

**O'SNAP ACTIVE LIFESTYLE, INC.**

**Statement of Policies &  
Procedures**

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## 1.0 **INTRODUCTION**

### 1.1 **Mutual Commitment Statement**

- a) **O'Snap Active Lifestyle, Inc.**, (hereinafter referred to as "O'Snap" and "Company") strives to develop a long-term and mutually rewarding relationship with its Distributors and Customers. In the spirit of mutual respect and understanding, O'Snap is committed to:
- (i) Providing prompt, professional, and courteous service to its Distributors and Customers;
  - (ii) Providing the highest level of quality products, at fair and reasonable prices;
  - (iii) Exchanging or refunding the purchase price of any product, service, or membership as provided in O'Snap's return policies contained herein;
  - (iv) Delivering orders promptly and accurately;
  - (v) Paying commissions accurately and on a timely basis;
  - (vi) Expediting orders if an error or unreasonable delay occurs;
  - (vii) Maintaining a mutually beneficial Compensation Plan;
  - (viii) Implementing changes to the Compensation Plan or this Statement of Policies and Procedures (the "Policies and Procedures") with input from Distributors and/or Customers (Note: such changes will be effective thirty (30) days after the date any such changes are published by O'Snap)
  - (ix) Supporting, protecting, and defending the integrity of the O'Snap Business Opportunity;
- b) In return, O'Snap expects that its Distributors will:
- (i) Conduct themselves in a professional, honest, and considerate manner;
  - (ii) Present O'Snap Corporate and O'Snap product information in an accurate and professional manner;
  - (iii) Present the Compensation Plan and return and exchange policies in a complete and accurate manner;
  - (iv) Not make exaggerated income or product claims;
  - (v) Make reasonable effort(s) to support and train other Distributors and Customers in their downline;
  - (vi) Not engage in cross-line recruiting, unhealthy competition, or unethical business practices;
  - (vii) Provide positive guidance and training to O'Snap Distributors and Customers in their downline while exercising caution to avoid interference with other downlines.

As such, a Distributor is discouraged from providing cross-line training to other Distributors or Customers in a different Organization without first obtaining the consent of the Distributor's or Customer's upline leader;

- (viii) Support, protect, and defend the integrity of the O'Snap business opportunity.

## **1.2 Code of Ethics**

- a) O'Snap desires to provide its independent Distributors with the best products and Compensation Plan in the industry. Accordingly, O'Snap values constructive criticism and encourages the submission of written comments addressed to the O'Snap Compliance Department.
- b) Distributor's negative and disparaging comments about O'Snap, its products, these Policies, or Compensation Plan, made to O'Snap, or to the field or at any O'Snap meeting and/or event, or disruptive behavior at any meeting and/or event, serve no purpose other than to dampen the enthusiasm of other Distributors and Customers. O'Snap Distributors must not belittle O'Snap, fellow O'Snap Distributors, O'Snap products or services, the Compensation Plan, or any and all O'Snap directors, officers, or employees, product suppliers, or agents. Such conduct represents a material breach of these Policies and Procedures and may result in suspension or termination of the offending Distributors Account.
- c) O'Snap endorses the following code of ethics:
  - (i) An O'Snap Distributor must show fairness, tolerance, and respect to all people associated with O'Snap, regardless of race, gender, social class, or religion, thereby fostering a "positive atmosphere" of teamwork, good morale, and community spirit.
  - (ii) A Distributor shall strive to resolve business issues, including conflicts or disagreements with Upline and/or downline Organization Distributors with tact, sensitivity, and goodwill, and taking care not to create additional conflict.
  - (iii) O'Snap Distributors must be honest, responsible, professional, and conduct themselves with integrity.
  - (iv) O'Snap Distributors shall not (a) make disparaging statements about O'Snap, other Distributors, O'Snap employees, product suppliers or agents, products, services, sales, and marketing campaigns, or the Compensation Plan.
  - (v) O'Snap Distributors shall not make statements that unreasonably offend, mislead or coerce others.
- d) O'Snap may take appropriate action against a Distributor if it determines, in its sole discretion, that a Distributor's conduct is detrimental, disruptive, or injurious to O'Snap or to other Distributors.

## **1.3 The Distributor Agreement**

- a) Throughout these Policies & Procedures, when the term "Agreement" is used, it collectively refers to the most current version of the following along with any addendums or exhibits thereto: (i) O'Snap Policies and Procedures; and (ii) O'Snap Compensation Plan.

- b) It is the responsibility of the Sponsoring Distributor to provide the most current version of these Policies and Procedures (available on the O'Snap website), the Income Disclosure Statement, the Compensation Plan, and any and all social media guidelines or any other guidelines which may be implemented from time to time and any amendments thereto to their downline Distributors. The Income Disclosure Statement is attached as Addendum 2 and is incorporated by reference for all purposes.

#### **1.4 Amendments to the Distributor Agreement**

- a) Because Federal, state, and local laws, as well as the business environment, periodically change, O'Snap reserves the right to amend the Agreement as well as the prices in its *Product Price List* as set forth on its website in its sole and absolute discretion. Notification of amendments shall appear in official O'Snap materials, O'Snap website, social media outlets, and/or Distributors' back office.
- b) Any such amendment, change, or modification shall be effective thirty (30) days following notice by one of the following methods:
  - (i) Posting on the official O'Snap website;
  - (ii) Electronic mail (e-mail); or
  - (iii) Any O'Snap communication channels or social media outlets (i.e., Facebook, Instagram, Twitter, and/or O'Snap App).

