



# SAVVI

## STATEMENT OF POLICY AND PROCEDURES

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**EFFECTIVE February 12, 2020**

UNITED STATES OF AMERICA

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## INTRODUCTION

Savvi is more than a brand—we're a community. A family. Together with you, our goal is to inspire your style and confidence. With this in mind, we've carefully designed the Savvi Policies and Procedures (the "Policies and Procedures") to ensure that everyone is treated with the utmost respect and equality and that we all play by the same rules. As a Savvi Independent Representative, it's your responsibility to become familiar with this document. It will help you operate your Savvi Business with integrity and promote the values of our Savvi Independent Representative community.

Savvi is the company referenced in the Fashion Savvi Independent Representative Application and Agreement that you signed. In these Policies and Procedures, the company is sometimes referred to as "Savvi" or the "Company" and the Savvi Independent Representative signing the Agreement is sometimes to as "you," "Savvi Independent Representative," or "Independent Representative."

These Policies and Procedures along with the Fashion Savvi Independent Representative Application and Agreement (the "Independent Representative Agreement") and the Rewards Plan (collectively referred to herein as the "Agreement"), all of which may be updated and revised by Savvi from time to time, constitute the complete and binding agreement and understanding between Savvi Independent Representatives and Savvi. The most current version of the Agreement will be located at [myteam.savvi.com](http://myteam.savvi.com).

As a social-selling company, it's important to understand that your success as a Savvi Independent Representative depends on the integrity of the Savvi Independent Representatives who market Savvi's products. The Agreement is designed to clearly define the relationship between Savvi and our Savvi Independent Representatives, between our Savvi Independent Representatives and your Savvi Customers, and between Savvi Independent Representatives with Savvi.

Questions about the Savvi Policies and Procedures are best addressed directly by our Standards and Practices Department at [standardsandpractices@savvi.com](mailto:standardsandpractices@savvi.com). The definitions of capitalized terms used but not defined in the body of these Policies and Procedures are set forth in Section 9 hereof.



## 1 BECOMING A SAVVI INDEPENDENT REPRESENTATIVE

### 1.1 Enrollment

To become a Savvi Independent Representative, you must (i) be at least 18 years of age; (ii) submit a valid Social Security or Federal Tax ID number; (iii) reside or have a valid address in one of the fifty states of the United States; (iv) submit to the Savvi a truthfully completed Independent Representative Agreement that is approved and accepted by the Company; (v) read and agree to abide by the Savvi Policies and Procedures.

### 1.2 Beneficial Interest

As a Savvi Independent Representative, you may have a beneficial interest in only one Savvi Independent Representative account with the Company (an "Account" or "Savvi Business"). "Beneficial Interest" means the right to direct, control, own, participate in, or be the beneficiary of the direction, control, ownership, or participation of another person on the Account. This includes sharing in any commissions generated from any other Account.

Same Household. If you're part of a couple (whether married, common law partners, or similar) you may have only one Account per couple unless your rank is Executive or above. If you achieve the rank of Executive or higher you may enroll a second account direct to the first account. The first, or upline account must maintain the rank of Executive or above in order to keep the second account. If these requirements are not met, the second account may be terminated and all direct Reps and Customers rolled up to the first, or upline account. The actions of each person in the couple, and anyone else with a beneficial interest in the Account, is accountable to Savvi under your Savvi Fashion Independent Representative Agreement.

Legal Entity and its Principals. If you sign up to be a Savvi Independent Representative as a legal entity (corporation, LLC, etc.), then all persons with a right to control that entity, including but not limited to the entity's shareholders, officers, directors, members, or managers (the "Principals") possess a Beneficial Interest in your Account and cannot hold a Beneficial Interest in another Account. The actions of spouses or common law partners of the Principals of the entity are also attributable to the Savvi Independent Representative Account.

### 1.3 Insurance and Coverage

Savvi does not extend any coverage under any of its insurance policies to Savvi Independent Representatives. If you use your own personal property (e.g., car or computer) or your home for Savvi Business use, such property may not be covered for loss or damage and you release Savvi, its officers, directors, shareholders and members from any claims arising from or related to the operation of your Savvi Business.

### 1.4 Six Month Waiting Rule

Any current or former Savvi Independent Representative (including a co-applicant), and anyone who holds or held a Beneficial Interest in an Account and who desires to apply for a new Account or acquire an interest in an existing Account, may do so only after waiting six (6) months following his or her cancellation notice with respect to the original Account. To reapply, you must submit a new Independent Representative Agreement and complete the onboarding process.

### 1.5 Sponsor Corrections and Changes

One Sponsor correction may be requested within a period of seven (7) days from the date of the initial order. This policy is used solely to correct mistakes made at enrollment and is not used when the Savvi Independent Representative wants a different Sponsor for other reasons. Corrections may be requested by submitting a Sponsor Change Request Form to the Standards and Practices Department ([standardsandpractices@savvi.com](mailto:standardsandpractices@savvi.com)). Any Sponsor changes made during the onboarding period will result in the applicant forfeiting their spot in any onboard queue that may exist and, in effect, restarting the onboarding process.



## 1.6 Reports and Confidential Information

Savvi aims to protect the Company and its Savvi Independent Representatives from unfair and inappropriate competition. Savvi will provide you with access to your organizational reports and Savvi Independent Representative lists, including but not limited to all your organization lists, names, addresses, email addresses, and telephone numbers contained in the Savvi database, in any form, including, but not limited to, hard copies, electronic or digital media (collectively the "Reports"). All Reports are the confidential and proprietary property of Savvi.

Savvi compiles and maintains the Reports through the expenditure of considerable time, effort, and monetary resources. Reports, in present and future forms and as amended from time to time, constitute commercially advantageous proprietary assets of Savvi, which each Savvi Independent Representative shall hold confidential.

**Purpose.** Reports are made available to you for the sole purpose of assisting in working with your downline organization in the development of your Savvi Business. You may use Reports provided to you to assist, motivate, and train your downline organization.

