



Policies and Procedures



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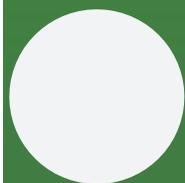


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Stemtech HealthSciences, Inc.
Policies and Procedures
For U.S. and Canadian Distributorships
Revised date: March 28, 2012

Section 1 - Introduction

1.1 - Governing Documents

The Governing Documents (also collectively referred to herein as the "Agreement") of Stemtech HealthSciences, Inc. (hereinafter "Stemtech" or the "Company"), collectively, in their present form and as may be amended from time to time, at the sole discretion of Stemtech, shall be defined as the:

- (a). The Independent Distributor Application and Agreement and the Terms and Conditions contained therein ("Application" or "Distributorship Agreement"), and
- (b) These Policies and Procedures ("P&Ps") in their current form and as may be amended by Stemtech at its discretion, and
- (c) The Stemtech Marketing and Compensation Plan, which may be amended by Stemtech at its discretion.

The P&Ps stated herein are incorporated into, and form an integral part of, the Agreement. Throughout these P&Ps, when the term "Agreement" is used, it shall refer to the Governing Documents of Stemtech as defined hereinabove. It is the responsibility of each Stemtech Independent Distributor to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of the P&Ps. When Sponsoring or enrolling a new Distributor, it is the responsibility of the Sponsoring Distributor to provide the most current version of the Governing Documents to the applicant prior to his or her execution of the Distributorship Agreement.

1.2 - Purpose of Policies

Stemtech is a direct sales company that markets products through Independent Distributors. It is important to understand that the success and reputation of Stemtech and of each Stemtech Distributorship is dependent upon the highest integrity of the men and women who market Stemtech products and services and the Stemtech Opportunity. Accordingly, Stemtech Distributors agree to:

Conduct themselves and deal with Customers and other Distributors according to the highest standards of honesty, integrity and fairness, with the understanding that unethical business dealings can bring significant damage to the reputation and success of the Company, its products, its opportunity and its Distributor base as a whole. Represent Stemtech's products and services completely and according to the information contained in the Company's published literature, without making misleading or unauthorized claims. Represent Stemtech's Distributor compensation plan truthfully and without exaggeration to all prospective Distributors. Fulfill all obligations associated with sponsoring other Distributors, including the use of their best efforts to provide supervision and training of sponsored Distributors. Become familiar with and abide by the Company's Policies and Procedures, as amended from time to time and all applicable law, regulations and ordinances. To clearly define the relationship that exists between the Independent Distributor and Stemtech and to explicitly set a standard for acceptable business conduct, Stemtech has established the Governing Documents. Stemtech Distributors are required to comply with all of the terms and conditions set forth in the Governing Documents, as well as all Federal, Provincial, State, Municipal and Local laws, codes, regulations, statutes and rules governing their Stemtech Distributorship. Because Distributors

may be unfamiliar with many of these standards of practice, it is very important that all Stemtech Distributors read, understand, and abide by the Governing Documents. Please review the information in these P&Ps carefully. Questions regarding any policy or procedure are to be referred to the Distributor Service Department.

1.3 - Changes to the Governing Documents

Because Federal, Provincial, State, Municipal And Local laws, statutes, codes, regulations, etc., as well as, the business environment periodically change, Stemtech reserves the right, in its sole and absolute discretion, to adopt, supplement, rescind, modify and/or amend the Governing Documents, as well as, its prices. By signing the Distributorship Agreement, a Distributor agrees to abide by all amendments or modifications that Stemtech elects to make. Amendments and/or modifications shall be effective not less than thirty (30) days following the publication of notice. Notification of amendments shall be issued through reasonable commercial means, including but not limited to any of the following: posted on Stemtech's website (www.Stemtechbiz.com), e-mail to Distributors, included in Stemtech periodicals, and/or included in product orders, bonus check mailings, posting in Distributor's Stemtech Back Office, or other special mailings.

The continued operation of a Stemtech Distributorship by a Distributor, or a Distributor's continued acceptance of any compensation shall be deemed to be acceptance of any and all amendments.

1.4 - Delays

Stemtech shall not be responsible for delays or 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, natural disasters, deaths, curtailments of a party's source of supply, difficulties with a Distributor's payment for products, and/or government decrees or orders.

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1.5 - Policies and Provisions Severable

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

1.6 - Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of business. No failure of Stemtech to exercise any right or power under the Agreement or to insist upon strict compliance by a Distributor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Stemtech's right to demand exact compliance with the Agreement. Only an officer of the Company may authorize a waiver. Stemtech's waiver of any particular breach by a Distributor shall not affect or impair Stemtech's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Distributor. Nor shall any delay or omission by Stemtech to exercise any right arising from a breach affect or impair Stemtech's rights as to that or any subsequent breach.

1.7 - Enforcement

The existence of any claim or cause of action of a Distributor against Stemtech shall not constitute a defense to Stemtech's enforcement of any term or provision of the Agreement.

Section 2 - Stemtech Independent Distributor Status

In order to receive authorization from Stemtech to purchase products at Distributor prices, sell Stemtech Products and Services, Sponsor other applicants into the Stemtech Opportunity and receive commissions, bonuses, and generation overrides under the Stemtech Opportunity, an Applicant must complete the following:

2.1 - The Application

All individuals who intend to be active in a Stemtech Distributorship must complete either a hard-copy or on-line Application. Incomplete Applications will not be accepted. Hard-copy applications are to be sent to the Distributor Service Department in the following manner:

- (a) If using a credit card: by faxing both the front and back of the completed Application to Distributor Services. In order to avoid duplication, please do not send hard copy or original if faxing the Application.
- (b) If using a check or credit card: by mailing the original completed and signed Application, along with proper payment to Distributor Services.
- (c) Online applicants must pay by credit/debit card.

2.2 - Acceptance of Application

The Application must be accepted by a Distributor Services Representative. Stemtech reserves the right to refuse any Application. The term of the Distributorship Agreement is for one (1) year from the date of acceptance by Stemtech ("effective date"). Please see Sections 2.17 – 2.18 for renewal procedures. Receipt of the Stemtech Distributor Kit notifies the Applicant that he/she is authorized to be a Stemtech Independent Distributor and operate a Stemtech Distributorship.

2.3 - Stemtech Distributor Kit

The Primary Applicant must purchase a Stemtech Distributor Business Kit (the "KIT") (not applicable in states where such purchase constitutes a franchise fee), which contains forms, training and marketing materials. Purchase of the Kit includes a 12-month subscription to the Company newsletter when applicable. Purchase of the Kit shall not constitute any agreement by Stemtech to enter into a franchise, joint venture, or other business entity relationship with the Distributor.

2.4 - ID Number

Upon acceptance of the Application by Stemtech, the Applicant(s) will be considered by Stemtech to be Independent Distributors and authorized to operate a Stemtech Distributorship. Stemtech will issue to the Distributorship a Personal Identification Number ("ID Number"). All active individuals of the Distributorship must use the same ID Number. For example: Susan Smith is the Primary Applicant and her spouse, Ed Smith is the Second Applicant, and they are doing business under the name of Smith & Smith. Both Susan and Ed must use the 4 same ID Number assigned to this Distributorship by Stemtech. In order to avoid delays in processing, all correspondence, orders, etc. are to include the Distributor's ID Number.

2.5 - Identification Numbers

Every U.S. Stemtech Independent Distributor must provide the Company with a valid Social Security/ Social Insurance Number or Federal Tax/Business Identification Number. No Application will be accepted by Stemtech that does not state the proper identification number.

2.6 - No Product Purchase Is Required

No person is required to purchase Stemtech products to become a Distributor.

2.7 - Distributor Benefits

Once the Application has been accepted by Stemtech, pursuant to Section 2.2 above, the applicant is now a Stemtech Independent Distributor who is entitled to the following benefits:

- (a) To be able to purchase certain Stemtech products and services at wholesale prices,
- (b) To retail Stemtech products, which are described in official Stemtech literature,
- (c) To receive compensation, under the Stemtech Opportunity, if eligible and in good standing,
- (d) To Sponsor other individuals as Distributors into the Stemtech Opportunity and thereby, build a Distributor Organization and progress through the Compensation Plan,
- (e) To receive periodic Stemtech literature and other Stemtech communications,
- (f) To participate in Stemtech Corporate-Sponsored support, service, training, motivational and recognition events, upon payment of appropriate fees, if applicable and in good standing, and
- (g) To participate in promotional and incentive contests and programs sponsored by Stemtech for its Distributors.

2.8 - Multiple Applications

If at anytime, Stemtech receives multiple Applications for the same Applicant(s) that indicate the same Sponsoring Distributor, only the first Application to be received by Stemtech will be processed. If multiple Applications are received by Stemtech that contain information for different Sponsoring Distributors, Stemtech reserves the right to determine the designated Sponsoring Distributor, without prior notification to either the Applicant or the Sponsoring Distributor.

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2.9 - Operating a Stemtech Independent Distributorship

Once the Application is accepted by Stemtech and payment for the Kit has been made, the Applicant is authorized to operate a Stemtech Independent Distributorship. In order to assist Distributors in making their business successful, Stemtech recommends the following good business practices:

- (a) Distributors may be required to purchase and maintain a business license. Contact, directly, the governmental business licensing agency in your residential area for this information. Stemtech does not maintain in its offices a list of governmental licensing requirements for any geographical area.
- (b) Distributors may be required to file a Certificate of Fictitious Business Name. Contact, directly, the governmental agency in your residential area for this information. Stemtech does not maintain in its office a list of governmental agencies for any geographical area. See Section 2.16, for Stemtech's business name restrictions.
- (c) Stemtech strongly encourages all Distributors to keep complete and accurate records of all their business dealings.

2.10 - Legal Age

All Primary Distributors must be 18 years of age or older. The Application is a contractual agreement. Therefore, Primary Distributors must be of legal age in their resident state, territory, or province to be solely responsible for contractual agreements and to work. Individuals under the age of 18 years ("minor") may enroll as a Secondary Distributor on the same Application as the Primary parent. Stemtech does not maintain information as to the legal age requirements for any geographical area. The Applicant must obtain this information directly from the appropriate government agency.

2.11 - Multiple Stemtech Distributorships Per Household

A Distributor may operate or have an interest (legal or equitable) in only one (1) Stemtech Distributorship. No individual may have an interest in, operate, or receive compensation from more than one (1) Stemtech Distributorship. Stemtech will consider an exception to this policy if a Distributor inherits a business pursuant to a bona fide will or testamentary instrument. With the exception of spouses, individuals of the same family unit may not enter into or have an interest in more than one (1) Stemtech Distributorship. A "family unit" is defined as parents and dependent children living at or doing business at the same address

If spouses are active in one Stemtech Distributorship, BOTH spouses must sign the Distributorship Agreement. Recognition under the Stemtech Opportunity will only be awarded to those Applicants who complete and sign the Distributorship Agreement. Stemtech reserves the right to (a) prohibit any spouse or other individual who has not completed and signed a Distributorship Agreement from selling Stemtech products and services; (b) from purchasing products and services directly from Stemtech using the other spouses Distributorship account; and (c) recognition under the Stemtech Opportunity. Nothing in this Section 2.11 shall restrict or limit the application of Section 2.12 herein. Spouses may each own and operate their own businesses so long as they comply with the following rules:

- (a) The spouse operating the first business (the "senior business") must enroll and maintain five autoship Distributors or autoship retail customers before the other spouse may have an independent business (the "junior business");
- (b) The second spouse to enroll an independent business (the "junior" business) must be sponsored by his or her spouse (the "senior" business) and be placed on the immediate front-line of the senior business;
- (c) The junior business is prohibited from purchasing a Leadership Package;
- (d) The maximum initial purchase allowed by the junior business is the \$299 FastStart Pack.
- (e) If spouses previously operated a position with both signatures on a Stemtech application, one spouse will be required to resign the joint position and pay a fee of \$200 to establish a separate position as noted above.

