



POLICIES AND PROCEDURES MANUAL

EUROPE

As a Independent Business Owner (“IBO”) of CERULE GLOBAL BV, (hereafter the “Company”), you are required to understand and comply with all rules, regulations, policies, and procedures contained in this IBO Policies & Procedures Manual (the “Policy Manual”) that may be published or disseminated by the Company. The Company reserves the right to amend this Policy Manual by publishing or transmitting amendments as it deems appropriate.

It is the responsibility of each IBO to read, understand, adhere to and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When enrolling a new IBO, it is the responsibility of the Enroller/Sponsor to provide the most current version of these Policies and Procedures and Pay Plan to the applicant prior to his or her execution of the IBO Application Agreement.

Because laws change from time to time, like the business world, the Company reserves the right to modify the Agreement (including but not limited to IBO application form, general terms and conditions of the Agreement, operating procedures and conditions and the Pay Plan), its prices and the offer of products in accordance with the procedure provided for in the Agreement. The Company shall provide or make available to all IBOs a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company’s official website; (2) electronic mail (e-mail). The most current version will be located at www.CERULE.com. It is the responsibility of all IBOs to regularly review the website for the most recently published amendment(s). Once these changes are published, the IBO may decide to accept or reject them. If the IBO rejects them, their Agreement will terminate and will not be renewed.

The Company honors all regulations governing network marketing, and requires every IBO to do the same. It is therefore very important that you read and understand the information contained in this Policy Manual. If you have any questions regarding any rule or policy, seek an answer from your Enroller/Sponsor or the Company. The Code of Professional Ethics is included in Chapter 13 of this Policy Manual; you should review these materials and make them a part of your planning.

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CHAPTER ONE : INDEPENDENT BUSINESS OWNER STATUS

1. Becoming an Independent Business Owner

An applicant becomes an Independent Business Owner (“IBO”) of the Company when the following requirements are fulfilled :

- A.** The applicant’s completed IBO Application Agreement (the “Agreement”) and any related documents, returned to the Head Office and approved by it.
- B.** The candidate has acquired an IBO starter kit at company rate, containing IBO documentation, various documentary materials required for the activity (not for resale). This sum is not a service or franchise fee costs but is strictly meant to offset costs incurred by the Company for the production of training and sale materials required for any IBO of the Company.
- C.** The Company reserves the right to decline any application for any reason at its sole discretion.

2. No Purchase Required

Except as set forth above, no purchase is required to become an IBO.

3. IBO Obligations and Rights

An IBO is authorized to sell the Company’s products and services and to participate in the Company’s Pay Plan. An IBO may enroll/sponsor new IBOs into the Network.

4. Legal Age

An IBO shall be of legal age to enter into a binding contract in the region of the IBO’s residence.

5. Common Address

No more than three (3) IBOs or Customers may ship products to the same shipping address.

6. Married Couples

Married couples and their dependent children living at the same address shall share a single IBO entity. IBOs who subsequently marry shall maintain separate IBO status unless one is the direct Enroller/Sponsor of the other, in which case their IBO entities may be consolidated. When a couple sharing an IBO entity divorces or separates, the Company will continue to pay commission checks in the same manner as before the divorce or separation until it receives written notice, signed by both parties or issued by a court decree which specifies to whom future commission checks should be paid, provided the couple has complied with the requirements of chapter 5.3, if applicable.

7. Simultaneous Interests

An IBO and spouse and dependents may not have simultaneous beneficial interests in more than one IBO position entity. For example, a shareholder of a corporation that is an IBO may not become an individual IBO.

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8. Corporations, associations, Partnerships, Limited Liability Companies, and Trusts

Corporations, associations, Partnerships, Limited Liability Companies, or other forms of business organizations and/or trusts may become an IBO of the Company when the Agreement is accompanied by notarized copies of the following documents within thirty (30) days after the Agreement is accepted; otherwise, the IBO position may go into suspension :

- A.** A list of all directors, officers and shareholders involved in a company, all employees and associates of an association, members of a limited liability company or trustee (s) and recipient of a trust if any;
- B.** An ID number or other identification number; and
- C.** All other documents and information that may be reasonably requested from time to time. The shareholders, directors, officers, partners, members and beneficiaries, trustees if any, taking on the IBO status agree to be liable to the Company and the latter would consider all to be liable to the company and bound by the IBO Agreement and P&P.

9. Non-Profit Organizations

Non-Profit Organizations may become an IBO of the Company when the Agreement is accompanied by the following documents within thirty (30) days after the Agreement is accepted; otherwise, the IBO position may go into suspension :

- A.** Articles of incorporation and/or other governing documents, as applicable;
- B.** Complete list of all directors and officers involved in the Non-Profit Organization project and authorized to enter into a contract on behalf of the organization;
- C.** An ID number or other identification number as the Company may approve in its sole discretion; and
- D.** Any document establishing the tax position of the association;
- E.** The directors, officers and members with the status of distributor agree to be liable to the Company and the Company shall each be liable to the Company and to be bound by the Distributor Agreement and the Operating Conditions Guide.

10. Fictitious and/or Assumed Names

A person or entity may not apply as an IBO using a fictitious or assumed name without Company approval, which may be withheld in the Company's sole discretion.

11. Independent Contractor Status

An IBO is not a franchisee, joint venture Partner, business Partner, employee or agent of the Company, and IBO is prohibited from stating or implying, whether orally or in writing, otherwise. IBO has no authority to bind the Company to any obligation. The IBO is solely responsible for his/her social cover and taxes. IBO sets IBO's own hours and determines how to conduct IBO's business, subject to the Agreement and the Policy Manual.

12. Taxation

As an independent contractor, the IBO is neither a franchisee nor a joint venture partner, business partner, employee or agent. At the end of each calendar year, the Company will send each IBO a summary of commissions paid by CERULE. The IBO must declare his/her turnover and profits to the tax authorities. The IBO undertakes in any case to comply with the tax rules applicable to him. If the IBO is or becomes VAT-taxable, he undertakes to immediately communicate his/her VAT number, as well as any change in its position in relation to VAT.

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13. Compliance with law

An IBO shall comply with all regulations concerning the operation of IBO's business. An IBO is responsible for IBO's own managerial decisions and expenditures including all estimated income and self-employment taxes.

Specifically, the IBO must strictly follow the rules governing home sales and those of the Consumer Code applicable to the consumer.

It is mandatory for the IBO to give the consumer a document of pre-contractual information (PID) and a purchase order, depending on the model provided by CERULE.

The IBO honestly informs the consumer on the products and his/her rights, especially of the right of withdrawal. The IBO shall refrain from any unfair or aggressive behavior especially from any abuse of weakness.

The IBO acknowledges having been informed of the laws applicable to direct sales.

14. IBO Identification Number

IBOs will be assigned a Cerule ID number for purposes of the IBO's business with the Company. This number shall be placed on all orders and correspondence with the Company hereinafter referred to as the IBO Identification Number ("ID"). The Company will use this number in all internal IBO transactions.

15. No Exclusive Territories

There are no exclusive territories for marketing or sponsoring purposes, nor shall any IBO imply or state that IBO has an exclusive territory. No geographical limitations exist on IBO sponsoring within any country in which the Company is approved to do business. If An IBO desires to conduct business in an authorized country other than the one in which they are an IBO, he/ she must comply with all the applicable laws and regulations for that country.

16. Other Products

The IBO can exercise any activity for his/her own account, but he can not sell, promote or introduce products sold by any of CERULE competitors, no matter the terms.

An IBO agrees that no products except the Company's products shall be sold or shown at any event where the Company's products are sold or shown.

During the term of the IBO Agreement, and for a period of six months thereafter, the IBO is prohibited from selling or promoting any competing products or services or marketing programs to any of the Employees, Agents or IBOs, or induce them to terminate their agreement with CERULE or reduce their activity. Any IBO found in violation of this sub-chapter risks the loss of buying privileges, possible suspension and/or termination of the IBO position and participation in the Company Pay Plan.

17. Cross-Group Selling

Selling to other IBOs is prohibited. The IBO shall obtain all of Company products, literature and materials directly from the Company. Any violation of this rule subjects the IBO to possible suspension and/or termination.

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18. Contacts

IBOs are to limit all corporate communication to the office and staff of the Company. No direct contact is to be made with the Company's partners, suppliers, consultants, or hired professionals without the express written approval of the Company.

CHAPTER TWO : TERM AND RENEWAL

1. Term

Subject to the provisions of CHAPTER Four, the Agreement shall have a term beginning on the date of acceptance by the Company and ending one year from the date thereof. It will reconducted automatically if the conditions of renewal are respected.

2. Annual Renewal

An IBO shall renew their IBO's status annually. The annual renewal fee is due no later on the anniversary date of the contract latest, or by default the day Cerule calls the renewal fees, to the exception of the IBO's who stayed on monthly orders (Autoship) during 12 months, the renewal fee is then offered.

The renewal takes place on the conditions prevailing at the date of renewal and the renewal application shall in any case serve as an approval of these conditions. An IBO may elect to have the Agreement automatically renewed by authorizing the Company to debit their checking account or charge their credit card for the renewal fee and their renewal will be confirmed by the Company. An IBO who makes no product purchases in any 90 consecutive day period shall be deactivated and the IBO's name deleted from the mailing list without prejudice to any termination.

An IBO not renewing by the renewal date, as provided herein, shall be deemed to have voluntarily terminated their IBO position relationship with the Company and will thereby lose their IBO position, all sponsorship rights, their position in the Pay Plan, all rights to commissions and bonuses, and the ability to purchase products from the Company at wholesale prices.

An IBO who fails to renew his/her IBO status may not reapply under a new Enroller/Sponsor for six (6) months after non-renewal.