**Non-Disclosure.** Access to your Reports is password protected. Reports are provided to you in the strictest confidence. The right to disclose the Reports and information contained therein and any other Savvi Independent Representative information maintained by Savvi is expressly reserved by Savvi. You may not disclose the Reports to any other person without the written permission of Savvi, which permission may be denied in Savvi's sole discretion. Any unauthorized use or disclosure of a Report constitutes misuse, misappropriation, and a violation of the Independent Representative Agreement and may cause irreparable harm to Savvi. It also harms the trust you've built with your downline.

**Restrictions.** You shall not, on your own behalf, or on behalf of any other person:

- Directly or indirectly disclose any information contained in any Report to any third party.
- Directly or indirectly disclose the password or other access code to a Report.
- Use information in the Report to compete with Savvi, to recruit or solicit any Savvi Independent Representative to another business, in any manner attempt to influence or induce any Savvi Independent Representative to alter his or her business relationship with Savvi, or for any purpose other than promoting the Savvi Independent Representative's Savvi Business.

**Return Reports Upon Termination.** Upon our demand and always upon termination of your Independent Representative Agreement, you must return to us the original, and all copies of any Reports and any confidential or trade secret information taken therefrom (whether paper or electronic) that is in your possession or subject to your control.

**Breach.** In the event that you breach any of the covenants of this section on Reports, Savvi may terminate your account and seek injunctive relief to prevent irreparable harm to Savvi or any of our Savvi Independent Representatives. Savvi may also pursue all appropriate remedies under applicable law to protect Savvi's rights with respect to Reports, and any failure by Savvi to pursue such remedies will not constitute a waiver of those rights.

**Confidential Information.** As a Savvi Independent Representative, you may gain access to confidential information of Savvi. Specifically, without limiting the foregoing, confidential information includes information contained in any genealogical or downline report provided or accessible to a Savvi Independent Representative, Customer lists, manufacturer information, Commission or sales reports, Product formulas and designs, and other financial and business information of Savvi. All such information (whether in electronic, oral, or written form) is proprietary to and owned by Savvi and is transmitted or available to you in strict confidence. You agree that you will not disclose any such confidential or proprietary information to any third party, directly or indirectly, or use the information to compete with Savvi or for any other purpose except as expressly authorized by the Agreement. This information is to be used only for the operation of your Savvi Business in accordance with the Agreement. You acknowledge that without this agreement of confidentiality and non-disclosure, Savvi would not provide the information or make it accessible to you. This provision shall survive the termination or expiration of the Agreement.



## 2 OPERATING YOUR SAVVI INDEPENDENT REPRESENTATIVE BUSINESS

### 2.1 Independent Contractor Status

As a Savvi Independent Representative and independent contractor, you're not considered an employee of Savvi. You do not own a franchise. Your Agreement with Savvi doesn't create an employer/employee relationship, agency, partnership, or joint venture between you and the Company.

As a Savvi Independent Representative, you won't be treated as an employee for federal, state, or local tax purposes. You're fully responsible for paying all applicable local, state, and federal taxes due from all income earned as a Savvi Independent Representative, as well as any business license or any other taxes or fees required by any governing agency that has a lawful right to levy such taxes or fees.

Savvi will act in a commercially reasonable way to maintain services and systems to assist in the collecting and remitting of sales taxes on your behalf.

Savvi Independent Representatives have no authority (express or implied) to bind the Company to any obligation. You are responsible to establish your own business objectives, working hours, and methods of sale, so long as you comply with the terms of the Agreement and all applicable laws.

### 2.2 Your Savvi Independent Representative Rights

Once your Independent Representative Agreement has been accepted, the following benefits will be available to you so long as you do not breach the Agreement:

- Purchase Savvi products at wholesale pricing in accordance with the Agreement.
- Sell Savvi products and earn retail commission in accordance with the Agreement.
- Participate in the Rewards Plan and, if eligible, receive Commissions and Benefits.
- Enroll other Savvi Independent Representatives.
- Receive periodic Savvi literature and other Savvi communications.
- Participate in Savvi-sponsored support, service, training, motivational, and recognition functions.
- Participate in Savvi-sponsored promotional and incentive contests and programs.

### 2.3 Savvi Independent Representative Code of Conduct

As a Savvi Independent Representative, you agree to perform all of your business activities in a professional and ethical manner. This includes not engaging in any personal conduct that could negatively reflect on Savvi or any other Savvi Independent Representative's image. Be courteous and respectful of every person you contact, including Savvi employees, and conduct your business in a way that respects the Products and professionalism of Savvi and our Savvi Independent Representatives. Under no circumstances should you disparage or infringe upon Savvi's name or reputation or misuse or misappropriate any confidential or proprietary information or trade secrets (including Savvi Independent Representatives names and address lists) of Savvi for your use or the use of others. Savvi follows best practices on social media and expects all Savvi Independent Representatives to focus on positivity across all platforms.

As a Savvi Independent Representative you agree to the following conduct:

- I will be honest and fair in my dealings.
- I will actively work to establish and maintain a retail Customer base exclusive to me.
- I will avoid actions that could result in conflicts with other Savvi Independent Representatives or their Customers.
- I will speak respectfully of Savvi, other Savvi Independent Representatives, and Savvi competitors.



- I will personally conduct myself and manage my business in a manner that will enhance my reputation and the positive reputation established by Savvi.
- I will be courteous and respectful of every person I contact during my Savvi activities.
- I will adhere to Savvi recommended product pricing.
- I will abide by Product return policies established by Savvi.
- I will follow Savvi hostess gift incentive guidelines for my party hostesses.
- I will fulfill my leadership responsibilities as a sponsor, which includes training, supporting, and communicating with the Savvi Independent Representatives on my team.
- I understand and agree that I am solely responsible for all financial and legal obligations I incur in connection with my Savvi Business and will discharge all debts and duties that I incur as a Savvi Independent Representative.