### **2.0 BASIC PRINCIPLES**

#### **2.1 Becoming an O'Snap Distributor**

- a) To become a Distributor, an applicant must:
  - (i) Be of the age of majority (not a minor) in his or her state of residence;
  - (ii) Reside or have a valid address in the United States or U.S. territory in which O'Snap is licensed to operate.
  - (iii) Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number (EIN));
  - (iv) Enter a verified mobile phone number, which is not in use or associated with any other O'Snap accounts, which will be verified through a verification code sent to the applicant's mobile phone number.
  - (v) Acknowledge and agree to all communications sent by O'Snap, (including but not limited to emails, texts, broadcasts, letters, etc.) with the choice to "opt-out" of these communications

## **2.2 New Distributor Enrollment**

- a) A potential new Distributor may self-enroll on any Distributor/Sponsor's website, subject to acceptance by O'Snap of the applicant's online enrollment confirming the applicant has agreed to all terms and conditions of the Distributor Agreement.
- b) Electronically submitted and/or signed documents, including, but not limited to, online submissions, automated credit card processing authorization documents, and the Distributor Agreement are legally binding contracts which must not be altered, tampered with, or changed in any manner after they have been signed and/or submitted. False or misleading information, forged signatures, or alterations to any document, including business registration forms, may lead to sanctions, up to and including involuntary termination of the offending Distributor's Account.
- c) An applicant enrolling with O'Snap must identify a Sponsor in the online enrollment process. IF the applicant later enrolls and identifies a different Sponsor, O'Snap will not accept the later enrollment. O'Snap reserves the right, at its sole discretion, to make the final decision with respect to any disputes regarding Distributor enrollments and Sponsors

## **3.0 O'SNAP DISTRIBUTOR RESPONSIBILITIES**

### **3.1 Correct Address**

- a) It is the responsibility of the Distributor or Customer to make sure O'Snap has the correct shipping address before any orders are shipped.
- b) A Distributor and/or Customer will need to allow up to seventy-two (72) hours for processing after the notice of address change has been received by the O'Snap Support Team.

### **3.2 Training and Leadership**

- a) Sponsoring Distributors should have ongoing contact and communication with the Distributors in their downline Organizations. Examples of communication may include but are not limited to, newsletters, written correspondence, personal telephone calls, team conference calls, voicemail, e-mail, personal meetings, training sessions, events, workshops, and any other related functions.
- b) A Sponsoring O'Snap Distributors should monitor the Distributors in his or her downline Organizations to ensure that downline Distributors do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, a Sponsoring Distributor must provide documented evidence to O'Snap of his or her ongoing fulfillment of the responsibilities set forth in this Section 3.2.
- c) Up line Distributors are encouraged to educate and train new Distributors about O'Snap's products and services, effective sales techniques, the Compensation Plan, along with compliance with these Policies and Procedures and any and all social media guidelines or any other guidelines issued by O'Snap. Marketing product is a required activity in O'Snap and must be emphasized in all Recruiting presentations.
- d) Use of Sales Aids. To promote O'Snap products and the O'Snap business opportunity, Distributors are encouraged to use the sales aids and support materials produced or

expressly authorized by O'Snap. Distributors may use and publish marketing materials they design only after such materials have been approved by O'Snap. A Distributors unauthorized use of sales aids or promotional materials, including but not limited to Internet advertising, social media marketing on Facebook, Instagram, and like, is a violation of these Policies and Procedures. Additionally, publishing marketing materials that violate any number of statutes or regulatory laws governing how O'Snap's products or business opportunity may be marketed is a violation of these Policies and Procedures and may result in immediate termination of the publisher's O'Snap Account. Any such violations could jeopardize the O'Snap opportunity for all Distributors. Accordingly, Distributors must submit via email all sales aids, promotional materials, advertisements, websites, training material, flyers, along with any other literature to O'Snap's Compliance Department for approval prior to use at [compliance@osnap.com](mailto:compliance@osnap.com). Unless the Distributor receives specific written approval to use the material(s), the request shall be deemed denied. All Distributors shall safeguard and promote the good reputation of O'Snap and its products. The marketing and promotion of O'Snap, the O'Snap opportunity, the Compensation Plan, and O'Snap products and services shall be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices.

### **3.3 Sponsorship**

- a) The Sponsor is the person who introduces a Distributor or Customer to O'Snap, helps them complete their enrollment, and supports and trains those in their downline.
- b) O'Snap recognizes the Sponsor as the name shown on an applicant's first enrollment submission to O'Snap
- c) An applicant may not enroll with O'Snap as a Distributor without personally accepting and agreeing to the terms and conditions of the O'Snap Agreement.
- d) O'Snap recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but O'Snap will not allow Distributors to engage in unethical sponsoring activities.
- e) All active Distributors in good standing have the right to Sponsor and enroll others into O'Snap. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Distributors will approach the same prospect. In this scenario, the new prospect should be Sponsored by the first Distributors who presented a comprehensive introduction to O'Snap products or business opportunity.
- f) In the event of a dispute regarding Sponsorship, O'Snap reserves the right to designate a prospect's Sponsor and all such determinations are final.

