position is subject to approval by the upline Ambassador and the Zilis Compliance Department.
- F. The sale or transfer of an Ambassador position cannot be advertised through online communities with classified advertisements; this includes all forms of social media, Craigslist, classified ads, SaleSpider, etc.

Once the sale, transfer or assignment is approved, the Ambassador must submit an email with the following to Ambassador Support at support@zilis.com:

- Sale of Zilis position form;
- New Zilis Ambassador Agreement signed by the purchaser;
- Copy of the purchaser's Entity registration documents (if applicable per Section 2.2.1.2); and
- A \$100.00 transfer fee, payable to Zilis.

2.2.6 - Change of Status — An active Ambassador may change status from an Independent Ambassador position to an Entity status, provided there is no change of sponsoring/referring Ambassador.

An Ambassador must request to change status and submit all of the following documents to Ambassador Support at support@zilis.com:

- A Company Enrollment form;
- A new Ambassador Agreement form;
- Names and Social Security numbers of each Entity principal who will be involved in the Entity (individual partner, principal, stockholder, officer and director);

- Tax Payer Identification Number;
- Relevant Entity registration documents (articles of incorporation, articles of organization, certificate of good standing, corporate FEIN or similar); and
- Any other Entity documentation which Zilis may require. An Entity may change status from an Entity to an individual Ambassador position, subject to review and approval by Zilis Support. This can be requested by sending an email to Ambassador Support at support@zilis.com.

2.2.7 - Dissolution of a Business Entity — A business entity such as a corporation, partnership, or trust (collectively "Entities") may dissolve. Arrangements must be made to assure that any separation or dissolution of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship.

The following options are available:

- A. One of the parties may, with consent of the other(s), operate the Zilis business pursuant to an assignment in writing whereby the relinquishing other members, shareholder, partners, or trustees authorize Zilis to deal directly and solely with the non-relinquishing members, shareholders, partners, or trustees; or
- B. The parties may continue to operate the Zilis business jointly on a "business-as-usual" basis, whereupon all compensation paid by Zilis will be paid according to the status quo as it existed prior to the dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above. Zilis will never remove a party to a position from an Ambassador account without that party's written permission and signature. Under no circumstances will the downline organization of a dissolving business entity be divided; or split commission and bonus checks between members of dissolving entities. Zilis will recognize only one downline organization and will issue only one commission check per Zilis business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by Zilis, the Ambassador Agreement shall be involuntarily canceled. In the case of business entity dissolutions, the former members, shareholders, partners or trustees who retain no interest in the business must wait six (6) calendar months from the date of the final dissolution before re-enrolling as an Ambassador. In either case, however, the former spouse or business affiliate shall have no rights to any Ambassadors in their former organization or to any former Customer. They must develop the new business in the same manner as would any other new Ambassador.

If the dissolved business entity fails to provide a solution in the best interest of other Ambassadors and Zilis in a timely fashion, Zilis will terminate the Ambassador Agreement.

2.2.8 - Succession — Upon the death or incapacitation of an Ambassador, their business may be passed to a designated heir(s). Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Whenever a Zilis business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Ambassador's marketing organization provided the following qualifications are met.

The successor(s) must:

- Provide a death certificate to the Compliance Department at compliance@zilis.com
- Execute a new Ambassador Agreement;
- Comply with terms and provisions of the Ambassador Agreement;
- Meet all of the qualifications for the deceased Ambassador's rank/status;
- Provide Zilis with an "address of record" to which all bonus and commission checks will be sent. Bonus and commission checks of a Zilis business transferred pursuant to this section will be paid in a single check jointly to the successor(s);
- Form a business entity and acquire a federal Taxpayer Identification Number, if the business is bequeathed to joint successors. Zilis will issue all bonus and commission checks and one IRS Tax 1099 form to the business entity.

2.3 - AMBASSADOR RESPONSIBILITIES

2.3.1 - Adherence to the Zilis Compensation Plan — Ambassadors must adhere to the terms of the Zilis Compensation Plan as set forth in official Zilis materials. Ambassadors shall not offer the Zilis opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically stated in official Zilis materials. Ambassadors shall not require or encourage other current or prospective Ambassadors or Customers to participate in Zilis in any manner that varies from the program as set forth in official Zilis materials. Ambassadors shall not require nor encourage other current or prospective Ambassadors or Customers to execute any agreement or contract other than official Zilis agreements and contracts in order to become a Zilis Ambassador. Similarly, Ambassadors shall not require nor encourage other current or prospective Ambassadors or Customers to make any purchase from, or payment to, any individual or other entity to participate in the Zilis Compensation Plan other than those purchases or payments identified as recommended or required in official Zilis materials.

2.3.2 - Personal Information — An Ambassador is responsible for maintaining and reporting all of their current contact details in a Zilis' database. Zilis is not responsible for mail delays due to inaccurate and non-current residence information for an Ambassador. Ambassadors must report any change of address in their Zilis Cloud.

2.3.3 - Sponsoring Ambassador Responsibilities —

- A. Sponsoring — All Active Ambassadors in good standing have the right to sponsor and enroll others into Zilis. Each prospective Customer or Ambassador has the ultimate right to choose his or her own Sponsor. If two Ambassadors claim to be the Sponsor of the same new Ambassador or Customer, Zilis shall regard the first application received by Zilis as controlling.
- B. Initial Training — Any Ambassador who sponsors a new Ambassador into Zilis must perform a bona fide assistance and training function to ensure that their downline is properly operating a Zilis business. Ambassadors must provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and Compensation Plan to individuals they are sponsoring to become Ambassadors before the applicant signs an Ambassador Agreement.

C. Ongoing Training Responsibilities — Ambassadors must monitor their downline Ambassadors to ensure that they do not make improper product or business claims or engage in any illegal or inappropriate conduct. Upon request, every Ambassador should be able to provide documented evidence to Zilis of their ongoing fulfillment of the responsibilities of a Sponsor.

2.3.4 - Non-disparagement — During the term of this Agreement and at any time thereafter, Ambassador agrees not make any false, demeaning, derogatory or disparaging statements (collectively "disparage") or encourage or induce others to disparage Zilis, other Zilis Ambassadors, the Compensation Plan, or any of Zilis' past and present owners, officers, directors, employees, products or services (the "Company Parties"). For purposes of this Section 2.3.4, the term "disparage" includes, without limitation, comments or statements to the press, any media outlet, industry group, financial institution, the Company's Ambassadors, employees or to any individual or entity with whom the Company has a business relationship (including, without limitation, any vendor, supplier, customer or distributor), social media posts, or any public statement, that in each case is intended to, or can be reasonably expected to, materially damage any of the Company Parties. Notwithstanding the foregoing, nothing in this Section 2.3.4 shall prevent an Ambassador from making any truthful statement to the extent, but only to the extent: (1) necessary with respect to any litigation, arbitration or mediation involving this Agreement, including, but not limited to, the enforcement of this Agreement, in the forum in which such litigation, arbitration or mediation properly takes place; or (2) required by law, legal process or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent jurisdiction over the Ambassador.

2.3.5 - Reporting Policy Violations — Ambassadors observing a policy violation by another Ambassador should submit a written report of the violation directly to the attention of the Zilis Compliance department at compliance@zilis.com, complete with all supporting evidence and pertinent information. It is important to understand that submitted information will be kept confidential.

2.3.6 - The Data Management Rule — The Data Management Rule is intended to protect the Line of Sponsorship (LOS) for the benefit of all Ambassadors, as well as Zilis. LOS information, compiled by Zilis, is information that discloses or relates to all or part of the specific arrangement of sponsorship within the Zilis business, including, without limitation, Ambassador lists, sponsorship trees, and all Ambassador information generated therefrom, in its present and future forms. The Zilis LOS, constitutes a commercially advantageous, unique, and proprietary trade secret (proprietary information), which is confidential information.

Zilis is the exclusive owner of all proprietary information, which is derived, compiled, configured, and maintained through the expenditure of considerable time, effort, and resources by Zilis and its Ambassadors. Through this rule, Ambassadors are granted a personal, non-exclusive, non-transferable, and revocable right by Zilis to use the proprietary information only as necessary to facilitate their business as contemplated under these Policies and Procedures. Zilis reserves the right to deny or revoke this right, upon reasonable notice to the Ambassador stating the reason(s) for such denial or revocation, whenever, in the reasonable opinion of Zilis, such is necessary to protect the confidentiality or value of proprietary information. All Ambassadors shall maintain proprietary

information in strictest confidence, and shall take all reasonable steps and appropriate measures to safeguard proprietary information and maintain the confidentiality thereof.

