



Stemtech Africa (PTY) Ltd

Policies and Procedures

Amended September 2010

Policies and Procedures

FOR SOUTH AFRICAN DISTRIBUTORSHIPS

SECTION 1 -INTRODUCTION

- 1.1 GOVERNING DOCUMENTS
- 1.2 -PURPOSE OF POLICIES
- 1.3 -CHANGES TO THE GOVERNING DOCUMENT
- 1.4 -DELAYS
- 1.5 -POLICIES AND PROVISIONS SEVERABLE
- 1.6 -WAIVER
- 1.7 ENFORCEMENT

SECTION 2 -STEMTECH INDEPENDENT DISTRIBUTOR STATUS

- 2.1 -THE APPLICATION
- 2.2 -ACCEPTANCE OF APPLICATION
- 2.3 -STEMTECH DISTRIBUTOR KIT
- 2.4 -ID NUMBER
- 2.5 -IDENTIFICATION NUMBERS
- 2.6 -NO PRODUCT PURCHASE IS REQUIRED
- 2.7 -DISTRIBUTOR BENEFITS
- 2.8 -MULTIPLE APPLICATIONS
- 2.9 -OPERATING A STEMTECH INDEPENDENT DISTRIBUTORSHIP
- 2.10 -LEGAL AGE
- 2.11 -ONE STEMTECH DISTRIBUTORSHIP PER DISTRIBUTOR AND PER HOUSEHOLD
- 2.12 -ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED INDIVIDUALS
- 2.13 -CORPORATIONS, PARTNERSHIPS, TRUSTS AND OTHER BUSINESS ENTITIES
- 2.14 -BUSINESS ENTITY REPORTING REQUIREMENTS
- 2.15 -CONVERTING TO OR FROM A BUSINESS ENTITY STATUS
- 2.16 -ASSUMED/FICTITIOUS BUSINESS NAMES
- 2.17 -ANNUAL RENEWAL OF DISTRIBUTORSHIP AGREEMENT
- 2.18 -RENEWAL FEES
- 2.19 -INDEPENDENT CONTRACTOR STATUS
- 2.20 -INDEMNITY AGREEMENT
- 2.21 -INCOME TAX REPORTING
- 2.22 -LEGAL COMPLIANCE
- 2.23 -NO EXCLUSIVE TERRITORIES
- 2.24 -NON-SOLICITATION
- 2.25 -CHANGES TO DISTRIBUTORSHIP AGREEMENT
- 2.26 -CHANGES OF ADDRESSES OR TELEPHONE
- 2.27-ADDING SECONDARY DISTRIBUTORS

SECTION 3 -SPONSORSHIP AND TRAINING

- 3.1 -SPONSORING
- 3.2 -ON GOING TRAINING
- 3.3 -ONGOING COMMUNICATION WITH DOWNLINE ORGANIZATION
- 3.4 -ONGOING SALES
- 3.5 -SPONSOR TRANSFER
- 3.6 -CROSS-SPONSORING
- 3.7 -VOLUNTARY TERMINATION AND RE-APPLICATION
- 3.8 -SALE, TRANSFER OR ASSIGNMENT OF A STEMTECH DISTRIBUTORSHIP
- 3.9 -TRANSFER UPON DEATH OF A DISTRIBUTOR
- 3.10 -TRANSFER UPON INCAPACITATION OF A DISTRIBUTOR
- 3.11 -AGREEMENTS BETWEEN STEMTECH DISTRIBUTORS
- 3.12 -CONFIDENTIALITY AND GENEALOGY REPORTS
- 3.13 -LOYALTY TO THE COMPANY
- 3.14 -DISSOLVING A STEMTECH DISTRIBUTORSHIP, INCLUDING DIVORCE

SECTION 4 -TRADEMARKS, LITERATURE AND ADVERTISING

- 4.1 -GENERAL
- 4.2 -TRADEMARKS AND COPYRIGHTS
- 4.3 -LITERATURE
- 4.4 -MASS RECRUITMENT, SALES TECHNIQUES AND INTERNET WEB SITE USE
- 4.5 -CATALOG AND MAGAZINE ADVERTISING AND PROMOTION
- 4.6 -PRINT ADVERTISING
- 4.7 -TELEPHONE LISTING AND DISPLAY ADS
- 4.8 -ELECTRONIC MEDIA
- 4.9 -ENDORSEMENTS
- 4.10 -MEDIA AND MEDIA INQUIRIES
- 4.11 -REPRESENTATIONS AS A STEMTECH EMPLOYEE
- 4.12 -TELEMARKETING

SECTION 5 -STEMTECH DISTRIBUTOR STATUS AND COMPENSATION .

