Kiss & Tell Participating Distributor Program Official Rules

KISS & TELL PARTICIPATING DISTRIBUTOR OFFICIAL RULES

Those who opt-in to become a Kiss & Tell Participating Distributor ("Participating Distributor[s]" or "You" or "Your") with SGII, Inc. d.b.a. SeneGence International ("SeneGence") are bound by these Official Rules. **1. HOW TO BECOME A KISS & TELL PARTICIPATING DISTRIBUTOR**. Opt-in to the Kiss & Tell Participating Distributor Program through Your BackOffice and must be active and in Good Standing with SeneGence. For the purposes of the Kiss & Tell Participating Distributor Program, "Good Standing" means a Participating Distributor who: a) has an active SeneGence Independent Distributor account; b) Is in good standing with the Company and has no outstanding Compliance matters with the Company, (both during the initial Program participation Period and through the duration of the Program); c) Has opted in to the Program; and d) Is able to demonstrate their ability to maintain their status in the Program, per the requirements listed herein. Your Kiss & Tell Customers ("Kiss & Tell Customer(s)" or "Customer(s)" will not be able to purchase via the Kiss & Tell Customer Rewards Program unless and until You are opted into the Participating Distributor Program.

2. BENEFITS OF BEING A KISS & TELL PARTICIPATING DISTRIBUTOR. As a Participating Distributor, the PV earned on purchases by Your Kiss & Tell Customers (such Customers are enrolled under You using Your referral codes, by choosing You as their Participating Distributor at sign up, or by being randomly assigned to You by SeneGence's systems) counts toward Your monthly PV requirements for Active Status, Downline Commissions, Group Sales Volume Bonus, contests, rank, and incentive qualifications. Participating Distributors will have the ability to receive customer leads. As a Participating Distributor, You earn a retail profit on Your Customers' purchases based upon Your highest discount level earned at the time the Customer's order is placed, as follows: 1) Your 20% discount level earns You a 12.5% retail profit; 2) Your 30% discount level earns You a 22.5% retail profit; 3) Your 40% discount level earns You a 32.5% retail profit; and 4) Your 50% discount level earns You a 42.5% retail profit. Retail Profit is paid on Net Product Receipts. Net Product Receipts are calculated as retail product price minus discounts, coupons, and Kiss & Tell Points ("Points") used. Retail profit is not paid on shipping or taxes (if taxes are included in the retail product price).

3. GUIDELINES. SeneGence Independent Distributors may not also be Kiss & Tell Customers. SeneGence Independent Distributors may not place orders on the Kiss & Tell platform. SeneGence Independent Distributors may not pay for Customers' orders. SeneGence Independent Distributors may not receive orders placed by Customers. Participating Distributors only earn PV on the portion of the Customer order not purchased using Points (PV on the order is reduced based upon the number of Points applied). PV from Customer orders are issued to Participating Distributors at the time that any such order is submitted and successfully paid for. Retail profits are paid weekly. Retail profits are calculated in light of a 7.5% order processing fee. A Customer statement will be in Your BackOffice. If SeneGence issues a refund to a Customer for a product return, SeneGence will recover the retail profit paid to the SeneGence Independent Distributor in connection with the refunded amount. If a credit card company reverses a Customer payment to SeneGence for any reason, SeneGence will recover the retail profit paid to the SeneGence Independent Distributor in connection with the applicable order. Your SeneCash Ledger in Your BackOffice will reflect the retail profits earned in connection with the Kiss & Tell Customer Program, as well as any deductions due to refunds issued or credit card payment reversals. Customer orders will appear in the Order History section of Your BackOffice, as indicated by a "PC" in front of the order number. Your Customers are never moved to another SeneGence Independent Distributor unless You opt out of the Kiss & Tell Participating Distributor Program, or if Your SeneGence Independent Distributor account becomes inactive, is suspended, cancelled, terminated, or if Your Customer chooses to change their Independent Distributor. If You opt out of the Kiss & Tell Program or if Your SeneGence Independent Distributor account becomes inactive or is suspended, cancelled or terminated, Your Customers are reassigned to the next active Participating Distributor in Your upline who is in active and Good Standing with SeneGence. As long as You are active and in Good Standing with SeneGence, You may receive Customer leads from SeneGence at the