2.3.7 - Cancellation of an Ambassador Position — An Ambassador may cancel their membership at any time and for any reason. A request to cancel must be submitted in writing to Zilis at its principal business address, or via email to Ambassador Support. The written notice must include the Ambassador's printed name, address, and appropriate identification number and must be sent from the email address we have on file. See Section 8 for details on the Effects of Cancellation. An Ambassador whose Ambassador Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

An Ambassador who cancels their Ambassador membership within seven (7) days of enrollment may return unused products that are unopened and in resalable condition from the Bronze, Silver, or Gold kits. A refund will be issued for the value of the Business Opportunity (\$49) and the value of unused and salable products. Please see Section 5.9 for details on Zilis' Refund Policy.

2.4 - PROHIBITED AMBASSADOR PRACTICES

2.4.1 - Claims and Representations — Ambassadors shall not make any statements or representations regarding Zilis' services and/or products other than those provided in these Policies and Procedures and other printed material provided by Zilis.

Governmental and regulatory authorities do not endorse or approve network or multi-level marketing (MLM) companies, their products or services, or their compensation plan. Ambassadors shall not claim that any government or regulatory authority endorses or approves Zilis, its products, or services to prospective Ambassadors or Customers. Prohibited claims include, but are not limited to the following:

- A. **Income Claims** — Ambassadors shall not make a claim or inference as to what may be earned. Ambassadors achieve incomes and lifestyles across a wide spectrum. Examples featured in Zilis marketing materials are not necessarily typical or average, nor do they represent a guarantee of an Ambassador's personal results. Some examples are those individuals within the top 1% of all Ambassadors. As with any lifestyle opportunity, financial success with Zilis depends largely on individual skills, motivation, effort, and market conditions.
- B. **Medical and Health Claims** — An Ambassador may not make claims that Zilis products have therapeutic or curative properties except those contained in official Zilis literature. In particular, an Ambassador may not make any claim that Zilis 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 would such claims breach the Ambassador Agreement, but they also would violate the federal and state laws and regulations of the jurisdictions in which Zilis operates.
- C. **Indemnification** — An Ambassador is fully responsible for all of his/her verbal and/or written statements made regarding Zilis services and the Compensation Plan, which are not expressly contained in official Zilis materials. Ambassadors agree to indemnify Zilis and hold it harmless from any and all liability

including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Zilis as a result of the Ambassador's unauthorized representations or actions. This provision shall survive the cancellation of the Ambassador Agreement.

2.4.2 - Personal Information — To protect the integrity of all marketing organizations and safeguard the hard work of all Ambassadors, Zilis strictly prohibits changes in sponsorship except for in extreme circumstances. If an Ambassador feels a change in sponsorship is warranted, the request must be made by submitting a completed Sponsor Change Request Form within a seven (7) day period from the date of enrollment and must contain the signature of the current sponsor. Upon receipt, compliance will investigate fully.

2.4.3 - Cross-group Sponsoring — During the term of this Agreement, actual or attempted cross-group sponsoring is strictly prohibited.

"Cross-group sponsoring" is defined as the inducement, solicitation, enrollment, or effort to influence an Ambassador to abandon a position under one sponsor in favor of a position under another sponsor.

The use of a sponsor's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, Federal Tax Identification Numbers or fictitious identification numbers to circumvent this policy is prohibited.

2.4.3.1 - Ambassadors — may not hold non Zilis related meetings with Ambassadors from another organization unless it is a meeting that has been authorized or organized by the Corporate office.

2.4.3.2 - Ambassadors — are strictly prohibited from meeting privately with cross-line Ambassadors without the presence of the common upline present, either in person or by telephone.

2.4.4 - Non-solicitation — Zilis Ambassadors are free to participate in other direct selling, multilevel marketing, or network marketing entities, businesses, organizations, opportunities, or ventures (collectively referred to as a "network marketing business"). However, during the term of this Agreement, any renewal or extension hereof, and for a period of two years following the termination of an Ambassador's Independent Ambassador Agreement, an Ambassador (or former Ambassador) may not recruit any Zilis Ambassador or Customer for another network marketing business. Ambassadors and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Ambassadors and Zilis agree that this non-solicitation provision shall apply nationwide throughout the United States and to all international markets in which Ambassadors are located. This provision shall survive the termination or expiration of the Ambassador Agreement. In the event that an Ambassador breaches the provisions of this section, the parties agree that damages will be very difficult to ascertain. Therefore, the parties stipulate that if an Ambassador is proven to have breached this Section, the Ambassador shall be liable to pay Zilis liquidated damages calculated in the amount of his/her gross compensation

that he/she earned pursuant to Zilis' Compensation Plan in the twelve (12) months immediately preceding the breach hereof. If an Ambassador has committed multiple breaches of this Section, the twelve (12) month period shall begin on the date of the first breach. In the event that this Section is breached by an Ambassador at the rank of National Ambassador or higher, he or she shall permanently lose all leadership bonuses.

For the purposes of this Section 2.4.4, the term "recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any way (either directly, indirectly, or through a third party) another Zilis Ambassador or Customer to: (1) enroll, join, or otherwise participate in another network marketing business; or (2) terminate or alter his or her business or contractual relationship with the Zilis. The term "recruit" also includes the above activities in the event that the Ambassador's actions are in response to an inquiry made by another Ambassador or Customer.

2.4.5 - Ambassador Participation in Other Network Marketing Programs --

If an Ambassador is engaged in another non-Zilis network marketing business, it is the responsibility of the Ambassador to ensure that his or her Zilis business is operated entirely separate and apart from any other network marketing business. To this end, the following must be adhered to:

- ❖ Ambassadors must not sell, give, transfer or attempt to sell, give or transfer any programs, products or services of any other multilevel marketing or network marketing company to Zilis Customers or Ambassadors.
- ❖ Ambassadors shall not display Zilis promotional material, sales aids, products or services with or in the same location as, any other multilevel marketing or network marketing company promotional material or sales aids, products or services.
- ❖ Ambassadors shall not offer the Zilis opportunity, products or services to prospective or existing Zilis Customers or Ambassadors in conjunction with any other multilevel marketing or network marketing company program, opportunity, product or service.
- ❖ Ambassadors may not offer any other multilevel marketing or network marketing company opportunity, products, services or opportunity at any Zilis-related meeting, seminar, convention, webinar, teleconference, or other function.
- ❖ Ambassadors may not hold non-Zilis related meetings, functions, gatherings or events with Ambassadors not in his/her enrollment tree organization unless it is a meeting, function, gathering or event that has been authorized or organized by the Company.
- ❖ Ambassadors are strictly prohibited from meeting privately with cross-line Ambassadors without the presence of the common upline present. For the purposes of this section, "meeting" includes in-person, telephonic or online interaction.

All of these provisions as outlined in this Section 2.4.5 shall survive the termination or expiration of the Ambassador Agreement for a period of two (2) years after such termination or expiration.

2.4.6 - Sale of Competing Goods or Services — During this agreement and for two (2) years thereafter, Ambassadors are prohibited from promoting a competing business opportunity, product, or service. A competing business opportunity, product, or service includes any direct selling, network, affiliate marketing, or business opportunities.

2.4.7 - Commingling Zilis with another Enterprise, Product, or Activity — Ambassadors are prohibited from mixing the Zilis opportunity or products with another business opportunity, product, service, or activity. Ambassadors are strictly prohibited from using the Zilis network to promote any type of business other than the Zilis business.

2.4.8 - Targeting Other Direct Sellers — Zilis operates with the highest level of integrity and expects its Ambassador to conduct themselves accordingly. Should Ambassadors engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Zilis services, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an Ambassador alleging that they engaged in inappropriate recruiting activity of its sales force or Customers, Zilis will not pay any of Ambassador's defense costs or legal fees, nor will Zilis indemnify the Ambassador for any judgment, award, or settlement.

2.4.8.1 - Ambassadors from other Direct Selling or MLM Companies —

Individuals are free to enroll with Zilis provided they do not have Legal Obligations or otherwise, which would prevent them from joining as a Zilis Independent Ambassador. Ambassadors should honor and respect any Legal Obligations that they have with any other Direct Selling or MLM company with whom they may have previously been associated.