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CHAPTER THREE – RESPONSIBILITIES OF IBOS

1. Continuing Development Obligations

A. Ongoing Training

IBOs who enroll other IBOs must perform assistance and training to the best of their knowledge to ensure their downlines are properly operating their business and have the possibility to develop a successful network. Successful IBOs have ongoing contact and communication with the IBOs in their downline organizations. Successful upline IBOs also motivate and train new IBOs on product knowledge, effective sales techniques, the Pay Plan and compliance with the Company Policies and Procedures. Communication with and training of downline IBOs must not, however, violate chapter 8 and must permanently respect the independence of downline IBO. Commissions and bonuses under the Pay Plan are a compensation for effective and regular training, information, animation and motivation from a successful upline IBO to his/her downline IBOs. Every IBO should be able to provide documented evidence of his or her ongoing efforts as a mentor and an Enroller/Sponsor. Otherwise, the payment of commissions and bonuses under the plan may be suspended.

B. Products sale responsibility

Regardless of their level of achievement, successful IBOs are continually and personally promoting sales through the generation of new customers, through servicing their existing customers and through sales to Retail and Preferred Customers who are not IBOs.

C. Non-Disparagement

The Company wants to provide its IBOs with the best products, Pay Plan and service in the industry. Your constructive criticisms and comments are required. All such comments should not, however, disparage, demean or be negative about the Company, other IBOs, products, the Pay Plan, or directors, officers or employees of the Company.

2. Providing Documentation to Applicants

An Enroller/Sponsor must provide the most current version of the Policies and Procedures and the Pay Plan to the individual(s) whom he or she is considering to enroll to become an IBO before such applicant signs an IBO Application Agreement. IBO should invite the applicant to read it and answer questions raised by the latter.

3. Reporting Policy Violations

IBOs who become aware of a policy violation by another IBO should submit a written report of the violation directly to the attention of the Company. Details of the incidents such as dates, number of occurrences, persons involved and any supporting documentation should be included in the report.

4. Company Claims

No claims may be made or implied that any IBO has advantages with or special privileges with the Company or is in any way exempt from the same obligations and requirements of every other IBO.

5. Change of Address, Telephone or E-mail

To ensure timely delivery of products, support materials and commission payments, it is critically important that our files are current. Street addresses are required for shipping since product will not be delivered to a post office box. If an IBO is presently on the AutoShip program, the AutoShip will automatically be updated to the new address. If more than one change of address notice or AutoShip Agreement has been submitted, the most recent one will supersede previous notices or Agreements. Please allow fifteen (15) days after the receipt of the notice or Agreement for processing.

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6. Sponsoring rules

A. Sponsoring

An IBO may Enroll/Sponsor other IBOs in any country in which the Company has opened for business. The Enrollers/Sponsors shall ensure that each new IBO has received, had access to, and understands the Company's Agreement, the Policy Manual for the country in which they reside, and the Pay Plan. An IBO will be compensated only for the generation of sales volumes, not for enrolling/sponsoring new IBOs into the program.

B. Multiple Agreements

If an applicant submits multiple Agreements that list different Enroller/Sponsors, only the first completed Agreement to be received by the Company will be accepted. The decision of the Company in recognizing the official Enroller/Sponsor is final.

C. Training Requirement

IBOs are required to assure the adequate training of IBOs they enroll/sponsor. An Enroller/Sponsor shall maintain an ongoing professional leadership association with IBOs and shall fulfill the obligation of performing a bona fide supervisory, distribution and selling function in the sale or delivery of products and services. Upon request, an IBO must be able to provide the Company with evidence of ongoing fulfillment of Enroller/Sponsor responsibilities, including training.

D. Income Claims

No income projections, including those based solely on mathematical projections or "ideal projections" of the Company Pay Plan may be made to prospective IBOs. An IBO shall not represent income as an indication of the success assured to others, since income success depends upon many variables. Commission checks may not be used as marketing or advertising materials. IBO shall not guarantee or estimate compensation, expenses, or deductions attributable to the business to prospects. IBO shall truthfully and fairly describe and present the Pay Plan. No past, potential or actual income claims may be made to prospective IBOs, as well as it is impossible to meet their demands on actual income generated. The IBO may not, in any case guarantee commissions or estimate expenses.

7. Conflicts of Interest

IBOs may participate in other direct selling or network marketing or multilevel marketing ventures and IBOs may engage in selling activities related to non-Cerule products and services if they desire to do so. If an IBO elects to participate in another Network Marketing Venture, in order to avoid conflicts of interest and loyalties, IBOs must adhere to the following :

A. Non-Solicitation

During the term of the Agreement, an IBO shall not engage in any actual or attempted recruitment or enrollment of a Cerule IBO for other Network Marketing Ventures, either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of another Network Marketing Venture to any Cerule IBO or Customer, or implicitly or explicitly encouraging any Cerule IBO or Customer to join another Network Marketing Venture.

B. For a period of 90 days following the Cancellation of an IBO's Agreement, the former IBO is strictly prohibited from recruiting any Cerule Independent IBO for another Network Marketing Venture. By signing the IBO Agreement, each IBO acknowledges and agrees that the Company is trying to protect legitimate business interests by this prohibition and such prohibition is reasonable in its scope and duration.

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C. During the term of the Agreement, an IBO may not :

- Produce, offer or transfer any literature, tapes, CDs, DVDs or other promotional material of any nature for another Network Marketing Venture which is used by another Network Marketing Venture to recruit CERULE IBOs or customers for that Network Marketing Venture.
- Sell, offer to sell, or promote any competing non-CERULE products or services to CERULE IBOs (any product in the same generic product category as CERULE is deemed to be competing (any nutritional supplement is in the same generic category as Cerule's nutritional supplements, and is therefore a competing product, regardless of differences in cost, quality, ingredients or nutrient content));
- Offer Cerule products or promote the Cerule Pay Plan in conjunction with any non-Cerule products, services, business plan, opportunity or incentive; or
- Offer any non-Cerule products, services, business plan, opportunity or incentive at any Cerule meeting, seminar, launch, convention or other Cerule function, or immediately following such event.

D. Targeting Other Direct Sellers

Cerule does not encourage IBOs to target the sales force of another direct sales company to sell Cerule products to become IBOs for Cerule, nor does Cerule encourage IBOs to solicit or entice members of the sales force of another direct sales company to violate the terms of their contract with such other company.

E. Cross-Enrolling/Sponsoring

Actual or attempted cross-sponsoring is strictly prohibited. "Cross-Sponsoring" is defined as the enrollment of an individual or entity which already has a current IBO Agreement on file with Cerule, or which has had such an agreement within the preceding six (6) 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, or fictitious ID numbers to circumvent this policy or any other provision of the Agreement is strictly prohibited. IBOs shall not demean, discredit or defame other Cerule IBOs in an attempt to entice another IBO to become part of the first IBO's Marketing Organization. If Cross-sponsoring is discovered, it must be brought to the Company's attention immediately. Cerule may take action against the IBO who changed organizations and/or those IBOs who encouraged or participated in the Cross-Sponsoring. Cerule may also move all or part of the offending IBO's downline to his or her original Downline organization if the Company deems it equitable and feasible to do so. However, Cerule is under no obligation to move the Cross-Enrolled/Sponsored Independent IBO's downline organization, and the ultimate disposition of the organization remains within the sole discretion of Cerule. IBOs waive all claims and causes of action against Cerule arising from or relating to the disposition of the Cross-Enrolled/Sponsored Independent IBO's downline organization.

F. Applications or Orders processing

IBOs must not manipulate enrollments of new applicants and the purchase of products. All IBO Application Agreements and product orders must be sent to Cerule within forty-eight (48) hours from the time they are signed by an IBO or placed by a Retail Customer.

G. Fraud

"Stacking" is strictly prohibited. The term Stacking includes :

- The failure to transmit to Cerule an IBO Application and Agreement in excess of two (2) business days after its execution
- Violating the simultaneous interest rule (1.7 above)
- Enrolling fictitious individuals or Business Entities into the Cerule program

8. Downline Activity Reports (Genealogy Reports) {1}are available for IBO access and viewing at Cerule's official website.

IBO access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets and are owned exclusively by Cerule. Downline Activity Reports are provided to IBOs in strictest confidence and are made available to IBOs for the sole purpose of assisting IBOs in working with their respective Downline Organizations in the development of their Cerule IBO business. IBOs should use their Downline Activity Reports to assist, motivate and train their Downline IBOs and support their customers. The IBO and Cerule acknowledge and agree that, but for this agreement of confidentiality and nondisclosure, Cerule would not provide Downline Activity Reports to the IBO.

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An IBO shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity :

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party ;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report ;
- Use the information to compete with Cerule or for any purpose other than promoting his or her Cerule IBO business ;
- Recruit or solicit any IBO, Preferred Customer or Direct Retail Customer of Cerule listed on any report, or in any manner attempt to influence or induce any Independent IBO to alter their business relationship with Cerule ;
- Use or disclose to any person, association, corporation or other entity any information contained in any Downline Activity Report. Upon demand by the Company, any current or former IBO will return the original and all copies of Downline Activity Reports to the Company ; and
- It is a violation of these Policies and Procedures for an IBO or a third party to access this data via reverse engineering, keystroke monitoring or by any other means.

CHAPTER FOUR : RESIGNATION/TERMINATION

1. Voluntary Resignation

- A.** An IBO may voluntarily terminate his IBO status by failing to renew or by sending a written notice of resignation or termination to the Company. The resignation is effective from receipt of the written notice by the Company.
- B.** An IBO who resigns or terminates his IBO status may reapply as an IBO at an entry-level position six (6) months after resignation.