2.12 - Actions of Household Members or Affiliated Individuals

If any member of a Distributor's immediate household engages in any activity which, if performed by the Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Distributor and Stemtech may take disciplinary action. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Stemtech may take disciplinary action against the entity, as described in Sections 9 and/or 10, herein.

2.13 - Corporations, Partnerships, Trusts and Other Business Entities

A corporation, partnership, or trust (collectively referred to as a "Business Entity") may apply to be a Stemtech Distributor. Stemtech reserves the right to review the Business Entity's Certificate of Incorporation, Partnership Agreement or trust documents (these documents are collectively referred to as the "Entity Documents) upon request. An Application must be completed with the name of the Business Entity as the Primary Distributor and signed by an authorized party of the Business Entity as the Secondary Distributor. A Business Entity ID Form must also be completed and submitted with the Application. Individuals of the Business Entity are jointly and severally liable for any indebtedness to Stemtech and to comply with the terms and conditions of the Governing Documents. Immediate family members of the officers, directors, shareholders, and/or trustees of the Business Entity are not permitted to enroll individually as Stemtech Independent Distributors.

2.14 - Business Entity Reporting Requirements

Stemtech requires notice of any sale or issuance of stock, partnership interest, or trust interest. In addition, any new officers, directors, shareholders, partners, members, or trustees must complete an individual Application as a Secondary Distributor. Stemtech reserves the right to take disciplinary action including, but not limited to terminating any Stemtech Distributorship Entity if it sells or issues any shares of its stock, partnership interest, trust interest, or any other interest to anyone who does not complete the Application process described here.

2.15 - Converting to or From a Business Entity Status

A Stemtech Distributorship may change its status, under the same Sponsor, to or from a partnership, corporation, or trust or from one type of Business Entity to another by submitting a new Application. When submitting the revised Application, please insert the words "RECORD CHANGE" in the section designated for the Sponsor's signature, as Sponsor's signature is not needed for a record change. Checks will be issued in the name of the Business Entity

2.16 - Assumed/Fictitious Business Names

Individuals may apply to become a Stemtech Independent Distributor under an assumed or fictitious business name, provided that the Application includes the legally registered name of the individual or the Business Entity. By way of example only: John Smith / d.b.a. "Smith Enterprise - Smith Enterprises will appear as the Primary Distributor and John Smith the Secondary Distributor. No Stemtech Distributorship is permitted to file any type of applications or documents with any governmental agencies using the name of Stemtech HealthSciences, Inc., and/or any other name associated with Stemtech and/or its products and services.

2.17 - Annual Renewal of Distributorship Agreement

The term of the Distributorship Agreement is one (1) year from the date of its acceptance by Stemtech ("Anniversary Date"). Either Stemtech or the Distributor may elect not to renew the Distributorship Agreement. Stemtech and the Distributor waive claims against one another or refusal to renew. If a Distributor elects to renew the Distributorship Agreement he/she must renew each year by paying an annual renewal fee on the first day of the month following the Anniversary Date in order to avoid late fees and penalties. By way of example only: If the Application was accepted by Stemtech on April 17th, your Required Renewal Date is May 1st and the renewal payment must be received by Stemtech no later than May 1st each year that the Distributor chooses to renew the Agreement. If the renewal fee is not paid within thirty (30) days after the expiration of the current term of the Distributorship Agreement, the Distributorship Agreement will be terminated. It is the sole responsibility of the Distributor to renew annually his/her Distributorship Agreement, whether or not Stemtech chooses to send a reminder notice. To avoid the problems associated with inadvertent failure to renew a Distributorship, Stemtech encourages Distributors to take advantage of the automatic renewal option on the Distributor Application and Agreement. If a Distributor elects to automatically renew his business on an annual basis, the renewal fees will be automatically charged to his or her credit or debit card, and there will be no loss due to inadvertent failure to renew.

2.18 - Renewal Fees

Renewal fees may be paid by:

- (a) Calling Distributor Services and charging the renewal fee to a credit card or ACH; or
- (b) Completing the renewal form located on the back of the Company newsletter (each month) and faxing it to Distributor Services (this method may only be used when paying the renewal fee with a credit card or ACH); or
- (f) Completing the renewal form located on the back of the Company newsletter (each month), and mailing it to the Distributor Services Department along with payment of the renewal fee; or
- (g) Notifying Distributor Services, in writing, to automatically deduct the renewal fee from the Distributor's commission check;
- (h) Electing to participate in the automatic renewal option.

No renewal will be accepted by Stemtech without proper payment of the renewal fees. Upon payment of renewal fees, the Primary and Secondary Distributors agree to continue to abide by the Governing Documents of Stemtech. If using the renewal form, BOTH Primary and all Secondary Distributors must sign the renewal form. If a Distributor has completed a Distributorship Agreement in more than one country, the Distributor may renew the Distributorship Agreement for each country at the same time, by contacting the Distributor Services Department.

2.19 - Independent Contractor Status

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Every Stemtech Independent Distributor is an independent contractor operating and responsible for his/her Distributorship. No Distributor is an employee, franchisee, joint venture, partner of Stemtech. Distributors are strictly prohibited from stating or implying, either orally or in writing that he/she is an employee, owner, franchisee joint venture, partner, or agent of Stemtech or anything else but an Independent Distributor. No Stemtech Distributor has the right to (a) bind Stemtech to any obligation, (b) enter into any agreement on behalf of Stemtech, and/or (c) represent themselves as an employee of Stemtech to any third party.

No Stemtech Distributor has the right to make any misleading claims which could be damaging to the Company or misrepresent their Independent Contractor Status; or, they will be subject to disciplinary sanctions.

Independent Contractor Status allows for the Distributor to access the company customer service department for assistance as needed. The Distributor must maintain professionalism while communicating with the Company customer service department. No use of profanity or rudeness will be acceptable behavior while communicating with the Company customer service department.

2.20 - Indemnity Agreement

A Distributor is fully responsible for all of his/her verbal and written statements regarding Stemtech products, services, and the Stemtech Opportunity, which are not expressly contained in official Stemtech materials. Distributors agree to indemnify Stemtech and Stemtech's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Stemtech as a result of the Distributor's unauthorized representations or actions. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THE AGREEMENT.

2.21 - Income Tax Reporting

AS AN INDEPENDENT CONTRACTOR, DISTRIBUTORS WILL NOT BE TREATED AS EMPLOYEES OF Stemtech FOR FEDERAL, PROVINCIAL OR STATE TAX PURPOSES, OR FOR ANY OTHER REASON. Distributors are responsible for and agree to comply with the applicable requirements of the Internal Revenue Code, Canada Revenue Agency, Social Security Act, Federal Unemployment Act, State Employment Security Laws and Unemployment Laws, and all Federal, Provincial, State, or Local laws, statutes, ordinances, rules, or regulations that govern the activities of Stemtech Independent Distributors. At the end of each calendar year, Stemtech will issue to the Primary Distributor (only) an appropriate IRS 1099 or other applicable tax reporting from, as required by U.S. or Canadian law.

2.22 - Legal Compliance

Each Distributor shall comply with all Federal, State, Municipal and Local laws including, but not limited to constitutions, statutes, ordinances, codes and regulations concerning the operation of his/her Distributorship. Distributors are responsible for their own managerial decisions and expenditures, including all estimated income and self-employment taxes. Each Distributorship is free to establish their own selling practices and business hours, within the guidelines contained in the Governing Documents and/or in any other official Stemtech publications.

2.23 - No Exclusive Territories

No Stemtech Independent Distributor is to imply or state that he/she has an exclusive territory for recruiting and/or selling Stemtech products. There are no geographical limitations for marketing, selling, or recruiting purposes within the United States and its Territories (Guam, Puerto Rico, U.S. Virgin Islands, American Samoa, and Saipan) or Canada.

2.24 - Non-Solicitation

Stemtech Distributors are free to participate in other direct sales, multilevel or network marketing business ventures or marketing opportunities (collectively "Direct Sales"). However, during the term of the Distributorship Agreement, Stemtech Distributors are prohibited from recruiting, promoting, and/or selling the marketing opportunities and/or products of other Direct Sales companies to any other Stemtech Distributors or Retail Customers.

Following termination of the Distributorship Agreement, and for a period of twelve (12) months thereafter, a former Distributor may not utilize Stemtech's trade secret information to recruit, promote and/or sell the marketing opportunities and products of another Direct Sales company to any Stemtech Distributor or Retail Customer. There shall be a presumption that Stemtech's Trade Secret information was used if the former Stemtech Distributor recruits a Stemtech Distributor: (1) Distributor who was in the former Distributor's Downline Organization or (2) if the former Distributor met, developed a relationship with, or gained knowledge of the Distributor or Retail Customer by virtue of their mutual participation in Stemtech.

During the term of the Distributorship Agreement, any actual or attempted recruitment or enrollment of Stemtech Distributors or Retail Customers for other Direct Sales business ventures, either directly, indirectly, or through a third party, is strictly prohibited. This includes, but is not limited to, presenting or assisting in the presentation of other Direct Sales business ventures to any Stemtech Distributor or Retail Customer, or implicitly or explicitly encouraging any Stemtech Distributor or Retail Customer to join another Direct Selling business venture. Because there is an extreme likelihood that conflicts will arise if a Distributor operates more than one Direct Sales program, it is the Distributor's responsibility to first determine whether a prospect is a Stemtech Distributor or Retail Customer before recruiting or enrolling the prospect for another network marketing business venture.

The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, any Stemtech Distributor or Retail Customer to enroll or participate in another Direct Selling business opportunity. Distributors must not sell, or attempt to sell, any competing non-Stemtech products or services to Stemtech Retail Customers or Distributors. Any product or services in the same generic category as a Stemtech product or service is deemed to be competing; e.g.; Any dietary supplement is in the same generic category as Stemtech's product line, and is therefore a competing product, regardless of differences in cost, quality, ingredients, or nutrient content.

Distributors must not sell, or attempt to sell to any other Distributor, any products, services, publications, internet tools, or items that may be represented as tools to assist in making the Distributor more successful at their Stemtech business. ONLY Stemtech produced sales tools may be shared with other Stemtech Distributors.

Distributors may not display Stemtech products with any non-Stemtech products or services in a fashion that might in any way confuse or mislead a prospective customer or Distributor into believing there is a relationship between Stemtech and the non-Stemtech products or services. Distributors may not offer the Stemtech Opportunity or products to prospective or existing Retail Customers or Distributors in conjunction with any non-Stemtech program, opportunity, product, or service. Distributors may not offer any non-Stemtech-Opportunity, products, or services during or following any Stemtech-related marketing, seminar, or conference (including events sponsored by Stemtech Independent Distributors). Notwithstanding the foregoing, nothing in this provision shall limit professional healthcare practitioners from offering Stemtech products in conjunction with their professional services.