2.4.5 - Bonus Buying — Bonus buying is strictly prohibited. Bonus buying includes:

- A. The enrollment of individuals or entities without the knowledge of and/or execution of an Ambassador Agreement by such individuals or entities;
- B. The fraudulent enrollment of an individual or entity as an Ambassador or Customer;
- C. The enrollment or attempted enrollment of non-existent individuals or entities as Ambassadors or Customers ("phantoms");
- D. Purchasing Zilis services on behalf of another Ambassador or Customer, or under another Ambassador's or Customer's ID number to qualify for commissions or bonuses; and/or
- E. "Gifting" new Ambassadors or Customers to another Ambassador for the purpose of triggering bonuses;
- F. Any other mechanism or means 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.

Such activity is unethical and unacceptable behavior which is a punishable violation subject to corrective action up to and including the termination of each Ambassador position directly involved.

2.4.6 - Stockpiling Prohibited — The success of the Company depends on sales to the ultimate consumer and all forms of stockpiling are strictly prohibited including, but not limited to, purchases of products primarily for purposes of qualifying for additional compensation. Zilis recognizes that Ambassador may purchase products for the Ambassador's own use, however, Zilis strictly prohibits the purchase of products in unreasonable amounts in an attempt to qualify for advancement in the Compensation Plan.

3. BONUS & COMMISSIONS

In order to qualify to receive commissions and bonuses, an Ambassador must be active, in good standing, and comply with the terms of the Agreement and these Policies and Procedures. An Ambassador will qualify to receive commissions and bonuses based on the compensation plan requirements. An Ambassador is not required to maintain a personal membership, or make product purchases in order to earn commissions, but may do so if desired for purposes of this section.

3.1 - COMMISSION & BONUS PAYOUT

Commissions and bonuses are paid on weekly and monthly basis, depending on the type via direct deposit through Paylution. Please refer to the Zilis Compensation Plan in your Zilis Cloud for details.

3.2 - JEEP BONUS

In order to receive the full Jeep Bonus for which the Ambassador has qualified, the Ambassador must send in a picture of themselves with their Zilis-decaled Jeep, by the end of the 2nd month of qualification to Ambassador Support at support@zilis.com. If Zilis does not receive a picture of the Ambassador with their Zilis-decaled Jeep quarterly, Zilis will not pay the full Jeep bonus for which the Ambassador qualifies, but will pay one-half (½) of the normal payment.

3.3 - ERRORS OR QUESTIONS

If an Ambassador has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Ambassador must notify Zilis in writing within thirty (30) days of the date of the purported error or incident in question. Zilis will not be responsible for any errors, omissions, or problems not reported to Zilis within thirty (30) days.

3.4 - REPORTS

All information provided by Zilis including, but not limited to personal sales volume (or any part thereof) and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors, including, but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit cards, and reports provided in the Ambassador's Zilis Cloud may be delayed from time to time. Zilis is committed to providing Ambassadors with accurate and reliable information so that an Ambassador can successfully run their business. In the event an Ambassador finds an error or experiences a delay in accessing timely information, the Ambassador should contact Ambassador Support via email to support@zilis.com.

4. SALES & MARKETING

4.1 - MARKETING & PROMOTIONAL ITEMS

Zilis' Marketing team has created a library of pre-approved marketing materials which are designed to help Ambassadors build and promote their Zilis business. These marketing materials include business cards, flyers, banners, window decals, car magnets, Zilis apparel and gear and more and can be found in the Zilis Cloud, on Zilistools at www.zilistools.com and the UltraShop at <https://ultrashop.zilis.com>. Ambassadors should use the pre-approved marketing materials to market their Zilis business.

The Compliance Department may consider requests from Ambassadors seeking approval for independently created marketing materials that are not available through the Zilis Cloud, Zilistools, or the UltraShop. Zilis is not responsible for any costs incurred by an Ambassador if the Ambassador produces materials before seeking approval and the request is denied.

Apart from the pre-approved marketing materials available in the Zilis Cloud, Zilistools, and UltraShop, Ambassadors are prohibited from using Zilis' trade name and/or trademark on promotional items including, but not limited to: apparel (t-shirts, hats, other clothing), promotional items (pens, decals, car window shields, etc.), advertising (TV, radio, Internet), print tools (flyers, postcards, banners, brochures, etc.), website domains, website systems (replicable websites, training, etc.), mobile applications and other forms of display that promote Zilis, the products, or the opportunity.

4.2 - INDEPENDENT MARKETING MATERIALS OR SERVICES

Ambassadors should not be in the business of soliciting other Ambassadors to buy independent products or services. Ambassadors may not sell independent products or services on Zilis-promoted websites, at Company-sponsored events, on Facebook, other social media sites or community forums where the Zilis community has a presence. This includes marketing services that target Ambassadors.

4.3 - EDUCATIONAL MATERIALS

Zilis marketing materials may not be duplicated or reproduced. This includes manuals, audio CDs, DVDs, brochures, business cards, websites, web videos, etc. Reproduction of unapproved Company-developed materials for personal use or re-sale profit will not be tolerated and can result in termination and/or additional liability.

4.4 - ADVERTISING & MEDIA

Advertising, including radio, TV, internet banner ads, and other types of marketing tools that mention Zilis products or opportunity, must follow the requirements in Section 4.2.

4.4.1 - Media Inquiries — Ambassadors must not regarding Zilis, its services, or their Independent Zilis business. All inquiries by any type of media must be immediately referred to Zilis' Compliance department. This policy is designed to ensure that accurate and consistent information is provided to the public, as well as a proper public image.

4.4.2 - Media Advertising and Interviews — Ambassadors may not hold an interview on radio, television, or other media without written approval from Zilis. All requests to interview or advertise on the television, radio, or other types of media must be sent to the Compliance Department at compliance@zilis.com.

4.4.3 - Advertising and Marketing Violations - Indemnification—

An Ambassador who uses unapproved marketing materials assumes all liability for any claims that may violate FTC or FDA regulations. Ambassadors who violate this policy can also be held responsible for any potential revenue loss, legal fees or other Company losses that may result from their violation.

4.5 - SOCIAL MEDIA

Social media is a large part of the Zilis culture and Ambassadors may use social networking websites (Facebook, LinkedIn, Twitter, Instagram, blogs, forums, and other social shared interest sites) to share information about the Zilis product, services, mission and business opportunity. Ambassadors must ensure that all social media pages, links, blogs, etc., are properly identified as being operated by an Ambassador in order to avoid confusion that the page is a Zilis site, or that it is Zilis sponsored or endorsed.

In addition to meeting all other requirements specified in these Policies and Procedures, should you utilize any form of social media, including but not limited to Facebook, Instagram, Snapchat, Twitter, LinkedIn, YouTube, or Pinterest, you agree to each of the following:

- ❖ No product sales or enrollments may occur on any social media site. To generate sales, a social media site must link only to your Zilis Replicated Website or your Registered External Website.
- ❖ It is your responsibility to follow the social media site's Terms of Use. If the social media site does not allow its site to be used for commercial activity, you must abide by the site's Terms of Use.
- ❖ Any social media site that is directly or indirectly operated or controlled by an Ambassador that is used to discuss or promote Zilis' products or the Zilis opportunity may not link to any website, social media site, or site of any other nature, other than the Ambassador's Zilis replicated website or your Registered External Website.
- ❖ During the term of this Agreement and for a period of two (2) years thereafter, an Ambassador may not use any social media site on which they discuss or promote, or have discussed or promoted, the Zilis business or Zilis' products to directly or indirectly solicit Zilis Ambassadors for another direct selling, multilevel marketing or network marketing program (collectively, "direct selling"). In furtherance of this provision, an Ambassador shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Ambassadors relating to the Ambassador's other direct selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision in Section 2.4.5 (Ambassador Participation in Other Network Marketing Programs) above.
- ❖ An Ambassador may post or "pin" photographs of Zilis products on a social media site.

- ❖ Unless an Ambassador had prior to his or her enrollment in Zilis an "established business or personal relationship" as defined below, an Ambassador may not attempt to add or add a Crossline Ambassador or Customer as a "Friend" or contact on or through any social media platform or website. For the purposes of this Section 4.5, the term "Crossline Ambassador or Customer" means a Zilis Ambassador or Customer who is in another Zilis marketing organization, downline, or line of sponsorship other than the one in which the Ambassador who wants to add the Crossline Ambassador or Customer is enrolled. Regardless of whether an Ambassador had an established business or personal relationship with a Crossline Ambassador or Customer, the Crossline Ambassador or Customer may not be invited into any private groups.