time a Customer signs up and does not use a referral code or does not choose a particular Participating Distributor. Participating Distributors whose SeneGence Independent Distributor account status changes from inactive to active or who opt-in to the Kiss & Tell Participating Distributor Program after previously opting out, do not have their previous Customers reassigned to them. Participating Distributors who become unsuspended will have their former Customers reassigned to them if the suspension is lifted. Inactive, suspended, terminated or cancelled Participating Distributors do not earn retail profits or PV in the Kiss & Tell Participating Distributor Program. Inactive, suspended, terminated or cancelled Participating Distributor's referral codes cannot be used for Customer sign ups. Customers who choose to terminate their Customer status and become SeneGence Independent Distributors may sign up under any SeneGence Independent Distributor they so choose, it does not need to be the Participating Distributor for whom they were a Customer. There is no cost to be a Participating Distributor. SeneGence fulfills Customer orders directly, Participating Distributors do not use their own inventory to do so. You should provide customer service and advice to Your Kiss & Tell Customers just as You would to any other customer. The Kiss & Tell Customer Rewards Program that the Customer participates in and the Kiss & Tell Participating Distributor Program shall be the only customer program moving forward, and will replace the Customer Direct Order ("CDO") program. Existing CDO Customer's will be automatically transitioned into the Kiss & Tell Customer Rewards Program. SeneGence reserves the right to cancel, revoke, or modify the Kiss & Tell Participating Distributor Program at any time, for any reason, without notice, in its sole discretion. SeneGence reserves the right to revoke or cancel specific Points and/or Kiss & Tell Customer accounts at any time, for any reason, without notice, in its sole discretion. You may opt out of the Kiss & Tell Participating Distributor Program and discontinue Your Participating Distributor status at any time. If You opt out and discontinue Your Participating Distributor status, You will no longer receive retail profits on Your former Customers' Kiss & Tell purchases. If You opt out and discontinue your Participating Distributor status, You will no longer obtain PV from such former Customers' Kiss & Tell purchases to count toward Your monthly PV requirements for active status, Downline Commissions, Group Sales Volume Bonus, certain recognition gualifications. Once You become a Participating Distributor, You will continue to be a Participating Distributor unless you opt out of the Kiss & Tell Participating Distributor Program or if Your SeneGence Independent Distributor account becomes inactive, terminated, cancelled, suspended or You fail to be in Good Standing.

4. RETURNS. "Under the SeneGence Customer Guarantee Policy, Your Customer(s) is/are entitled to a ninety (90) day satisfaction guarantee on their orders of SeneGence products. Returns and refunds under this Program will be handled through SeneCare. You are required to assist SeneCare, where needed, with returns and/or refunds for Your Customers to complete their returns, refunds and/or exchanges. Customers should be directed to first contact the SeneCare Department to start their return(s), refund(s), or exchange(s). If a refund is issued to customer for returned product, SeneGence will recover the refund amount paid to the Customer in connection with the applicable refund.

5. OTHER CONDITIONS. All of the terms and conditions of any other agreement You have with SeneGence continue to be in full force and effect and are not altered in any manner by being a Participating Distributor. Participating Distributors are independent contractors and are not employees of SeneGence by virtue of participation in the Kiss & Tell Participating Distributor Program or for any other reason. Failure to comply with any Official Rule or Distributor Policies and Procedures, may result in the suspension or termination of Your Participating Distributor Policies and Procedures may also be considered by SeneGence in connection with any Compliance investigations and/or Your status as a SeneGence Independent Distributor, in SeneGence's sole discretion. All federal, state, local laws and regulations apply.

6. NO CIRCUMVENTION. SeneGence, in its sole discretion, reserves the right to take action or to refuse to take action, as such may be necessary to ensure compliance with these Official Rules or applicable law. Specifically, SeneGence may refuse to honor certain Participating Distributor requests or take other preventative action in situations whereby SeneGence deems a Participating Distributor is acting to circumvent compliance with these Official Rules, SeneGence's Independent Distributor Policies & Procedures, the SeneGence Independent Distributor Compensation Plan, or applicable law. The preceding is not the exclusive remedy but is cumulative with all other remedies which may be available to SeneGence at law or equity.