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2.25 - Changes to Distributorship Agreement

Distributors must notify Stemtech, in writing of all changes to the information contained on his or her Distributorship Agreement. Distributors may modify their existing Distributorship Agreement (i.e., change Social Security Number/Social Insurance Number, Federal I.D./Business Number) by submitting to the Distributor Service Department of the Primary Distributor's resident's country a completed Application, containing the changed information with the words "RECORD CHANGE" inserted in the space provided for the Sponsor, as the Sponsor's signature is not needed for a record change. Both the Primary and all Secondary Distributors must sign the Application. The effective date of the Application will remain the date of the original Application on file with Stemtech. Stemtech will not change any information on the Application by phone.

2.26 - Changes of Addresses or Telephone

To ensure timely delivery of products, support materials, and compensation checks, it is critically important that the Stemtech's files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. Distributors planning to move or change their address and/or telephone number are to submit to the Distributor Services Department, a completed Application containing the changed information with the words "RECORD CHANGE" inserted in the space provided for the Sponsor as the Sponsor's signature is not needed for a record change. Both the Primary and all Secondary Distributors must sign the Application. To guarantee proper delivery, two (2) weeks advance notice must be provided to Stemtech on all changes. Please allow thirty (30) days after the receipt of the notice by Stemtech for processing. The effective date of the Application will remain the date of the original Application on file with Stemtech. Stemtech will not change any information on the Application by phone.

2.27 - Adding Secondary Distributors

When adding a co-applicant (either an individual or a business entity) to an existing Stemtech Distributorship, the Company requires both a written request signed by the Primary Distributor, as well as a properly completed Application containing the Secondary Distributor's personal identification number, signature, and the words "RECORD CHANGE" in that portion of the Application for Sponsor signature. Stemtech will only provide the Primary Distributor with an annual 1099 income tax statement. To prevent the circumvention of Section 3.8, the Primary Distributor must remain as a party to the original Application. If the Primary Distributor wants to terminate his or her relationship with the Company, he or she must sell, transfer, or assign his or her Distributorship in accordance with Section 3.8. If this process is not followed, the Distributorship shall be terminated upon the withdrawal of the Primary Distributor. All compensation checks will be sent to the address of record for the Primary Distributor. Please note that the modifications permitted within the scope of this paragraph do not include a change of Sponsorship. Changes of Sponsorship are addressed in Section 3.5 and 3.7. Stemtech may, at its discretion, require notarized documents before implementing any changes to a Stemtech Distributorship. Please allow thirty (30) days after the receipt of the request by Stemtech for processing.

2.28 – Inactive Status

Any Independent Distributor who does not place a product order or have a retail direct customer place an order for a six (6) consecutive month period will be cancelled for inactivity. This will disable Back Office access, deactivate any personal website and result in the permanent loss of any downline. It is the responsibility of the Independent Distributor to monitor his/her activity to remain active. If an Inactive Distributor wishes to become Active again, he or she must contact Distributor Services, pay any applicable renewal fee, and place a product order either him/herself or through a retail customer. Once a Distributor is cancelled for inactivity, he or she must wait six (6) calendar months before re-enrolling.

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Section 3 - Sponsorship and Training

3.1 - Sponsoring

All Distributors ("Sponsors") in good standing have the right to Sponsor and enroll others into Stemtech. Each prospective Applicant has the ultimate right to choose his/her own Sponsor. Stemtech Distributors are compensated only for the generation of bonus volume, not for Sponsoring new Distributors into Stemtech. Distributors are strictly prohibited from enrolling sham Distributors and causing sales volume to be generated by or under such Distributorship for the purpose of meeting qualifications and/or earning additional commissions. Prior to signing the Distributorship Agreement, Sponsors are responsible for reviewing with the applicant the terms and conditions of the Governing Documents. Every Sponsor is expected to exercise the utmost diligence to avoid the appearance that he/she is acting as an employee or agent of Stemtech. The independent contractor status of the Sponsor shall be maintained and clearly represented at all times.

A Sponsor may place a new enrollee under another Distributor in his or her Downline (the "Placement Sponsor"). If a Sponsor wishes to assign the new Distributor to a Placement Sponsor, the placement must be completed in the "Waiting Room," (located in the "My Organization" section of your Back Office) within the first calendar month of the new enrollee's application submission.

3.2 - On Going Training

All Distributors should perform a bona fide assistance and training function to ensure that his/her Downline is properly operating his/her Stemtech Distributorship. Sponsors should have ongoing contact and communication with the Distributors in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voicemail, electronic mail, and the accompaniment of Downline Distributors to Stemtech meetings, training sessions, and other functions. Sponsors are also responsible to motivate and train new Distributors in Stemtech product knowledge, effective sales techniques (including how to complete a sale and the preparation of order forms and receipts), the Stemtech Opportunity, and compliance with Company's P&Ps and Governing Documents. Communication with and the training of Downline Distributors must not, however, violate Section 4.

3.3 - Ongoing Communication with Downline Organization

Sponsors should monitor the Distributors in their Downline organizations to ensure that Downline Distributors do not make improper product or business claims, or engage in any illegal or inappropriate conduct.

3.4 - Ongoing Sales

Responsibilities: Regardless of their level of achievement, Distributors have an ongoing obligation to continue to personally service and promote sales through the generation of new and existing Retail Customers and his/her Downline Distributors.

3.5 - Enroller or Placement Sponsor Transfer

To protect the integrity of the Stemtech Opportunity and all Downline Organizations and to safeguard the hard work of all Distributors, Stemtech strongly discourages changes in Sponsorship. Maintaining the integrity of Sponsorship lines is critical for the success of every Distributor and Downline Organization. Accordingly, the transfer of a Stemtech Distributorship from one Sponsor to another is rarely permitted.

Aside from placement of Distributors from the online "waiting room" within the calendar month after initial enrollment, Distributors requesting a change of Sponsor must submit a fully completed Sponsorship Transfer Form to the Distributor Services Department along with a \$200 fee will apply and must be paid in full prior to any transfer approval. The Sponsorship Transfer Form must be signed by the immediate seven (7) Distributors in the upline of the Distributor requesting the transfer. A Distributor may only request a Sponsor transfer one (1) time.

Except in appropriate cases involving fraudulent Sponsoring DOWNLINE DISTRIBUTORS WILL NOT BE MOVED WITH THE TRANSFERRING DISTRIBUTORSHIP. All requests for transfer alleging fraudulent enrollment practices must be submitted to the Distributor Services Department within thirty (30) days of the date the Application was accepted by Stemtech and shall be evaluated on a case by case basis. It shall be within Stemtech's sole discretion whether the Downline of the transferring Distributor will be moved along with him or her.

3.6 - Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual who or entity that already has a current Customer or Distributor Agreement on file with Stemtech, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, or any other artifice to circumvent this policy is prohibited. This policy shall not prohibit the transfer of a Stemtech business in accordance with Section 3.5, 3.7, or 3.8.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. Stemtech may take disciplinary action against the Distributor that changed organizations and/or those Distributors who encouraged or participated in the Cross Sponsoring. Stemtech may also move all or part of the offending Distributor's Downline to his or her original Downline organization if the Company deems it equitable and feasible to do so. However, Stemtech is under no obligation to move the Cross Sponsored Distributor's Downline organization, and the ultimate disposition of the organization remains within the sole discretion of Stemtech. Each situation will be reviewed on a case-by-case basis. Distributors waive all claims and causes of action against Stemtech arising from or relating to the disposition of the Cross Sponsored Distributor's Downline organization.

3.7 - Voluntary Termination and Re-application

A Distributor may legitimately change organizations by voluntarily terminating his/her Distributorship Agreement and remaining inactive (i.e., no purchases of Stemtech products for resale, no sales of Stemtech products, no Sponsoring, no attendance at any Stemtech functions or participation in any other form of Distributor activity, or operation of any other Stemtech Distributorship) for six (6) full calendar months. Following the six (6) calendar month period of inactivity, the former Distributor may reapply under a new Sponsor. Stemtech reserves the right to waive the six (6) calendar month requirement on a case-by-case basis.

3.8 - Sale, Transfer or Assignment of a Stemtech Distributorship

Although Distributors have an interest in and are authorized to operate a Stemtech Distributorship, the sale, transfer or assignment of a Stemtech Distributorship is subject to certain limitations. Stemtech Distributorships may only be acquired by or sold, transferred or assigned to Stemtech, the Primary Distributor's active upline Sponsors, or a non-Stemtech Independent Distributor upon payment of a fee of \$200 for administration and data processing costs, which must be paid prior to the sale, transfer, or assignment. Stemtech reserves the right to waive or adjust such fees on a case-by-case basis. A Stemtech Distributorship may not be acquired by or sold, transferred or assigned to any inactive Sponsors or existing Downline or crossline Distributors. All Distributorship sales, transfers, or assignments shall be subject to the approval of Stemtech, which shall not be unreasonably withheld. Stemtech may not approve the sale, transfer, or assignment of any Distributorship that has been in violation of the Agreement within the proceeding twelve (12) months of the request. If a Distributor is considering or desires to sell, transfer, or assign his/her Distributorship, he/she must first notify the Distributor Services Department before any sale documents are discussed or entered into. Distributors, who complete a sale, transfer, or assignment without the authorization of Stemtech, will be denied and the Distributorship automatically terminated by Stemtech. To effect a sale, transfer or assignment a Stemtech Distributorship, the following appropriate legal documentation must be provided to Stemtech:

- 1) Signed agreement of sale, transfer or assignment;
- 2) \$200 transfer fee;
- 3) A completed Distributor Agreement, including the current Distributor ID Number, with the words "Sale/Transfer/Assignment" (whichever applies) written across it.

3.9 - Transfer Upon Death of a Distributor

Upon the death of a Distributor, his/her Distributorship may be passed to his/her successors in interest according to a deceased Distributor's will or other testamentary instrument, so long as the provision of this policy are adhered to. Appropriate legal documentation must be submitted to Stemtech to ensure the transfer is proper. Accordingly, a Distributor should consult an attorney to assist him/her in the preparation of a will or other testamentary instrument, which should include instruction for handling his/her Stemtech Distributorship. To effect a testamentary transfer of a Stemtech Distributorship, the successor must provide the following appropriate legal documentation to Stemtech to ensure the transfer is proper:

- 1) An original death certificate;
- 2) Distributor Letters testamentary or a court order appointing an administrator or executor of the estate, and written instructions from the administrator or executor explaining how the business is to be distributed;
- 3) A completed Distributor Agreement with the words "RECORD CHANGE" in the section designated for a Sponsor's signature as the Sponsor's signature is not needed.

The successor must:

- 1) Comply with terms and provision of the Agreement; and
- 2) Meet all of the qualifications for the deceased Distributor's status; and
- 3) The compensation of a Stemtech Distributorship transferred pursuant to this section will be paid in a single check jointly to the devisee(s) or to a single Business Entity formed by the devisee(s).
- 4) If the beneficiary is a minor, the Distributorship must be held in trust until such time as the beneficiary attains the age of majority. The trustee must provide Stemtech with a valid Federal Tax/Business Identification Number for the trust.