2. Suspension

An IBO may be suspended for violating the terms of the Agreement, which includes this Policy Manual, the Pay Plan and other documents produced by the Company. When a decision is made to suspend an IBO, the Company will inform the IBO in writing that the suspension has occurred effective as of the date of the written notification, the reason for the suspension and the steps necessary to remove such suspension, if any. The suspension notice will be sent to the IBO's address on file with the Company pursuant to the notice provisions contained in the Policy Manual. Such suspension may or may not lead to termination of the IBO's position as so determined by the Company in its sole discretion. If the IBO wishes to appeal, the Company shall receive such appeal in writing within fifteen (15) days from the date of the suspension notice. The Company will review and consider the suspension and notify the IBO in writing of its decision within thirty (30) days from the date of the suspension notice. The decision of the Company will be final and not subject to further review. The Company may take certain action during the suspension period, including, but not limited to, the following :

- A.** Prohibiting the IBO from holding IBO meetings as a IBO of the Company or using any of the Company's proprietary trademarks and/or materials ;
- B.** Withholding commissions and bonuses due to the IBO during the suspension period ;
- C.** Prohibiting the IBO from purchasing services and products from the Company ; and/or
- D.** Prohibiting the IBO from enrolling new IBOs, contacting current IBOs or attending IBO meetings.
- E.** If the Company, at its sole discretion, considers that the violation that caused the suspension is continuing, has not been satisfactorily resolved or a new violation involving the suspended distributor has occurred, the IBO's agreement may be terminated, without further delay or procedure.

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3. Termination

The IBO Agreement may be terminated when its terms were violated by either of the parties. Violation of terms by the IBO may concern all the obligations under the agreement, which include this Policy Manual, the Pay Plan and other documents produced by the Company. The Company may terminate a violating IBO without placing the IBO on suspension, in the Company's sole discretion. The IBO will be given written notice.

The IBO will be given notice of the opportunity to be heard by a special panel to consider the issues relating to the grounds for termination. When the decision is made to terminate the IBO, the Company will inform the IBO in writing at the address in the IBO's file that the termination has occurred effective thirty (30) days from the date of the written notification.

4. Appeal

If an IBO wishes to appeal the termination, the Company must receive the appeal in writing within fifteen (15) days from the date of notice of termination. If no appeal is received within the fifteen (15) day period, the termination will automatically be deemed final. If the IBO files a timely notice of appeal, the Company will review the appeal and notify the IBO of its decision within ten (10) days after receipt of the appeal. The decision of the Company will be final and not subject to further internal review. In the event the termination is not rescinded, the termination will remain effective as of the date stated in the original termination notice

5. Effect of Termination

Immediately upon termination, the terminated IBO :

- A.** Shall remove and permanently discontinue the use of the trademarks, trade names and any signs, labels, stationery or advertising referring to or relating to any Company product, plan or program ;
- B.** Shall cease introducing themselves as an IBO of the Company;
- C.** Shall lose all rights to IBO's commissions and position in the Pay Plan and to all future commissions and bonuses resulting there from; and
- D.** Shall take all action reasonably required by the Company relating to protection of its confidential information. The Company has the right to offset any amounts owed by the IBO to the Company from commissions or other bonuses due to the IBO. The Company may also offset an estimate of the amount that the IBO owes under the terms of the indemnity obligation incurred pursuant to CHAPTER 12.1 herein.

6. New application

The acceptance of any reapplication of a terminated IBO or the application of any family member of a terminated IBO shall be in the sole discretion of the Company and may be denied.

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CHAPTER FIVE : REAPPLICATION

1. Acquisition of Business

Any IBO desiring to acquire an interest in another IBO's business shall first terminate his/her IBO position and wait six (6) months before becoming eligible for such a purchase. All such transactions shall be fully disclosed to the Company and are subject to approval by the Company in advance.

2. Transfers to IBO

Except as expressly set forth herein, an IBO may not sell, assign or otherwise transfer IBO's entity (or rights thereto) to another IBO or to an individual who has an interest in the IBO entity. Notwithstanding the foregoing, an IBO may transfer the IBO position to the Enroller/Sponsor, subject to the conditions of CHAPTER 5.3. In such event, the Enroller's/Sponsor's IBO position and the transferring IBO's position shall be merged into one entity.

3. Conditions for Transferability

An IBO may not sell, assign, merge or transfer an IBO's position (or rights thereto) without the prior written approval of the Company and any such transfer, if approved, is subject to the following conditions :

- A.** The selling IBO shall provide the Company an executed "Sale of Cerule IBO Position" form and a copy of all documents which detail the transfer, including without limitation, the name of the purchaser, the purchase price and terms of purchase and payment;
- B.** A transfer fee of 50.00 € shall accompany the transfer documents ;
- C.** The documents shall contain a covenant made by the selling IBO for the benefit of the proposed purchaser not to compete with the purchaser or attempt to divert or enroll any existing IBO of the Company for a period of 6 months from the date of the sale or transfer; and
- D.** Upon a sale, transfer or assignment being approved in writing by the Company, the buying party Shall assume the position of the selling IBO and shall execute a current Agreement and all such Other documents that may be reasonably required by the Company.
- E.** The Company reserves the right, in its sole discretion, to stipulate additional terms and conditions prior to approval of any proposed sale or transfer. The Company reserves the right to disapprove any sale or transfer.

4. Circumvention of Policies

If it is determined, in the Company's sole discretion, that an IBO position was transferred in an effort to circumvent compliance with the Agreement, this Policy Manual, or the Pay Plan, the transfer will be declared null and void and the IBO position will revert back to the transferring IBO who will be treated as if the transfer had never occurred from the reversion day forward. If necessary, and in the Company's sole discretion, appropriate action, including without limitation, termination, may be taken against the transferring IBO to ensure compliance with the Agreement and this Policy Manual.

5. Succession

Notwithstanding any other provision of this CHAPTER Five, upon the death of an IBO, the IBO's position will pass to IBO's successors in interest as provided by law; however, the Company will not recognize such a transfer until the successor in interest has executed a current Agreement and submitted certified copies of the death certificate and will, trust, or other instrument required by the Company to evidence transfer of ownership. The successor will thereafter be entitled to all the rights and be subject to all the obligations of a Company IBO.

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6. Reentry

Any IBO who transfers their IBO business shall wait for six (6) months after the effective date of such transfer before becoming eligible to reapply to become a new IBO.

An IBO may change lines by voluntarily canceling his or her Cerule IBO business and remaining inactive (i.e., no purchases of Cerule products for resale, no sales of Cerule products, no enrolling, no attendance at any Cerule functions, participation in any other form of IBO activity, or operation of any other Cerule IBO business) for six (6) full calendar months.

7. Changes to an IBO business

Each IBO must immediately notify Cerule of all changes to the information contained on his or her IBO Application Agreement. IBOs may change the form of ownership from an individual proprietorship to a Business Entity owned by the Independent IBO by submitting a written request for a Name Change Request Form, a properly executed IBO Application and Agreement, and appropriate supporting documentation.

A. Addition of Co-Applicant

When adding a co-applicant (either an individual or a Business Entity) to an existing IBO business, the Company requires a written request, as well as a properly completed IBO Application and Agreement containing the applicant and co-applicant's Social Security Numbers and signatures. To prevent the circumvention of chapter 5.2 (regarding transfers and to the original IBO Application and Agreement. assignments of an IBO business), the original applicant must remain as the main party to the original IBO Application and Agreement. If the original IBO wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her IBO business in accordance with CHAPTER 4.9. If this process is not followed, the IBO business may be canceled by Cerule upon the withdrawal of the original IBO. All bonus and commission checks will be sent to the address of record of the original Independent IBO. The modifications permitted within the scope of this chapter 5.7 do not include a change of Enroller Sponsor or Placement Enroller/Sponsor. Changes of Enroller/Sponsor or Placement Enroller/Sponsor are addressed in chapter 5.7(b) below. There is a processing fee for each change requested, which must be included with the written request and the completed IBO Application and Agreement.

B. Change of Enroller/Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all IBOs, Cerule strongly discourages changes in Enroller/Sponsor or of placement Enroller/Sponsor. Maintaining the integrity of placement is critical for the success of every IBO and marketing organization. Accordingly, the transfer of a Cerule IBO business from one Enroller/Sponsor to another is rarely permitted. Requests for a change must be submitted by contacting the IBO Support Department and must include the reason for the change. Any change will be at the sole discretion of the Company. If the change is approved, only one change will be allowed per Enroller/Sponsor. A change of Enroller/Sponsor will only be considered in the following two (2) circumstances :

- In cases involving fraudulent inducement or unethical enrolling, a IBO may request that he or she be transferred/ changed to another organization with his or her entire Marketing Organization intact. All requests for transfer/ change alleging fraudulent enrollment practices shall be evaluated on a case-by case basis.
- The IBO seeking to transfer/change submits a properly completed and fully executed Enroller/Sponsor Change Request Form, which includes the written approval of his or her Enroller/Sponsor and immediate seven (7) Enroller/Sponsor Upline IBOs. Photocopied or facsimile signatures are not acceptable. The IBO who requests the transfer must submit a processing fee for administrative charges and data processing. If the transferring IBO also wants to move any of the IBOs in his or her organization, each downline IBO must obtain a properly completed Enroller Change Request Form and return it to Cerule with the processing fee (i.e., the transferring/changing IBO and each IBO in his or her organization accompanied with the processing fee, cost to move a Cerule organization.) Downline IBOs will not be moved with the transferring/changing IBO unless all of the requirements are met. Transferring changing IBOs must allow thirty (30) days after the receipt of the Enroller Change Request Form by Cerule for processing while a decision is being made.

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8. Separation of a Cerule Independent IBO business

Cerule IBOs sometimes operate their Cerule IBO business as husband-wife through a Business Entity. At such time as a marriage ends, or a Business Entity dissolves, arrangements must be made to assure that any separation or division of the Business Entity is accomplished so as not to adversely affect the interests and income of other IBOs upline or downline of the IBO business. If the separating parties fail to provide for the best interests of other IBOs and the Company, Cerule may involuntarily and immediately terminate the Agreement or roll-up IBO's entire Marketing Organization. Under no circumstances will the Downline of divorcing or legally separating spouses or a dissolving Business Entity be divided based on the requests or desires of the divorcing or legally separating parties. Similarly, under no circumstances will Cerule split commission and bonus checks between divorcing or legally separating spouses or members of dissolving Business Entities.