7. ARBITRATION.* EITHER PARTICIPATING DISTRIBUTOR OR SENEGENCE MAY CHOOSE TO HAVE ANY CLAIM BETWEEN PARTICIPATING DISTRIBUTOR AND SENEGENCE RESOLVED BY BINDING ARBITRATION

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INSTEAD OF IN COURT. THE CLAIM WILL BE RESOLVED ON AN INDIVIDUAL BASIS ONLY AND NOT AS A CLASS ACTION. DISCOVERY AND OTHER RIGHTS ARE MORE LIMITED IN ARBITRATION THAN IN COURT. PARTICIPATING DISTRIBUTOR WAIVES HIS OR HER RIGHT TO A JURY OR COURT TRIAL. PARTICIPATING DISTRIBUTOR WAIVES ANY RIGHT TO BRING OR PARTICIPATE IN A CLASS ACTION. PARTICIPATING DISTRIBUTOR MAY "OPT OUT" OF THIS CLAUSE IN WRITING WITHIN 60 CALENDAR DAYS OF PARTICIPATING DISTRIBUTOR'S OPT IN TO THE KISS & TELL PARTICIPATING DISTRIBUTOR PROGRAM.

Claims to be Arbitrated. Any and all "Claims" between Participating Distributor and SeneGence arising out of or relating to the Kiss & Tell Participating Distributor Program or to the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, if Participating Distributor or SeneGence so chooses, shall be determined by arbitration in Orange County California before one arbitrator, and not in court. This means Participating Distributor and SeneGence waive the right to a jury trial or court trial on those Claims. The term "Claim" means all claims, disputes, or controversies of any kind arising out of or relating to the parties' relationship, including, but not limited to, this Arbitration Agreement or the breach, termination, enforcement, interpretation or validity thereof. The arbitrator will interpret this Arbitration Agreement and decide the Claim, as well as whether the Claim can be arbitrated. However, the court will decide any Claim involving whether the Class Action Waiver, below, is enforceable. Neither Participating Distributor nor SeneGence waives the right to arbitrate by filing suit in court.

CLASS ACTION WAIVER. ANY ARBITRATION MUST BE ON AN INDIVIDUAL BASIS ONLY. PARTICIPATING DISTRIBUTOR GIVES UP ANY RIGHT HE OR SHE MAY HAVE TO PARTICIPATE IN A CLASS OR OTHER REPRESENTATIVE ACTION REGARDING ANY CLAIM THAT IS SUBJECT TO ARBITRATION. THIS MEANS THE PARTICIPATING DISTRIBUTOR CANNOT BE A CLASS MEMBER, CLASS REPRESENTATIVE OR PRIVATE ATTORNEY GENERAL REGARDING ANY SUCH CLAIM.

Exception for Claims for Public Injunctive Relief. Participating Distributor or SeneGence may, but are not required to, submit Claims for public injunctive relief under California or federal statutes that specifically provide for such relief to arbitration under this Arbitration Agreement. However, the class action waiver contained herein still applies to claims for public injunctive relief, and any such claims, whether asserted in court or in arbitration, may only be brought on an individual basis and not on behalf of a class or a multi-plaintiff group. In the event that either Participating Distributor or SeneGence brings an action against the other for public injunctive relief, that Claim for public injunctive relief shall be severed from all other issues, including damages or equitable remedies, and the proceedings relating to public injunctive relief shall be stayed until the other issues are resolved by arbitration. After such other issues are resolved, the proceedings relating to public injunctive relief shall be recommenced (in either arbitration or in court), and any findings of fact or law decided by the arbitrator(s) in the non-public injunctive relief proceedings may be considered but shall not be dispositive as to the Claim for public injunctive relief.