- 5.1 -DISTRIBUTORSHIP AGREEMENT
- 5.2 -HARD CALENDAR MONTH
- 5.3 -PAYMENT DATE
- 5.4 -COMPENSATION QUALIFICATIONS
- 5.5 -ADJUSTMENTS FOR RETURNED PRODUCTS AND MARKETING MATERIALS
- 5.6 -ERRORS AND OMISSIONS

SECTION 6-INTERNATIONAL DISTRIBUTORSHIPS

- 6.1 -INTERNATIONAL MARKETING
- 6.2 -FOREIGN SALES AND BUSINESS BUILDING ACTIVITIES

SECTION 7 -PURCHASE AND SALE OF PRODUCTS, PAYMENT, AND SHIPPING

- 7.1 -EXCESS INVENTORY PURCHASES PROHIBITED
- 7.2 -CROSSLINE AND DOWNLINE WHOLESALING
- 7.3 -PRODUCT SALES
- 7.4 -70% RULE
- 7.5-PAYMENT OPTIONS

- 7.8 -TIMELY DELIVERY OF PRODUCTS AND MARKETING MATERIALS
- 7.9 -DAMAGED GOODS
- 7.10 -PRICE CHANGES
- 7.11 -RETAIL PRICING AND RECEIPTS
- 7.12 -RETAIL OUTLETS
- 7.13 -EXHIBIT SPACE
- 7.14 -GENERAL ORDER POLICIES
- 7.15 -BACK ORDER POLICY
- 7.16 -CONFIRMATION OF ORDER
- 7.17 -DEPOSITS

SECTION 8 -RETAIL GUARANTEE, RETURNS AND REFUNDS

- 8.1 -RETURNS BY RETAIL CUSTOMERS
- 8.2-RETURNS BY DISTRIBUTORS (PRODUCTS PURCHASED FOR PERSONAL CONSUMPTION)
- 8.3 -RETURNS BY DISTRIBUTORS FOR REPLACEMENT
- 8.4 -TERMINATION RETURNS

SECTION 9 -TERMINATION AND NONRENEWAL

- 9.1 -INVOLUNTARY TERMINATION
- 9.2 -VOLUNTARY TERMINATION
- 9.3 -NON-RENEWAL
- 9.4 -TERMINATION FOR INACTIVITY
- 9.5 -EFFECT OF TERMINATION, OR NON- RENEWAL

SECTION 10 -DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

- 10.1 -GRIEVANCES AND COMPLAINTS
- 10.2 -DISCIPLINARY SANCTIONS

SECTION 11 -GENERAL PROVISIONS

- 11.1 -PRODUCT CLAIMS
- 11.2 -INCOME CLAIMS
- 11.3 -GOVERNMENT ENDORSEMENTS
- 11.4 -JURISDICTION AND VENUE
- 11.5 -ARBITRATION
- 11.6-ENTIRE AGREEMENT

Stemtech Africa (Pty) Ltd.

Policies and Procedures

For South African Distributorships

SECTION 1 -INTRODUCTION

1.1 -Governing Documents

The Governing Documents (also collectively referred to herein as the "Agreement") of Stemtech Africa (Pty) Ltd., (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 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.

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 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 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.Stemtechhealth.com), e-blast to distributors, included in Stemtech periodicals, and/or included in product orders, bonus cheque mailings, 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, and deaths, curtailments of a party's source of supply, difficulties with a Distributor's payment for products, and/or government decrees or orders.