#### 2.4 Term and Renewal of a Savvi Business

The term of your Agreement is one year from the date of enrollment. You must renew your Agreement each year. Savvi reserves the right to not allow the enrollment or renewal of any applicant, including but not limited to existing Savvi Independent Representatives, at its sole discretion.

#### 2.5 Conducting Your Business—Sales Policy

Savvi is a social selling business. Savvi encourages you to offer a personal touch and build long-term relationships with your Customers both online and in person. This personal attention to Customer needs is what sets Savvi apart. Selling to followers through social media such as Facebook, Instagram, Twitter, Pinterest etc., is permitted, however your presence in those media must comply with Savvi's online marketing requirements. Savvi does not permit selling wholesale to third parties.

#### 2.6 Ordering Product

Personal Purchase of Products. Savvi Independent Representatives are entitled to purchase sample Products or Products for personal use from Savvi at wholesale prices.

Direct Purchases. A Savvi Independent Representative should purchase Product directly from Savvi. If a Savvi Independent Representative obtains Product from his or her Sponsor or upline or downline Savvi Independent Representative's personal inventory of Product samples, the Commissions associated with the purchase will be attributed to the Sponsor or upline Savvi Independent Representative who purchased the Product from the Company.

Purchase Limits. The Savvi business model is built on retailing Products to end consumers. A Savvi Independent Representative's primary opportunity is to develop and maintain Customers. The Company also allows the purchase of Product samples by Savvi Independent Representatives to use for building their Savvi Business and for personal use. A Savvi Independent Representative agrees to not purchase more Product samples than he or she can resell to his or her Customers or otherwise personally use as permitted herein within a reasonable period of time.

No Stockpiling. The success of Savvi depends upon retail sales of Products to the end consumer; therefore, all forms of stockpiling of Products is discouraged.

Product Packaging. Savvi Products must be retailed with the original labels and hangtags attached.

Changes in Product Pricing. All Savvi Product pricing is subject to change without prior notice.

#### 2.7 Minimum Advertised Price (MAP) Guidelines

You may elect to purchase Products at wholesale prices and resell the Products at retail prices. For this election, we've established Minimum Advertised Pricing ("MAP") guidelines to maintain the value of Savvi Products in the marketplace and to provide the opportunity for healthy wholesale-to-retail mark-ups for all Savvi Independent



Representatives. MAP pricing is the lowest price you can retail products. To protect the value of the Savvi brand and the retail opportunity for all Savvi Independent Representatives, you agree to adhere to the established MAP guidelines. This practice benefits all Savvi Independent Representatives and helps maintain the brand value. Note that all Savvi Product pricing is subject to change without prior notice.

Further, you must not enlist or knowingly allow a third party to sell Savvi products in a manner that is not in accordance with this agreement. Failure to control and maintain pricing of Savvi products in accordance with MAP guidelines will be considered breach of this agreement.

## 2.8 Customer Notice of Rescission

As a Savvi Independent Representative, you must clearly inform Customers of their right to rescind a purchase or order. Federal law requires that you notify them that they have 3 business days within which to cancel their purchase and receive a full refund upon return of the Products in substantially as good a condition as when they were delivered. Sundays and legal holidays are not business days. Some states have their own right of rescission rules that require longer periods of time than 3 business days. For example, Alaska requires 5 business days and North Dakota requires 15 business days for North Dakota residents age 65 and older. You are advised to become familiar with and abide by the rescission rights laws in each state in which you have Customers

## 3 LEGAL COMPLIANCE

### 3.1 Legal Compliance

All Savvi Independent Representatives must comply with all applicable laws and regulations concerning the operation of their business.

### 3.2 No Exclusive Territories

There are no exclusive territories for Product sales or Sponsoring. As a Savvi Independent Representative, you may not imply or state that you have any exclusive territory rights, including that you cannot name your Savvi Business using a geographical place (i.e. Savvi Independent Representative - New York). There are no geographic limitations for Savvi Independent Representative Sponsoring, except that you may not Sponsor Savvi Independent Representatives in foreign countries that Savvi has not officially opened.

### 3.3 Authorization to Use Your Name and Likeness

By entering into the Agreement, you grant Savvi and its affiliates and agents the absolute, perpetual, and worldwide right and license to use, record, photograph, publish, reproduce, advertise, display, edit, and sell in any manner for all purposes, your name, photograph, likeness, voice, testimony, biographical information, image, and other information related to your business with Savvi (collectively the "Likeness") in marketing, promotional, advertising, and training materials, whether in print, radio, or television broadcasts (including cable and satellite transmissions) audio and videotapes on the Internet or in other media ("Publicity Materials") for an unlimited number of times, without compensation, in perpetuity. You waive any right to inspect or approve any Publicity Materials including or accompanying your Likeness. You further release Savvi from any liability or obligation that may arise because of the use of your Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). You may withdraw your authorization of any use of your Likeness that has not already been publicized by providing written notice to Savvi. You also agree that any information you give about yourself or Savvi, including your testimonial, is true and accurate.

### 3.4 Participation in Other Direct Selling Companies and Selling Non-Savvi Products

Savvi welcomes all people. Savvi believes that your time will be best spent focusing on Savvi, but we realize that some people have other interests and opportunities.



Subject to the limitation set forth below, Savvi Independent Representatives may sell non-Savvi products and belong to other direct sales and MLM companies with the following considerations and limitations:

- Savvi Independent Representatives may not directly or indirectly solicit Savvi Independent Representatives that they did not personally enroll or Savvi Customers that they did not personally enroll to participate in any other MLM or direct sales company.
- The use of Savvi customer lists, downline reports, or other similar data to directly or indirectly contact or recruit Savvi customers or other Independent Representatives is strictly prohibited.
- Savvi takes great pride in providing high quality and value in its Products and seeks to maintain that value in the market. Savvi Products may be sold on third-party sites as long as pricing integrity is maintained. This means that Savvi Products must be sold in accordance with Savvi's MAP guidelines.
- If you choose to sell the products and build a downline team in multiple direct selling businesses, you must ensure those businesses are operated entirely separate and apart from your Savvi Business. In addition, you'll need to continue to uphold your responsibilities as a Savvi Independent Representative as outlined in the Agreement.
- You may not co-mingle promoting, selling or marketing of other direct-selling businesses or their products during in-person meetings or within the same Social Media Groups as you market your Savvi Products or business. You may not promote other direct selling business (either for sales or recruitment purposes) at any Savvi meet-ups or events.
- You may not market your other direct-selling business(es) on any social media groups related to your Savvi Business, either in public or private. This includes, but is not limited to, Savvi managed public and private Facebook groups and team pages and groups managed by other Savvi Independent Representatives

The foregoing rules and restrictions apply to all Savvi Independent Representatives and to their married or common law partners. If you have specific questions about what is or is not within policy when building your business simultaneously with other direct selling companies, please reach out to Savvi for guidance.