Cerule will recognize only one downline and will issue only one commission check per Cerule IBO business per commission cycle. Commission checks shall be issued to the individual or Business Entity on the IBO business.

In the event that parties to a divorce or dissolution proceeding is unable to resolve a dispute over the disposition of commissions and ownership of the IBO business, commissions will continue to be paid to the primary member on the account. If a former spouse or a former Affiliated Individual has completely relinquished all rights in their original Cerule IBO business, they are thereafter free to enroll under any Enroller/Sponsor of their choosing, so long as they meet the waiting period requirements. In such case, however, the former spouse or partner shall have no rights to any downline in their former organization. The former spouse or partner must develop the new Marketing Organization in the same manner as would any other new IBO.

9. Transfer Upon Incapacitation of an IBO

To effect a transfer of a Cerule IBO business because of incapacity, a legally appointed representative must provide the following to Cerule :

- A.** a notarized copy of an appointment as trustee or other legally appointed representative;
- B.** a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Cerule IBO business; and
- C.** a completed IBO Application and Agreement executed by the trustee.

If the representative in interest is already a Cerule IBO, the Company may grant exception to the One IBO business per Household rule upon written request from the representative in interest.

CHAPTER SIX : PROPRIETARY INFORMATION

1. Confidentiality Agreement

During the term of the Agreement, the Company may supply to an IBO confidential information including, but not limited to genealogical and downline reports, customer lists, customer information developed by the Company or developed for and on behalf of the Company by an IBO (including, but not limited to credit data, customer and IBO profiles and product purchase information), IBO lists, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which the Company may designate as "confidential". All such information (whether in written or electronic form) is proprietary and confidential to the Company and is transmitted to IBO in strictest confidence on a "need to know" basis for use solely in IBO's business with the Company. IBO shall use his best efforts to keep such information confidential and shall not disclose any such information to any third party, directly, or indirectly. IBO shall not use the information to compete with the Company or for any purpose other than promoting the Company's program and its products and services. Upon expiration, non-renewal or termination of the Agreement, IBO shall discontinue the use of such confidential information and promptly return any confidential information in their possession to the Company.

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2. Copyright Restrictions

With respect to product purchases from the Company, an IBO shall abide by all manufacturers' use restrictions and copyright protections.

3. Vendor's and Other Business Associate's Confidentiality

The Company's business relationships with its vendors, manufacturers, suppliers, and researchers are confidential. An IBO shall not contact, directly or indirectly, speak to, or communicate with any supplier, manufacturer, or researcher of the Company except at a Company-Enroller/Sponsored event at which the supplier, manufacturer, or researcher is present at the request of the Company.

CHAPTER SEVEN : TRADEMARKS, LITERATURE, AND ADVERTISING

1. Trademarks

The Company's name, trademarks, service marks, and copyrighted materials are owned by the Company, including the names of the Company's products. The use of such marks and materials shall be in strict compliance with the Policy Manual. Only the Company is authorized to produce and market products and literature under these trademarks. Use of the Company name on any item not produced or authorized by the Company is prohibited, except in the manner described below :

Name Surname

Independent IBO CERULE®

2. Telephone, Yellow and White Pages Listing

An IBO is not permitted to use the Company's trade name in advertising in the white or yellow page CHAPTER of the telephone book. IBO is not permitted to list their telephone numbers under the Company's trade name without first obtaining prior written approval from the Company. If approval is granted for a listing, it shall be stated in the following manner:

3. Imprinted Checks

An IBO is not permitted to use the Company trade name or any of its trademarks or service marks on their business or personal checking accounts; however, an IBO may imprint IBO's business checks as being a "Cerule® Independent IBO."

4. Printed Business Cards or Letterheads

An IBO is not permitted to "create" its own stationery, business cards or letterhead graphics if the Company's trade name and/or trademarks are used. Only the approved Company graphics version and wording are permitted and letterhead shall be ordered either from the Company directly or from the Company-licensed independent contractor.

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5. Print and Electronic Advertisin

Only Company-produced or approved in writing in advance promotional and advertising materials may be used to advertise or promote an IBO's business, or sell products or services of Company in any print or electronic media, including on an Internet web site. No person shall use the Company name, logos, trademarks, or copyrighted material in any advertising not produced by the Company or without the prior express written permission from the Company. The Company's literature and materials may not be duplicated or reprinted without the prior written permission of Company. The Company's consent or approval may be withheld at its sole discretion. Banners, trade show materials and the like must be approved in writing by the Company.

6. Internet

The Company maintains a presence on the Internet in its own web site. An IBO is prohibited from using any trademarks of Company, including the CERULE name, CERULE logo, and the name of any of the products, or any other trade names, trademarks, or distinctive phrases or remarks used by Company, including those related to any product, or any term confusingly similar thereto - in any form on the internet. If an IBO desires to provide a link from the IBO's personal web site directly to the Company's website, the IBO's request must be in writing and is subject to Company approval in its sole discretion. No link may be established until the IBO receives written approval from Cerule.

7. Protection of Minors

The Cerule website is not designed for or targeted at children. No use or dissemination of information concerning a minor is carried out on the site. If, however, we become aware that personally identifiable information regarding a child under the age of 18 has been collected at the Cerule site, we will use such information for the sole purpose of contacting a parent or guardian of the child to obtain verifiable parental consent.

If we cannot obtain consent after a reasonable period of time, or if when contacted, a parent or guardian requests that we do not use or maintain such information, we will make reasonable efforts to delete it from our records. Upon request by a parent or guardian, Cerule will provide a description of the specific types of personal information collected from a child who is under the age of 18.

8. Social Media

- A.** As an IBO of Cerule, you are encouraged but not required to maintain a presence in Social Media. Should you choose to do so, you must however adhere to the guidelines and policies set forth by CERULE. These guidelines and policies are designed to ensure the uniformity and professionalism of the Cerule brand which, in turn, benefits IBO business. CERULE maintains an online presence for the benefit of the company as a whole, which includes Customers, IBOs, and the general public. We ask that in our public forums (Facebook, Twitter, etc.) you keep your comments relevant to all.
- B.** IBO may not use the official corporate Cerule pages to drive business, solicit business, drive people to your own site, or recruit IBOs. CERULE brand name cannot be used to drive traffic away from CERULE corporate site.
- C.** IBO cannot present his/her independent business as the corporate office. All IBO communications, both in print and online, must clearly appear as coming from an independent IBO of the Company and not lead the consumer to think they may be interacting with the corporate office.
- D.** IBOs are welcome to use the term "Cerule Independent IBO" in the name/description of various social media sites for your business. You cannot use the word "official" or anything similar. You cannot create an alias for any sites like Twitter or others that use any permutation of the Cerule name. For further clarification regarding naming, please refer to CHAPTER 8.9.

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- E.** IBO must consider if the information they are sharing is beneficial to their business and to the company as a whole when posting information related to CERULE online. IBOs should not present themselves in any way that detracts from the Cerule brand. All IBOs agree, acknowledge, and affirmatively accept that any content posted (photos, testimonials, statements, marketing materials, etc.) on a social media Web site including, but not limited to, Facebook, Twitter, Instagram, LinkedIn, Flickr, etc., must adhere to the Print and Electronic Guidelines. Health/medical claims, income claims, or disparaging comments, remarks, etc. are expressly prohibited and will not be approved or allowed.
- F.** In the event of voluntary or involuntary termination of a Cerule IBO business, the IBO is required to remove all references to Cerule from Social networks within ten (10) days.
- G.** Should Cerule discover non-compliant profiles and/or websites, IBO will be required to remove the material immediately.
- H.** Infractions of any social media guideline may result in disciplinary actions up to and including termination of your IBO account.

9. Endorsements

No endorsements by a Company officer or any third party may be asserted, except as expressly communicated in the Company literature and communications. Regulatory agencies do not approve or endorse direct selling programs. Therefore, IBO may not represent or imply, directly or indirectly, that the Company's program, products or services has been approved or endorsed by any governmental agency.

10. Independent Communications

Subject to the restrictions imposed by this CHAPTER Seven, IBO is encouraged to distribute information and direction to IBO's respective downline; however, IBO shall identify and distinguish between personal communications and the official communications of the Company.

11. Medical Claims

No medical claims (expressed or implied) may be made for any Company product by an IBO. The Company recommends that customers under a physician's care or suffering from any chronic disorder should consult their physician before undertaking any changes in diet or when beginning any nutritional program. The Company's nutritional products are designed as supplements not replacement. The Company encourages all Company customers to seek the advice and counsel of nutritional and healthcare professionals.

12. Repackaging Prohibited

An IBO may not repackage products or materials of the Company in any manner.

13. Telephone Answering

IBO may not answer the telephone by saying "Cerule" or in any other manner that would lead the caller to believe that the call has reached the corporate offices of the Company.

14. Liability

Violation of any of the rules contained in this Policy Manual is grounds for termination of the individual's IBO status. The violator may also be liable for damages resulting from unauthorized use of the Company copyrights, trademarks, and materials.

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CHAPTER EIGHT : PUBLICITY

1. General Rule

In order to safeguard and promote the good reputation and established brands of Cerule and its products and ensure that the promotion of Cerule, the Cerule opportunity, the Pay Plan, and Cerule products are consistent with the public interest and avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices, all IBOs, are encouraged to use the sales aids and support materials produced by Cerule. The Company has carefully designed its products, product labels, Pay Plan and promotional materials to ensure that the presentation of each aspect of Cerule is fair, truthful and complies with applicable laws.

2. Unauthorized Claims and Actions

An IBO is fully responsible for all of his or her verbal and written statements made regarding Cerule products and the Pay Plan which are not expressly contained in official Cerule materials.

IBOs agree to indemnify Cerule's directors, officers, employees and agents, and hold them harmless from any and all liability including, but not limited to, judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by Cerule as a result of the Independent IBO's unauthorized representations or actions. This provision shall survive the termination of the Agreement.