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. Hardcopy 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 cheque 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 or EFT.**

The following Documents must accompany the application

- A Certified copy of Identity document or Passport**
- B Debit Order Authorization Form**
- C Completed IT3 Form**

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 shall not constitute any agreement by Stemtech to enter into a franchise, joint venture, or other business entity relationship with the Distributor.

2.4-Customer 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 Distributor-ship.

Stemtech will issue to the Distributorship a Personal Identification Number ("Customer ID Number").

All active individuals of the Distributorship must use the same Customer 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 same Customer 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 Stemtech Independent Distributor must provide the Company with a valid South African ID Number (or Passport Number if not a South African citizen).

No Application will be accepted by Stemtech that does not state the proper identification number. Certified copy of Identity document or Passport must be faxed to the office.

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 2.1 above, the applicant is now a Stemtech Independent Distributor who is entitled to the following benefits:

- A To retail Stemtech products, which are described in official Stemtech literature,
- B To receive compensation, under the Stemtech Opportunity, if eligible and in good standing,
- C To Sponsor other individuals as Distributors into the Stemtech Opportunity and thereby, build a Distributor Organization and progress through the Compensation Plan,
- D To receive periodic Stemtech literature and other Stemtech communications,
- E 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
- F To participate in promotional and incentive contests and programs sponsored by Stemtech for its Distributors.

2.8-Multiple Applications

If at any time, 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.

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:

Distributors may be required 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.

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 to be solely responsible for contractual agreements and to work.

Stemtech re-serves the right to confirm the Applicant's age.

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 -One Stemtech Distributorship Per Distributor and 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 Stemtech Distributorship.

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 spouses and dependent children living at or doing business at the same address (See Section 3.14 for Dissolving a Stemtech Independent Distributorship, including divorce).

If both spouses intend to be active in their Stemtech Distributorship, BOTH spouses must sign the Distributorship Agreement.

Recognition under the Stemtech Opportunity may 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.

In order to maintain the integrity of the Stemtech Opportunity, family unit members must be sponsored as one (1) Stemtech Distributorship.

Family unit members, regardless of whether one or both are signatories to the Distributorship Agreement, may not have an interest (legal or equitable), or operate any other Stemtech Distributorship, either individually or jointly, nor may they participate directly or indirectly (as an officer, director, shareholder, partner, trustee, trust beneficiary, or any other legal or equitable classification in a Business Entity) in the operation or management of another Stemtech Distributorship, in any form.

An exception to the One Distributorship Per Distributor and Per Household policy will be considered on a case-by-case basis if two (2) existing Distributors marry or in cases of a Distributor receiving an interest in another Distributorship through inheritance or incapacitation.

Re-requests for exceptions to policy must be submitted in writing to the Stemtech Distributor Services Department within thirty (30) days of the event.

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

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. Cheques 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 for 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 card or deducted from his or her commission cheque, 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 EFT; or**
- (b) Notifying Distributor Services, in writing, to automatically deduct the renewal fee from the Distributor's commission cheque;**
- (c) 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

Every Stemtech Independent Distributor is an independent contractor operating and responsible for his/her Distributorship.

No Distributor is an employee, franchisee, joint venture, partner, or agent of Stemtech.

Distributors are strictly prohibited from stating or implying, either orally or in writing that he/she is an employee, franchisee joint venture, partner, or agent of Stemtech. 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.**

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 INCOME TAX PURPOSES, OR FOR ANY OTHER REASON.

Distributors are responsible for and agree to comply with the requirements of the South African Revenue Service (SARS), Income Tax Act, Unemployment Insurance Act, Value Added Tax Act and all laws, statutes, ordinances, rules or regulations that govern the activities of Stemtech Independent Distributors.

All Distributors are to complete an IT3 Form available from the distributor Services department.

2.22 -Legal Compliance

Each Distributor shall comply with all laws and bylaws 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 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 Republic of South Africa

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 recruit, promote and/or sell the marketing opportunities and products of another Direct Sales company to any Stemtech Distributor or Retail Customer if:

- (1) that Stemtech Distributor was in the former Distributor's Downline Organization or
- (2) 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 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 other business ventures.