Nothing in this Arbitration Agreement shall be construed to prevent SeneGence from obtaining available emergency relief, including but not limited to a temporary or permanent injunction or writ of attachment to safeguard the protected interests of SeneGence prior to, during, or following any arbitration or other proceeding. **Exception for Small Claims.** If the amount of a Claim is within the small claims court's jurisdiction (a "Small Claim"), Participating Distributor or SeneGence may bring such Claim in small claims court. Participating Distributor and SeneGence do not have to arbitrate a Small Claim that is filed in small claims court. Participating Distributor or SeneGence may appeal the small claims court's judgment according to the law. However, if Participating Distributor or SeneGence brings any counterclaim or cross-claim that is for more than the small claims court's jurisdiction, the entire Claim (including the counterclaim or crossclaim) must, if Participating Distributor or SeneGence choose, be resolved by arbitration.

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Arbitration Organization. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules. Judgment on the Award may be entered in any court having jurisdiction. This Arbitration Agreement shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The parties agree and understand that the arbitrator shall have all powers provided by law and this Arbitration Agreement. The arbitrator shall be a retired judge with business transaction expertise, preferably experienced in the direct selling industry. The decision of the arbitrator shall be final and binding upon the parties and may be reduced to a judgment in any court of competent jurisdiction. If JAMS cannot or will not serve, and Participating Distributor and SeneGence cannot agree to another arbitration organization, the court will appoint one.

Law and Proceedings. The Federal Arbitration Act, 9 United States Code §§ 1, et seq. (the "Act") will govern this Arbitration Agreement. Contact the arbitration organization for instructions on how to file a case. The arbitrator must apply the substantive law, privileges and the statutes of limitations that would apply in a court action. The arbitrator will have no authority to grant class action or representative relief. The arbitrator's award will be final and binding, except for the limited right to appeal in the Act.

Severability and Continuation. If the court finds that any part of this Arbitration Agreement other than the Class Action Waiver cannot be enforced, the rest of this Arbitration Agreement will be enforced. If the court finds that the Class Action Waiver cannot be enforced, this entire Arbitration Agreement (except for this sentence) will be unenforceable with respect to the class action or representative claims. In no event will a class action or representative claim, or a claim for public injunctive relief, be arbitrated.

This Arbitration Agreement will remain in effect even after a Participating Distributor account ends or terminates.

*Opt Out Procedure. If Participating Distributor does not want to resolve Claims through arbitration, Participating Distributor can opt out of this Arbitration Agreement. To do so, send SeneGence a notice at SeneGence International, 19651 Alter, Foothill Ranch, CA 92610 attn: Legal Department, within 60 calendar days after the date of Participating Distributor's opt in to the Kiss & Tell Participating Distributor Program by certified letter or like notice with a copy sent to <u>legal@senegence.com</u> via email. Such Notice must include Participating Distributor's name, address, phone number and email address and state that You want to opt out of this Arbitration Agreement. This is the only way Participating Distributor can opt out of this Arbitration Agreement. Participating Distributor's opt out will not affect any other provisions of these Official Rules.

Confidentiality. The parties shall maintain the confidential nature of the arbitration proceeding and the award, including the hearing, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision.

8. LIMITATION OF DAMAGES. To the extent permitted by law, SeneGence and its subsidiaries, affiliates, shareholders, directors, officers, attorneys, employees, agents, consultants and other representatives shall not be liable for, and Participating Distributor hereby releases the foregoing from, and waives all claims for any loss of profits or incidental, indirect, special, exemplary, or consequential damages which may arise out of any claim whatsoever, whether sounding in contract, tort, or strict liability. Furthermore, it is agreed that any damage resulting to Participating Distributor shall not exceed and is hereby limited to the amount of SeneGence product You purchased from SeneGence in the twelve (12) months prior to the time of any award of such damages.

9. INDEMNITY AGREEMENT. Each and every Participating Distributor agrees to indemnify and hold harmless SeneGence and its subsidiaries, affiliates, and their shareholders, directors, officers, attorneys, employees, agents, consultants and other representatives from and against any claim, demand, liability,

loss, cost, or expense it may incur, including but not limited to attorneys' fees and court costs, arising or alleged to have arisen, in connection with or related to, allegedly or otherwise, that Participating Distributor's: (a) account; (b) a breach of these Official Rules; or (c) a violation of or a failure to comply with any applicable federal, state or local law or regulation.

10. ENTIRE AGREEMENT. These Official Rules, as they may be amended and/or revised, constitute the entire agreement of the parties regarding their business relationship.