3. Product claims

No claims, which include personal testimonials, as to therapeutic, curative or beneficial properties of any products offered by Cerule may be made except those contained in official Cerule materials. In particular, no IBO may make any claim that Cerule products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases or signs or symptoms of disease. Not only are such claims violations of Cerule policies, but they potentially violate applicable laws. An IBO that provides product experience testimonials in any medium should use care to disclose their affiliation with Cerule and may only introduce themselves as a CERULE independent distributor. IBO must be honest in their testimonial personal experience and assert that they are not claiming that their experience is the typical result experienced by consumers.

4. Income Claims

In their enthusiasm to enroll prospective IBOs, some IBOs are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing and Cerule in particular. This is counterproductive because new IBOs may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. We firmly believe that the Cerule income potential is great enough to be highly attractive, without reporting the earnings of others. Moreover, there are laws and regulations that regulate, or even prohibit, certain types of income claims and testimonials made by persons engaged in network marketing. While IBOs may believe it beneficial to provide copies of checks or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Cerule as well as the IBO making the claim, unless appropriate disclosures required by law are also made simultaneously with the income claim or earnings representation. Because Cerule IBOs do not have the data necessary to comply with the legal requirements for making income claims, an Independent IBO, when presenting or discussing the Cerule opportunity or Pay Plan to a prospective Independent IBO, may not make income projections, income claims or disclose his or her Cerule income (including the showing of checks, copies of checks, bank statements or tax records).

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Examples of hypothetical income examples that are used to explain the operation of the Pay Plan and which are based solely on mathematical projections, may be made to prospective IBOs, so long as the IBO who uses such hypothetical examples makes clear to the prospective Independent IBO(s) that such earnings are hypothetical and the IBO provides the prospect with a copy of the most current income disclosure chart prepared by the Company.

IBO may not use the hypothetical revenues generated by the activity to attract new distributors until CERULE has provided such official data.

5. Use of Celebrity Names and Likeness

No names or likeness of a celebrity may be published by IBOs in association with Cerule without prior written approval of Cerule.

6. Interaction with Scientific Advisory Board and other Company Consultants

Cerule is uniquely positioned in the marketplace by its special relationship with many preeminent scientific, marketing, public relations, business and legal professionals. In the interest of preserving these relationships for the benefit of all IBOs and the Company, IBOs must: adhere strictly to the Company's advertising policies; and refrain from any contact with any member of the Company's Board of Directors, Scientific Advisory Board or other consultant or adviser of the Company, without the express prior written consent of the Company.

7. Governmental Approval or Endorsement

Government regulatory agencies do not approve or endorse any direct selling or network marketing companies or programs. Therefore, IBOs shall not represent or imply that Cerule or its Pay Plan has been "approved," "endorsed" or otherwise sanctioned by any government agency.

8. Mass Media

A. Mass Media Promotions :

Utilizing Mass Media is Prohibited. Except as otherwise specifically authorized herein, IBOs may not use any form of media or other mass communication advertising to promote the products or opportunity. This includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, Internet ads, etc. Products may be promoted only by personal contact or by literature produced and distributed by the Company or by IBOs in accordance with these Policies and Procedures. IBOs may place generic opportunity advertisements but only in accordance with the Policies and Procedures of the Company and in compliance with applicable law.

B. Media Interviews :

IBOs may not promote the Products or opportunity through interviews with the media, articles in publications, news reports, press releases or any other public information, trade or industry information source, unless specifically authorized, in writing, by the Company. This includes private, paid membership or "closed group" publications. IBOs may not speak to the media on the Company's behalf and may not represent that they have been authorized by the Company to speak on its behalf. All media contacts or inquiries should be immediately referred to the Marketing Communications Department of the Company.

9. Internet

Regardless of compliance with the policies and procedures set forth herein, all Cerule IBOs are personally responsible for their online postings and all other online activity that relates to Cerule.

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Therefore, even if a Cerule IBO does not own or operate a blog or social media site, if a Cerule IBO posts to any such site that relates to Cerule or which can be traced to Cerule, the Cerule IBO is responsible for the posting and must act in a way that builds, strengthens and enhances Cerule's reputation, image and standing in the community.

Cerule IBOs are also responsible for postings which occur on any external website that the Cerule IBO owns, operates or controls. Cerule IBOs must disclose their full names on all relevant social media profiles that relate to Cerule and its products or business, and each must conspicuously identify themselves as an "Cerule Independent IBO." Anonymous postings or use of an alias is prohibited. Cerule IBOs must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The assessment of the inappropriateness remains at the reasonable appraisal of CERULE, and the violation of its image by such acts is liable to question the IBO's Agreement.

Cerule IBOs may not use blog spam, or any other mass-replicated methods to leave comments on any website, blog or message board. Comments Cerule IBOs create or leave online must be useful, unique, relevant and specific to the blog's article.

As a general rule, Cerule IBOs may not use any geographic references in the page names/titles or URLs of their Cerule related social media or external websites. For purposes of clarification and the avoidance of doubt, other than for a default URL or an approved amendment to a default URL, Cerule IBOs may not use the terms "Cerule," "or any derivation thereof, in any external website address or related URL (example : www.sellingCERULE.com ou www.blogspot.CERULEofParis.com)

Any External Website which contains "Cerule" other Cerule product and program names, or any derivation thereof in the URL, must be transferred to Cerule or closed/terminated upon demand by Cerule. In no event may the Cerule IBO sell such domain name to any third party without the prior express written consent of Cerule.

10. IBO Websites

If an IBO desires to utilize an Internet web page to promote his or her IBO business, he or she may do so only through the Company's replicated website program, using the official Cerule template. This program allows IBOs to advertise products on Internet and to use a home page design that can be personalized with the Independent IBO's contact information. An IBO shall not use "blind" ads on the Internet that make product or income claims which are ultimately associated with Cerule products, the Cerule opportunity or the Cerule Pay Plan.

11. The Official Cerule Public Facebook (or similar) Pages

Cerule has an official public Facebook page which can be used to invite potential customers and investors to investigate the company. It is not intended to be used by Cerule IBOs to sell product or promote their business or to interact with other IBOs or consumers. As such, Cerule IBOs may not place linking information on the public Cerule Facebook page, nor may they post any pricing, promotions, marketing material, sales, advertisements, or announcements relating to their businesses. Cerule reserves the right to remove any messages posted on the official Company Facebook page as determined in its sole discretion.

12. Use of Third-Party Intellectual Property

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

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13. Respecting Privacy

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

14. Professionalism

Cerule IBOs must ensure that their postings are truthful and accurate. This requires that they fact-check all material they post online. They should also carefully check their postings for spelling, punctuation and grammatical errors.

Use of offensive language is prohibited.

15. Prohibited Postings

Cerule IBOs may not make any postings or link to any postings or other material that:

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

16. Responding to Negative Online Posts

Cerule IBOs should not converse with one who places a negative post against them, other Cerule IBOs or Cerule. They should report negative posts to the Company. Responding to such negative posts simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Cerule, and therefore damages the reputation and goodwill of Cerule.

17. Cancellation of Your Cerule Business

If a Cerule IBO's business is canceled for any reason, they must discontinue using the Cerule name, and all of Cerule's trademarks, trade names, service marks and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all external websites that they utilize.

If a Cerule Independent IBO's post on any social media site on which they have previously identified themselves as an Independent Cerule representative, they must conspicuously disclose that they are no longer an Independent Cerule Representative.

18. Online Classifieds

Cerule IBOs may not use online classifieds) to list, sell or retail specific Cerule products, product bundles or the opportunity.

19. Online Auction Websites

Cerule's products and program may not be listed on eBay or other online auctions, nor may IBOs enlist or knowingly allow or facilitate a third party to sell Cerule products on eBay or other online auctions.

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20. Online Retailing

IBOs may not list or sell Cerule products on any retail store or ecommerce site, including Amazon.com or the like (with the exception of a presentation on their own replicated website, referring to the official website CERULE, only authorized to sell CERULE products on-line. Additionally, IBOs may not (1) enlist or knowingly allow a third party to sell Cerule products on any online retail store or ecommerce site or (2) sell products to a third party that the IBO has reason to believe will sell such products on any online retail store or ecommerce site. IBOs may obtain the then-current product images and descriptions from the Tools Tab in their Virtual Office, which IBOs may display only on their Replicated Website.

21. Banner Advertising

IBOs may place banner advertisements on their third-party websites (as described herein below); provided, however, that they only use Cerule -approved templates and do not list any pricing, discounts or promotions of any Cerule product on such advertisement. Any Cerule related banner advertisements on these websites must link back directly to their replicated Cerule website only.

22. Spam Linking

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming. Any comments an IBO makes on blogs, forums, guest book, etc., must be unique, informative and relevant.

23. Digital Media Submission (e.g., YouTube, iTunes, Photobucket, etc.)

IBOs may not upload, submit or publish Cerule owned or related video, audio or photo content to any website.

24. Pay-Per-Click and Paid Search

Enroller/Sponsored links or pay-per-click ads (PPC) are acceptable as described herein. The destination and display URL must be the same. The ad must not portray any URL that could lead the user to believe they are being directed to a Cerule Corporate website, or be inappropriate or misleading in any way. IBOs cannot use Cerule's trade names, trademarks or other copyrights when submitting Google AdWords, Bing Keywords, etc. to search engines.

25. Spamming and Unsolicited Communication

Except as provided in these Policies and Procedures, IBOs may not send or transmit unsolicited faxes, mass email distribution, unsolicited e-mail or "spamming" relative to the operation of their Cerule IBO business. 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 Cerule, its products, its Pay Plan or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or e-mail: to any recipient with that recipient's prior express invitation or permission; or to any person with whom the IBO has an established business or personal relationship. The term "established business or personal relationship" means prior or existing relationship formed by a voluntary two-way communication between an IBO and a person, on the basis of an inquiry, application, purchase or transaction by the person regarding products offered by such Independent IBO; or a personal or familial relationship, which relationship has not been previously terminated by either party.