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 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 multilevel Marketing, network Marketing or direct sales opportunity.

This conduct constitutes recruiting even if the Distributor's actions are in response to an inquiry made by another Stemtech Distributor or Retail Customer.

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 competitive.

Any dietary supplement is in the same generic category as Stemtech's product line, and 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.

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 to I.D./Company Registration 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 cheques, it is critically important that the Stemtech's files are current.

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.

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 cheques 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.

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.

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.

3.2-On Going Training

All Distributors must perform a bona fide assistance and training function to ensure that his/her Downline is properly operating his/her Stemtech Distributorship.

Sponsors must 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-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.

Distributors requesting a change of Sponsor must submit the request in writing to the Distributor Services Department, which must include the reason for the transfer. No verbal requests are permitted.

Except in appropriate cases involving fraudulent inducement or unethical 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.

Upon requesting a Sponsor transfer, the Distributor Services Department will forward to the requesting Primary Distributor instructions and a **Sponsor Transfer Form** to be completed and returned to Distributor Services.

There is a nonrefundable Administration and Data Processing fee per request, per Distributorship requesting the Sponsor transfer.

This fee must accompany the Sponsor Transfer Form. A Distributor may only request a Sponsor transfer one (1) time.

Placement of a new enrollee under someone in the downline (placement sponsor), must be requested within the first calendar month of the new enrollee's application submission.

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) 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.

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 denied and the Distributorship automatically terminated by Stemtech.

Certain fees apply to all sale, transfer or assignment of a Stemtech Distributorship for administration and data processing costs. Stemtech reserves the right to waive or adjusts such fees on a case-by-case basis.

3.9-Transfer Upon Death of a Distributor

Notwithstanding any other provision of these P&Ps, upon the death of a Distributor his/her Distributorship shall pass to his/her successors in interest according to a deceased Distributor's will or other testamentary device and subject to this Policy.

Because probate of an estate can take a very long time if no will exists, and the delay can damage the business of a downline organization, Stemtech will cancel the Agreement upon the death of any Distributor who dies and leaves no will or other testamentary instrument.

To effect a testamentary transfer of a Stemtech Distributorship, the successor must provide the following appropriate legal documentation to the Company to ensure the transfer is proper:

- (1) an original death certificate;
 - (2) a notarized copy of the will or other instrument establishing the successor's right to the Stemtech Distributorship;
 - and (3) a completed Distributorship Agreement. 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.

Because Stemtech does not permit more than one Distributorship per Distributor, an active Distributor is not permitted to be a beneficiary.

In the event an active or involuntarily terminated Distributor is the beneficiary, Stemtech reserves the right to terminate either the deceased's Distributorship or that of the Distributor beneficiary. Whenever a Stemtech Distributorship is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all compensation under the Stemtech Opportunity from the deceased Distributor's Downline Organization provided the following qualifications are met. The successor(s) must:

- (a) Execute a Distributorship Agreement with the words "RECORD CHANGE" in the section designated for a Sponsor's signature as the Sponsor's signature is not needed; and
- (b) Comply with terms and provisions of the Agreement; and
- (c) Meet all of the qualifications for the deceased Distributor's status; and
- (d) The Compensation of a Stemtech Distributorship transferred pursuant to this section will be paid in a single cheque jointly to the devisee(s) or to a single Business Entity formed by the devisee(s).
- (e) If the beneficiary is a minor, the business must be held in trust until such time as the beneficiary attains the age of majority. The trustee must comply with Policy B-2.5.

3.10 -Transfer Upon Incapacitation of a Distributor

To effect 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.

No active or inactive Stemtech Distributor may act as a successor.

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 are confidential and constitute proprietary information and business trade secrets belonging to Stemtech.

Genealogy and Downline activity reports 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 to the 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 to any third party;
- (b) Use the 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
- (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 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. No verbal reports will be acted upon.

While the Company welcomes constructive input, negative comments and remarks made in the field by Stemtech Distributors is an infringement of distributor rights according to this agreement.

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.