Non-Solicitation Obligations. As part of your obligations under the Agreement, you may not use the contact information of any Savvi Independent Representatives gathered through your relationship as a Savvi Independent Representative that you did not personally recruit, to directly or indirectly solicit or recruit for another direct selling business opportunity of any kind. This includes names and any associated contact information, such as Facebook connections, emails, and phone numbers. Solicitation and/or recruiting includes, but is not limited to:

- Reaching out to other Savvi Independent Representatives or Customers that you did not personally recruit and asking them to join another business.
- Mingling any Savvi products or promotions with promotions of another direct selling company or its products, including having references in your online profile promoting another business or other products to Savvi Independent Representatives.
- Creating a social media group for your other business and inviting other Savvi Independent Representatives or customers that you did not personally recruit into that group.

Confidentiality Obligations. You agree to keep in strict confidence proprietary information that Savvi may make available to you for the express purpose of supporting you and your personal team to further develop your Savvi Business, such as names, contact information or any data pertaining to your Customers, personal team or other Savvi Independent Representatives, downline genealogy reports, the identities of Customers and Savvi Independent Representatives, contact information of Customers and Savvi Independent Representatives, Savvi Independent Representatives' personal and team volumes and Savvi Independent Representative Highest Achieved and/or Paid as Ranks, all of which constitute business trade secrets.



You must keep Customer or Savvi Independent Representative lists confidential and must not make the lists available to third parties, and you may not use these lists to perform services for a competitor, such as promoting competing products or businesses either directly or through social media. You agree that any wrongful disclosure of any information on the lists will cause immediate and irreparable damage to Savvi and that Savvi may pursue all legal remedies available against you if you are in breach of this provision. In addition, you may not produce or reproduce, distribute or sell audio or video recordings and other training materials bearing the brand and name of Savvi.

### 3.5 No Spamming or Targeting Members of Other Direct Selling Businesses

You may promote the Savvi opportunity in social media feeds to attract Customers and new Savvi Independent Representatives but you may not spam or target specific members of other direct selling businesses to be Savvi Independent Representatives. You may not encourage members other direct selling company to violate the terms of their contract with their company. As a Savvi Independent Representative, you bear the sole risk and liability for such activities, which are not endorsed or supported by Savvi. If any demand, claim, governmental action, lawsuit, arbitration, or mediation is brought alleging that you engaged in any prohibited activity, you will indemnify Savvi against all claims, actions, suits, and demands arising from or related to such alleged activity.

### 3.6 Non-Solicitation Restriction After Termination

For a period of twelve (12) calendar months following termination of the Agreement, you may not solicit or recruit any other Savvi Independent Representative or Customer for another direct selling or MLM business. As direct selling is conducted through networks of independent contractors in many countries, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of the non-solicitation provisions herein would render it wholly ineffective. Therefore, you agree that this non-solicitation provision shall apply to all markets where Savvi ships Products or conducts business, whether through social selling, e-commerce, or otherwise. This subsection shall survive termination of the Agreement.

### 3.7 Line Switching, Cross-Sponsoring, and Enticement

Maintaining the integrity of the line of sponsorship in the Savvi organization is fundamental to Savvi's business model. As such, you agree to refrain from engaging in line switching and cross-sponsoring (as defined below). You may not encourage or entice any Savvi Independent Representative to switch lines. This includes offering financial or other incentives for another Savvi Independent Representative to terminate an existing Account and then re-enroll under a different Savvi Independent Representative.

"Line Switching" means applying for and becoming a Savvi Independent Representative (a) when already a Savvi Independent Representative, (b) when holding a Beneficial Interest in another Savvi Independent Representative Account; and/or (c) when less than six (6) months have passed since having been a Savvi Independent Representative or having held a Beneficial Interest in another Savvi Independent Representative Account.

"Cross Sponsoring" includes the enrollment of another Savvi Independent Representative (including a Savvi Independent Representative whose Agreement was terminated or cancelled within the preceding six months or has Sponsored or purchased Product in the preceding six months) to a different line of sponsorship.

"Enticement" means soliciting, encouraging, offering benefits, or in any way aiding another Savvi Independent Representative to line switch or cross sponsor.

Fictitious Information. You may not use a spouse or relative's name, trade names, assumed or fictitious names, legal entities, false government issued identification numbers, or fictitious ID numbers or any other means to attempt to circumvent this policy.

Duty to Notify. Because line switching, and cross sponsoring can be so detrimental to Savvi and to the Savvi Independent Representatives involved, you have an obligation to promptly notify the Company if you know of or have reasonable grounds to suspect another Savvi Independent Representative has breached these covenants.



Remedies for Breach. Should you breach these covenants, the Company may take any or all the actions described in Section 6. The Company may also: (i) cancel the Savvi Independent Representative Account in breach; (ii) cancel the Savvi Independent Representative Account created because of line switching; and (iii) impose a monetary fine on any of the Savvi Independent Representatives involved. However, the Company is under no obligation to do any of the foregoing and the ultimate decision with regard to the matter remains within the sole discretion of the Company. Savvi Independent Representatives waive all claims against the Company that arise from or relate to the disposition of such Savvi Independent Representative Accounts.