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26. Telemarketing

While CERULE does not consider IBOs to be “remote distributors» in the traditional sense of the word, they are required to apply telemarketing regulations if they are in a situation defined by law. Thus, an IBO’s inadvertent action of calling someone whose telephone number is listed on a “do not call” registry could cause them to violate the law. These regulations must not be taken lightly, as they can carry significant penalties and fines, per violation. Therefore, IBOs must not engage in telemarketing in the operation of their Cerule Independent IBO business. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Cerule product or service, or to recruit them for the Cerule opportunity. “Cold calls” made to prospective customers or IBOs that promote either products or services or the Cerule opportunity constitute telemarketing and are prohibited. In addition, IBOs shall not use automatic telephone dialing systems or random phone lists relative to the operation of their Cerule IBO business. The term “automatic telephone dialing system” means equipment which as the capacity to: store or produce telephone numbers to be called using a random or sequential number generator; and to dial such numbers.

27. Advertised Product Price

IBOs also agree that all advertising regarding the price of Products will be truthful and will not contain misleading statements (e.g. “lowest price available” which infers that an IBO is able to monitor other IBO prices, etc.) Any violation of this chapter by an IBO shall constitute a breach of the Agreement and may result in punitive action.

CHAPTER NINE : SALES REQUIREMENTS (COMMISSION)

1. Product Sales

The Cerule Pay Plan is based upon the sale of Cerule products to end consumers. IBOs must fulfill personal and downline organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for IBOs to be eligible for commissions :

- A.** Sales Volume IBOs must satisfy the Personal Volume (“PV”) and Group Volume (“GV”) requirements to fulfill the requirements associated with a particular rank as specified in the Cerule Pay Plan. PV includes purchases made by the IBO, personally enrolled Preferred Customers and Retail Customers. All IBOs are still required to have their personal monthly order volume to fulfill monthly requirements as specified in the Pay Plan. GV shall include the total PV of all IBOs in his or her Marketing Organization plus the Independent IBO’s PV.
- B.** Complying with the 70% Sales Rule The IBO must comply with the 70% Sales Rule as set forth below. By placing a new product order, an IBO is deemed to have certified that he or she has sold or consumed at least 70% of all products purchased in prior orders. Each IBO that receives rebates, bonuses or commissions and orders additional product agrees to retain documentation that demonstrates compliance with this policy, including evidence of retail sales, for a period of at least four (4) years. An IBO agrees to make this documentation available to the Company at the Company’s request. Failure to comply with this requirement or falsely representing the amount of product sold or consumed in order to advance in the Pay Plan constitutes a breach of the Agreement and is grounds for termination. Furthermore, a breach of the Agreement authorizes the Company to demand return of any commission paid to the IBO for any period during which the documentation was not presented or during which these provisions have been violated.
- C.** Sales Receipts IBOs must provide their Retail Customers an official Cerule sales receipt bearing his/her name and the date of the sale. These receipts set forth consumer protection rights afforded by applicable law. IBO must maintain all retail sales receipts for a period of four years and supply them to Cerule at the Company’s request. Records documenting the purchases of Independent IBO’s Direct Retail Customers will be maintained by Cerule. All IBOs must ensure that the following information is contained on each sales receipt: (1) The date of the transaction; (2) the date (at the earliest on the day of delivery from which the buyer may give notice of cancellation; and (3) name and address of the selling Independent IBO. In addition, Independent IBOs must inform the buyer of his or her cancellation rights.

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2. Bonus and Commission Qualifications

An IBO must be active and in compliance with the Agreement to qualify for bonuses and commissions. IBO shall be paid commissions and bonuses in compensation for the enrolment, training and assistance function of IBOs in his/her downline. This service must be effective and provided in all IBO downlines. IBO failure to perform such functions or provide documented evidence of his or her ongoing efforts authorizes CERULE to suspend benefits under the plan and payment of commissions and bonuses. CERULE will have to pay commissions and bonuses generated by the IBO according to the position occupied in the Commission Plan, so long as the IBO fulfills his/her obligations under the Agreement.

3. Basis for Commissions

Commissions and other bonuses cannot be paid until a completed Agreement has been received and accepted by the Company prior to the end of the month in which the sale is made. Commissions are paid ONLY on the sale of Company services and products. No commissions are paid on the purchase of an IBO Starter Kit or for Enroller/Sponsoring IBOs.

4. Calendar Month

Commissions and bonuses are calculated and paid on the current pay period information. An IBO is promoted to the highest rank in which he/she qualifies at the close of each bonus period. Commissions and bonuses are paid based on the "Paid as" rank.

5. Commission and Bonus Payment Date

Monthly commission and bonuses are paid two weeks following the end of each pay period. Should the payment day fall on a legal holiday or weekend, commissions and override payments will then be made on the next regularly scheduled business day. Weekly commission and bonuses are paid fifteen (15) days following the close of the commission period. Commissions are paid to "qualified" IBOs as defined in the Pay Plan. The Pay Plan sets forth a detailed explanation of the benefits and the commission structure.

6. Minimum Payment

The minimum amount for payment of commissions and overrides is €15.00; all monies not paid will be included in the next payment. Processing fees vary based on payment option and may be deducted from all commission and bonus payments.

7. Offset of Commissions

Commissions and bonuses earned and paid on products returned must be refunded to the Company by the distributor who originally received them. The Company has the right to offset such amounts against future commissions and other bonuses paid or owed to such IBO and IBO's upline who participated in the said operation.

8. Adjustment to Bonuses and Commissions

IBOs receive bonuses and commissions based on the actual sales of products to end consumers. When a product is returned to Cerule for a refund, the commissions and bonuses attributable to the returned 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 IBOs who received the commissions and bonuses on the sales or purchase of the refunded products.

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9. Cancellation Within the First 30 Days

If an IBO chooses to cancel the Agreement within the first thirty (30) days of enrollment and also chooses to return the product that they have ordered, a refund will be issued for the full amount paid less any shipping and handling expenses.

10. Incentive Trips and Awards

From time to time, the Company may provide incentive trips and other awards to qualified IBOs. These awards or trips may be based on title and high IBO performance and are provided only to the person(s) listed on a qualifying IBO Agreement, up to airfare for two such persons and hotel accommodations of one room. Incentive trips or awards may not be deferred for future acceptance and have no cash value. No payment or credit will be given to those who cannot or choose not to attend trips or to accept awards. Notwithstanding anything to the contrary herein, and although the Company may pay some or all of the costs of such incentive trips, the IBO agrees to indemnify and hold harmless the Company from any claim, injury, loss or other damage sustained in association with the trip by the IBO and/or its guests and to bear any liability or prejudice related to this trip and the right to take action against organizers, travel suppliers or reward suppliers.

The IBO cannot make claim upon, or rely upon, any insurance policy of the Company to cover the costs and expenses of any injury, loss or other damage to the IBO and/or the IBO's guests. The Company may be required by law to include the fair market value of any incentive awards, trips, etc. on the IBO's end of the year tax report. The IBO is liable for all applicable taxes and agrees to hold the Company harmless from claims of tax liability relating to these incentive trips and awards.

If it is discovered that the IBO has made any misrepresentations or has violated the Agreement in becoming eligible for these incentive trips and awards, the Company may charge the IBO for any costs incurred by the Company or for any benefits or awards received by the Independent IBO. The Company reserves the right at its sole and absolute discretion to disallow participation for any reason it deems necessary.

CHAPTER TEN : PURCHASE AND SALE OF PRODUCTS

1. Ordering

IBOs are encouraged to promote Cerule's Retail Customer and Preferred Customer Programs to their customers. The Retail Customer and Preferred Customer Program allow both types of customers to purchase their products directly from Cerule. Customers simply call Cerule's toll-free order number to place their orders, which may be charged to their credit card. Cerule will send the ordered products directly to the customer. To ensure that IBOs receive the appropriate commissions, Direct Retail Customers and Preferred Customers may not place an order without an Independent IBO's ID Number. Preferred Customers must also enroll in Cerule's AutoShip program whereby the Customer will sign up to have a pre-selected package of Cerule product/s delivered to his or her home automatically each month.

2. Purchasing Cerule Products

Each IBO should purchase his or her products directly from Cerule under his or her ID Number. Buying products from another IBO is strictly prohibited. However, in the event that a distributor orders through another distributor or other source, the purchase will not be taken into account in the Personal sales volume associated with that purchase, without prejudice to any termination which would be incurred.

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3. Shipping and Backorder Policy

Cerule 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 Cerule receives additional inventory. IBOs will be charged and given Personal Sales Volume on back ordered items unless notified on the invoice that the product has been discontinued.

Cerule will notify IBOs and 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 may be canceled upon request. If a refund is requested, the Independent IBO's Personal Sales Volume will be decreased by the amount of the refund in the month in which the refund is issued.

4. Confirmation of Order

An IBO and/or recipient of an order must confirm that the product received matches the product listed on the shipping invoice and is free of damage. Failure to notify Cerule of any shipping discrepancy or damage within thirty (30) days of shipment waives an Independent IBO's right to request a correction.

5. Deposits

No monies should be paid to or accepted by an IBO for a sale to a personal Retail Customer except at the time of product delivery. IBOs should not accept monies from Retail Customers to be held for deposit in anticipation of future deliveries. The only possible exception is the case of sales meeting, but we recommend not to cash the money as long as the product is not delivered to the customer.

6. Insufficient Funds

It is the responsibility of each IBO to ensure that there are sufficient funds or credit available in his or her account to cover the monthly AutoShip order if the IBO subscribed to this service. Cerule is not obligated to contact IBOs in regard to orders canceled due to insufficient funds or credit. This type of order cancellation may result in an Independent IBO's failure to receive product or to meet his or her Personal Sales Volume requirements for the month.

7. Restrictions on Third Party Use of Credit Cards

IBOs shall not permit other IBOs or Customers to use his or her credit card.

8. Purchase Requirement

No product purchase is required in order for an applicant to become an IBO, although purchases or sales of products may be required in order to advance in the Pay Plan. IBOs who have had their Agreement accepted by the Company may buy products at wholesale prices directly from the Company.