### **3.4 Unethical Sponsoring**

- a) Unethical sponsoring activities include, but are not limited to, enticing, bidding, or engaging in unhealthy competition by attempting to acquire a prospect or new Distributor away from a fellow Distributor or influencing another Distributor to transfer to a different sponsor.
- b) Allegations of unethical sponsoring must be reported in writing to the O'Snap Compliance Department within the first 30 days of the new Distributor enrollment in question. If the reports are substantiated, O'Snap may transfer the Distributor or the Distributor's downline

to another Sponsor or Organization without approval from the current up-line Sponsor. O'Snap remains the final authority in such cases.

- c) O'Snap prohibits the unauthorized manipulation of the O'Snap Compensation Plan and/or marketing plan to trigger commissions or cause the promotion of a downline Distributor in an unearned manner (hereinafter, "Stacking."). For example, Stacking occurs when a Sponsor places Distributor(s) under an inactive downline without the Distributor's knowledge in order to trigger unearned qualification for commissioning purposes. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense which may result in immediate termination of Accounts of all Distributors, individuals, and/or entities found to be involved.
- d) Any Distributor who solicits or entices members of another direct sales company to sell or distribute O'Snap products and services bears the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Distributor alleging that they engaged in inappropriate Recruiting of another Company's sales force or customers, O'Snap will not pay any of Distributor's defense costs or legal fees, nor will O'Snap indemnify the Distributor for any judgment, award, or settlement.

### **3.5 Cross Sponsoring Prohibition**

- a) "Cross sponsoring" is defined as the enrollment into a different Line of Sponsorship of an individual, or Business Entity, that was already previously enrolled as a Distributor. Actual or attempted Cross Sponsoring is strictly prohibited and may result in termination of the offending Distributor's Account.
- b) Enrollment through use of a Spouse or relative's name, trade name, assumed name, Business Entity, or fictitious identification of any kind to evade or circumvent this Cross Sponsoring Policy is strictly prohibited.
- c) This Policy does not prohibit the transfer of an O'Snap Account and business in accordance with the Transfer of Sale or Transfer Policy set forth in these Policies.

### **3.6 Solicitation for Other Companies or Products**

- a) An O'Snap Distributor and/or Customer may participate in other direct sales, multilevel, network marketing, or relationship marketing businesses or marketing opportunities, as long as it is not a Competing Product as defined herein. However, during the Term of this Agreement and for six (6) months thereafter, an O'Snap Distributor may not recruit any fellow O'Snap Distributor or Customer for any other direct sales or network marketing business, unless that fellow Distributor or Customer was personally sponsored by such Distributor.
- b) The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Distributor or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Distributor's actions are in response to an inquiry made by another Distributor or Customer.
- c) During the term of this Agreement, any O'Snap Distributor must not sell or entice others to sell, any competing products or services, including training materials, to O'Snap Customers or Distributors. Subject to the definition of Competing Products in the Glossary below, any

product or service in the same category as an O'Snap product or service is deemed to be competing regardless of differences in cost or quality.

- d) A Distributor may sell non-competing products or services to the O'Snap Customers and Distributors that they personally sponsored.
- e) A Distributor may not display or bundle O'Snap products or services, in sales literature, on a website, or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Distributor into believing there is a relationship between the O'Snap and non-O'Snap products and services.
- f) An O'Snap Distributor may not offer any non-O'Snap opportunity, products, or services at any O'Snap related meeting, live or virtual, event, seminar, or convention that other O'Snap Distributors or Customers are known to be attending, or immediately following an O'Snap event.
- g) A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between O'Snap and its Distributors and would inflict irreparable harm on O'Snap. In such event, O'Snap may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Distributor or such Distributor's positions including termination, or seek immediate injunctive relief without the necessity of posting a bond in addition to any other legal remedies to which O'Snap may be entitled.

#### **4.0 AGREEMENTS & GENERAL UNDERSTANDINGS**

##### **4.1 Rights Granted**

- a) O'Snap hereby grants to the Distributor a non-exclusive right, based upon the terms and conditions contained in the Agreement to:
  - (i) Purchase O'Snap products and services;
  - (ii) Promote and sell O'Snap products and services; and
  - (iii) Sponsor new Distributors and Customers in countries where O'Snap is currently authorized to do business or becomes authorized to business in the future.
- b) No feature of the Compensation Plan constitutes a personal purchase requirement to become a Distributor, move up in rank in, or otherwise fully participate in the Compensation Plan. No product purchase is required of anyone at any time to fully participate as a Distributor.

##### **4.2 O'Snap Account Renewals and Termination of the Distributor's O'Snap Account Due to Nonpayment of the Annual Membership Renewal Fee.**

- a) A Distributor must pay a membership fee upon enrolling with O'Snap and a membership renewal fee on an annual basis thereafter. If a Distributor fails to pay the annual membership renewal fee within sixty (60) days of when it is due, the Distributor's Account will be terminated and the Distributor will lose any and all rights to the Account downline Organization, and any commissions and/or bonuses associated therewith. The Distributor shall not be eligible to re-enroll with O'Snap as a Distributor for six (6) months following

termination of the Account. Upon termination of the Account, the downline Organization will roll up to the immediate, active Upline Sponsor.