An "established business relationship" is a relationship between an Ambassador and a prospect, Customer or Ambassador based on the prospect's, Customer's or Ambassador's purchase, rental, or lease of goods or services from the Ambassador, or a financial transaction between the prospect, Customer or Ambassador and the Ambassador, within the eighteen (18) months immediately preceding the date of a telephone call, email, social media message or other communication to induce the prospect's, Customer's or Ambassador's purchase of a product or service or enrollment into Zilis.

In addition to the requirements specified in elsewhere in these Policies and Procedures, if an Ambassador utilizes any form of Social Media, he or she agrees to each of the following:

- a. To generate sales and/or enroll an Ambassador, a Social Media site must link only to the Ambassador's replicated website or the Ambassador's External Website.
- b. Other than Pinterest and similar Social Media sites, any Social Media site that is directly or indirectly operated or controlled by an Ambassador that is used to discuss or promote Zilis products or the Zilis opportunity may not link to any website, Social Media site, or site of any other nature, other than the Ambassador's replicated website or the Ambassador's Registered External Website.
- c. If an Ambassador creates a business profile page on any Social Media site that promotes or relates to Zilis, its products, or opportunity, the business profile page must relate exclusively to the Ambassador's Zilis business and Zilis products. If the Ambassador's Zilis business is terminated for any reason, or if the Ambassador becomes inactive, the Ambassador must deactivate the business profile page.

4.5.1 - Prohibited Postings

An Ambassador may not make any postings, or link to any postings or other material that are:

- a. Sexually explicit, obscene, or pornographic;
- b. Offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- c. Graphically violent, including any violent video game images;
- d. Solicitous of any unlawful behavior;

- e. Engaged in personal attacks on any individual, group, or entity; or
- f. In violation of any intellectual property rights of the Company or any third party.

It is prohibited to make drug, medical or health claims on a social media page that is used to promote the Ambassador's Zilis business. In particular, an Ambassador may not make any claim that Zilis products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Further, Ambassadors must not share third party articles on their social media pages used to promote the Ambassador's business, which make medical or health claims.

Not only would such claims breach the terms and conditions of the Ambassador Agreement and these Policies, but they also would breach the laws and regulations of the jurisdictions in which Zilis operates putting Zilis at risk. This policy is strictly enforced, and Ambassadors are expected to immediately remove a non-compliant site at the request of Zilis.

Ambassadors that create private social media groups are strictly responsible for monitoring all postings made. The administrators of these groups will be held responsible for any inappropriate postings within a private or closed group.

Ambassadors must submit an example of their social media page for review, to the Compliance Department before their page is launched by sending an email to compliance@zilis.com. Zilis is not responsible for any costs incurred by the Ambassador for pages that must be corrected or edited upon the request by the Compliance Department.

4.5.2 - Responding to Negative Posts -- An Ambassador is prohibited from conversing with others who place a negative post against them, other Ambassadors or the Company. The Ambassador must report negative posts to Zilis' Compliance Department at Compliance@Zilis.com.

4.6 - WEB POLICY

If an Ambassador desires to utilize an internet web page to promote his or her business, he/she may do so through the replicated website Zilis offers or an approved independently created website.

4.6.1 - General — It is the Ambassador's obligation to ensure that online marketing activities are truthful, are not deceptive and do not mislead Ambassadors or Customers in any way. Websites and web promotion activities and tactics that mislead or are deceptive, regardless of intent are prohibited. This may include representation in any manner that you are an authorized representative for Zilis, spam linking (or blog spam), unethical search engine optimization (SEO) tactics, misleading clickthrough ads (i.e. displaying the URL of a PPC campaign appearing to resolve to an official Zilis Corporate Site when it goes elsewhere), unapproved banner ads, and unauthorized press releases. Zilis will be the sole determinant of truthfulness as to whether specific activities are misleading or deceptive.

4.6.2- Domain Names, Email Addresses and Online Aliases

Ambassadors cannot use or register domain names, email addresses, and/or online aliases that use Zilis or Zilis product names. Zilis and its products are registered trademarks and unauthorized use is an infringement of our rights. Further, doing

so could cause confusion, or may be misleading or deceptive, and leads individuals to believe or assume the communication is from or is the property of Zilis. Zilis, at its sole discretion, will decide what could cause confusion, mislead, or be considered deceptive. If you have a question whether your chosen name or address is acceptable, you may submit it to compliance@zilis.com for review before using it. Zilis is not responsible for any loss an Ambassador may incur should Zilis demand that the Ambassador stop using any infringing information. Examples of the improper use include but are not limited to: Zilis@msn.com; www.ZilisDirect.com; www.facebook.com/ UltraCell or derivatives as described herein.

4.6.3 - Approved Ambassador Websites — The term "Ambassador website" refers to the Ambassador website offered by Zilis or an approved external website that an Ambassador creates (See Section 4.6.9 for details). The term "Social Media" website refers to any site that is not specifically prohibited within the policy and the terms and conditions of the Ambassador Agreement, such as Facebook.com, Instagram.com, Twitter.com, YouTube.com, personal blogs, or other personal websites.

4.6.4 - Online Classifieds — Ambassadors may not use online classifieds (including Craigslist) to list, sell, or promote specific Zilis services. You may use online classifieds (including Craigslist) for prospecting, recruiting, sponsoring, and informing the public about the Zilis opportunity provided you identify yourself as an independent representative of Zilis, use approved images and versions of any trademarked logos, and do not use fraudulent or misleading product or income claims. If a link or URL is provided, it must link to the Ambassador's website or your Social Media website.

4.6.5 - Online Retailing — Approved Ambassador websites are intended to provide the Ambassadors with the tools and means for generating leads, prospecting business, communicating with others, selling products and services, and otherwise advancing your Zilis business. Ambassadors may not sell Zilis services on any other online retail store or ecommerce site, nor may you enlist or knowingly allow a third party (Customer) to sell Zilis products on any online retail store or ecommerce site including, but not limited to, Amazon, eBay, Alibaba, etc. Selling on auction sites and online ecommerce sites creates an unfair advantage to other Ambassadors. This is strictly forbidden and Ambassadors that violate this policy will be subject to corrective action including suspension of their account and termination of their Zilis business.

If an Ambassador uses social media to promote Zilis, the Ambassador must provide approved Zilis links to the Ambassador's replicated website for sales and order processing. All online sales of Zilis products must take place and be produced through the Ambassador replicated website (or Corporate site).

4.6.6 - Banner Advertising — An Ambassador may place banner advertisements on a website provided the Ambassador uses Zilis-approved templates and images. All banner advertisements must link to the Ambassador's website. An Ambassador may not use blind ads or web pages that make non-compliant product or income claims that are ultimately associated with Zilis products or the Zilis business opportunity.

4.6.7 - Spam Linking — Spam linking is defined as “multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums” and is prohibited. This includes blog spamming, blog comment spamming, and/or spamdexing. Any comments an Ambassador makes on blogs, forums, guest books, etc., must be unique, informative, and relevant.

4.6.8 - Sponsored Links / Pay-Per-Click (PPC) Ads — Sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to your Ambassador website. The display URL must also be to the Ambassador’s website and must not portray any URL that could lead the user to assume they are being led to a Zilis Corporate site or be inappropriate or misleading in any way.

4.6.9 - External Websites — External websites are websites that an Ambassador creates independently. Ambassadors may use external websites to promote your Zilis business and the Zilis opportunity. If an Ambassador wishes to use an external website, the Ambassador must submit a request to the Compliance department for approval at compliance@zilis.com. The request must include the website URL, name of the website, and examples of the non-Zilis provided site pages before the website is launched. To be approved, it must follow the guidelines below:

1. Website must clearly identify the Zilis Independent Ambassador by name and Ambassador ID.
2. Products cannot be sold under the MSP; this includes offering special or discounts which reduce the MSP.
3. Use only approved images and wording authorized by Zilis; and
4. Use approved branding, trademark, and images described in this document.

Ambassadors are solely responsible and liable for the website content, messaging, claims, and information found on their site and must ensure that the website appropriately represents and enhances the Zilis brand. Ambassador websites must not contain disingenuous pop-up ads, promotions, or malicious code. Ambassadors must modify the website to comply with current or future Zilis policies at the request of the Compliance Department. Ambassadors that maintain websites in violation of this policy are subject to corrective action. See Section 7 for detailed information on policy violations and corrective action.