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An exception to the Multiple Distributorship's Per Household policy (Policy 2.11) will be taken into consideration in cases of a Distributor or Distributors receiving an interest in another Distributorship through inheritance. Requests for exceptions to policy 2.11 must be submitted in writing to the Stemtech Distributor Services Department within thirty (30) days of a Distributor's receiving an interest in a second business through inheritance.

3.10 - Transfer Upon Incapacitation of a Distributor

To affect a transfer of a Stemtech Distributorship because of incapacity, the successor must provide the following to Stemtech: (a) a notarized copy of an appointment as trustee; (b) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Stemtech Distributorship; and (c) a completed Distributorship Agreement executed by the trustee.

3.11 - Agreements Between Stemtech Distributors

Stemtech will not recognize any agreements between Stemtech Independent Distributors relating to distribution of commissions, bonuses, generation overrides, or Sponsorship.

3.12 - Confidentiality and Genealogy Reports

All Genealogy and Downline activity reports, as well as the information contained therein, and all information relating to the identities, organizations, sales volumes, and contact information of Distributors contained in any Distributor Back Office, are confidential and constitute proprietary information and business trade secrets belonging to Stemtech. Genealogy and Downline activity reports, and Distributor Back Offices are provided in strictest confidence and are made available to

Stemtech Distributors for the sole purpose of assisting them in working with their respective Downline Organizations in the development of their Stemtech Distributorships, and may only be used for such purpose. All Distributors and Stemtech agree that, but for this Agreement of confidentiality and nondisclosure, Stemtech would not provide Genealogy and Downline activity reports or Distributor Back Office to any Distributor. Stemtech will provide Distributors with Genealogy and Downline activity reports, at a nominal cost. THIS SECTION 3.12 SHALL SURVIVE TERMINATION OF THE AGREEMENT. Stemtech Distributors shall not, on his/her own behalf, or on behalf of any other person or Business Entity:

- (a) Directly or indirectly disclose any information contained in any Genealogy and/or Downline activity report or Distributor Back Office to any third party;
- (b) Use any proprietary or trade secret information for any purpose other than promoting his/her Stemtech Distributorship and generating sales of Stemtech products and services;
- (d) Recruit or solicit any Distributor or Retail Customer listed on any report or in any Back Office; or
- (e) In any manner attempt to influence or induce anyone to alter their business relationship with Stemtech.

Upon demand by the Company, any current or former Distributor will return the original and all copies of Genealogy and/or Downline activity reports, and any hard copies or downloads of any Back Office information, to the Company.

3.13 - Loyalty to the Company

Stemtech wants to provide its Distributors with the best products, Opportunity, and service in the industry. Accordingly, Stemtech values Distributors constructive criticisms and comments. All such comments should be submitted in writing to the Distributor Service Department. Remember - to best serve our Distributors, Stemtech must hear from them. While the Company welcomes constructive input, negative comments and remarks made in the field by Distributors about the Company, its products, or Opportunity serve no purpose other than to sour the enthusiasm of other Stemtech Distributors. Accordingly, Distributors must not make negative, derogatory, or defamatory comments about Stemtech, its products, programs, management, or employees to any third party, including, but not limited to, other Stemtech Distributors.

3.14 - Dissolving a Stemtech Distributorship, Including Divorce

A Stemtech Distributorship may be dissolved in such cases as divorce and Business Entity dissolution. During the course of a divorce or Business Entity dissolution the affected parties are expected by Stemtech to conduct themselves in a manner so as not to engage or involve other Stemtech Independent Distributors or any Stemtech officers, directors, shareholders, employees, agents, etc. in any controversy or dispute. Further, the affected parties are expected to conduct themselves in accordance with the Agreement and in such a manner that will not adversely affect any Stemtech officers, directors, shareholders, employees, agents, etc., or the businesses or income of other Stemtech Independent Distributors.

During a pending divorce, or dissolution of a Business Entity, neither party may apply for a separate Stemtech Distributorship. Upon notification to the Distributor Services Department that a divorce or dissolution is pending, no activity will be permitted on the Distributorship unless all parties sign the request (e.g. change of address, name, and payee on compensation checks, etc.).

In the event of a divorce or dissolution of a Business Entity, the final Decree or Judgment or dissolution documentation must identify the individual(s) who will operate the Stemtech Distributorship. A Stemtech Distributorship may not be divided in any manner, nor will Stemtech be responsible for

making compensation payments in the form of more than one check. The existing lines of Sponsorship beneath the affected Stemtech Distributorship must remain intact. A former spouse or officer(s), director(s), shareholder(s) who have completely relinquished all rights in the Stemtech Distributorship to the other affected party(ies) is free to (a) apply as a new Stemtech Distributor under the original Sponsor or (b) apply as a new Distributor in a completely different line of Sponsorship of the new Distributor's choice. The six (6) calendar month waiting period set forth in Sections 3.7 and 9.2, regarding voluntary termination will not apply in divorce situations, but shall apply in cases involving the dissolution of a business entity.

Section 4 - Trademarks, Literature and Advertising

4.1 - General

All Distributors shall safeguard and promote the good reputation of Stemtech and its products. The marketing and promotion of Stemtech, the Stemtech Opportunity, and Stemtech products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices.

To promote both the products and the tremendous opportunity Stemtech offers, Distributors must use the Marketing Materials and support materials produced by Stemtech. The rationale behind this requirement is simple. Stemtech has carefully designed its products, product labels, Opportunity, and promotional materials to ensure that each aspect of Stemtech is fair, truthful, substantiated, and complies with the vast and complex legal requirements of Federal, Provincial and State laws. If Stemtech Distributors were allowed to develop their own Marketing Materials and promotional materials (which includes Internet advertising), notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting a Stemtech Distributorship is almost certain. These violations would jeopardize the Stemtech Opportunity for all Distributors. Accordingly, Distributors must not produce their own literature, advertisements, Marketing Materials, audios, videos, and promotional materials, or internet web pages without the written consent of Stemtech.

Stemtech does not permit Distributors to create side-businesses selling sales aids (which includes but is not limited to websites and/or "business systems") to any other Stemtech Distributors. Therefore, Distributors must not sell or attempt to sell sales aids to any other Stemtech Distributors, including without limitation any products, services or items that may be represented as tools to assist in making a Distributor more successful at his or her Stemtech business.

Distributors may not re-produce Stemtech-produced sales aids either electronically or in print unless the information is taken from the Stemtech Document Library and printed exactly as posted in the Document Library and within the prescribed standards of Stemtech.

4.2 - Trademarks and Copyrights

Stemtech will not allow the use of its trade names, trademarks, product names, designs, or symbols, or any derivatives thereof (collectively the "Marks"), including but not limited to Stemtech HealthSciences, Inc., SE2™, StemFlo etc., by any individual or entity, Distributor without its prior written permission. Notwithstanding the foregoing, Distributors may use the Marks provided in the Stemtech Document Library so long as the Distributor identifies himself/herself as a Stemtech Independent Distributor.

Distributors may use the Stemtech Independent Distributor logo that is posted in the Document Library on their websites or web pages.

Stemtech will not allow the use of the Marks, or any derivatives thereof, including but not limited to Stemtech HealthSciences, Inc., SE2™, StemFlo etc., by any entity or individual(s) in any domain name or URL, email address, social media handle, or username.

Distributors may not use the Stemtech name or product names as a username in any self created email or Stemtech Back Office available email address, example: Stemtech@Stemtechbiz.com.

Distributors shall not reproduce for personal use, sale or distribution any recorded events that are either Sponsored by Stemtech or where a Stemtech Corporate employee is speaking including, but not limited to, telephone calls, voicemail messages and speeches without written permission from Stemtech. Nor may Distributors reproduce for sale or for personal use any recording of company-produced audio or videotape presentations.

4.3 - Literature

Only official Stemtech literature may be used in representing Stemtech Products, the Stemtech Opportunity, and/or the Stemtech Compensation Plan. Stemtech brochures, inserts, and other sales aid items available from Stemtech are copyrighted and may not be reproduced, duplicated or reprinted without express written permission from Stemtech.

4.4 - Mass Recruitment, Sales Techniques and Internet Web Site Use

Except as provided in this Section, Distributors may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited e-mail, or “spamming” relative to the operation of their Stemtech Distributorship. The terms “unsolicited faxes” and “unsolicited e-mail” mean the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting Stemtech, its products, its Opportunity, or any other aspect of Stemtech which is transmitted to any person. Exception: these terms do not include a fax or e-mail sent: (a) to any person with that person’s prior express invitation or permission or (b) to any person with whom the Distributor has an established business or personal relationship. The term “established business or personal relationship” means a prior or existing relationship formed by a voluntary two-way communication between a Distributor and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding Stemtech products offered by such Distributor; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

Because the Internet recognizes no geographical borders (Domestic or Foreign), information on the Internet may be legal in one State or Country and illegal another. Therefore, Distributors desiring to utilize an Internet web page to promote his/her Distributorship must do so through the Company’s official web site, using official Stemtech replicated templates and the Stemtech shopping cart. No use of self created websites will be allowed utilizing a third party shopping cart. All online sales must use the official Distributor replicated Stemtech shopping cart.

Distributors may create websites or web pages, but may only use authorized content that is obtained directly from the Stemtech Document Library.

Distributors may use banners as provided by Stemtech directing to their own replicated Stemtech Shopping Cart.

4.5 - Catalog and Magazine Advertising and Promotions

Stemtech Products, Opportunity and services shall not be promoted by means of using a catalog of any kind including, but not limited to a mail order catalog and/or magazine, other than a catalog or magazine that may be produced by Stemtech. Stemtech Products may only be promoted and advertised using Stemtech provided materials or materials that have been approved in writing by Stemtech.

4.6 - Print Advertising

Only Stemtech approved materials may be used in the placement of any advertising in any print media including, but not limited to flyers, brochures, display ads, signs, car windows, etc. in which the Independent Distributor shall use Stemtech trademarks or copyrighted material in any advertising not produced by Stemtech. Approved materials may be found in the www.Stemtechbiz.com Back Office. Distributors are STRICTLY prohibited from using third party publications to market Stemtech products, nor may any Stemtech Distributor sell or attempt to sell any third-party sales materials, to any other Stemtech Distributor.

4.7 - Telephone Listing and Display Ads

A Stemtech Independent Distributor who has achieved the Distributor status of Executive Director and who has actively participated in building his/her Stemtech Distributorship for a minimum of six (6) months may list in the white pages of the telephone directory under the Distributor's name, with the words "INDEPENDENT DISTRIBUTOR FOR Stemtech HEALTHSCIENCES, INC." or "INDEPENDENT DISTRIBUTOR FOR Stemtech HEALTHSCIENCES, INC. PRODUCTS." No other elaboration is permitted.

4.8 - Electronic Media

Stemtech Independent Distributors must obtain permission from their Stemtech Regional Vice President before using radio, television, or cable television advertising to publicize Stemtech, its Opportunity, or its products. Only official Stemtech literature and the self replicated Stemtech system website may be used in representing Stemtech Products, and the Stemtech Opportunity. Stemtech brochures, inserts, and other sales aid materials available from Stemtech may NOT be electronically reproduced, duplicated, or reprinted without the express written consent of Stemtech with the exception of the Distributors using the pre-approved information provided in the Stemtech Document Library.

Use of third party E-books is strictly prohibited.