- b) If a Distributor pays the membership renewal fee after it is due but within the sixty (60) day grace period set forth in Section 4.2(a) above, the Distributor will resume the rank and positions held immediately prior to the membership renewal fee due date. However, such Distributor's paid as level will not be restored unless that Distributor qualifies at that level in the new month. The Distributor is not eligible to receive commissions or bonuses for any part of the sixty (60) day grace period that the annual membership renewal fee is unpaid.

#### **4.3 Effect of Termination**

- a) Following voluntary or involuntary termination of a Distributor's O'Snap Account (collectively, "termination") such Distributor:
  - (i) Shall have no right, title, claim, or interest to any commission or bonus from the sales generated by the Distributor's former Organization or any other payments in association with the Distributor's terminated Account;
  - (ii) Effectively waives any and all claims to property rights or any interest in or to the Distributor's former Downline Organization; and
  - (iii) Shall receive commissions and bonuses only for the last full pay period in which the Distributor was active prior to termination, less any amounts withheld during an investigation preceding an involuntary termination, and less any other amounts owed to O'Snap.

#### **4.4 Modifying a Distributor's O'Snap Account**

- a) A Distributor may modify his or her existing O'Snap Account to add a Spouse or partner to the Distributor's Account or change the form of ownership from an individual to a Business Entity by submitting a written request to O'Snap's Support Department to make such modification

#### **4.5 Unauthorized Transfer & Re-Enrollment**

- a) In the event a Distributor discovers that a Distributor in their downline has re-enrolled under a different Distributor, the Distributor has thirty (30) days from the date the downline Distributor enrolled under a new Distributor to notify the O'Snap Compliance department and request the downline Distributor be transferred back to his/her downline. Upon the expiration of the thirty (30) day notice period, the right to re-claim a new Distributor to his or her downline will be waived.

#### **4.6 Change of Sponsors for Distributors**

- a) Sponsor changes/corrections may be requested within a period of 72 hours from the time of enrollment. Such adjustments require written permission directed to the Support Department submitted from the personal back office of the Sponsor as well as the Distributor to be moved and in some cases the Upline Distributor.

- b) Sponsor changes are generally not permitted. However, sponsor corrections can be made if they are reported to the Support Department within seventy-two (72) hours from the time of enrollment. Sponsor corrections must be requested from the distributor back office of the current (original) Sponsor, stating the reason that the correction needs to be made.
- c) At the discretion of O'Snap, Distributors who have not ordered products or services for at least twelve (12) months, and whose Account has not been terminated, are eligible to re-enroll in O'Snap under the Sponsor of their choice.
- d) When a former Distributor re-enrolls with O'Snap, O'Snap will "compress" (close) the Distributor's original Account and a new O'Snap User ID number will be issued to the Distributor. In this scenario, a Distributor does not retain former rank, downline Organization, or rights to commissions from the Distributor's former O'Snap business or Account.
- e) O'Snap reserves the right to correct Sponsor errors at any time and in whatever manner it deems necessary in its sole discretion.

#### **4.7 Change Organizations**

- a) If a Distributor wishes to change Organizations within O'Snap, he or she must submit a notice of voluntary termination to the O'Snap Customer Support Department in accordance with Section 4.8 (below), and remain inactive (place no orders, or be on an auto ship) with or in O'Snap for six (6) months from the receipt of the notice before being eligible to re-enroll under a different Sponsor.
- b) O'Snap retains the right to approve or deny any request to re-enroll after a Distributor's termination. Distributors within the same downline Organization simultaneously submitting notices of voluntary termination to transfer Organization in accordance with Section 4.7(a) will be deemed an abuse of these Policies.
- c) If re-enrollment is approved, the former Distributor will be issued a new O'Snap User ID after accepting and agreeing to the terms of the Distributor Agreement in effect at that time. The re-enrolled Distributor will not be entitled to keep any former rank, downline, or rights to commissions associated with the Distributor's prior O'Snap User ID/Account.

#### **4.8 Voluntary Termination**

- a) A Distributor may immediately terminate his or her Account and O'Snap business associate therewith by submitting a written notice via email to the O'Snap Support Department at [support@osnap.com](mailto:support@osnap.com). The written notice must include the following:
  - (i) Statement of the Distributor's intent to terminate the Account;
  - (ii) Date of termination;
  - (iii) Distributor's O'Snap User ID;
  - (iv) Reason(s) for terminating the Account, and
  - (v) Distributor's signature.

- b) A Distributor may not use voluntary termination as a way to immediately change Sponsors. A Distributor who has voluntarily terminated an Account is not eligible to re-enroll with O'Snap or have any financial interest in a or any O'Snap business for six (6) months from the receipt of the written notice of termination. A terminated Distributor who promotes O'Snap products or services during the six (6) month waiting period by using another Distributor's or Customer's referral code is in violation of the provision and shall not be permitted to re-enroll until six (6) months following any such offending conduct has ceased.