The restrictions set forth in Section B, herein, prohibiting a husband and wife or partners, officers, directors, or shareholders from operating a separate Stemtech Distributorship will continue until the Final Decree or Judgment of Divorce has been entered by a court of competent jurisdiction and a certified copy of the Decree or Judgment has been forwarded to Stemtech's Legal Department.

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 cheques, 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 cheque.

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.

4.2-Trademarks and Copyrights

Stemtech will not allow the use of its trade names, trademarks, designs, or symbols, including but not limited to Stemtech™ HealthSciences, Inc., StemEnhance™, etc., by any persons, including any Stemtech Distributors without its prior written permission.

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.

In addition, Distributors may not use the Stemtech name of any Stemtech product, trade name, or service mark, or any derivation of the foregoing, in any domain name or e-mail address.

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 the company.

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.

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.

No Stemtech Independent Distributor shall use Stemtech trademarks or copyrighted material in any advertising not produced by Stemtech without the express written authorization of Stemtech.

Advertising requests are to be sent to the Stemtech General Manager and must include the Stemtech trademarks, symbols and slogans to be used in a detailed page layout that includes size dimensions of the advertisement, colors and text. **Within fifteen (15) business days from receipt of the advertising request the Stemtech Marketing Department will notify the Stemtech Independent Distributor of its decision to approve or deny the advertising request.**

Upon written approval of the advertising request, Stemtech will **assign an authorization number** that must appear at all times on the advertising in the location specified by Stemtech.

4.7-Telephone Listing and Display Ads

A Stemtech Independent Distributor who has achieved the Distributor status of **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 HEALTHSCFFINCES INC." or "INDEPENDENT DISTRIBUTOR FOR STEMTECH HEALTHSCIENCES, INC. PRODUCTS." or "INDEPENDENT DISTRIBUTOR FOR STEMTECH AFRICA".

No other elaboration is permitted.

Yellow Page display advertising must be submitted to the Stemtech General Manager for written approval, which will contain an authorization number that must appear in the display ad.

4.8-Electronic Media

Stemtech Independent Distributors are prohibited, in any fashion, from using the internet, radio, television or cable television advertising or public appearances to publicize Stemtech, its Opportunity, or its products without the express

written approval of Stemtech.

Only official Stemtech literature 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.

Nothing herein shall limit Distributors' ability to use e-mail to communicate with their own downline.

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 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.

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 and paid for 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 and paid for online.

Orders placed without payment will not be deemed as a completed order and will result in the order falling into the following month when payment is actually affected.

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 15 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 cheque is R200.00. If a Distributor's compensation does not equal or exceed R200.00, the Company will accumulate the compensation until the Distributor accrues a minimum total of R200.00.

A Bank Deposit will be issued once R200.00 has been accrued. It is the responsibility of the distributor to make sure that Bank Deposit details are loaded into the system.

No Bank Deposit information will result in payments being accrued until such time as the system detects such from which the payment will only then be paid in the next commission run.

However, all funds in a Distributor's account will be paid out in December of each year even if R200.00 has not been accrued.

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.

Product not collected within 7 DAYS will be posted to the distributor via the local Post Office Counter to counter system, wherein all costs related to this service will be recovered from the distributor by way of automatic Non-Collection invoice on the system. Cost will vary according to parcel size and weight. No refund will be offered for non-collected 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.

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 the Republic of South Africa.**

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.

Failure to comply may result in the suspension or termination of the distributorship.

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 some what 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 upon 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.

"PPV" includes purchases made by the Distributor and his/her retail sales to direct ship and autoship customers who are not also Distributors.

GPV shall include up to 200 PPV of a Distributor's personal purchases and the total retail sales volume of all Distributors in his/her Downline Organization, but shall not include the volume or downline Director organizational volume.

7.4-70% Rule

The Stemtech program is driven by retail sales.

A "retail sale" is a sale to an individual or entity who is not a Stemtech Distributor, nor are they purchasing in order to qualify as a Stemtech Distributor.

At least 70% of each Distributor's PPV shall be sold to retail customers.