4.6.10- Advertised Price — Ambassadors must advertise all of Zilis products and services at the Manufactured Suggest Price (“MSP”) or above. Ambassadors may not offer special enticement advertising; this includes, but is not limited to, offers of free membership, by one get one, or other such offers that grant advantages beyond those available through Zilis.

4.6.11 - Generic Business Advertisements — Ambassadors advertising the Zilis opportunity via a newspaper or other advertising venues, must abide by the following rules:

- A. Advertisements may not imply that the Zilis opportunity is employment of any kind including, but not limited to salaried positions, management positions, hourly wages, full or part-time employment, or guaranteed incomes. The Zilis opportunity is not a job and may not be presented as such. Terms such as “manager trainee,” “management positions available,” “travel provided,” “call for interview,” “positions available,” “now hiring,”

and other misleading statements are prohibited;

- B. Ambassadors may not imply or promotes specific income and any references to compensation must use the word “commissions” to indicate the independent contractor status of Ambassadors.

- C. Advertisements must clearly identify that the ad is for a Zilis Independent Ambassador and is not a corporate sponsored ad. Ambassadors must include their name and Zilis ID# in the ad. Any requests for variances from the above rules must be submitted to Zilis and approved in writing prior to publication. Zilis is not responsible for any costs incurred by the Ambassador for publishing a non-compliant advertisement that must be removed if the Ambassador did not obtain prior authorization. Please direct any inquiries to compliance@zilis.com.

4.7 - RETAIL SALES

Zilis has chosen Direct Sales/Network Marketing as its primary sales and distribution model. Ambassadors may rely on networking to sell and recruit new Ambassadors, and to retail Zilis products pursuant to the following policies herein.

4.7.1 - Zilis Ambassadors — may advertise, store or sell Zilis products in a store or business as long as the store or business is not part of a national chain or national franchise. Acceptable locations include, but are not limited to, pharmacies; doctor, dentist, or chiropractic offices; fitness clubs; salons; and other similar independent establishments. Regional franchises may also be allowed. It is not necessary for an Ambassador to own or operate the location where the products are being promoted or retailed. Zilis Ambassadors may not advertise, store, or sell Zilis Products in any “big box”, discount, or warehouse style retail establishments, or online storefronts, or auction sites. This includes, but is not limited to, national chain stores such as Sam’s Club, Walmart, Walgreens, CVS, or any other national chain store or pharmacy, as well as Amazon, eBay, Alibaba, or other online storefronts or auction sites.

4.8 - TRADE SHOWS

Ambassadors may market the Zilis opportunity, and display and sell Zilis products at trade shows. An Ambassador must notify Zilis of their participation in trades shows via the Trade Show Registration tool. A Zilis Ambassador may not represent any other companies or products at the trade show for which they are registered, whether or not the company competes with Zilis.

Ambassadors may display and distribute Zilis produced marketing materials. Use of non-Zilis marketing materials must be approved no later than three (3) weeks in advance of the trade show. It is strictly prohibited to use independently made marketing materials which have not been approved in advance.

Zilis Ambassadors can only register one (1) time for a given trade show. It is strictly prohibited to participate in a trade show under more than one name. This includes, but is not limited to, a spouse’s name, a business name, a business partner’s name, or otherwise. This is not only unethical and deceptive, but it dilutes the business opportunity for other Zilis Ambassadors who may be participating in the same trade show. To register, visit www.tradeshows.zilis.com.

Trade shows are regulated and organized independently at the city, state, county, and state levels; therefore, it is impossible for Zilis to know the requirements and limitations for each trade show. If the venue permits, there may be more than one Zilis Ambassador registered to participate in the same show.

Zilis Ambassadors are responsible for knowing the registration rules for the respective trade shows in which they plan to participate and determining whether it makes sense to do so. Zilis does not oversee the registrations and will not intervene with double-booked shows unless there is a clear policy violation.

In the event the Compliance department receives a complaint about an alleged policy violation, the Compliance team will investigate and take appropriate action, if needed.

5. PURCHASE & SALE OF PRODUCTS

A product purchase is not required in order for an applicant to become an Ambassador or to advance in the Compensation Plan. Ambassadors may, however, purchase products at wholesale prices directly from Zilis.

5.1 - INDEMNITY

Ambassadors are responsible for properly educating their customers and ensuring that they provide accurate information about Zilis products. Each Ambassador agrees to hold Zilis harmless from any claims, damages, expenses, or liabilities arising out of his/her business practices, including attorney fees arising out of actions or conduct in violation of this Agreement.

5.2 - HEALTH INFORMATION DISCLAIMER

Zilis products have not been evaluated by the Food and Drug Administration and are not intended to diagnose, treat, cure, or prevent any disease or medical conditions. The information on the Zilis website, marketing materials, product labels or packaging is not intended as medical advice and should not substitute the advice from a healthcare professional. Ambassadors should consult with their physician or other healthcare provider if they have health-related questions before using any of our products or relying on any information they obtain from the Zilis website. Ambassadors should discuss any medications or nutritional supplements they are using with a healthcare provider before using any new medications or supplements. Always review the labels, warnings, and directions included with Zilis products before using or consuming the product and do not rely solely on the information shown on this website. Ambassadors are responsible for educating their customers with this information.

5.3 - PRODUCT ORDERS

Ambassadors and Customers can place orders through Zilis' online system or by calling Ambassador Support at 214-705-3702. All orders submitted to Zilis shall include the Independent Ambassador's or the Customer's identification number issued by Zilis so that Zilis can ensure that we accurately process and ship the order. Failure to provide this information may result in shipping delays.

Orders received after 3:00 PM ET will be shipped within three (3) business days. Orders will be processed as received; therefore, if an Ambassador feels that they are having a delay on an order they should contact Ambassador Support to check on a "delayed order" before submitting another order.

5.4 - PRODUCT PURCHASES FROM UPLINE

Independent Ambassadors may purchase products directly from Zilis, their Sponsor or upline. However, Zilis will not award volume nor pay out commissions to the Sponsor or Upline on any products sold directly to the downline purchaser.

5.5 - METHODS OF PAYMENT & DELIVERY

Purchases may be paid by credit or debit cards. Zilis accepts Mastercard and Visa cards online and will accept American Express over the telephone. In the event a credit card is declined, the Ambassador will be contacted for an alternate form of payment and may be subject to an additional processing fee. Orders will not be shipped without prior payment.

All orders will be shipped within three (3) business days. If an item is temporarily not available ("TNA"), Zilis will notify the Ambassador or Customer. If an item(s) is TNA, the item(s) will be shipped as soon as available and usually within ten (10) days of the date the original order date. An Ambassador may request Zilis to cancel the order as long as the request is received prior to the shipment of the order. Cancellation requests should be sent to Ambassador Support at support@zilis.com. All Zilis orders are shipped via UPS or USPS. Ambassadors who prefer expedited shipping must contact Ambassador Support at 214-705-3702 to place their order and request UPS 3-day, UPS 2-day, or UPS overnight as preferred shipping. Product specials and other variables may delay shipments.

5.6 - SHIPPING DELAYS/ERRONEOUS SHIPMENT/ DELIVERY REFUSAL

5.6.1 - Shipping Delays — Zilis tracks all shipments. In the event of a shipping a problem, Ambassadors should contact Ambassador Support immediately at 214-705-3702.

5.6.2 - Shipping Delays — If a product is shipped in error by Zilis, the unordered products may be returned at no cost, provided the

Ambassador or Customer takes the following steps:

- Ambassador or Customer must notify Zilis within five (5) days of receipt of the order by sending an email to Ambassador Support at support@zilis.com;
- Properly re-pack the products in the original box to prevent damage and enclose the shipping/packing slip before shipping the products back to Zilis.

5.6.3 - Delivery Refusal — Neither an Ambassador nor a Customer shall refuse any shipment from Zilis unless the Ambassador or Customer receives prior approval Zilis. If an Ambassador or Customer refuse to accept delivery from Zilis and the shipment is returned, the Ambassador's status will be suspended pending resolution of the delivery refusal. Unaccepted delivery charges will be debited from the Ambassador's account. If Zilis determines that a valid reason exists for refusing shipment, the suspension will be removed from the Ambassador's account.