#### **4.9 Involuntary Termination**

- a) O'Snap reserves the right to terminate a Distributor's position for, but not limited to, the following reasons:
  - (i) Violation of any provision of the Distributor Agreement;
  - (ii) Violation of any applicable law, ordinance, or regulation related to the Distributor's O'Snap business;
  - (iii) Engaging in unethical business practices or violating standards of fair dealing; or
  - (iv) Returning over \$500 worth of O'Snap products, services, and/or sales tools for a refund within a twelve (12) month period.
- b) O'Snap will notify the Distributor in writing via email certified mail, return receipt requested, or overnight documented mail, at the Distributor's last known address of O'Snap's intent to terminate the Distributor's position and the reasons for termination. The involuntary termination will be effective date as of the written notice.
- c) The former Distributor shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any O'Snap products or services. O'Snap will notify the active Upline Sponsor within ten (10) days after termination. The Organization of the terminated Distributor will "roll-up" to the active Upline Sponsor on record.
- d) The Distributor who is involuntarily terminated by O'Snap may not re-enroll as a Distributor, either under his or her present name or any other name or Business Entity, without the express written consent of an officer of O'Snap, following a review by the O'Snap Compliance Committee. If such consent is granted, the Distributor may not re-enroll as a Distributor for twelve (12) months following the date of termination.

#### **5.0 BUSINESS ENTITIES**

##### **5.1 Definition**

- a) A corporation, partnership, limited liability company, or trust (collectively, a "Business Entity") may apply to be an O'Snap Distributor.
- b) An O'Snap Distributor may change their status under the same Sponsor from an individual to a Business Entity in accordance with Section 4.4 of these Policies.

## **5.2 Indemnification for Actions**

- a) A Distributor is fully responsible for all of his or her verbal and written communications made regarding O'Snap products, services, and the Compensation Plan that are not expressly contained within official O'Snap materials. Distributors shall indemnify and hold harmless O'Snap, its directors, officers, employees, product suppliers, and agents from any and against all liability including judgments, civil penalties, refunds, lawyer fees, and court costs incurred by O'Snap as a result of the Distributor's unauthorized representations or actions. This provision shall survive the termination of the O'Snap Distributor Agreement and an O'Snap Account.

## **5.3 Insurance**

- a) O'Snap encourages Distributors to obtain insurance coverage for their O'Snap business. A homeowner's insurance policy does not cover business-related injuries, or the theft of, or damage to, inventory or business equipment. Distributors should contact their insurance agent to make certain their business property is protected. In many instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

## **6.0 POLICY VIOLATIONS**

### **6.1 Reporting Policy Violation**

- a) A Distributor who observes a violation of these Policies and Procedures by another Distributor or Customer should submit any such violation(s) to the O'Snap Compliance Department via email to [compliance@osnap.com](mailto:compliance@osnap.com). The email should include:
  - (i) The nature of the violation(s);
  - (ii) Specific facts to support the allegations;
  - (iii) Dates;
  - (iv) Number of occurrences;
  - (v) Persons involved; and
  - (vi) Supporting documentation.
- b) The Compliance Department will investigate the reported violations(s) and O'Snap will take appropriate action if warranted.

### **6.2 Adherence to the O'Snap Compensation Plan**

- a) A Distributor must adhere to the terms of the O'Snap Compensation Plan.
- b) A Distributor shall not offer the O'Snap opportunity through or in combination with, any other system, program, or method of marketing other than that specifically set forth in Official O'Snap Literature.

- c) A Distributor shall not require or encourage a current or prospective Distributor to participate in O'Snap in any manner that varies from the Compensation Plan as set forth in official O'Snap literature.
- d) A Distributor shall not require or encourage a current or prospective Distributor to make a purchase from or payment to any individual or other entity as a condition to participating in the O'Snap Compensation Plan.

### **6.3 Adherence to Laws and Ordinances**

- a) Many cities, counties, and townships have laws regulating certain home-based businesses. Distributors and Customers shall comply with all federal, state, and local laws, ordinances, and regulations in conducting his or her O'Snap business.
- b) A Distributor understands and agrees that h/she/it is solely responsible for any and all fines and liabilities incurred as a result of the Distributor's or Customer's violation(s) of applicable laws, regulations, and/or ordinances.

### **6.4 Compliance with Applicable Income Tax Laws**

- a) A Distributor accepts sole responsibility for and agrees to pay all federal, state, provincial, and local taxes on any income generated as a Distributor, and further agrees to indemnify O'Snap from any failure to pay such taxes when due. O'Snap encourages Distributors to consult with his/her/its tax advisor(s) to ensure they are compliant with all applicable laws and understand the tax consequences of an O'Snap business
- b) If a Distributor's business is tax-exempt, the Federal Tax-ID (EIN) must be provided to O'Snap in writing along with any additional documentation requested reflecting such status.
- c) O'Snap is required to charge and remit sales tax to the various states or provinces based on the retail price, including receipt of trips, prizes, or awards in the amount of \$600.00 or more.

### **6.5 One O'Snap Business Per Distributor**

- a) A Distributor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) O'Snap Account. No individual (together with their spouse) may have, operate or receive compensation from more than one O'Snap Account and business associate there with. Individuals of the same Family Unit, excluding spouses, may each enter into or have an interest in their own separate O'Snap Account, only if each subsequent family position is placed frontline to the first family member enrolled. Each position must build their position separate and independent of the other or the position will be deemed to be stacking.