7.5-Payment Options

When purchasing Stemtech products directly from Stemtech payment may be made in the form of
a EFT,
an acceptable major credit/debit card,
or any other method established by Stemtech.
Cash Deposits may carry a bank cash deposit fee,

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 Stemtech 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.

7.6-Personal Cheque Policy

Only once authorization has been given may a distributor pay by Bank Guarantee.

Distributors are to call the Distributor Service Department to obtain such authorization prior to presentation of the cheque.

Any Distributor whose personal or business cheque is returned to Stemtech will be charged a service fee.

This service fee must be paid immediately and will be no less than R150.00.

The Stemtech Independent Distributor must also replace the amount of the return cheque with cash, bank guaranteed cheque, or acceptable major credit/debit card within fifteen (15) days of receipt of notification from Stemtech of a returned cheque.

Failure to pay the service charge and replace the amount of the returned cheque will result in collection and possible legal proceedings to collect the amount of the returned cheque and service fee.

Stemtech may refuse future orders and/or move the Distributor to inactive status until the amount of the return cheque and service fee are replaced and paid.

Any Distributor whose cheque is returned to Stemtech for any reason may be requested to make all future purchases by credit card, bank guaranteed cheque or EFT only.

7.7-Restrictions on Third Party Use of Credit Cards and Chequeing Account Access

A Distributor should not use his/her credit card, or permit debits to his/her chequeing 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.

7.8-Timely Delivery Of Products And Marketing Materials

Stemtech will process Stemtech products and Marketing Materials orders as follows

**Credit Cards/EFT/Bank Deposit – allow forty eight (48) business hours / (2 working days) from payment date
Debit Order Instruction on Bank Accounts – within 7 days and only after Bank Confirmation has been received.**

Unless specifically requested otherwise, delivery should arrive **within seven (7) to fourteen (14) business days from the date of shipment.** Courier shipping may require a signature for verification of receipt.

7.9-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.

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.

7.10-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.

7.11 -Retail Pricing And Receipts

Although Stemtech provides a suggested retail price as a guideline Stemtech Independent Distributors may sell Stemtech Products at a 5% over or under suggested retail price.

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.

7.12 -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 single location health food stores operated by a sole proprietor), or any other type of major/chain retail establishment.

Stemtech Products may not be sold or displayed for public view (casual foot traffic), except in private clubs, such as health spas, and appointment only businesses, for example a doctor's office or beauty salons.

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 shopping malls and antique malls.

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, demonstrate Stemtech products and services and to present the Stemtech Opportunity.

7.13 -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,
- (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", cheque with the event promoter and confirm that another Stemtech Independent Distributor has not rented exhibit space.

7.14 -General Order Policies

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 except Autoship quantities of product.

Orders for products, services and Marketing Materials may be combined.

7.15 -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 backordered 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.

7.16 -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.

7.17 -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 is dissatisfied with any Stemtech product or service, 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)

8.2 -Returns by Distributors^Products Purchased for^personal Consumption^ ^ r\ =>

If a Distributor is unsatisfied with any Stemtech product purchased for personal use, the Company offers a 100% thirty (30) day money back guarantee (less shipping). This guarantee is limited to one (1) total per year. If a Distributor wishes to return merchandise exceeding \$500.00 in any 12 month period, the return will be deemed an inventory repurchase and the Company shall repurchase the inventory pursuant to the terms of Section 8.4, and the Distributorship Agreement shall be terminated.

8.3-Returns by Distributors for Replacement

In the instance of a Retail Customer returning a product to a Distributor, the Distributor may then return the product 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.

7.13 -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", cheque with the event promoter and confirm that another Stemtech Independent Distributor has not rented exhibit space.

7.14 -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.

7.15-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 backordered 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.

7.16 -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.

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SECTION 8 -RETAIL GUARANTEE, RETURNS AND REFUN

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 is dissatisfied with any Stemtech product or service, 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).

No empty bottles are to be accepted as a Return.

8.2 -Returns by (Distributors ^Products Purchased for personal Consumption

If a Distributor is unsatisfied with any Stemtech product purchased for personal use, the Company offers a 100% thirty (30) day money back guarantee **(less shipping)**.

This guarantee is limited to R 1500.00 total per year.