4.9 - Endorsements

The names of Stemtech officers, directors, shareholders, employees, and/or spokespersons or any anecdote relating to Stemtech officers, directors, shareholders, employees, or spokespersons may not be used in any form of advertisement without the prior express written consent of Stemtech.

4.10 - Media and Media Inquiries

NO Stemtech DISTRIBUTOR IS AUTHORIZED TO BE A SPOKESPERSON TO THE MEDIA ON BEHALF OF Stemtech. Distributors must not attempt to contact the media or respond to media inquiries regarding Stemtech, its opportunity, and/or products and services, or their independent Stemtech Distributorship. All inquiries by any type of media must be immediately referred to Stemtech's Marketing Department. This policy is designed to assure a proper public image and that accurate and consistent information is provided to the public.

4.11 - Representations as a Stemtech Employee

Distributors shall not hold themselves out as employees of Stemtech. A Distributor may not answer his/her telephone by saying "Stemtech", "Stemtech HealthSciences, Inc." or in any other manner that would lead the caller to believe that he/she has reached an official Stemtech office or that they are speaking with a Company officer, director, and/or employee. Stemtech Distributors may not record a greeting message for telephones and voicemail services that expressly or implicitly implies the recipient is contacting an official office of Stemtech or that they will be speaking to a Company officer, director, and/or employee.

4.12 - Telemarketing

Stemtech Independent Distributors are strictly prohibited from using telemarketing tactics of any kind to promote Stemtech its Opportunity, products, and services. This includes the use of automatic dialing machines, telemarketing boiler rooms, or an organized telecommunication campaign of any nature.

4.13 – Online Conduct

Distributor Websites

If a Distributor desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company provided Replicated Website. Distributors may also develop their own Independent Websites. However, any Distributor who wishes to develop their own Independent Website must ensure that their Website adheres to all of the Company's policies, including but not limited to those policies that are specific to Independent Website requirements contained in this Section.

Independent Website Content

Distributors are solely responsible and liable for their own Independent Website content, messaging, claims, and information, and must ensure that it appropriately represents and enhances the Stemtech brand and adheres to Stemtech's Policies and Procedures. Additionally, Independent Websites must not contain disingenuous popup ads or promotions or malicious code. Decisions and corrective actions in this area are at Stemtech's sole discretion.

It is the Distributor's obligation to ensure their marketing activities, including but not limited to online marketing activities, are truthful, accurate, are not deceptive, and do not mislead customers or potential Distributors in any way. Websites and web promotion activities and tactics that mislead or are deceptive, regardless of intent, are prohibited. Misleading tactics include, but are not limited to, spam linking (or blog spam), unethical search engine optimization ("SEO") tactics, misleading click-through ads (i.e. having the display URL of a Pay-Per-Click ("PPC") campaign appear to be directed to an official Stemtech Corporate Site when it in fact goes elsewhere), unapproved banner ads, deceptive or false claims or representations, and unauthorized press releases. Stemtech will be the sole determinant of truthfulness and whether specific activities are misleading or deceptive.

All images on a Distributor's Independent Website that depict Stemtech's products, income opportunity, logos, or images of any other nature must be Company-approved images. Company-approved images are available only through the Document Library in Distributor's Stemtech Back Office.

Third Party Intellectual Property

It is the sole responsibility of the Distributor that owns, operates, or controls an Independent Website to ensure that if any third party content appears on the Independent Website, that he/she has the appropriate license to reproduce the third party content. Should a third party assert any claim against Stemtech for infringement or misappropriation of its intellectual property by virtue of content appearing on a Distributor's Independent Website, the Distributor agrees to indemnify Stemtech for all legal costs, attorney's fees, litigation expenses, damages, settlements, judgments, or financial expense or cost of any other nature related to responding to such claim or defending against any action that may be filed. The Distributor agrees that Stemtech shall be entitled to recover all such items regardless whether a formal lawsuit or arbitration is filed.

Stemtech Independent Distributor Disclosure

The following element must be prominently displayed at the top of every page of your Independent Website :

The Stemtech Independent Distributor Logo.

The following element must be prominently displayed on the home and contact page of your Independent Website:

The statement “This is the website of [Your Name], Independent Distributor for Stemtech® HealthSciences, Inc. This is not the official website of Stemtech HealthSciences, and is not approved or endorsed by Stemtech.”

No eCommerce Retailing

A Distributor’s Independent Website must only facilitate the entry into his/her Stemtech Replicated Website and/or Stemtech’s official corporate site. Distributors may not facilitate an eCommerce environment that would facilitate this model, from an Independent Website. All orders must be placed through your official Replicated Website.

Distributors may not list or sell Stemtech products on any online retail store or ecommerce site, nor may you enlist or knowingly allow a third party to sell Stemtech products on any online retail store or ecommerce site.

Online Sponsoring Activities

Distributors operating an Independent Website may not enroll new Distributors from their Independent Website. All enrollments must be conducted on the Distributor’s Stemtech replicated website. To facilitate enrollments, a Distributor may place a link from his or her Independent Website to the new Distributor enrollment section of his or her replicated website.

Domain Names, email Addresses and Online Aliases

Distributors may not use or register Stemtech or any of Stemtech’s trademarks, trade names, product names, slogans, or any derivatives of the foregoing, for any Internet domain name, email address online alias or social media name or address. Additionally, Distributors may not use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of, Stemtech.

Stemtech Hotlinks

When directing readers to your Independent Website or replicated site it must be evident from a combination of the link, and the surrounding context, to a reasonable reader, that the link will be resolving to the site of an independent Stemtech Distributor. Attempts to mislead web traffic into believing they are going to a Stemtech corporate site, when in fact they land at a Distributor site (replicated or independent) are prohibited. The determination as to what is misleading or what constitutes a reasonable reader will be at Stemtech’s sole discretion.

Monetizing Independent Websites

Distributors may not monetize their Independent Website through affiliate programs, adSense or similar programs. Distributors may place Stemtech approved banner ads on their Independent Websites that link to their Stemtech replicated website.

Under no circumstances may a Distributor charge other Distributors a fee to access their Independent Website or any section or page of their Independent Website. Independent Distributors must not sell, or attempt to sell, any training or marketing “system” from their Independent Website.

Online Classifieds

You may not use online classifieds (including but not limited to Craigslist) to list, sell or retail Stemtech products, any sales traffic must be driven to the Stemtech replicated website. You may use online classifieds (including Craigslist) for purposes of prospecting the public about the Stemtech business opportunity and Stemtech products. However, you may not explain the Stemtech Compensation Plan on any online classified. Rather, you must place a Stemtech approved banner ad on the site which must link to your Independent Website, your replicated website, or the Stemtech Corporate site. These banners will identify you as a Stemtech Independent Distributor. The banner must link to your Stemtech replicated website or your Independent Website.

eBay / Online Auctions

Stemtech's products and services may not be listed on eBay or other online auctions, nor may Distributors enlist or knowingly allow a third party to sell Stemtech products on eBay or other online auction.

Banner Advertising

You may place Company-approved banner advertisements on third-party website provided you use Stemtech-approved templates and images. All banner advertisements must link to your Stemtech replicated website or your Stemtech Independent Website. Company-approved banner ads are available in the Document Library of your Stemtech Back Office.

Stemtech banner ads may not be placed on any website that could, in Stemtech's sole discretion, damage the Company's reputation and good will. Prohibited websites include, but are not limited to, websites that contain pornography, that incite or promote hatred, violence, discrimination of any nature, intolerance, or which promote or advocate deceptive, illegal, immoral, or unethical conduct.

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 not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Any comments you make on blogs, forums, guest books etc. must be unique, informative and relevant.

Use of Third Party Intellectual Property

If you use the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting, it is your responsibility to ensure that you have received the proper license to use such intellectual property, and paid the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third-party, and you must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

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Sponsored Links / Pay-Per-Click (PPC) Ads

Sponsored links or pay-per-click ads (PPC) for Independent Websites and replicated websites are acceptable. However, no Stemtech trademark, trade name, service mark, slogan or any derivative of the forgoing, may be used in a sponsored link or PPC. The destination URL must be to either the sponsoring Distributor's Replicated Website or to the sponsoring Distributor's Independent Website. The display URL must also be to either the sponsoring Distributor's Replicated Website or to your Independent Website, and must not portray any URL that could lead the user to believe they are being directed to a Stemtech Corporate site, or be inappropriate or misleading in any way.

Data Collects and Privacy

If a Distributor's Independent Website captures or collects any data from visitors to the site, the website must conspicuously post and adhere to its privacy policy. It is the Distributor's sole responsibility to ensure that any website he/she operates or controls complies with all applicable online privacy, security, and data collection laws and regulations.

4.14 – Social Media

Social Media may be used by Distributors. However, Distributors who elect to use Social Media must ensure that their postings comply with all of Stemtech's Policies and Procedures. While this Section contains Policies that are specific to Social Media, and Distributor's Social Media postings must adhere to these Policies, all of the Company's Policies must be adhered to by Distributors in their Social Media postings.

Distributors Are Responsible for Postings

Distributors are personally responsible for their postings and all other online activity that relates to Stemtech. Therefore, even if a Distributor does not own or operate a blog or Social Media site, if a Distributor posts to any such site that relates to Stemtech or which can be traced to Stemtech, the Distributor is responsible for the posting. Distributors are also responsible for postings which occur on any blog or Social Media site that the Distributor owns, operates, or controls.

Identification as an Independent Stemtech Distributor

You must disclose your full name on all Social Media postings, and conspicuously identify yourself as an Independent Distributor for Stemtech. Anonymous postings or use of an alias is prohibited.

Social Media as a Sales and Promotion Forum

Social Media sites are relationship-building sites. While building relationships is an important part of the sales process, Social Media sites may not be used as a direct medium for generating sales or explaining the Stemtech income opportunity. Online sales may only be generated from a Distributor's Stemtech replicated website or from websites authorized by Stemtech pursuant to this Section. Likewise, Distributors shall not use any Social Media site to explain the Stemtech compensation plan.

Deceptive Postings

Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Stemtech income opportunity, Stemtech's products and services, and/or your biographical information and credentials.

Digital Media Submission (YouTube, iTunes, PhotoBucket etc.)

Distributors may upload, submit or publish Stemtech-related video, audio or photo content that they develop and create so long as it aligns with Stemtech values, contributes to the Stemtech community greater good and is in compliance with Stemtech's Policies and Procedures. All submissions must clearly identify you as an Stemtech Independent Distributor in the content itself and in the content description tag, must comply with all trademark, copyright, and legal requirements, and must state that you are solely responsible for this content. Distributors may upload, submit or publish any content (video, audio, presentations or any computer files) received from Stemtech or captured at official Stemtech events or in buildings owned or operated by Stemtech so long as it aligns with Stemtech values, contributes to the Stemtech community greater good and is in compliance with Stemtech's Policies and Procedures..

Use of Third Party Intellectual Property

If you use the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting, it is your responsibility to ensure that you have received the proper license to use such intellectual property, and paid the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third-party, and you must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

Respecting Privacy

Always respect the privacy of others in your postings. Distributors must not engage in gossip or advance rumors about any individual, company, or competitive products or services. Distributors may not list the names of other individuals or entities on their postings unless they have the written permission of the individual or entity that is the subject of their posting.

Professionalism

You must ensure that your postings are truthful and accurate. This requires that you fact-check all material you post online. You should also carefully check your postings for spelling, punctuation, and grammatical errors. Use of offensive language is prohibited.