### 3.8 Unethical Activity.

You agree to always be ethical and professional when conducting any Savvi Business activity. Accordingly, you agree that you will not encourage or in any way condone others on your sales team to participate in any unethical activity. Examples of unethical activities include, but are not limited to the following, some of which are further described in the Agreement:

- Making unapproved income claims.
- Making false statements or misrepresentation of any kind, including but not limited to: untruthful or misleading representations or sales offers relating to the quality, availability, grade, price, terms of payment, refund rights, guarantees, or performance of the Products.
- Making disparaging comments about other Savvi Independent Representatives or the Company.
- Using another person's credit card without express written permission.
- Misuse of Company Confidential Information.
- Line Switching or Cross-Sponsoring.
- Engaging in unauthorized premarket activity.
- Personal conduct that harms Savvi's reputation or that discredits the Company and/or its Independent Representatives.
- Violating applicable laws that pertain to the operation of a Savvi Independent Representative Account.
- Breaching the Code of Conduct.
- Breaching the Agreement.
- Failing to issue a refund to a Customer.
- Failing to ship purchased Product to a Customer.

### 3.9 Conformance to the Savvi Business Model

It is important that you do not misrepresent the Savvi business model to others. You may not promote the Savvi business model through, or in combination with, any other compensation, rewards or incentives other than as specifically set forth in the Rewards Plan. In addition, you must not require or encourage other current or prospective Savvi Independent Representatives to participate in Savvi in any manner that varies from the Savvi Business model as set forth in the Agreement.

### 3.10 Training Requirement

When you sponsor other Savvi Independent Representatives and build your team, you must take on the role of mentor, and agree to provide support and adequate training of the Savvi Independent Representatives you sponsor. "Adequate training" shall include, but is not limited to, education regarding the Policies and Procedures, Rewards Plan, Product information, sound business practices, sales strategies, and ethical business behavior. You must maintain an ongoing, professional leadership relationship with Savvi Independent Representatives in your organization and must fulfill the obligation of performing supervisory, sales, or distributive function on the sale or delivery of Product to Customers.



### 3.11 Privacy

Personal Information. Savvi regards its Savvi Independent Representative and Customer lists as confidential. Personal information such as the Savvi Independent Representative ID number, address, telephone number, etc., will be treated as confidential and will not be used except in connection with Savvi's business, unless required by law. In the event of an emergency, the inquiring party may contact Savvi's corporate office and Savvi may choose to advise the Savvi Independent Representative that someone is attempting to contact him or her.

Customer Data. As a Savvi Independent Representative, you must comply with all applicable privacy and data security laws, including security breach notification laws. You must take appropriate steps to safeguard and protect all private information, including, without limitation, credit card and social security numbers, provided by a retail Customer, prospective retail Customer, or other Savvi Independent Representative. You must hold such information in strict confidence. You're responsible for the secure handling and storage of all documents that may contain such private information. You must adopt, implement, and maintain appropriate administrative, technical, and physical safeguards to protect against anticipated threats or hazards to the security of confidentiality.

## 4 PROMOTING THE COMPANY AND OPPORTUNITY

### 4.1 Use of Social Media

When you use social media—including but not limited to Facebook, Twitter, LinkedIn, YouTube, Instagram, or Pinterest—you agree to each of the following:

- Product sales may occur on any social media site unless explicitly prohibited by that social media site. It is your responsibility to abide by the site's terms of use.
- The posted product price may not be less than the recommended retail price for a product as set forth in the Savvi Minimum Advertised Price (MAP) guidelines.
- During any term of this Agreement and for a period of 12 calendar months thereafter, you may not use any social media site on which you discuss or promote, or have discussed or promoted, Savvi's products to solicit Savvi Independent Representatives for another social selling or network marketing program (collectively "social selling"). You may not take any action that can result in drawing an inquiry from other Savvi Independent Representatives relating to any other Savvi Independent Representative's social selling business activities. Violation of this provision will constitute a violation of the non-solicitation provision of this Agreement.
- You may post or pin photographs of Savvi products downloaded from Company provided resources such as My Office, image asset repository or use photos that meet the following specific standards of presentation:
  - Products may be presented on a mannequin, person, hanger, flat lay, or other format, provided the photographs are of high quality and a professional reflection of Savvi and of your business.
  - Savvi reserves the right to approve/disapprove any posting of Savvi product.
- The page should clearly identify you, the Savvi Independent Representative, and not include geographical locations (e.g., Savvi New York).
- If your Savvi Business is terminated or if you become inactive, you must deactivate your Savvi related business profile page.
- If you start any social media group for the sale of Savvi Products or promotion of your Savvi Business, you agree that you will invite Savvi to join that page or group.

### 4.2 Domain Names

You are prohibited from using Savvi's name, trademarks, product names, or any derivative thereof, for any Internet



domain name. If you register an internet domain name (URL) that contains any of these prohibited items, you agree to immediately assign such registration to Savvi upon demand and at no charge to Savvi.

#### 4.3 Digital Media Submissions

(YouTube, Facebook, Twitter, Pinterest, Instagram, etc.)

You may create audio- and video-related content about Savvi to digital media sites so long as it aligns with Savvi values, positively contributes to the Savvi culture and mission, and follows our Policies and Procedures. All submissions must clearly identify you, the submitter, as a Savvi Independent Representative in the content and description tag, stating that you are solely responsible for the content. All content must comply with copyright/legal requirements.

#### 4.4 Promotional Activities

Savvi desires to accommodate and support as many of your promotional activities as possible. The guidelines below are not meant to cover all circumstances as each situation is unique. Please reach out to Savvi's support line if you have requests or questions.

Video Clips. You may extract selected clips from publicly released videos produced by Savvi and include them in your own presentations.

Savvi Cooperation. You may request to include a Savvi corporate employee in your video presentation. Savvi will strive to make employees available for such requests as time permits. Savvi welcomes any Savvi Independent Representative that would like to come to Company headquarters or the warehouse and create content for videos or presentations. You must schedule with the Savvi support line in advance for employee appearances and onsite video production. All content with Savvi employees, Company property or other Company material must be approved by the Savvi support line prior to publication or release.