9. Stock stacking Prohibited

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

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10. Retail Sales Rule

IBOs at the rank of 7.5k and above are required to make sales to at least five (5) retail customers per month.

11. Preferred Customer Rules

A Preferred Customer must personally opt-in to the monthly AutoShip Order program. Orders allegedly submitted as Preferred customers orders without the customer's written agreement are invalid. If a Cerule IBOs submits a Preferred Customer order without the Customer's consent, the IBO will be subject to disciplinary action, including termination.

Preferred Customer orders cannot be paid by or shipped to a Cerule IBO for any reason. No exceptions will be granted.

12. Ordering Methods

All orders submitted to the Company shall have the IBO's identification number placed thereon to assist the Company in processing and shipping the order properly. Failure to provide this information may result in a delay in processing the order.

13. Direct Purchase

An IBO should purchase IBO's product needs directly from the Company.

14. Payment Options

Purchases may be paid by bank wire, cashier's check, personal check or credit cards, unless specifically stated otherwise by the Company. Personal checks will be accepted only for payments in the amount not greater than €1,000. In the event a check or credit card is declined, IBO will be contacted for an alternate form of payment and may be subject to an additional processing fee. No orders will be shipped without prior payment. Returned checks are subject to a € 30.00 returned check fee.

15. Shipping and Handling

It is the ordering IBO's sole responsibility to indicate (a) the method and means of shipping, and (b) the destination address.

16. Product Delivery

Upon clearance of payment, the Company processes for shipment the products and materials ordered. If an item is temporarily not available ("TNA"), the consignee will be notified on the packing list included with the shipment.

If a TNA should occur, the item(s) will be shipped as soon as available and usually within ten (10) days of the date the original order and payment was received. Back orders may be canceled by the IBO by written request received by the Company prior to shipment.

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17. Damaged Goods

The shipping company is responsible for any damage that occurs after it takes physical custody of the products.

Therefore, it is important that the damage is reported promptly in order to allow Cerule to file a claim with the shipper. The purchaser of Company products who receives damaged goods shall comply with the following procedures :

- Accepted delivery.
- Where possible, before the driver leaves, note on the delivery receipt the number of boxes that appear to be damaged and require the driver to acknowledge the damage in writing.
- Save the damaged products or boxes for inspection by the shipping agent.
- Contact CERULE Support Department to arrange for a replacement order to be shipped and a damaged goods claim to be filed.

18. Price Changes

Cerule will endeavor to provide advance notice of price changes however, reserves the right to change prices for the Company's products, services and literature at any time.

19. Receipts, Retail Pricing

IBO will provide all retail purchasers of the Company products with written receipts. Although the Company provides a suggested retail price as a guideline, IBO may sell the Company products at whatever retail price they and their customers may agree upon

20. Sales Tax

To ensure compliance with tax rules, the Company may, at its discretion, collect all taxes on products, promotional materials and services sold to IBOs and retail customers. The applicable rate of tax due shall be based on the address to which the product and/or material are shipped.

21. Shipping Loss

The Company will track all deliveries shipped. IBOs should contact the Company immediately upon being made aware of any shipping problem.

22. Inaccurate Delivery

If a product is shipped in error by the Company, the unordered merchandise may be returned at the Company's expense provided the following steps are taken :

- IBO or retail customer notifies the Company within five (5) days of receipt of the order;
- A copy of the shipping or packing slip shall be enclosed with the proper forms required by the Company completed and executed by the IBO or retail customer; and
- Products shall be returned in original containers and shall be packed properly to prevent damage in return shipment.

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23. Refusal of orders reception

Should IBO refuse delivery on any order placed with the Company, the Company shall have the right to place IBO in suspension pending resolution of the refusal of delivery. Neither IBO nor a retail customer shall refuse any shipment from the Company unless prior approval of the Company has been obtained. Should the receiving party of any order shipped from the Company refuse to accept delivery and the shipment is returned to the Company, the ordering IBO's status will be suspended pending resolution of the delivery refusal. Non-accepted delivery charges will be debited from the IBO's account. If the Company determines that a valid reason exists for refusing shipment, it will instruct the IBO or retail customer on the proper procedure for a return.

24. Retail Outlets

The integrity of the Company's marketing plan is built upon person-to-person, one-on-one, and in-home presentation methods of sale. Selling Company products through any chain of retail stores, including but not limited to drugstores, pharmacies, supermarkets, health food stores, shopping mall booths and the like, or restaurants is strictly prohibited.

25. Service Institutions

It is possible to promote the Company's products in establishments such as Spas, health establishments and similar establishments, provided that these places are not usual places of sale.

26. Medical Offices

Medical doctors and other health professionals may only sell the Company's products if authorized to do so by their trades.

27. Trade Shows

With written authorization from the Company, Company products or services and opportunity may be displayed at trade shows by IBOs. Request for participation in trade shows must be received in writing by the Company at least two weeks prior to the show. Written authorization from the Company must be received before participating in the trade show. Even with written authorization from the Company, Company products or services and opportunity are the only products or services and/or opportunity that may be offered in the trade show booth.

Only Company produced marketing materials may be displayed or distributed. No IBO may sell or promote the Company's products or services or business opportunity at flea markets, swap meets, or garage sales.

28. Sales

No IBO may export or sell directly or indirectly to others who export the Company's products, literature, sales aids or promotional material relating to the Company, its products or services or the Company's program or its possessions to any other countries. IBOs who choose to Enroll/Sponsor internationally may do so only in countries in which the Company has registered to operate its business and must comply fully with the Rules of Operation of a Company IBO in that country. Any violation of this rule constitutes a material breach of this contract and is grounds for immediate termination of the IBO position.

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29. Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. “Bonus buying” includes, but is not limited to the direct or indirect involvement of : (1) the enrollment of individuals or entities without the knowledge of and/or execution of an IBO Application and Agreement by such individuals or entities; (2) the fraudulent enrollment of an individual or entity as an Independent IBO, Preferred Customer or Direct Retail Customer; (3) the enrollment or attempted enrollment of non-existent individuals or entities as IBOs, Preferred Customer or Direct Retail Customers (4) the use of a credit card by or on behalf of an IBO, Preferred Customer, or Direct Retail Customer when the Independent IBO, Preferred Customer or Direct Retail Customer is not the account holder of such credit card; and (5) purchasing Cerule product on behalf of another IBO or Customer or under another Independent IBO’s ID, or Customer ID to qualify for commissions, bonuses or incentives.

30. Repackaging and Relabeling Prohibited

IBOs may not repackage, relabel, refill or alter the labels on any Cerule products, information, materials or programs in any way. Cerule products must be sold in their original containers only and complete packaging. Such relabeling or repackaging would violate applicable laws, which could result in severe criminal penalties. IBOs should also be aware that civil liability may arise when, as a consequence of the repackaging or relabeling of products, the person(s) using the product(s) may suffer any type of injury or their property is damaged.

CHAPTER ELEVEN : RETAIL CUSTOMER RETURNS

1. Retail Customer Guarantee

The Company offers a 100% money-back satisfaction guarantee to all retail customers within thirty (30) days of purchase. If a retail customer is dissatisfied with any of the Company products for any reason, then that retail customer may return that product in its original package and shipping containers, with original proof of purchase, to the original selling IBO for either a replacement or a full refund of the purchase price. The IBO undertakes to respect this guarantee in its relations with its customers.

2. Warranties

Except as expressly stated herein, the Company makes no warranty or representation as to the merchantability, fitness for a particular purpose, workmanship or any other warranty concerning any product or service purchased from or through the Company. The manufacturer’s warranty will be transferred to the IBO.

3. Buyer’s Right to Cancel

The law grants the buyer the right to cancel sales made outside shops without penalty within 14 days after delivery of the product. The Company sales order form given to the IBO contains all legally required notices. A copy shall be given to the buyer by the IBO on every sale. In addition, the distributor informs the purchaser orally of the period during which the cancellation remains possible.

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4. IBO Returns

The Company will replace returned retail product to the IBO provided the following procedures and conditions are met :

- The product shall be returned to the Company by the IBO who purchased it from the Company within sixty (60) days of the date of the original purchase.
- IBO shall obtain a return authorization number from the Company customer service department within ten (10) days of the return date to IBO and prior to returning any product.
- The product shall be received by the Company within twenty (20) days of the return date to IBO.
- The return shall be accompanied by the following:
 - A copy of the original retail sales receipt;
 - The product returned in its original container, and
 - The name, address, and telephone number of the retail customer.
 - The IBO will pay the cost of shipping returned product(s)
 - The Company will replace the product, but will not refund the price of any retail customer returns to any IBO.
- Abuse of the return policy by IBOs may result in the suspension or termination of their account. The Company reserves the right to suspend an IBOs account should returns of more than € 500 be requested within the period of one year, without legitimate grounds.

5. Quality Control

The Company will replace any product found to be defective; however, no product shall be returned to the Company without prior written approval.

- A.** A written replacement request shall be submitted stating the reason for the request and accompanied by a copy of the Purchase Order Form or packing slip. Products returned without prior authorization will not be accepted.
- B.** The Company will provide the IBO with a return authorization number, and will instruct IBO where to ship the product for control. The Company will ship out replacement product as appropriate.

6. Returns incurred as a result of a termination (stock recovery)

An IBO who terminates its business relationship with the Company has the right to return for repurchase on commercially reasonable terms currently marketable inventory including Company produced promotional materials, sales aids and kits in possession of IBO and purchased by IBO for resale prior to the date of termination and bought less than a year before. The redemption of the products is expressly conditional on the return of these in marketable state, in their original packaging and with an expiration date of not less than 3 months.

Reimbursement shall be made for 90% of the price paid by the distributor, without prejudice to any compensation with the refund by the distributor of any discounts, benefits or other gains he would have received as a result of the purchase of the same products. The Company will not issue a refund nor replace any product previously certified as having been sold under the 70% Rule.