Prohibited Postings

Distributors may not make any postings, or link to any postings or other material that:

- Is sexually explicit, obscene, or pornographic;
- Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- Is graphically violent, including any violent video game images;
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity;
- Is in violation of any intellectual property rights of the Company or any third party.

Responding to Negative Posts

Do not converse with one who places a negative post against you, other Independent Distributors, or Stemtech. Report negative posts to the Company at compliance@Stemtechhealth.com. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Stemtech, and therefore damages the reputation and goodwill of Stemtech.

Cancellation of Your Stemtech Business

If your Stemtech business is cancelled for any reason, you must discontinue using the Stemtech name, and all of Stemtech's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent Stemtech Distributor, you must conspicuously disclose that you are no longer an independent Stemtech Distributor.

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Section 5 - Stemtech Distributor Status and Compensation

For purposes of these P&Ps, the term compensation shall mean any compensation paid to Distributors under the Stemtech Opportunity.

5.1 - Distributorship Agreement

Compensation will not be paid until all parties having interest in the Stemtech Distributorship have signed the Distributorship Agreement and it has been received and accepted by Stemtech.

5.2 - Hard Calendar Month

Compensation and Distributor status achievement levels are calculated on a monthly basis. However, if the first day of the month falls on a weekend or legal holiday then the first day of the month will be the first business day of the month, except for orders received online. If the last day of the month falls on a weekend or holiday then the last day of the month will be the last business day of the month, except for orders received online.

5.3 - Payment Date

Compensation will be processed and paid between the 10th and 20th of the month following the month in which the compensation was earned. For example, compensation earned during the month of August will be paid between September 10 and September 20. This does not include any FastStart Bonuses, which are paid weekly, within two to three weeks from the end of a given calendar week volume period. The software system will reflect title promotions once monthly commissions are processed.

5.4 - Compensation Qualifications

A Distributor must be active and in compliance with the Agreement to qualify for compensation under the Stemtech Opportunity. So long as a Distributor complies with the terms of the Agreement, Stemtech shall pay commissions and other compensation to such Distributors in accordance with the Stemtech Compensation Plan. The minimum amount for which Stemtech will issue a check or direct deposit is \$25.00, less a \$2.00 processing fee (subject to change). If a Distributor's compensation does not equal or exceed \$25.00, the Company will accumulate the compensation until the Distributor accrues a minimum total of \$25.00. A check or direct deposit will be issued once \$25.00 has been accrued. A \$25.00 fee will be charged to a Distributor if a commission is paid to an invalid direct deposit account

5.5 - Adjustments for Returned Products and Marketing Materials

Distributors receive compensation based on the actual sales of products and services to end consumers. When a product is returned to Stemtech for a refund or is repurchased by the Company, the compensation attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered from the Distributors who received compensation on the sales of the refunded goods.

5.6 - Errors and Omissions

If a Distributor has questions about or believes any errors have been made regarding compensation, Genealogy, Downline activity reports, or charges the Distributor must notify the Stemtech Distributor Services Department in writing within sixty (60) days of the date of the purported error or incident in question. Stemtech will not be responsible for any errors, omissions, or problems not reported within 60 days.

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Section 6 - International Distributorships

6.1 - International Marketing

Because of critical legal and tax considerations, including: compliance with foreign laws regarding product approval or registration; regulations regarding ingredients, labeling, and packaging; cautionary statements; protection of intellectual property; compliance with customs, tax, and immigration laws; compliance with direct selling laws; product and income representations; and literature content and language requirements, Stemtech must limit the resale of Stemtech products and services, and the presentation of the Stemtech Opportunity to prospective customers and Distributors located within countries in which Stemtech is open for business. Moreover, allowing a few Distributors to conduct business in markets not yet opened by Stemtech would violate the concept of affording every Distributor the equal opportunity to expand internationally.

Accordingly, Distributors are authorized to sell Stemtech products and services, and enroll new applicants into the Stemtech Opportunity only in the countries in which Stemtech is authorized to conduct business, as announced in the Company newsletter, or other official Stemtech materials. Stemtech products or Marketing Materials cannot be shipped into or sold in any foreign country. Distributors may sell, give, transfer, or distribute Stemtech products or Marketing Materials only in their home country. In addition, no Distributor may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or Distributors; or (c) conduct any other activity for the purpose of selling Stemtech products, establishing a Downline Organization, or promoting the Stemtech Opportunity.

6.2 - Foreign Sales and Business Building Activities

Distributors will only be authorized to sell Stemtech products and present the Opportunity in foreign countries that Stemtech has announced are officially open for business. Stemtech will notify Distributors of the foreign countries open for establishing a Distributorship through the Company website, newsletter, or other official literature. Distributors are not permitted to sell or ship Stemtech products (retail or wholesale) to any foreign country outside of the country where their Application is on file with Stemtech.

Section 7 - Purchase and Sale of Products, Payment and Shipping

7.1 - Excess Inventory Purchases Prohibited

Stemtech Distributors may only purchase Stemtech products from Stemtech or from their immediate upline Sponsor. Distributors are not required to carry inventory of products or Marketing Materials. Distributors who do so may find making retail sales and building a Downline Organization somewhat easier because of the decreased response time in fulfilling retail customer orders or in meeting a new Distributor's needs. Each Distributor must make his/her own decision with regard to these matters. To ensure that Distributors are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to Stemtech upon Distributor's termination pursuant to the terms of Section 8.4 upon Distributor's cancellation.

Stemtech strictly prohibits the purchase of products in unreasonable amounts primarily for the purpose of qualifying for compensation or advancement under the Stemtech Opportunity or in any contest, bonus, or other compensation program offered by Stemtech.

7.2 - Crossline and Downline Wholesaling

Distributors must purchase products directly from the Company in order to receive volume credit associated with the purchase. If a Distributor purchases products from another Stemtech Distributor, the purchasing Distributor will not receive volume credit for the purchase and the inventory repurchase policy will not apply.

7.3 - Product Sales

The Stemtech Opportunity is based on the sale of Stemtech products and services to end consumers. Distributors must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for compensation and advancement to higher levels of achievement. To be eligible for compensation, Distributors must satisfy the Personal Point Value (PPV) and Personal Group Point Value (GPV) conditions to fulfill the requirements associated with their rank as specified in the Stemtech Opportunity.

7.4 - Payment Options

When purchasing Stemtech products directly from Stemtech payment may be made in the form of a money order, cashier's check, personal check, ACH, bank wire transfer, an acceptable major credit card, or any other method established by Stemtech. An additional 7 – 10 business days are necessary to process ACH payments. No orders will be shipped without prior payment. It is the responsibility of each Distributor to ensure that there are sufficient funds or credit available in his or her account to cover the monthly AutoShip orders. Though STEM Tech may attempt to contact Distributors in regard to orders canceled due to nonsufficient funds or credit, orders that do not process in time may result in a Distributor's failure to meet his/her PPV and/or GPV requirements for the month. If an ACH payment is returned nonsufficient funds a \$25 NSF fee will apply.

7.5 - Personal Check Policy

Any Distributor whose personal or business check is returned for insufficient funds to Stemtech will be charged a service fee. This service fee must be paid immediately and will be no less than US\$25.00. The Stemtech Independent Distributor must also replace the amount of the return check with cash, a cashier's check, money order, or acceptable major credit card within fifteen (15) days of receipt of notification from Stemtech of a returned check. Failure to pay the service charge and replace the amount of the returned check will result in collection and possible legal proceedings to collect the amount of the returned check and service fee. Stemtech may refuse future orders and/or move the Distributor to inactive status until the amount of the return check and service fee are replaced and paid. Any Distributor whose check is returned to Stemtech for any reason may be requested to make all future purchases by credit card, cashier's check, or money order only.

7.6 - Restrictions on Third Party Use of Credit Cards & Checking Account Access

A Distributor should not use his/her credit card, or permit debits to his/her checking account, to enroll or to make purchases from the Company for other Distributors or Retail Customers. Similarly, only the Distributor whose name appears on the Distributor Application and Agreement may place orders on his or her credit card or account. Stemtech does not accept multiple credit cards to pay for one order.

7.7 - Timely Delivery Of Products And Marketing Materials

Stemtech will normally process Stemtech product and Marketing Materials orders within two (2) business days of receiving an order. Shipment is made by common carrier. Unless specifically requested otherwise, delivery should arrive within seven (7) to fourteen (14) business days from the date of shipment. Carrier shipping may require a signature for verification of receipt. In the U.S. requests for shipping by any carrier other than Stemtech's preferred carrier will result in additional charges. AutoShip orders must be sent to the ordering Distributor or Customer's address listed on the order form. AutoShip orders may not be drop shipped.

7.8 - Damaged Goods

Upon receipt, all goods must be immediately inspected by the Distributor to determine any possible damage. Lost or damaged packages are the responsibility of the carrier once it has taken physical custody of the goods from Stemtech. If a Distributor receives damaged goods he/she must complete the following steps within thirty (30) days of receipt of the damaged goods:

- (a) Accept the delivery from the carrier, and
- (b) Telephone the Distributor Services Department and inform the representative: (1) the type/ amount of damage, (2) the ship to address, (3) the ID number, and (4) any other information determined to be necessary by the Distributor Services Representative.
- (c) The Distributor Services Representative will notify the carrier of the damaged goods and arrange for them to be picked up by the carrier and inspected.
- (d) The Distributor Services Representative will make the necessary arrangements for the damaged goods to be replaced and reshipped.

Without properly adhering to the above procedures, there may be a delay in the replacement of damaged goods.

7.9 - Price Changes

Stemtech reserves the right to change the prices for any or all of its products and Marketing Materials, and amend point values, and/or bonus values associated with products, at any time without prior notice.

7.10 - Retail Pricing And Receipts

Although Stemtech provides a suggested retail price as a guideline Stemtech Independent Distributors may sell Stemtech Products at whatever retail price he/she and his/her customers agree upon. All Distributors must provide their retail customers with two copies of an official Stemtech sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee for Stemtech products, as well as any consumer protection rights afforded by federal or state law. Distributors must maintain a copy of all retail sales receipts for a period of two (2) years and furnish them to Stemtech at the Company's request. Records documenting the purchases of Distributors' Direct Customers will not be maintained by Stemtech. Distributors are not allowed to sell Stemtech products below the wholesale price, and must charge reasonable shipping and handling rates.

7.11 - Exemption or Retail Certification

Most states issue exemption or retail certificates for sales tax that apply to where the product/ Marketing Materials purchased from Stemtech are delivered. If the Distributor desires to acquire an exemption or retail certificate for sales tax, he/she must do so for each and every state/province in which the Distributor desires the exemption or retail certificate to be active. Stemtech will only recognize the exemption or retail certificate for those states/provinces in which the Distributor has furnished a copy of the exemption or retail certificate to Stemtech.

7.12 - Sales Tax In The U.S.

To ensure that all sales tax requirements are met Stemtech will collect sales tax on all purchases made from Stemtech and remit them to the appropriate government agency. If a Stemtech Distributor has a valid exemption or resale certificate on file at Stemtech, Stemtech will not collect sales tax from the Distributor's product purchases and the Distributor will then be responsible for collecting and remitting all applicable taxes to the appropriate government agencies.