### **6.6 Actions of Household Members or Affiliated Parties**

- a) If any member of a Distributor's immediate household engages in any activity which, if performed by the Distributor, would violate any provision of the Distributor Agreement, such activity will be deemed a violation by the Distributor and O'Snap may take disciplinary action pursuant to these Policies and Procedures against the Distributor. Likewise, if a Distributor is a Business Entity, any owner, member, officer, and/or affiliate of that Business

Entity shall be personally and individually bound to, and must comply with, the Distributor Agreement.

#### **6.7 Identification Numbers and Pay-Out**

- a) Each Distributor is required to provide a Social Security Number or Federal Tax-ID if located in the United States or any of its territories to O'Snap at the time Distributor initiates a transfer of funds or earnings accumulated in the Distributors Wallet. The transferring and disbursement of commission payments or bonuses acquired is known as a "Pay-Out" and O'Snap reserves the right to withhold Pay-Out from any Distributor who fails to provide a valid Social Security Number or Federal Tax-ID (EIN) or who provides false information.
- b) Upon enrollment, O'Snap will provide an O'Snap User ID to the Distributor. This number will be used to place orders, structure Organizations, and track commissions and bonuses.

#### **6.8 Sell, Assign, or Delegate Ownership**

- a) In order to preserve the integrity of the hierarchical structure, it is necessary for O'Snap to place restrictions on the transfer, assignment, or sale of a Distributor's O'Snap Account and business associated therewith.
- b) A Distributor may not sell, assign, or transfer his or her rights or delegate his or her Account as a Distributor without O'Snap's prior written approval, which will not be unreasonably withheld. All parties involved in any transaction described in Section 6.8 must be in good standing with O'Snap to be eligible for any proposed sale, assignment, or transfer. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of O'Snap.
- c) Any approved buyer/assignee/transferee shall assume the position of the Distributor at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Distributor's downline Organization.
- d) To the sale, transfer, or assignment of an O'Snap position, a Distributor must request a "Sale/Transfer of Position Form" from O'Snap's Support Department and submit the following items to the O'Snap Compliance Department:
  - (i) a fully executed, dated, and properly completed O'Snap Sale/Transfer of Position Form;
  - (ii) a fully executed, dated, and notarized agreement between the Distributor and the proposed buyer/transferee/assignee; and.
  - (iii) any additional supporting documentation requested by O'Snap.
- e) Any debt obligations that any party involved in the proposed transaction may have with O'Snap must be satisfied in full prior to the approval of the sale, transfer, or assignment
- f) A Distributor who sells, transfers, or assigns his/her/ O'Snap's position is not eligible to re-enroll as an O'Snap Distributor in any organization for six (6) full calendar months following the date of the sale, transfer, or assignment except as otherwise expressly permitted by these Policies and Procedures.

## **6.9 Separating an O'Snap Business**

- a) Pending a divorce or dissolution of a Business Entity, the parties must adopt one of the following methods of operation:
  - (i) One of the parties may, with the written consent of the other(s), operate the O'Snap business whereby the relinquishing Spouse, shareholder, partner, member, or trustee ("Relinquishing Party") authorize O'Snap to deal directly and solely with the non-Relinquishing Party.
  - (ii) The parties may continue to operate the O'Snap business jointly on a "business as usual" basis. All compensation paid by O'Snap will be paid into the Individual(s) or Business Entity named as the Distributor on the Account and the Distributor shall indemnify O'Snap from any and all claims of any other party with respect to the O'Snap business and Account and any payment(s) made in connection therewith.
- b) O'Snap recognizes only one downline Organization and will issue only one commission payment transfer per O'Snap Account per commission cycle. Under no circumstances will the downline of an Organization be divided, nor will O'Snap split commissions and/or bonuses.
- c) If a Relinquishing Party, has completely relinquished, in writing, all rights to the original O'Snap business and Account, the Relinquishing Party may immediately thereafter re-enroll under the Sponsor of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Distributor or active Customer in the former Organization, and must develop a new business in the same manner as any other new O'Snap Distributor. A Distributor in the Relinquishing Party's former Downline who wishes to transfer to the Relinquishing Party's new Organization or to any other Organization must comply with the requirements in Section 4.0.

## **6.10 Succession**

- a) The Distributor Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
- b) Upon the death or incapacity of a Distributor, the Distributor's business may be passed on to his or her legal successors in interest ("Successor"). Whenever an O'Snap business is transferred by will or other testamentary processes, the successor acquires the right to collect all bonuses and commissions of the deceased Distributor's Sales Organization. The Successor must:
  - (i) Accept and agree to all the terms of the Distributor Agreement;
  - (ii) Comply with the terms and provisions of the Distributor Agreement; and
  - (iii) Meet all of the qualifications for the last rank achieved by the former Distributor.
- c) Any bonus and commissions transferred pursuant to this section will be paid in a single transfer to the successor. The successor must provide O'Snap with an "address of record" to which all bonus and commission Pay-Out will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.