Company Assisted Events. If you can confirm at least 25 new and/or potential new Independent Representatives, with several having documented successful direct selling and/or direct selling team building experience, the Company may assist you in holding a promotional event.

#### 4.5 Other Sales Media

Products may not be sold or promoted through catalogues or other mass sales mediums, such as magazines, infomercials, television, radio, or other related sales media, unless approved by the Company.

#### 4.6 Media and Media Inquiries

You must not initiate any interaction with the media or attempt to respond to media inquiries regarding Savvi, its Product, or service. All inquiries by any type of media must be immediately referred to Savvi's support line. Additionally, you may not draft, publish, or post any press releases or statements to the media. This policy is designed to ensure that accurate and consistent information is provided to the public and to maintain an the desired public image.

### 5 COMMISSIONS, BONUSES, AND OTHER REWARDS

#### 5.1 Eligibility and Payment

Earnings. As a Savvi Independent Representative, you are eligible to be paid Commissions and granted rewards pursuant to the currently published Rewards Plan and if you are not in breach of the Agreement and have otherwise complied with all of the requirements in the Rewards Plan. Commissions and bonuses are paid ONLY on



Savvi Products. No bonuses are paid on the purchases of any sales material, sales aids, or the recruitment of Savvi Independent Representatives.

No Earning Guarantee. You are neither guaranteed a specific income nor assured any level of profit or success. Your profit and success can come only through successful retail sales and the retail sales activities of other Savvi Independent Representatives in their downline.

Payment. We pay Commissions within fifteen (15) days following the close of a Commission period. Bonuses from promotions will be paid within the period stated in the promotion's terms. For Accounts held in the names of legal entities, we will pay to the legal entity listed on the Account; otherwise we will pay to the primary Account holder. Without prejudice to the Company's right of termination, we may suspend or revoke payment if you are in breach of any term or condition of the Agreement. We may also debit your account or withhold payable Commissions if money is owed.

Adjustments to Commissions. When a Product is returned for a refund, the Commissions and Bonuses attributable to the returned Product will be deducted from the Commission Month in which the refund is given and continuing every pay period thereafter until the Commission and/or Bonus is recovered from the Savvi Independent Representatives who received Commissions or Bonuses on the sales of the refunded Products.

Errors or Questions. If you have questions about or believe any errors have been made regarding Commission and Bonus calculations, charges, or offsets, you must notify the Company in writing within sixty (60) days of the date of the purported error or incident in question. The Company will not be responsible for any errors, omissions, or problems not reported within sixty (60) days.

## 5.2 Bonus Buying Prohibited

Buying Product in your downline to earn greater Commissions, bonuses, and other rewards, or to maintain rank or advance in rank (referred to herein as "Bonus Buying"), is strictly and absolutely prohibited. Bonus Buying includes:

- The enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or entities.
- The fraudulent enrollment of an individual or entity as a Savvi Independent Representative.
- The enrollment or attempted enrollment of non-existent individuals or entities as Savvi Independent Representatives.
- Purchasing Products on the Account of another Savvi Independent Representative.
- Any other mechanism or artifice to qualify for rank advancement, incentives, prizes, or bonuses that are not driven by bona fide Product purchases by Customers.



## 6 DISPUTES; VIOLATIONS; BREACH OF CONTRACT; TERMINATION; APPEAL

### 6.1 Violations of the Agreement

If you breach or violate any of the terms in the Savvi Independent Representative Agreement, the Rewards Plan or these Policies and Procedures, as the same may be amended from time to time, or if you violate applicable law or standards of fair dealing, or if you engage in any illegal, fraudulent, deceptive or unethical conduct in connection with your Savvi Business (individually and collectively a "Breach") you'll be subject to disciplinary action.

Disciplinary Actions. If you commit a Breach Savvi may take one or more of the following measures:

- Issue a written warning or reprimand.
- Require you to take immediate corrective action.
- Suspend your Savvi Business and withhold all or part of commissions during an investigative period.
- Terminate your Agreement.
- Institute legal proceedings for any monetary or equitable relief.

Suspension of Savvi Business. Savvi reserves the right to suspend your Savvi Business at any time while Savvi investigates an alleged Breach. Savvi will notify you of a suspension by mail and/or email sent to the latest address you listed with us. In the event of a suspension, you agree to immediately cease representing yourself as a Savvi Independent Representative or promoting your Savvi Business or Products until the suspension is lifted. This remedy is cumulative and not exclusive of other remedies.

Any Commissions, overrides, or bonuses payable to you will be held in abeyance by Savvi pending resolution of an investigation of an alleged Breach. If Savvi deems the Breach to be unsubstantiated, the suspension will be lifted and the unpaid earnings will be credited to your Account; however, should the Breach be substantiated, Savvi may withhold some or all of your earnings in conjunction with the disciplinary measures that Savvi deems appropriate.

Fines. When circumstances are deemed appropriate, and in its sole discretion, Savvi may impose a monetary fine for any Breach. This remedy is cumulative and not exclusive of other remedies.

Termination. In the event of a Breach of the Agreement, in addition to other remedies available at law, the non-defaulting party shall be entitled to terminate the Agreement, subject to the terms herein.

Notices. In the event of a Serious Breach (defined below), Savvi may terminate the Agreement and send you a written notice of the termination, citing the reason(s) for the action. The notice shall be delivered in writing to you by email and/or by certified post. Termination shall be effective as set forth therein, if you do not approve a timely appeal in accordance with the appeal procedure set forth below. "Serious Breach" includes, but is not limited to Line Switching, Cross-Recruiting, or Enticement, and solicitation of Savvi Independent Representatives before and after termination, and other Breaches of the Agreement where Savvi reasonably believes it will be damaged, any attempt to cure would be ineffective, or that your downline is at risk of being Cross-Recruited or solicited.