7.13 - Retail Outlets

Stemtech products shall not be sold or displayed in any major/chain retail outlet store including, but not limited to supermarkets, food stores, drug stores, pharmacies, health food stores (with the exception of health food stores (up to three locations) operated by a sole proprietor), or any other type of major/chain retail establishment. Stemtech Products be displayed and sold in private clubs, such as health spas, and appointment only businesses, such as doctor's offices or beauty salons.

Product can be placed behind or next to a Stemtech Independent Distributor who is attending to the register, food bar, or similar setting (as long as an Independent Distributor is there to supply product knowledge and answer questions.

Stemtech products shall not be displayed for public view such as in display windows. Stemtech products may only be displayed in a manner that is visible to clientele from inside the place of business. Stemtech Distributors may sell and display Stemtech products in a designated area in such places as a kiosk and/or flea market as long as the person offering the product is an Independent Distributor.

This policy does not prohibit a storeowner from being a Stemtech Independent Distributor. If the storeowner has more than one physical location from which he/she sells Stemtech products, the storeowner must have an active Stemtech Independent Distributor present at each location during business hours to demonstrate Stemtech products, answer any questions that a prospective Retail Customer or potential Distributor may have and to present the Stemtech Opportunity.

Online auction or sales sites including but not limited to eBay, MySpace, , Craigslist, and Amazon are prohibited retail outlets and may not be used as a venue to market Stemtech products or promote the Stemtech opportunity. Any Distributor supplying product to a non-Distributor for resale on online sites will also be found in violation and subject to company sanctions.

Distributors may use authorized information from the Stemtech Document Library on Facebook, YouTube and other social media.

Distributors may use any Stemtech YouTube video from Stemtechonyoutube.com on independent websites as long as the Stemtech Independent Distributor logo is also displayed.

7.14 - Exhibit Space

Distributors may rent exhibit space at special events such as health fairs, nutrition shows and business expos, etc. When a Distributor has purchased exhibit space, other Distributors who have not purchased exhibit space are strictly prohibited from “walking the floor” at such events, either inside or directly outside the facility and discussing and/or demonstrating Stemtech products to other exhibitors or visitors. Stemtech does not prohibit two (2) or more Distributors from renting exhibit space at the same event if the event promoter permits such practice.

Event promoters establish their own criteria for renting exhibit space. It is solely at the discretion of the event promoter to rent their space under the terms and conditions they establish including, rental fees and/or services. To avoid violation of this policy, Stemtech suggests that Distributors renting exhibit space first contact the event promoter to determine (a) under what conditions you will be renting the space, (b) will every renter be paying the same amount, (d) will other Distributors be permitted to rent space, and (c) has any other Stemtech Independent Distributor rented space at this event. Disputes concerning rented exhibit space must be resolved between the Distributors and the event promoter. To avoid encroaching on another Distributor’s rented space. Before you “walk the floor”, check with the event promoter and confirm that another Stemtech Independent Distributor has not rented exhibit space.

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7.15 - General Order Policies

On mail orders with invalid or incorrect payment, Stemtech will attempt to contact the Distributor by phone, and/or mail to try to obtain another payment. If these attempts are unsuccessful after five working days the order will be returned unprocessed. No C.O.D. orders will be accepted. Stemtech maintains no minimum order requirements. Orders for products, services, and Marketing Materials may be combined.

7.16 - Back Order Policy

Stemtech will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out-of-stock, it will be placed on back order and sent when Stemtech receives additional inventory. Distributors will be charged and given PPV on back ordered items unless notified on the invoice that the product has been discontinued. Stemtech will notify Distributors and Retail Customers if items are back-ordered and are not expected to ship within thirty (30) days from the date of the order. An estimated shipping date will also be provided. Back ordered items might be canceled upon a Retail Customer or Distributor’s request. Retail Customers and Distributors may request a refund, credit on account, or replacement merchandise for canceled back orders. If a refund is requested, the Distributor’s PPV will be decreased by the amount of the refund in the month in which the refund is issued.

7.17 - Confirmation of Order

A Distributor and/or recipient of an order must immediately confirm that the product received matches the product listed on the shipping invoice, and is free of damage. Failure to notify Stemtech of any shipping discrepancy or damage within thirty (30) days of shipment will cancel a Distributor’s right to request a correction.

7.18 - Deposits

No monies should be paid to or accepted by a Distributor for a sale to a personal Retail Customer except at the time of product delivery. Distributors should not accept monies from Retail Customers to be held for deposit in anticipation of future deliveries.

Section 8 - Retail Guarantee, Returns and Refunds

8.1 - Returns by Retail Customers

Stemtech offers, through its Distributors, a 100% thirty (30) day unconditional money-back guarantee to all Retail Customers. Every Distributor is bound to honor the Retail Customer Guarantee and is responsible for the refund amount. If, for any reason, a retail customer who purchased a Stemtech product from a Distributor is dissatisfied with it, the Retail Customer may return the unused portion of the product to the Distributor from whom it was purchased, within thirty (30) days of the date of purchase, for a replacement, exchange or a full refund of the purchase price (less shipping). In the case of retail direct Customers (those who purchased product directly from Stemtech) the product shall be returned directly to Stemtech.

8.2 - Returns by Distributors (Products Purchased for Personal Consumption)

Stemtech offers, through its Distributors, a 100% thirty (30) day unconditional money-back guarantee to all Retail Customers. Every Distributor is bound to honor the Retail Customer Guarantee and is responsible for the refund amount. If, for any reason, a retail customer who

8.3 - Returns by Distributors for Replacement

In the instance of a Retail Customer returning product to a Distributor, the Distributor may then return it to Stemtech along with (a) the Retail Customer receipt, (b) a statement from the Retail Customer as to the reason why he/she returned the product, and (c) any unused portion of product. Stemtech will then replace the product within thirty (30) days. Shipping of the return product to Stemtech is the responsibility of the Distributor. However the replacement shipped to the Distributor will be at Stemtech's expense. In the case of non-Product items purchased by a Distributor, Stemtech may, upon request and at its sole discretion, exchange such items purchased within the last thirty (30) days. In such case the Distributor must pay any price and tax differences, all shipping charges, and a 10% restocking fee. Furthermore, the items sent in for exchange will be rejected if they are not in perfect resalable and marketable condition. Stemtech shall not be responsible for shipping back rejected items. For return procedures, see Section 8.5.

8.4 - Termination Returns

Upon voluntary or involuntary termination of the Distributorship Agreement, the Distributor may return inventory and Marketing Materials for a refund. Stemtech WILL ONLY REPURCHASE Stemtech PRODUCTS AND/OR MARKETING MATERIALS THAT A DISTRIBUTOR PURCHASED DIRECTLY FROM Stemtech WITHIN THE TWELVE (12) MONTHS PRIOR TO THE DATE OF RETURN. Stemtech will not repurchase products that a Distributor has acquired from another Distributor or any other source. The Distributor will receive 90% of the net purchase price paid, less any compensation received by the Distributor as a result of purchasing the specific products that are returned (unless modified by applicable state laws), and less appropriate set-offs and legal claims. No shipping fees will be refunded. The return product and Marketing Materials must be unencumbered unopened inventory that is returned in a restockable, reusable and resalable condition and contains current product labeling. Determination as to whether a product is in resalable condition shall be at Stemtech's discretion. All refunds will be made to the original purchaser only. The cost of shipping the return product to

Stemtech will be the responsibility of the Distributor. The 70% rule will be taken into consideration when calculating refundable products. The guidelines in Section 8.5 must be adhered to in order for Stemtech to consider the return for a refund.

8.4.1 - Georgia Residents Only

The following applies only to residents of Georgia. If participant wishes to terminate a Distributorship Agreement, Stemtech agrees to repurchase from participant all unencumbered products, Marketing Materials, literature and promotional items which the Stemtech Independent Distributor purchased directly from Stemtech, that are in a reasonable re-saleable or reusable condition and which were required by participant from the company at a price not less than ninety percent (90%) of the original net cost to the participant, less any consideration received by the Stemtech Independent Distributor, taking into account any sales made by or through such participant for purchase of the goods which is attributable to specific goods being returned. In addition, the company agrees to repay 90% of all administrative fees that have not, at the time of termination, been provided to participant.

All products, goods, or materials must be returned shipping prepaid by participant in order to receive the above refund. All other procedures for returning goods pursuant to Section 8, herein, are to be complied with.

8.4.2 - Montana Residents Only

The following addendum applies only to residents of Montana. A Montana resident may cancel his or her Distributor Agreement within 15 days from the date of enrollment, and may return his or her Distributor Kit for a full refund within such time period.

8.5 - Returns Procedure, Return Merchandise Authorization

- (a) PRIOR TO THE RETURN of any Stemtech products and/or Marketing Materials, the Distributor is to notify the Stemtech Distributor Services Department for authorization to return the product. Upon notification, the Distributor Services Representative will send to the Distributor a Return Merchandise Authorization form. Upon receipt of this form, the Distributor is to complete the form and return it to the issuing Distributor Services Department for authorization to return any Stemtech products and/or Marketing Materials. DO NOT SEND YOUR RETURN PRODUCTS OR MARKETING MATERIALS AT THIS TIME. THE RETURN MERCHANDISE AUTHORIZATION FORM MUST BE REVIEWED AND AUTHORIZED BY Stemtech BEFORE ANY RETURNS MAY BE CONSIDERED FOR A REFUND.
- (b) Upon review of the Return Merchandise Authorization form, the Distributor Services Representative will notify the Distributor of the authorization number and packaging instructions, including shipping labels, to be used on the return. NO RETURN WILL BE ACCEPTED BY Stemtech WITHOUT A RETURN AUTHORIZATION NUMBER ON ALL SHIPPING LABELS.
- (c) Upon receipt of the authorization number and packaging instructions, the Distributor may return only the requested Stemtech products and/or Marketing Materials listed on the authorization form.
- (d) Upon receipt and favorable inspection of the products and/or Marketing Materials being returned, Stemtech will process a refund payment on or about the 15th of the month following the month in which the products and/or Marketing Materials were received by Stemtech. If the products and/or Marketing Materials are not in restockable, reusable and resalable condition, Stemtech will notify the Distributor to forward to Stemtech the cost for return shipment of the products and/or Marketing Materials and will return the merchandise to the former Distributor. Any products and/or Marketing Materials not

considered by Stemtech to be refundable must be claimed by the Distributor within thirty (30) days of notice by Stemtech or they will be destroyed.

- (e) ANY DISTRIBUTOR WHO RETURNS Stemtech PRODUCTS AND/OR MARKETING MATERIALS without proper authorization from Stemtech will receive notification from the company and will risk a delay in any possible refund.
- (f) If the Distributor returns any order without the proper Return Authorization Number, the Company will deduct an additional 10% restocking fee minus the shipping.

Section 9 - Termination and Non-Renewal

9.1 - Involuntary Termination

A Distributor's violation of any of the terms of the Agreement, including any amendments that may be made by Stemtech in its sole discretion, may result in any of the sanctions listed in Section 10.2, including the involuntary termination of his/her Distributorship Agreement. Termination shall be effective on the date on which written notice is issued to the Distributor via U.S. mail, Email, fax, or overnight courier, or when the Distributor receives actual notice of termination, whichever occurs first. If a Distributor is terminated by Stemtech, he/she shall not be permitted to reapply become a Stemtech Independent Distributor or operate a Stemtech Independent Distributorship. Stemtech reserves the right to waive this provision on a case-by-case basis.