If a Distributor wishes to return merchandise exceeding RI 500.00 in any 12 month period, the return will be deemed an inventory repurchase and the Company shall repurchase the inventory pursuant to the terms of Section 8.4, and the Distributorship Agreement shall be terminated.

8.3-Returns by Distributors for Replacement

In the instance of a Retail Customer returns to a Distributor, the Distributor may then return the product 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.

8.4-Termination Returns

Marketing Materials for a refund.

STEMTECH WILL ONLY REPURCHASE STEMTECH PRODUCTS AND/OR MARKETING MATERIALS THAT A DISTRIBUTOR PURCHASED DIRECTLY FROM STEMTECH WITHIN TWELVE (12) MONTHS OF THE DATE OF PURCHASE.

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 Stemtech products to be returned (unless modified by applicable state laws).

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 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 following guidelines must be adhered to in order for Stemtech to consider the return for a refund:

(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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

SECTION 9 -TERMINATION AND NONRENEWAL

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 mailed, return receipt requested, to the Distributor's last known address, 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 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.

9.2-Voluntary Termination

Distributors may terminate their Distributorship Agreement at any time, regardless of reason.

Termination must be submitted in writing 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-Nonrenewal

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 nonrenewal of his/her Distributorship Agreement will be required to wait six (6) 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.

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.

9.5 -Effect of Termination, or Non- Renewal

Upon the voluntary cancellation, involuntary termination, or the nonrenewal 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 ID Numbers of 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 violation of the terms and conditions of the Agreement, or any illegal, fraudulent, deceptive or unethical business conduct by a Distributor may result, at Stemtech's sole discretion, in one or more of the following corrective measures.

- (a) Issuance of a written warning or admonition; and/or
- (b) Imposition of a fine, which may be withheld from compensation payments for one or more pay periods; and/or
- (c) Involuntary termination of the offender's Distributorship Agreement; and/or
- (d) Requiring the offender to take immediate corrective measures; and/or
- (e) Any other measure expressly allowed within any provision of the Agreement; and/or
- (f) Suspension of the offender's Distributorship Agreement for one or more compensation pay periods; and/or
- (g) 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. 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;
- (h) 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;
- (i) In situations where Stemtech deems appropriate, Stemtech may institute legal proceedings for monetary and/or equitable relief.

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 or services are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases.

Such statements can be perceived as medical or drug claims.

Not only are such claims violations of Stemtech policies, but they potentially violate South African laws and regulations, including the Medicines and Related Substances Control Act.

11.2 -Income Claims

In their enthusiasm to enroll prospective Distributors, some Distributors are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of Direct Sales.

This is counterproductive because new Distributors may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved.

At Stemtech, we firmly believe that the Stemtech income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in Direct Sales.

While Distributors may believe it beneficial to provide copies of cheques, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Stemtech as well as the Distributor making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation.

Because Stemtech Distributors do not have the data necessary to comply with the legal requirements for making income claims, income projections, income claims, or disclose his or her Stemtech income, including the showing of cheques, copies of cheques, bank statements, or tax records, or other documents.

11.3 -Government Endorsements

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.

11.4 -Jurisdiction And Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside in Gauteng, Republic of South Africa.

The Arbitration Act (1965) shall govern all matters relating to arbitration.

The law of the Republic of South Africa shall govern all other matters relating to or arising from the Agreement.

11.5 -Arbitration

Any dispute arising from or in connection with the Agreement or breach thereof shall be finally resolved in accordance with the Rules of the Arbitration Foundation of Southern Africa by an arbitrator appointed by the Foundation. Distributors waive all rights to trial by any court.

All arbitration proceedings shall be held in Gauteng, Republic of South Africa.

There shall be one arbitrator, who shall have expertise in business law transactions with a strong preference being an arbitrator knowledgeable in the direct selling industry, provided by AFSA.

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 of competent jurisdiction.

This agreement to arbitration shall survive any termination or expiration of the Distributorship Agreement.

Nothing in these Policies and Procedures shall prevent Stemtech from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect Stemtech's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

11.6 -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.