In the event of a Breach that Savvi determines is non-serious, Savvi will send you notice of the alleged Breach and the action being taken by Savvi. The notice will be provided in writing and delivered to you either by email or certified post. You will have the right to (i) respond within the time period provided in the notice with facts in defense of, or in extenuation or mitigation of your alleged Breach; or (ii) cure the Breach. Failure to respond or cure shall result in disciplinary action by Savvi without further notice. If a response is provided, Savvi will examine the response and respond either with a withdrawal of the allegation of Breach, a request for clarification or a notice of disciplinary action.

Effects of Termination. If your Savvi Agreement and corresponding Savvi Business is terminated, immediately upon termination, you:



- Must remove and permanently discontinue the use of the trademarks, service marks, trade names and any signs, labels, stationery, or advertising referring to or relating to Savvi or any Product.
- Must cease representing yourself as a Savvi Independent Representative.
- Lose all rights to your Savvi Independent Representative Account and position and rank in the Rewards Plan and to all future Commissions and earnings resulting therefrom.
- Must take all action reasonably required by Savvi relating to Savvi materials and protection of Savvi confidential information and intellectual property.
- Will be barred from submitting a new Independent Representative Agreement unless approved in writing by an authorized officer of Savvi.

Right of Offset. Savvi has the right to offset any amounts owed by you to Savvi. Where state laws on termination are inconsistent with this policy, the applicable state law shall apply.

Appeal. A terminated Savvi Independent Representative may appeal termination by submitting a letter to the Standards and Practices Department of Savvi stating the grounds of appeal. (Note: no telephone calls will be accepted). Savvi must receive the letter of appeal within ten (10) business days after the date of such notice of termination, or as stated in the notification.

If you file a timely appeal, Savvi will, at its sole discretion, review and notify you of a decision on the appeal. The decision of the Company shall be final and will not be subject to further review.

If Savvi has not received the letter of appeal by the deadline date, the termination shall be final and non-appealable. If an appeal is denied, the termination shall remain in effect as of the date of the original notice of termination.

## 7 GOING OUT OF BUSINESS

### 7.1 Cancelling Your Independent Representative Agreement

In the event that you decide you no longer wish to continue as a Savvi Independent Representative, you may terminate your Agreement at any time and for any reason. Please contact our Standards and Practices Department at [standardsandpractices@Savvi.com](mailto:standardsandpractices@Savvi.com) to cancel your Agreement.

Resignation Terms. Once you submit your resignation, or once your Agreement and Savvi Business have been terminated for any reason, you agree to i) engage in no solicitation of Savvi Independent Representatives or Customers for one (1) year as stated in the Agreement, and ii) make no misleading, unfair, inaccurate, or disparaging claims, representations, or statements about Savvi, Savvi's Products, Savvi Independent Representatives, or Savvi's commercial activities.

### 7.2 Returns on Cancellation of the Agreement

If you terminate the Agreement within 30 days you are eligible for a refund for any unsold Resalable Products (see definition of "Resalable" below) that you would like to return. To receive a refund, the following requirements must be met:

- Product being returned must have been personally purchased by you from Savvi (purchases from other Savvi Independent Representatives or third parties are not subject to refund).
- The items must be in Resalable condition (see Definition of "Resalable" below).

Reimbursement Procedure. Upon receipt of Resalable Products, you will be reimbursed 90% of the net cost of the original purchase price. The original shipping and handling fees are not eligible for a refund. Any return shipping fees incurred will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same credit card account.

Resalable Products. Products will be deemed "Resalable" if each of the following elements is satisfied:



- If the Product is clothing, the Product must be unworn, unwashed, free of smoke and other odors, folded with hangtags, and in original packaging.
- All Products other than clothing must be unopened, undamaged and in its original packaging.
- Packaging and labeling has not been altered or damaged.
- Products are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price.
- Products are returned to Savvi within 15 days from the date of Agreement termination.

Returning Resalable Products. To expedite the processing of your returns, we require that you bag each style separately when packing your box of returns. For example, a given style should be bagged together. After you have packed all inventory, accordingly, write the word "Returns" so it's visible on the outside of the box. You will be responsible for covering the return shipping cost. If you have any outstanding credits for damages or missing items, these will be added to your refund check. Include a list/inventory of items being returned. Items should be shipped back to us within 15 days from formal cancellation of your Agreement.

Commission Adjustments. Savvi will reclaim Commissions paid for Products returned for a refund. Your upline Savvi Independent Representatives will accordingly be subject to adjustment of their Commissions, rewards, and rank upon recalculating volume deducted due to the Product returns.

## 8 MISCELLANEOUS PROVISIONS

### 8.1 The Agreement

The Agreement (meaning the Savvi Independent Representative Agreement, the Policies and Procedures and the Rewards Plan), in its current form and as amended at our discretion, constitutes the entire contract between you and Savvi. Any promises, representations, offers, or other communications not expressly set forth in the Agreement are of no force or effect. An electronically transmitted signed copy of the Independent Representative Agreement shall be treated as an original in all respects.

Amendment. We reserve the right to amend the Agreement, Product prices and Product availability as we deem appropriate. Amendments to the Savvi Independent Representative Agreement and the Policies and Procedures will be published and will be effective on the date the amendment is published. Amendments to the Rewards Plan will become effective on the date stated in the notice of the amendment. It's your responsibility to stay abreast of current and updated information, and Savvi is in no way liable for any Savvi Independent Representative's lack of knowledge of the updated and current information. In the event of any conflict between the applicable Agreement and any such amendment, the amendment shall control. If the Savvi website or marketing materials are revised, only the most current version is authorized for your use.

Waiver. No failure of Savvi to exercise any power under the Agreement or to insist on strict compliance by a Savvi Independent Representative with any obligation or provision therein, and no custom or practice of the parties at variance with the Agreement, shall constitute a waiver of Savvi's right to demand exact compliance. Waiver by Savvi can be affected only in writing by an authorized officer of Savvi. Savvi's waiver of any Breach by a Savvi Independent Representative shall not affect or impair Savvi's rights with respect to or the obligations of, any other Savvi Independent Representative, nor shall any delay or omission by Savvi to exercise any right arising from a Breach affect or impair Savvi's right as to that or any subsequent Breach.