5.7 - PRODUCT PRICING

Zilis products are subject to change without prior notice. Zilis's Manufactured Suggested Price is the designated value of each Zilis product. Ambassadors who purchase products at the wholesale price are expected to use the MSP when selling products for a retail profit. While Zilis provides an MSP as a guideline, Ambassadors may sell the products at whatever price they and their Customers may agree upon, as long as the price is not below the Manufactured Suggested Price.

5.7.1 - Preferred Pricing — Preferred Customers receive discounted pricing when they enroll on Autoship to receive their products on a monthly basis. A Preferred Customer must personally opt in to the monthly Autoship program. Customers enjoy the convenience and efficiency of a monthly Autoship. Preferred Customer orders cannot be paid by or shipped to a Zilis Independent Ambassador for any reason. No exceptions will be made.

5.7.2 - Invalid Autoship Orders — Invalid orders are those sent in by an Ambassador for a Customer that was unknowingly enrolled in Autoship, for qualification purposes. Submitting Preferred Customer orders without the Customer's consent is a serious policy violation. Such activity may be considered credit card fraud and/or forgery. Zilis will investigate all Customer allegations of this kind. If upon investigation, the Compliance Department finds that an Ambassador submitted a Preferred Customer order without the Customer's consent, the Ambassador will be subject to disciplinary action, including termination.

5.8 - SALES TAX

To ensure compliance with the Sales and Use Tax requirement of each state, unless required otherwise by state law, Zilis may, at its option, collect and remit all applicable sales and use taxes on products, promotional materials and services sold to Independent Ambassadors and retail Customers based on the MSP of the product. The applicable rate of tax due shall be based on the address to which the product and/or material are shipped. If an Ambassador requests a tax-exempt purchase for products for resale (not for personal use), the Ambassador shall provide Zilis with a true and correct copy of a current resale certificate from the applicable state.

5.9 - REFUND POLICY

Zilis stands behind all of its product offerings and strives to ensure that every purchase is satisfactory. In the unlikely event that it is not, Zilis will refund or replace your product according to the following:

5.9.1 - Ambassadors — Zilis will issue a refund to an Ambassador upon request made to Zilis in writing within thirty (30) days of the purchase date. Ambassadors must obtain an approved Returned Merchandise Authorization (RMA) from Ambassador Support and return the product in resalable condition. Qualified and eligible products shall receive a refund less a 20% restocking fee minus all shipping and handling charges associated with the order.

5.9.2 - Customers — If a customer purchases a product through an Ambassador's Zilis-replicated website, they may request a refund from Ambassador Support. Zilis will issue a refund to a customer after receiving a request in writing within thirty (30) days of the purchase date. Customers must obtain an approved Returned Merchandise Authorization (RMA) from Ambassador Support and

return the in resalable condition. Qualified and eligible products shall receive a refund less a 20% restocking fee minus all shipping and handling charges associated with the order. If the product was purchased directly from an Independent Ambassador's private website or in person, the Customer must contact the Ambassador for a refund. The Customer will need to return the product and original invoice to the Ambassador, who will refund the product purchase price. Ambassadors are required to provide a refund to any Customer that has purchased product directly from an Ambassador's personal stock according to the guidelines within the Policy.

5.9.3 - Damaged Products/Shipments — In the event an Ambassador or Customer receives damaged product, or product that is in less than commercially reasonable condition, the Ambassador or Customer must contact Ambassador Support at 214-705- 3702 within five (5) calendar days of delivery of said products and submit photos of the damaged product to Ambassador Support at support@zilis.com. Ambassador Support will determine, at its sole discretion if the damaged product claim is valid. Zilis reserves the right to accept or refuse a damaged shipment claim. If Zilis Support finds that the claim is valid, it will provide a shipping callback tag to the Ambassador or Customer. The Ambassador or Customer must return the products to Zilis in the original packaging, along with the packing slip, within thirty (30) days of the date of the claim. The products will not be replaced if returned after thirty (30) days from the date the claim is made. If Ambassador Support does not receive acceptable photos of the damaged product within five (5) calendar days, it will not provide a shipping callback tag. It is the responsibility of the Ambassador or Customer to act within the time frame listed above. No exceptions will be made.

5.9.4 - New Ambassador Enrollment Packs — Zilis will issue a full refund for enrollment packs, less applicable fees, upon written request made to Ambassador Support within three (3) business days of initial enrollment date. Requests should be sent to support@zilis.com. Ambassador Support will provide a shipping callback tag to the Ambassador. The complete enrollment pack must be returned to Zilis within seven (7) calendar days of the issuance of the callback tag and must be in resalable condition. Only complete enrollment packs with all products in resalable condition are eligible for a refund. Zilis will not refund partial enrollment packs. After three (3) business days from the date of enrollment, qualified enrollment packs may receive a refund for enrollment pack products only, less a 20% restocking fee and shipping and handling charges associated with their order. Refunds will not be issued after thirty (30) days.

5.9.5 - Return Merchandise Authorization (RMA) — In order to facilitate the return process, an Ambassador or Customer must obtain an RMA number by contacting Ambassador Support via email at support@zilis.com. The RMA number must be written on the outside of the shipping box. If a package is returned to Zilis without an RMA number on the outside, the package will be refused and returned, and no refund will be issued. Products must be received by Zilis within seven (7) calendar days after the issuance of the RMA, in full resalable condition, or no refund will be issued, and the option of refunding will be forfeited.

5.9.6 - Bonus and Commission Attribution — Any bonuses and commissions attributable to the refunded products and enrollment packs will be deducted from the Ambassador who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the commission is recovered. In the event that Zilis is unable to recover commissions from inactive Ambassadors, the other compensated upline Ambassadors may be subject to commission deductions. Zilis has the exclusive right to determine any applicable deductions, within appropriate state and federal guidelines. In the case of enrollment fees, Ambassadors may cancel any time prior to midnight of the third business day, after the date of the initial enrollment (subject to various state requirements for cancellation).

5.10 - THE 70% RULE

In order to qualify for commissions and bonuses, an Ambassador must certify on the product order form that the Ambassador sold at least 70% of all products previously purchased to a consumer that is not an Ambassador or used at least 70% of all products. Ambassadors placing telephone orders to Zilis are also required to comply with this rule and Zilis may require Ambassadors to verify compliance with this rule. In its effort to support and enforce the retail sales 70% Rule, Zilis will conduct random audits to verify compliance.

Zilis Corporate will contact Ambassadors to further verify compliance with the 70% Rule. Ambassadors should maintain records and be prepared to assist Zilis representative in their task.

6. AUTOSHIP GUIDELINES

6.1 - AMBASSADORS ON AUTOSHIP

Ambassadors receive special discounts on compensation plan qualifications when maintaining an active Autoship profile.

- Autoship profiles must be established in the previous calendar month.
- Optional Autoship dates are the 1st through the 28th date of each month.
- In the event of a credit card decline, Zilis will attempt to rerun the card two additional times over a three (3) day period. If the card still declines, then the Ambassador must provide an alternative method of payment to Ambassador Support at 214-705-3702.
- Ambassadors have up until the 28th day of the calendar month in question to provide an alternative method of payment.
- After the 28th day of the month, payment on the current month Autoship profile is no longer optional and requirements must be met through personal volume.

6.2 - CUSTOMERS ON AUTOSHIP

Customers receive special discounted pricing when maintaining an active Autoship profile.

- Customers who desire to receive Preferred Customer status must place an initial product order at the retail price and elect to have their order placed on Autoship the following month.

- Optional Autoship dates are the 1st through the 20th date of each month.
- Autoship contents may be modified month to month by contacting Ambassador Support via email at support@zilis.com.
- In the event of a credit card decline, Zilis will attempt to rerun the card two additional times over a three (3) day period. If the card still declines, then the Customer must provide an alternative method of payment to Ambassador Support at 214-705-3702.
- After the 20th day of the month, payment on the current month Autoship profile is no longer optional and requirements must be met through personal volume.

7. DISPUTES, POLICY VIOLATIONS AND DISCIPLINARY ACTION

7.1 - DISPUTES BETWEEN AMBASSADORS

When an Ambassador has a grievance or complaint with another Ambassador regarding any practice or conduct in relationship to their respective Zilis businesses, the Ambassador should work with the other Ambassador or their upline to resolve the matter. If the matter cannot be resolved between the Ambassadors with the help of their upline then the Ambassador with the grievance or complaint should ask Compliance to intervene by sending an email to compliance@zilis.com. The email should identify the issue with as much detail as possible; this includes, relevant names, dates, the location(s) where they occurred, and all persons who have firsthand knowledge of the improper conduct.