9.2 - Voluntary Termination

Distributors may terminate their Distributorship Agreement at any time, regardless of reason by submitting a letter of cancellation to the Distributor Services Department. The written notice must include the Primary and all Secondary Distributor signatures, printed name, address, and ID Number. Distributors who voluntarily terminate his/her Distributorship Agreement will be required to wait six (6) calendar months before reapplying to Stemtech for authorization to become a Stemtech Independent Distributor or operate a Stemtech Independent Distributorship. Stemtech reserves the right to waive this provision on a case by case basis.

9.3 - Non-renewal

A Distributor may also voluntarily terminate his/her Distributorship Agreement by failing to renew the Distributorship Agreement on its Anniversary Date. Distributors who voluntarily terminate due to non-renewal of his/her Distributorship Agreement will be required to wait six (6) calendar months before reapplying to Stemtech for authorization to become a Stemtech Independent Distributor or operate a Stemtech Independent Distributorship. Stemtech reserves the right to waive this provision on a case-by-case basis, or convert the Distributor to a Member or other type of Wholesale Buyer.

9.4 - Termination for Inactivity

A Distributor's business will be terminated for lack of activity if the Distributor fails to generate any PPV as set forth in the Stemtech compensation plan for six consecutive months. The Distributor may be converted to a Member or other type of Wholesale Buyer at the discretion of Stemtech if the former Distributor requests that he be allowed to purchase as a Member.

9.5 - Effect of Termination, or Non-Renewal

Upon the voluntary cancellation, involuntary termination, or the non-renewal of a Distributor's Agreement, the former Distributor shall immediately discontinue holding him/herself out as a Distributor, and shall discontinue all sales, recruiting, and marketing practices related to Stemtech. The former Distributor shall not be entitled to future commissions, bonuses, or remuneration of any kind, from Stemtech, and waives all rights, including any property rights that he or she may claim, to his or her former Downline organization.

Section 10 - Dispute Resolution and Disciplinary Proceedings

10.1 - Grievances and Complaints

When a Distributor has a grievance or complaint with another Distributor regarding any practice or conduct in violation of the Governing Documents, the protesting Distributor should first report the matter to his or her Sponsor who should review the matter and try to resolve it with the other party's upline Sponsor. To report a violation, the protesting Distributor must provide a written complaint letter to the Distributor Services Department within thirty (30) days of the violation. The complaint letter should include the names and any other relevant information relating to all parties involved, a detailed description of the situation, and any witness statements, evidence, etc. Distributor Services will review the complaint letter and attempt to resolve it. If Distributor Services cannot resolve the complaint, it will then be forwarded to the Stemtech Compliance Board.

10.2 - Disciplinary Sanctions

- (a) Issuance of a written warning by regular or certified mail or admonition; and/or
- (b) Suspension of the Distributors self replicated Stemtech website for first or second offenses; and/or
- (c) Imposition of a fine, which may be withheld from compensation payments for one or more pay periods; and/or
- (d) Involuntary termination of the offender's Distributorship Agreement; and/or
- (e) Requiring the offender to take immediate corrective measures; and/or
- (f) Any other measure expressly allowed within any provision of the Agreement; and/or
- (g) Suspension of the offender's Distributorship Agreement for one or more compensation pay periods; and/or
- (h) Stemtech may withhold from an offender all or part of the offender's compensation payments during the period that Stemtech is investigating any conduct allegedly violating the Agreement. Loss of commissions being paid may result for first or second offenses at the sole discretion of the company. If disciplinary action is taken by Stemtech or if an offender's Distributorship Agreement is voluntarily cancelled during an investigation, or terminated, the former Distributor will not be entitled to recover any compensation payments withheld during the investigation period;
- (i) Any other measure which Stemtech deems practicable to implement and appropriate to equitably resolve injuries caused, partially or exclusively, by the offender's policy violation or contractual breach;
- (j) In situations where Stemtech deems appropriate, Stemtech may institute legal proceedings for monetary and/or equitable relief.

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Section 11 - General Provisions

11.1 - Product Claims

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products or services offered by Stemtech may be made except those contained in official Stemtech literature. In particular, no Distributor may make any claim that Stemtech products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases.

Distributor

11.2 - Income Claims and Testimonials

Income claims include express claims, such as “I made \$XXX.00 last month in my Stemtech business,” and implied claims such as “replace your income from your job,” or “drive the car of your dreams.” Implied claims also include images such as pictures of luxury vehicles, boats, homes, etc. Distributors may utilize income claims and testimonials in the promotion of their business so long as the claim or testimonial adheres to the following requirements:

- Any testimonial must truthfully and accurately depict the Distributor’s own income;
- The claim or testimonial must not be deceptive or misleading in any fashion;
- Any testimonial must contain relate to the Distributor’s income from his/her Independent Stemtech business only;
- A testimonial must relate only to the Distributor’s Stemtech income that has been earned within the immediately preceding 24 months, and must be broken down on a monthly or annual basis;
- The Distributor providing a claim or testimonial must provide the audience of Stemtech’s Income Disclosure Statement, and must explain that the Income Disclosure Statement provides data for all Stemtech Distribuors for the preceding year. If a claim or testimonial is made on a Distributor’s Independent Website, it must be accompanied by a clear and conspicuous link to the Income Disclosure Statement contained on Stemtech’s Corporate website. The link must be in at least 14 point bold font, must appear immediately adjacent to, or immediately below, the income testimonial, and must appear in against a starkly contrasting background color;
- The following statement must be made in conjunction with the testimonial: “Stemtech does not guarantee your success. Your success, if any, depends on your own effort and skill.”

Notwithstanding the foregoing, no income claims or testimonials may be made in Massachusetts or Wyoming.

Income claims and testimonials must never depict “pie-in-the-sky” income figures or present Stemtech as a “get rich quick” scheme. Therefore, any income claims must be reasonable, and must never be promoted with hype or hyperbole, and a copy of the most current version of the Stemtech Income Disclosure Statement must always be provided to the audience by the Stemtech Distributor making the presentation (whether in person, via teleconference, web conference, via the internet, or any other medium) and the Distributor must always discuss the Income Disclosure Statement in detail with the audience.

Distributors may provide general testimonials relating to how Stemtech’s products make them feel. However, any product claim or testimonial must adhere to the following requirements:

- The claim or testimonial may not contain any express statement or implied representation that Stemtech’s products have treated, cured, prevented, or mitigated any disease, illness, malady, pain, or injury. Stemtech’s products are not drugs, and must never be promoted or represented as drugs or as having drug-like effects;
- The claim or testimonial must be truthful, accurate, and must never be misleading or deceptive;
- Any claim or testimonial may relate only to benefits associated with the product that are specifically contained in official Stemtech literature.

- In the case of a testimonial or endorsement, the Distributor providing the testimonial or endorsement must clearly and conspicuously disclose to the audience, viewer, listener, or reader that he or she is an Independent Distributor for Stemtech HealthSciences, Inc. If the testimonial is provided on a website or social media site, the testimonial must include the Distributor's name followed by "Independent Distributor for Stemtech HealthSciences, Inc." in at least 12 point bold font, and appear against a contrasting background color.
- Any claim or testimonial on any website, social media site, in any video, or any other material produced, developed, or edited by a Distributor must be accompanied by the following statement:

"These statements have not been evaluated by the FDA. This product is not intended to diagnose, treat, cure or prevent any disease."

11.3 - Back Office Access

Stemtech makes online Back Offices available to its Distributors. Back Offices provide Distributors access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Distributor's Stemtech business and to increase sales of Stemtech's products. However, access to a Back Office is a privilege, and not a right. Stemtech reserves the right to deny Distributors' access to the Back Office at its sole discretion.

11.4 - Government Endorsements

Federal and state regulatory agencies do not approve or endorse direct selling programs. Therefore, Stemtech Independent Distributors shall not represent or imply either directly or indirectly that the Stemtech Opportunity has been approved or endorsed by any government agency.

11.5 - Jurisdiction And Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside in Orange County, State of California unless the laws of the state in which a Distributor resides expressly require the application of its laws. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of California shall govern all other matters relating to or arising from the Agreement unless the laws of the state in which a Distributor resides expressly require the application of its laws. Notwithstanding the foregoing, Louisiana Residents may bring an action in Louisiana according to Louisiana law.

11.6 – Dispute Resolution

Mediation

For claims seeking \$10,000.00 or more that arise from or relate to the Agreement, prior to filing arbitration as set forth below, the parties shall meet in good faith and attempt to resolve such dispute through confidential non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. If the Parties cannot agree on a mediator, the complaining party shall request a mediator be appointed by the American Arbitration Association ("AAA"). The mediation shall occur within 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Orange County, State of California and shall last no more than two business days.

Arbitration

Except as otherwise provided in the Agreement, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled through confidential arbitration. The Parties waive rights to trial by jury or to any court. This arbitration provision applies to claims that were not successfully resolved through the foregoing mediation process as well as claims for less than \$10,000.00 not subject to the mediation requirement. The arbitration shall be filed with, and administered by, the American Arbitration Association in accordance with the AAA's Commercial Arbitration Rules and Mediation Procedures, which are available on the AAA's website at www.adr.org. Copies of the AAA's Commercial Arbitration Rules and Mediation Procedures will also be emailed to Distributors upon request to Stemtech's Customer Service Department. Notwithstanding the rules of the AAA, unless otherwise stipulated by the Parties, the following shall apply to all Arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of California shall govern all other matters relating to or arising from the Agreement, without regard to principles of conflicts of laws.
- The arbitration hearing shall commence no later than 365 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- The Parties shall be allotted equal time to present their respective cases;
- The arbitration shall be brought on an individual basis and not as part of a class or consolidated action.

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All arbitration proceedings shall be held in Orange County, California. There shall be one arbitrator selected from the panel that the AAA provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court to which the Parties have consented to jurisdiction as set forth in the Agreement. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the arbitration proceedings and shall not disclose to third parties:

- The substance of, or basis for, the controversy, dispute, or claim;
- The substance or content of any settlement offer or settlement discussions or offers associated with the dispute;
- The pleadings, or the content of any pleadings, or exhibits thereto, filed in any arbitration proceeding;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award;
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in the Agreement shall prevent either party from applying to and obtaining from any court to which the Parties have consented to jurisdiction as set forth in the Agreement a temporary restraining order, preliminary or permanent injunction, or other equitable relief to safeguard and protect its trade secrets and intellectual property rights, trade secrets, and/or confidential information including but not limited to enforcement of its rights under the nonsolicitation provision of the Agreement.

Louisiana Residents

Notwithstanding the foregoing, and the arbitration provision in Section 11.6 residents of the State of Louisiana shall be entitled to bring an action against Stemtech in their home forum and pursuant to Louisiana law.

Limitation of Actions

Any dispute arising from or relating to the Agreement shall be brought within one year from the date on which the parties knew, or should have known, of the facts giving rise to the claim or cause of action. Unless otherwise prohibited by law, the parties waive the application of any other statute of limitations.

11.7 - Entire Agreement

This statement of Policies and Procedures, in its current form and as may be amended by Stemtech HealthSciences is incorporated into the Agreement and the Manual and constitutes the entire agreement of the parties regarding his/her Distributorship relationship with Stemtech.