Entire Agreement. The Agreement constitutes the entire agreement of the parties regarding their relationship and the subject matter thereof and related thereto.

Severability. If under any applicable and binding law or rule of any applicable jurisdiction, any provision of the Agreement, including these Policies and Procedures, or any specification, standard or operating procedure that Savvi has prescribed is held to be invalid or unenforceable, Savvi will 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. Each Savvi Independent Representative shall be bound by any such modification. The modification shall be effective in each jurisdiction on which it is required.

Assignment. You may not assign any rights or delegate your duties under the Agreement without the prior written consent of a Savvi authorized officer. Any attempt to transfer or assign the Agreement without the express written consent of Savvi renders the Agreement voidable at the option of Savvi and may result in termination of the Agreement.

Survival. Any provision of the Agreement which, by its terms, is intended to survive termination or expiration of the Agreement shall so survive, including, without limitation, the arbitration, non-competition, non-solicitation, trade secrets and confidential information covenants contained in the Agreement.

## 8.2 Miscellaneous

1099 MISC (Non-employee Compensation). Every year, Savvi will provide an IRS Form 1099 MISC earnings statement to each non-corporate US resident Savvi Independent Representative who had earnings of over \$600 in the previous calendar year.

Limitations of Liability. To the extent allowed by law, Savvi and its affiliates, officers, directors, employees, and other Savvi Independent Representatives shall not be liable for and each Savvi Independent Representative hereby releases the foregoing from, and waives as against such persons and entities all claims for loss of profit, incidental, special, consequential, or exemplary damages, which may arise out of any claims or whatsoever relating to Savvi's performance, non-performance, act or omission with respect to the business relationship or other matter between the Savvi Independent Representative and Savvi whether in contract, tort or strict liability. Furthermore, you agree that any damage to you shall not exceed, and is hereby expressly limited to, the amount of unsold Product owned by you that you purchased directly from Savvi, and any Commissions or bonuses due to you.

Indemnification. You agree to indemnify and hold harmless Savvi, its shareholders, officers, directors, employees, agents, and successors in interest from and against any claim, demand, liability, loss, cost, or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, you (a) activities as an Savvi Independent Representative; (b) breach of the terms of the Agreement; and/or (c) violation of or failure to comply with any applicable federal, state or local law or regulation.

Force Majeure. Savvi shall not be responsible for delays or failure in performance caused by circumstances beyond its control, such as strikes, labor difficulties, fire, war, government decrees or orders, or curtailment of a its usual source of supply.

Arbitration. All disputes, claims, demands, counts, causes of action, or controversies between you and Savvi an/or its shareholders, officers, directors, employees, agents, and successors (the "Parties), whether based in contract, statute, regulation, ordinance, tort (including, but not limited to, fraud, misrepresentation, fraudulent inducement, negligence, or any other intentional tort), or any other legal or equitable theory ("Dispute") will be resolved in a binding, confidential, individual and fair arbitration process, and not in court. You understand that there is no judge or jury in arbitration, and court review of an arbitration award is limited. The only exceptions to this are that (i) each Party retains the right to sue in small claims court; (ii) each Party may bring suit in court against the other to enjoin infringement or other misuse of intellectual property rights; and (iii) each Party may apply to and obtain from any court having competent jurisdiction, a writ of attachment, garnishment, temporary injunction, preliminary injunction, permanent injunction or other equitable relief available to safeguard and protect its interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding. Disputes over whether these exceptions apply shall be resolved by the court in which such action has been brought; all other disputes over arbitrability shall be resolved by the arbitrator. Any arbitration between the Parties will be conducted in Salt Lake County, Utah, in accordance with the



Federal Arbitration Act and the American Arbitration Association's ("AAA") then-current Commercial Arbitration Rules ("Rules"), except that all parties shall be entitled to discovery rights allowed under the Federal Rules of Civil Procedure. To begin an arbitration proceeding you must file a Demand for Arbitration in accordance with the AAA Rules and provide Savvi a copy of the arbitration demand and complete submission to Savvi headquarter address. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. This agreement to arbitrate shall survive any termination or expiration of the Agreement.

Class Action Waiver. The Parties expressly agree that any proceedings will be conducted only on an individual basis and not in a class, consolidated, or representative action, regardless of whether the procedures or rules of AAA would allow such an action. The Parties expressly waive their rights to file or participate in a class action or seek relief on a class or representative basis.

Limitation of Actions. If a Savvi Independent Representative wishes to bring an action against Savvi for any act or omission relating to or arising from the Agreement, such action must be brought within one (1) year from the date of the alleged conduct giving rise to the cause of action. Failure to bring such action within such time shall bar all claims against Savvi for such act or omission. Savvi Independent Representative waives all claims that any other statutes of limitation apply.

## 9 DEFINITIONS

**CUSTOMER.** End consumers of the Products.

**COMMISSIONS.** Monies earned by a Savvi Independent Representative pursuant to the Rewards Plan as determined by the Commissionable Volume of Products retailed or purchased by a Savvi Independent Representative and/or by his or her downline or from such other basis as may be described in the Rewards Plan from time to time.

**MYOFFICE.** Complete online suite of cloud-based office productivity services found at Savvi.com.

**OFFICIAL SAVVI LITERATURE.** Brochures and printed materials, audio or video recordings, websites, and other materials developed, printed, published, and distributed by Savvi to Savvi Independent Representatives.

**PRODUCTS.** The Savvi products made available by Savvi for sale by Savvi Independent Representatives to Customers.

**SPONSOR.** A Savvi Independent Representative who introduces and enrolls an applicant to Savvi and is listed as the Sponsor on the Savvi Independent Representative Application. "To Sponsor" means to introduce a person to Savvi who becomes a Savvi Independent Representative.

**SAVVI INDEPENDENT REPRESENTATIVE.** An independent contractor whose Savvi Independent Representative Agreement has been accepted by Savvi.