- d) If the business is bequeathed to joint devisees, they must form a Business Entity and acquire a Federal Tax ID (EIN). O'Snap will issue all bonus and commission payments to the managing Business Entity only.
- e) Appropriate legal documentation must be submitted to O'Snap Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of an O'Snap business, the Successor must provide the following to O'Snap Compliance Department:
  - (i) A certified copy of the death certificate; and
  - (ii) A notarized copy of the will or other appropriate legal documentation establishing the successor's right to the O'Snap business.
- f) To complete a transfer of the O'Snap business because of incapacity, the Successor must provide the following to the O'Snap Compliance Department:
  - (i) A notarized copy of an appointment as trustee;
  - (ii) A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the O'Snap business; and
  - (iii) A Distributor Agreement accepted and agreed to by the trustee in writing.
- g) If the Successor is already an existing Distributor, O'Snap will allow such Distributor to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the six (6) month period, the Distributor must have compressed (if applicable), sold, or otherwise transferred either the existing position or the inherited position.
- h) If the Successor wishes to terminate the O'Snap position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- i) Upon written request, O'Snap may grant a one (1) month bereavement waiver and pay out at the last "paid as" rank.

## **7.0 DISCIPLINARY ACTIONS**

### **7.1 Imposition of Disciplinary Action - Purpose**

- a) It is the spirit of O'Snap that integrity and fairness should pervade among its Distributors, thereby providing everyone with an equal opportunity to build a successful business. Therefore, O'Snap reserves the right to impose disciplinary sanctions at any time, when it has determined that a Distributor has violated the Distributor Agreement, as may be amended from time to time by O'Snap in accordance herewith.

### **7.1 Consequences and Remedies of Breach**

- a) Disciplinary actions may include one or more of the following:
  - (i) Monitoring a Distributor's conduct over a specified period of time to assure compliance;

- (ii) Alerting the Distributor's Upline so that the Upline may further educate Distributor and/or take proactive action to protect the O'Snap community from cross-Recruiting, disparagement, etc.;
- (iii) Issuance of a written warning or requiring the Distributor to take immediate corrective action;
- (iv) Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until O'Snap receives adequate additional assurances from the Distributor to ensure future compliance;
- (v) Suspension from participation in O'Snap or Distributor events, rewards, or recognition;
- (vi) Suspension of the Distributor's Account and position for one or more pay periods;
- (vii) Involuntary termination of the Distributor's Account and position;
- (viii) Any other measure which O'Snap deems feasible and appropriate to justly resolve injuries caused by the Distributor's violation(s); or
- (ix) Legal proceedings for monetary or equitable relief.

## 7.2 Suspension Procedures

- a) First Violation: Counseling and initial warning letter. A first violation usually occurs because the Distributor is not familiar with the Policies and Procedures or the law. Counseling and the initial warning provide an opportunity for Compliance to bring to the attention of the Distributor the Policies and Procedures and the specific violation, and to provide counseling on complying with the Policies and Procedures and applicable laws. Compliance Department will also describe expectations and steps the Distributor must take to resolve the violation including, but not limited to, either removing or revising the non-compliant claim or how to remedy other policy violations. Within three (3) days of this notice, Compliance will determine if the non-compliant material or other policy violation has been remediated. If so, Compliance will close the file. If not, Compliance will proceed to the 2nd Violation notice described below.
- b) Second Violation: Second warning letter and temporary suspension. Although it is hoped that the Distributor will promptly correct the violation(s), O'Snap recognizes that this may not always occur. The second written warning indicates the seriousness of repeated violations and will prompt a suspension of the Distributor's account. During the suspension period, the Distributor waives any and all rights to Pay-Out of any bonuses or commissions and must submit a signed reinstatement letter wherein the Distributor acknowledges the violation(s) and describes the steps taken to correct the violation(s). Once the reinstatement letter is accepted by O'Snap, the suspension will be lifted and the Distributor will be able to request a Pay-Out. The Distributor may be subject to additional discipline up to and including termination if the violation is not cured or further violation(s) occur.

- c) Third Violation: Suspension and final written warning. Repeated violation(s) of the Policies and Procedures is very problematic and potentially harmful. Therefore, the most effective and prudent action is suspension of the Distributor and forfeiture of commissions and bonuses associated with the offending Distributor's Account. The final written warning letter will include notification of such suspension, action needed to cure the violations(s), and an indication that if the Distributor violates the Policies and Procedures again, the Distributor will be terminated immediately.
- d) Fourth Violation: Termination. As described above, O'Snap will try to exercise the progressive nature of the Discipline Policy by first providing warnings, a final written warning, and suspension and commissions forfeiture before proceeding to termination of the Distributor's Account. O'Snap will notify the Distributor in writing if/when the Account is terminated.
- e) O'Snap reserves the right to combine and omit steps depending on the circumstances of each situation and the nature of the violation. Furthermore, the Distributor may be terminated without prior notice or disciplinary action, as authorized by the Policies and Procedures.