11. OTHER AGREEMENTS. Participating Distributor acknowledges and agrees that becoming a Participating Distributor in this program does not violate or breach any other agreements the Participating Distributor may have with any other person or entity and the Participating Distributor remains responsible and obligated under the SeneGence Distributor Policies and Procedures.

12. NO THIRD PARTIES. These Official Rules, as agreed to by each individual Participating Distributor, are for the sole benefit of that specific Participating Distributor and SeneGence, and nothing therein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of the terms therein.

13. WAIVER AND SEVERABILITY. No waiver by SeneGence of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the President or an authorized member of the President or authorized member of the of the SeneGence Legal Department. Except as otherwise set forth in these Official Rules

no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from these Official Rules shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. If any term or provision of these Official Rules are invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceable such term or provision of these Official Rules or invalidate or render unenforceable such term or provision in any other jurisdiction.

14. ATTORNEYS' FEES AND COSTS. If any legal action (including arbitration) is necessary to enforce or interpret the terms of these Official Rules, or otherwise resolve any dispute between the parties, the prevailing party shall be entitled to recoup its costs of the legal action (including arbitration) and reasonable attorneys' fees to the extent permitted under California law.

15. GOVERNING LAW, INTERPRETATION AND VENUE. These Official Rules shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws provisions; and the only venue in which any claim arising out of these Official Rules may be brought shall be the County of Orange in the State of California.

16. EMAIL NOTICE. Any communication, notice, or demand of any kind whatsoever by SeneGence to any Participating Distributor concerning these Official Rules or their account shall be in writing and delivered by email to Participating Distributor at the email address in the Participating Distributor's records and profile maintained in their account. It shall be the responsibility of each Participating Distributor to ensure that the email address is up to date and that spam and filtering software does not prevent SeneGence's emails from being received. Should the Participating Distributor fail to so maintain their email address and availability, SeneGence may communicate with him or her in any commercially reasonable manner, otherwise communication, notice or demand shall presumed to have been received.

17. Kiss & Tell Customer Opt-Out / Grant of Rights. The Kiss & Tell Customer has the right to 'opt-out' of said communications pursuant to the SeneGence Privacy Policy located at: <u>https://web.senegence.com/en_us/privacy-policy</u>. If said Customer 'opts-out' SeneGence SeneCare will notify the Participating Distributor of said opt-out and the Participating Distributor shall immediately stop communicating with the Customer. Either party may change its address by written notice, including email or change in the Distributor's back office account, given to the other party. Participating Distributor, by virtue of his or her participation in the Kiss & Tell Participating Distributor Program, hereby irrevocably grants and assigns to SeneGence and to his or her Customers, the right to communicate to him or her via email, telephone, or any other common method of commercial communication, without regard to 'antispam', 'do not call' or other similar regulations, whether based in federal, state, local or international law.

18. Participating Distributor's Opt-Out Rights. The Participating Distributor has the right to 'opt-out' of communications from SeneGence by providing notice to privacy@senegence.com and following the steps as provided in the SeneGence Privacy Policy located at: https://web.senegence.com/en_us/privacy-policy. 19. RIGHT TO AMEND. In order to maintain a current and viable business, SeneGence reserves, and shall have the right to amend, delete, replace, revise, or otherwise modify these Official Rules and/or any aspect of the Kiss & Tell Participating Distributor Program at any time, in its sole discretion. In addition, SeneGence reserves, and shall have, the right to change at any time its wholesale or suggested retail prices, product availability, and product formulation and other business processes as it deems appropriate. All amendments and future revisions to these Official Rules and/or any aspect of the Kiss & Tell Participating Distributor Program shall become binding on all Participating Distributors thirty (30) days after publication and shall operate prospectively (i.e. shall apply to conduct arising after such amendments and revisions become binding). Publication may be accomplished through any of the following methods: (1) posting on the SeneGence website, (2) printing in the SeneGence Newsletter, (3) delivery by email, or (4) delivery by regular U.S. Mail. In the event of any conflict between these Official Rules and/or any aspect of the Kiss & Tell Participating Distributor Program and any amendment to either, the amendment shall control.