7.2 - COMPLIANCE DEPARTMENT REVIEW

Upon written request or receipt of a written complaint, the Compliance Department will investigate the matter, review the applicable policies, and render a decision on how the dispute shall be resolved. During the investigation period, Zilis may place the account of the Ambassador under investigation on hold. Should Zilis place an Ambassador account on hold during the investigation and the investigation results show that the Ambassador was not in violation of the Agreement, Zilis will remove the hold and promptly pay the Ambassador any commissions generated during the time the Ambassador account was on hold. In the alternative, the Compliance Department shall take disciplinary action against the Ambassador(s) in question, consistent with the provisions of Section 7.3.1.

7.3 - DISCIPLINARY ACTION

Pursuant to Section 7.2 or upon violation of any of the terms and conditions of the Agreement, Policies, or any illegal, fraudulent, deceptive, or unethical business conduct by an Ambassador, may result, at Zilis' discretion, in one or more of the following actions:

- A written warning for the misconduct, requiring the Ambassador to take immediate corrective measures and advising that a continued breach will result in further action;
- Imposition of a fine, which may be withheld from bonus and commission checks;

- Loss of rights to one or more bonus and commission checks;
- Withholding from an Ambassador all or part of the Ambassador's bonuses and commissions during the period that Zilis is investigating any conduct allegedly contrary to the Agreement, Policies or laws.
- Suspension of certain privileges of the Ambassador position, including, but not limited to placing a product order, participating in Zilis programs, progressing in the Compensation Plan, or participating as a Sponsor, for a specified period of time or until the Ambassador satisfies certain specified conditions;
- Any other measure expressly allowed within any provision of the Agreement or which Zilis deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Ambassador's policy violation or contractual breach;
- Instituting legal proceedings for monetary and/or equitable relief. Each violation is reviewed on a case-by-case basis, and all disciplinary actions are at the sole discretion of Zilis.
- Involuntary termination of the offender's Ambassador Agreement;
- If an Ambassador's business is canceled for disciplinary reasons, the Ambassador will not be entitled to recover any commissions withheld during the investigation period.

7.3.1 - Account Suspension or Termination — Suspended accounts are intended to prevent the individual from benefiting from the alleged misconduct by prohibiting the offending Ambassador from registering referrals or receiving payments. After a thorough investigation, if the incident is verified, but does not rise to the level of a terminable offense, Zilis may, but is not obligated to, remove the hold. If the hold is removed, Zilis will pay the Ambassador commissions generated during the time the Ambassador account was on hold. Termination of an Ambassador position will result in the Ambassador's loss of all rights to his/her recruited team and any bonuses and commissions generated thereby.

8. CANCELLATION OR TERMINATION OF AN ACCOUNT

8.1 - CANCELLATION OF AN AMBASSADOR POSITION

An Ambassador may cancel their membership at any time and for any reason. A request to cancel must be submitted in writing to Zilis at its principal business address, or via email to Ambassador Support. The written notice must include the Ambassador's printed name, address, and appropriate identification number and must be sent from the email address we have on file. See Section 8.4 for details on the Effects of Cancellation.

An Ambassador whose Ambassador Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

8.2 - TERMINATION OF AN AMBASSADOR POSITION

An Ambassador may be terminated by Zilis as a result of violation of any of the terms and conditions of the Agreement, Policies, or any illegal, fraudulent, deceptive, or unethical business conduct by an Ambassador. See Section 7.3 and 7.3.1 for details.

An Ambassador account that does not have personal volume for a period of six (6) months will automatically expire.

8.3 - NON-PAYMENT OF THE ANNUAL RENEWAL FEE

Ambassadors must pay an annual renewal fee which occurs on the anniversary of their join date. An Ambassador membership will cancel for failure to pay the annual renewal fee. Ambassadors have a 60-day grace period from the anniversary date to bring their account into compliance for failure to pay the renewal fee.

8.4 - EFFECT OF CANCELLATION OR TERMINATION

Following an Ambassador's voluntary cancellation or termination by Zilis, such former Ambassador shall have no right, title, claim, or interest to his or her downline or any bonus and/or commission from the sales generated by the them.

Following an Ambassador's voluntary cancellation, the former Ambassador shall not hold himself or herself out as an Ambassador, shall not have the right to sell Zilis products or services, must remove any Zilis sign from public view, and must discontinue using any other materials bearing any Zilis logo, trademark, or service mark. The Ambassador will receive commissions and bonuses only for the last full commissions one calendar week prior to his/her cancellation.

An Ambassador whose Agreement is terminated will receive commissions and bonuses only for the last full calendar week prior to termination.

When an Ambassador position is terminated, the Ambassador will be notified by certified or electronic mail at the address on file with Zilis. Termination is effective on the date on which written notice is sent to the Ambassador's last known address and/or email address, or when the Ambassador receives actual notice of termination, whichever occurs first. In the event of such termination, the Ambassador must immediately cease representing himself/herself as an Ambassador.

The Ambassador may appeal the termination to the Zilis Compliance department. The Ambassador's appeal must be in writing and must be received by the company within fifteen (15) calendar days of the date of Zilis' termination letter. If Zilis does not receive the appeal within the 15-day period, the termination will be final. The Ambassador must submit all supporting documentation with his/her appeal correspondence.

If the Ambassador files a timely appeal of termination, the Compliance department will review and reconsider the termination, consider any other appropriate action, and notify the Ambassador in writing of its decision. The decision of the Compliance department will be final.

An Ambassador who voluntarily cancels their membership or fails to pay the annual renewal fee which results in cancellation of the account, must sit out for six (6) calendar months to be eligible to re-enroll.

An Ambassador whose account is canceled for failure to pay the annual renewal fee will lose rights to his/her downline organization unless the Ambassador re-activates within 60 days following the expiration of the agreement. If the former Ambassador re-activates within the 60-day time limit, the Ambassador will resume the rank and position held immediately prior to the expiration of the Ambassador agreement. However, said Ambassador's paid-as level will not be restored unless he or she qualifies at that payout level in the new month. The Ambassador is not eligible to receive commissions for the period of time that the Ambassador's business was expired.

Any Ambassador whose agreement has expired and lapsed the 60-day grace period is not eligible to reapply for a Zilis business for twelve (12) calendar months following the expiration of the Ambassador agreement.

If an Ambassador allows a period of six (6) months to pass with no personal volume, and the account is purged, the Ambassador will lose all rights to his or her downline organization. An Ambassador whose account is purged by Zilis is not permitted to reapply for a Zilis business for twelve (12) calendar months from their termination date.

An Ambassador whose Agreement is terminated for a terminable policy violation may reapply to become an Ambassador, twelve (12) calendar months from the date of termination. Any such Ambassador wishing to reapply must submit a letter to the Zilis Compliance department setting forth the reasons why he/she believes Zilis should allow him or her to operate an Ambassador position. It is within Zilis' sole discretion whether to permit such an individual to again operate a Zilis business.

9. LEGALITY

9.1 - INDEMNITY

Each Ambassador shall hold Zilis harmless from any claims, damages, expenses or liabilities arising out of his/her business practices, including attorney fees arising out of actions or conduct in violation of this Agreement.

9.2 - PRIVACY & CONFIDENTIALITY

9.2.1 - Zilis Privacy Policy — Information is collected on Zilis' websites by Zilis. Zilis is committed to protecting an individual's privacy and will use personal identifiable information responsibly. Please see [click to view the Privacy Policy](#) or login to your Zilis Cloud for more information.

9.2.2 - Information Collection and Use — We may collect information from several different points on our website or the Ambassador websites when you make a purchase from one of our Ambassadors or have other interactions where personal data is provided. Information includes, but is not limited to name, address, telephone number, and email address, as well as, demographic personal information such as income level, gender, and other personal information that may be provided by the Ambassador on an optional basis.

Zilis is the owner of all information collected on its websites. We will not share or rent this personal information with or to anyone else in any way that is different from what is disclosed in the Privacy Policy.