The IBO shall be in strict compliance with the procedures contained herein :

- A.** A written return request must be submitted, within 15 days of the termination of the agreement, with an original purchase receipt or packing slip.
- B.** The address to ship the products for inventory verification.
- C.** IBO shall pay the complete cost of return freight.
- D.** All commissions, overrides, and bonuses paid to a terminated IBO as a result of any product returned upon termination shall be repaid to the Company. The Company may deduct such amounts from any commissions or other amounts owed to such IBO. Likewise all commissions, overrides, and/or bonuses paid to an IBO's upline on a returned product shall be repaid to the Company by the upline IBO.

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CHAPTER TWELVE : GENERAL PROVISIONS

1. Indemnity Agreement

The IBO agrees to indemnify and save harmless the Company, its shareholders, officers, directors, employees, agents and assigns from and against any and all claims arising out of or in connection with the liability, loss, cost or expense, inclusive but not limited to, court fees and lawyers fees, formed against or committed by one or the other, directly or indirectly linked to (a) the activities of the IBO in that capacity; (b) breach of the terms of the Agreement; and / or (c) breach or violation of the law or regulation by the IBO in breach of the legal obligations set forth in the Agreement.

2. Other Services and Products

No products or services except for the Company's products or services shall be sold or shown at any event where the Company's product or services are sold or shown. Except as provided above, an IBO is not restricted from selling other companies services and products that are similar to or competitive with the products and services of the Company. However, the promotion of direct sales and / or network marketing programs and / or competing products and services are strictly prohibited at these events where the Company is already present.

3. Limit on Liability

To the extent permitted by law, the Company shall not be liable for and the IBO releases the Company from, and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by the IBO as a result of (a) the breach by the IBO of the Agreement and/or the terms and conditions of the Policy Manual; (b) the operation of the IBO's business; (c) any incorrect or wrong data or information provided by the IBO; (d) any copyright violation in connection with materials provided by the IBO; or (e) the failure to provide any information or data necessary for the Company to operate its business, including, without limitation, the enrollment and acceptance of the IBO into the Pay Plan or the payment of commissions and bonuses.

4. Limitation of Damages

To the extent permitted by law, the Company and its subsidiaries, officers, directors, employees and other representatives shall not be liable and the IBO hereby waives all claims for loss of profit, consequential or future incidents, any demand relating to the performance of the company, non-performance, actions or omissions concerning the business relationship or other matters between the IBO and the Company. Intangible damage is expressly excluded. Furthermore, it is agreed that any damages to the IBO shall not exceed and is hereby expressly limited to, the amount of unsold Company programs, services and/or products of the Company owned by the IBO and any commissions owed to the IBO.

5. Recordkeeping

The Company encourages the IBO to keep complete and accurate records of all its IBOs' business dealings.

6. Non-Solicitation

During this Agreement the IBO shall not, directly or indirectly, on his or her own behalf or on the behalf of any other person or entity, solicit, induce or hire any IBO, employee, member, customer, supplier, consultant, sub-contractor or vendor of the Company to leave the Company or slowdown activity.

This obligation of non solicitation with respect to the company's IBOs will remain valid for a period of 3 months after the end of the contract.

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7. Amendments

The Company reserves the right to modify the Contract, the operating conditions guide, the sale price, the availability of the products, at any time under the conditions provided for in the general conditions of the Agreement.

8. Non-Waiver Provision

No failure by the Company to exercise any power under this guide or to encourage the IBO to comply with it constitutes a waiver by the Company of these provisions. The waiver of any right of the Company hereunder shall be effective only with the prior written consent of the Company.

9. Arbitration

- A.** Except as expressly provided herein, all disputes, claims and controversies between IBO and the Company relating to or arising from the Agreement, the pay plan, or this Policy Manual or other documents produced by the Company or the Company's products, the rights and obligations of the IBO and the Company or any other claims or causes of action on the performance of any requirements under the Agreement shall be settled totally, finally and exclusively by arbitration through the Company's Alternative Dispute Resolution Procedure.
- B.** A copy of the Company's ADR Procedure can be obtained from the Company by written request. No legal action may be filed in any court concerning a Dispute as defined in the ADR Procedure. The Disputes subject to arbitration include claims regarding IBO's agreement termination if it had been notified.
- C.** Any IBO may initiate the arbitration process directly, or through an attorney, within six months of the termination decision. Otherwise, any action would be forfeited and no dispute would be owed beyond that period, including before a court of law.
- D.** Notwithstanding the foregoing, the ADR procedure has no jurisdiction over disputes relating to the ownership, validity or registration of a trademark or other intellectual property or right related to the protection of Company's proprietary or confidential information. The Company may seek any applicable remedy in any applicable forum with respect to these disputes and with respect to money owing to the Company. In addition to potential monetary damages, the Company may obtain injunctive relief against IBO for any violation of the Company's rights in these areas.
- E.** Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of this Agreement.

10. Remedies

Any breach of contract or any unlawful, fraudulent, inappropriate or unethical behavior of CERULE by the IBO may give rise to one or more of the following actions :

- A.** Issuance of a written warning or admonition; with summon to meet with his/her obligations ;
- B.** The withholding from an IBO's bonuses and/or commissions during the period that Cerule is investigating any conduct that allegedly violates the Agreement.
- C.** Suspension of the Contract until a compliant situation is restored;
- D.** Cancellation of the IBO Agreement of any other household member or affiliated Individual who is in association with the breaching Independent IBO.
- E.** Any other action expressly authorized by the Agreement that CERULE reasonably deems necessary to implement in order to repair the damage caused in whole or in part to CERULE by IBO's breach.
- F.** The whole without prejudice to the implementation of any legal proceedings.

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11. Grievances and Complaints

When an IBO has a grievance or complaint with another IBO regarding any practice or conduct in relationship to their respective Cerule IBO business, the complaining IBO should first report the problem to his or her Enroller Sponsor who should review the matter and try to resolve it with the other party's upline Enroller/Sponsor. If the matter can not be resolved, it must be reported in writing to the Company.

12. Injunctive Relief

The IBO acknowledges that the covenants set forth in this Agreement relating to the protection of Cerule's confidential and/or proprietary information are reasonable and necessary to protect the legitimate interests of Cerule. The IBO further acknowledges that his/her breach of such covenants would cause Cerule irreparable harm, the amount and extent of which would be very difficult to estimate or ascertain. Consequently, the distributor acknowledges that CERULE will have the right to ask the IBO to respect his/her rights without prior warning. In any case, injunctive relief shall not be the exclusive remedy available to CERULE.

13. Entire Agreement

This Policy Manual is incorporated into the Agreement along with the Pay Plan, and constitutes the entire agreement of the parties regarding their business relationship.

14. Governing Law

This contract is governed by Dutch law.

15. Force Majeure

Neither party can be held liable for delays or defaults caused by circumstances beyond the control of a party, such as strikes, difficulties in production, fire, war, government decrees, orders, restrictions of a party's usual source of supply.

16. Notice

Any communication, notice or demand of any kind whatsoever, which either the IBO or the Company may be required or may desire to give or to serve upon the other shall be in writing and delivered by electronic communication, email or fax (if confirmed in writing sent by registered or certified mail, postage pre-paid, return receipt requested or by personal messenger service). Any party may change its address by giving written notice to the other in the manner provided herein. Any communication is deemed to have been given or served on the confirmed mailing date in the case of an electronic communication or on the date indicated on the acknowledgment of receipt or other evidence if the delivery is made by the postal services.

17. Adaptation of provisions

The Company shall have the right to modify the invalid or unenforceable provision, specification, standard or operating procedure or any portion thereof, to the extent required to be valid and enforceable.

18. Violations

It is the obligation of every IBO to abide by and maintain the integrity of this Policy Manual. If an IBO observes another IBO committing a violation, such IBO should discuss the violation directly with the violating IBO.

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CHAPTER THIRTEEN : CODE OF PROFESSIONAL ETHICS

CERULE BELIEVES THAT ITS IBOs SHOULD SUBSCRIBE TO THE PRINCIPLES OF FAIRNESS, HONESTY, INTEGRITY, AND SERVICE. THE RELATIONSHIP OF THE COMPANY TO THE IBO, THE IBO TO CUSTOMER, AND THE IBO TO OTHERS SHOULD BE PRESERVED, PROTECTED, AND PROMOTED IN ACCORDANCE WITH THE HIGHEST STANDARDS OF CONDUCT. THEREFORE, THE IBO AGREES TO ABIDE BY AND SUBSCRIBE TO THE CODE OF PROFESSIONAL ETHICS (THE “CODE OF ETHICS”) CONTAINED IN THIS CHAPTER.

The IBO agrees to:

1. Be honest and fair in all his/her dealings while acting as an IBO of the Company.
2. Respect the time and privacy of those contacted for the purpose of becoming customers or IBOs for Cerule ; be courteous and respectful to every person contacted as part of its business.
3. Perform all his/her professional activities in a manner that will enhance their reputation and the reputation of the Company.
4. Fulfill leadership responsibilities as an Enroller/Sponsor, including training and otherwise supporting IBOs in his/her sales organization.
5. Not to engage in any deceptive or illegal practice, or any practice prohibited by the Agreement or the Policy Manual.
6. Make no diagnostic, therapeutic or curative claims for the Company’s products, make any claims not contained in official Company literature.
7. Not highlight personal experience with the product as it may be interpreted as an extension of labeling claims if these experiments are used as a sales tool.
8. Make no income claims or representations regarding the Company Pay Plan.
9. Recognize its sole responsibility for all legal, financial and management obligations arising from its business.
10. Always honor the Company’s 100% satisfaction provided for under the Agreement and present it customers during each sale.
11. Compete aggressively but fairly, and respect the professionals of other network marketing companies.
12. Not solicit sponsors and networks of other network marketing companies.
13. Not use sales materials or products of other companies.

The Company seeks to promote the reputation of all reputable network marketing companies that are furthering the cause of personal independence for their IBOs.