9.3 - INTELLECTUAL PROPERTY

Zilis does not allow the use of its trade names, trademarks, designs, or symbols outside of corporate produced and approved sales aids by any person, including Zilis Ambassadors, without prior written authorization from Zilis. Furthermore, Ambassadors may not use, publish, reproduce, advertise, sell, or display in any manner the name, picture or likeness, or voice of another Ambassador without prior written consent from the named Ambassador. This consent must be on file with Zilis' Compliance department prior to any use. Questions about the approval process can be sent to compliance@zilis.com.

9.4 - INTERNATIONAL SALES

Ambassadors may sell Zilis products and promote the Zilis opportunity or recruit or enroll any potential Ambassador or Customer only in countries in which Zilis is authorized to do business. Ambassadors are strictly forbidden from selling Zilis products in another country. If an Ambassador conducts business in a country other than the one in which they are an Ambassador, he/ she shall be solely responsible for the consequences of selling products from one country to another and shall indemnify the Company for any adverse consequences.

Ambassadors who choose to sponsor internationally may do so only in countries in which Zilis is registered to operate its business and must comply fully with the Zilis Rules of Operation in that country. Any violations of this policy constitute a material breach of the Agreement and Policies and is grounds for immediate corrective action or termination of the Ambassador position.

9.5 - SPAM

Zilis has a strict Anti-spam policy with which Ambassadors are required to comply. Zilis strictly prohibits Ambassadors to send unsolicited emails unless such emails strictly comply with applicable laws and regulations, including without limitation, the federal CAN-Spam Act of 2003 which applies to emails, text messages and any other form of direct electronic messaging (e.g. direct messaging through social media).

Messages that promote Zilis or the Ambassador are subject to this policy.

Zilis also considers spam to include a message that advertises goods or services posted to a message board, sent to someone without prior express consent, or sent in the absence of a previous relationship. Prohibited examples of spam include:

- A. Email or text messages sent to people an Ambassador doesn't know who have not provided their consent as set out above;
- B. Emails sent to people Ambassadors know, but who haven't provided their consent as set out above to receive a solicitation from an Ambassador;
- C. Off-topic or excessive messages posted to Usenet news groups and message boards; and
- D. Solicitations posted to chat rooms, or individuals via Internet Relay Chat or "Instant Messaging."

Zilis strictly prohibits its Ambassadors from sending spam and all other forms of internet abuse to seek referrals.

Any email sent by an Ambassador that promotes Zilis, or the Zilis opportunity, or Zilis services, must comply with the following:

- A. There must be a functioning return email address to the sender;
- B. There must be a notice in the email that advises the recipient that they may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice);
- C. The email must include the Ambassador’s physical mailing address;
- D. The email must clearly and conspicuously disclose that the message is an advertisement or solicitation;
- E. The use of deceptive subject lines and/or false header information is prohibited, and
- F. All opt-out requests, whether received by email or regular mail, must be honored. If an Ambassador receives an opt-out request from a recipient of an email, the Ambassador must forward the opt-out request to Zilis. Zilis may periodically send commercial emails on behalf of Ambassadors. By entering into the Ambassador Agreement, Ambassador agrees that Zilis may send such emails and that the Ambassador’s physical and email addresses will be included in such emails as outlined above. Ambassadors shall honor opt-out requests generated as a result of such emails sent by the Company. Except as provided in this section, Ambassadors may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their Zilis businesses.

9.6 - TELEMARKETING

Telemarketing is strictly prohibited. The Federal Trade Commission and Federal Communications Commission 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.

Although Zilis does not consider Independent Ambassadors to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that an Ambassador’s inadvertent action of calling someone whose telephone number is listed on the federal “Do Not Call” registry could cause the Ambassador to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, Ambassadors must not engage in telemarketing in the operation of their Zilis business. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of Zilis products or service or to recruit them for the Zilis opportunity. “Cold calls” made to prospective Ambassadors or Customers that promote either Zilis products or services or the Zilis opportunity constitute telemarketing and are prohibited. However, a telephone call placed to a prospective Customer or Ambassador (a “prospect”) is permissible under the following situations:

- A. Where the party called is a family member, friend, or acquaintance of the telemarketer;

- B. An Ambassador has an established business relationship with the prospect. An “established business relationship” is a relationship between an Ambassador and a prospect based on the prospect’s purchase of products from the Ambassador within the eighteen (18) months immediately preceding the date of the telephone call to induce the prospect’s purchase of a product; or, the prospect’s personal inquiry or application regarding a product or service offered by the Ambassador happens within the three (3) months immediately preceding the date of such a call; and
- C. If the Ambassador receives written and signed permission from the prospect authorizing the Ambassador to call. The authorization must specify the telephone number(s) which the Ambassador is authorized to call.

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

9.7 - MEDIATION & ARBITRATION

All unresolved disputes and claims relating to Zilis, the Compensation Plan, its products, services, the rights and obligations of its Ambassadors and Zilis, or any other claim or cause of action relating to product purchase(s) or performance, either of an Ambassador or of Zilis under the Agreement, shall first be put before a mediator acceptable to both parties for resolution. Each party to the arbitration shall be responsible for their costs including legal, filing and attorney fees and expenses.

Should mediation fail to resolve the dispute, it shall be settled by confidential arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. All arbitration proceedings shall be held in Denton County, Texas. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Ambassadors waive all rights to trial by jury or to any court. Each party to the arbitration shall be responsible for their own costs, including legal, filing, and attorney fees and expenses. This agreement to mediate and, failing mediation, arbitrate, will survive any cancellation or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent Zilis from applying to and obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction, permanent injunction, or other available relief to safeguard and protect Zilis’s interest prior to, during, or following the filing of any arbitration or other proceeding, or pending the rendering of a decision or award in connection with any arbitration or other proceeding. The existence of any Ambassador claims or cause of action against Zilis does not preclude Zilis from enforcing the Ambassadors covenants and agreements contained in the Agreement.

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 is allowed.

9.8 - GOVERNING LAW, JURISDICTION & VENUE

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Denton County, Texas. The Federal Arbitration

Act shall govern all matters relating to arbitration. The laws of Texas shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the arbitration

provision in this Agreement, residents of the State of Louisiana shall be entitled to bring an action against Zilis in their home forum and pursuant to Louisiana law.

GLOSSARY

ACTIVE

An Ambassador that has 100 Autoship BV from the Ambassador's own order or 150 BV from the Ambassador's retail Customer orders each month.

AGREEMENT

The contract between the Company and each Ambassador; includes the Ambassador Agreement, the Zilis Policies and Procedures, and the Zilis Compensation Plan, all in their current form and as amended by Zilis at its sole discretion. These documents are collectively referred to as the "Agreement."

AMBASSADOR SUPPORT

The team that assists Ambassadors with all aspects of their business and Zilis products; assists Customers with their orders.

CANCEL

The voluntary termination of the Ambassador's Agreement. Cancellation may be either voluntary or through non-renewal.

COMPENSATION PLAN

The guidelines and referenced literature for describing how Ambassadors can generate commissions and bonuses.

CUSTOMER

A Customer who purchases Zilis services and does not engage in building a business or selling the service.

DOWNLINE

This term refers to the Ambassadors below a particular Ambassador in a sponsorship line down from the Company.

LINE OF SPONSORSHIP (LOS)

A report generated by Zilis that provides critical data relating to the identities of Ambassadors, sales information, and enrollment activity of each Ambassador's organization. This report contains confidential and trade secret information which is proprietary to Zilis.

ORGANIZATION

The Customers and Ambassadors placed below a particular Ambassador.

OFFICIAL ZILIS MATERIAL

Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Zilis to Ambassadors.

PLACEMENT

Your position inside your Sponsor's organization.

RECRUIT

For purposes of Zilis' Conflict of Interest Policy, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Zilis Ambassador or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

SPONSOR

An Ambassador who enrolls another Ambassador or Customer into Zilis and is listed as the Sponsor on the Ambassador Agreement. The act of enrolling others and training them to become Ambassadors is called "sponsoring."

TERMINATION

The involuntary cancellation of the Ambassador's Agreement as a result of a violation of any of the terms and conditions of the Ambassador Agreement, Policies, or any illegal, fraudulent, deceptive, or unethical business conduct by an Ambassador.

UPLINE

This term refers to the Ambassador or Ambassadors above a particular Ambassador in a sponsorship line up to the Company. It is the line of sponsors that links any particular Ambassador to the Company.

ZILIS INDEPENDENT AMBASSADOR (AMBASSADOR)

An individual, who purchases product, generates sales and business building commissions.