## **8.0 DISPUTE RESOLUTION**

### **8.1 Grievances Against Another Distributor**

- a) If an O'Snap Distributor has a grievance or complaint against another Distributor regarding any practice or conduct relating to their respective O'Snap businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the O'Snap Compliance Department as outlined below in this Section.
- b) The O'Snap Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Distributors involved.
- c) O'Snap will confine its involvement to disputes regarding O'Snap business matters only. O'Snap will not decide issues that involve personality conflicts or unprofessional conduct by or between Distributors outside the context of an O'Snap business. These issues go beyond the scope of O'Snap and may not be used to justify a Sponsor change or a transfer to another O'Snap Organization.
- d) O'Snap does not consider, enforce, or mediate third-party agreements between Distributors, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- e) Process for Grievances:
  - (i) The Distributor should submit a letter of complaint via email directly to the O'Snap Compliance Department at [compliance@osnap.com](mailto:compliance@osnap.com). The letter shall set forth the details of the incident as follows:
    - A. The nature of the violation;
    - B. Specific facts to support the allegations;

- C. Dates;
  - D. Number of occurrences;
  - E. Persons involved; and
  - F. Supporting documentation.
- (ii) Upon receipt of the written complaint, O'Snap will conduct an investigation according to the following procedures:
- A. The Compliance Department will send an acknowledgment of receipt to the complaining Distributor;
  - B. The Compliance Department will provide a verbal or written notice of the allegation to the Distributor under investigation. If a written notice is sent to the Distributor, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by O'Snap.
  - C. The O'Snap Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case-by-case basis, and the length of time to reach a resolution will vary.
  - D. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Distributor calls, letters, and requests for "progress reports" during the course of the investigation will not be answered or returned.
- f) O'Snap will make a final decision and timely notify the O'Snap Distributors involved.

## **8.2 Mediation Disputes Between a Distributor and O'Snap**

- a) Distributor and O'Snap (collectively "the Parties") recognize disputes and differences may arise between the Parties and therefore agree it is in their best interest to appoint an impartial mediator to resolve such disputes as they arise. Mediation of a dispute may allow the parties to avoid the cost and inconvenience of litigation in court.
- b) The Parties should exchange all documents pertinent to the relief requested. The mediator may request the exchange of memoranda and other information; items that a party wishes to keep confidential may be sent to the mediator in a separate communication.
- c) The mediator shall not be a legal representative of any party.
- d) Unless otherwise agreed to by the Parties, the mediation shall take place in Collin County, Texas, on a date that is mutually agreeable among the Parties and mediator. Participation in the mediation by telephone will be permitted to prevent inconvenience to a party.

- e) The mediator shall allow the Parties to be represented by their respective advocates, who have the authority to consummate a settlement. Any party may participate without representation (pro se).
- f) Mediation sessions and related mediation communications are private proceedings. For this reason, only the Parties and their legal representatives may attend mediation sessions. Other persons may attend only with the permission of the Parties and with the consent of the mediator.
- g) Each Party will pay its own costs and expense of the mediation unless the Parties agree otherwise.
- h) The Parties agree that all mediation communications are privileged and not subject to discovery or admissible in evidence in a proceeding unless waived or precluded by both Parties or unless the evidence would otherwise be admissible or subject to discovery if it were not by reason of its disclosure or use in mediation.
- i) Jurisdiction and venue of any controversy or claim brought under this mediation provision shall be in Collin County, Texas. The Parties further agree that the laws of the State of Texas shall govern all matters, claims, or controversy submitted to mediation pursuant to the Agreement.

### **8.3 Severability**

- a) If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

### **8.4 Waiver**

- a) Only an officer of O'Snap can, in writing, affect a waiver of these Policies and Procedures. O'Snap's waiver of any particular breach by a Distributor shall not affect O'Snap's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Distributor.
- b) The existence of any claim or cause of action of a Distributor against O'Snap shall not constitute a defense to O'Snap's enforcement of any term or provision of these Policies and Procedures.

### **8.5 Governing Law**

- a) The Parties agree that jurisdiction and venue of any controversy or claim arising from the Distributor Agreement or between O'Snap and Distributor, shall be in Collin County, Texas. The law of the State of Texas shall govern all matters relating to or arising from the Distributor Agreement or between O'Snap and Distributor, without regard for any provisions regarding choice of law.

### **8.6 Class Action Waiver**

- a) The parties expressly intend and agree that:
  - (i) Class action and representative action procedures are hereby waived and shall not be asserted, nor will they apply, in any court or arbitration; and

- (ii) The parties will only submit their own, individual claims in any court or arbitration and will not seek to represent the interests of any other person.
- b) The court or arbitrator is not empowered to consolidate claims of different individuals into one proceeding, to hear any litigation or arbitration as a class action.
- c) As an O'Snap Distributor and/or Customer, I agree that I will not assert class or collective action claims against O'Snap in arbitration, court, or otherwise, nor will I join or serve as a member of a class or collective action in arbitration, court or otherwise.
- d) As a Distributor and/or Customer, I understand that this means that there will be no right or authority for any dispute to be brought, heard, or arbitrated as a class or collective action by me or the Company.

## **9.0 PAYMENT OF COMMISSIONS & BONUSES**

### **9.1 Bonus and Commission Qualifications**

- a) A Distributor must be active and in compliance with the Distributor Agreement and all O'Snap-issued guidelines and policies implemented to qualify for bonuses and commissions. So long as a Distributor complies with the terms and conditions set forth in the Distributor Agreement, O'Snap shall pay commissions to such Distributors in accordance with the Compensation Plan and any amendments thereto.
- b) O'Snap will not issue a payment in any form to a Distributor without the receipt of the Distributor's annual membership and renewal membership fee and completed electronic enrollment as an O'Snap Distributor, including the Distributor's acceptance and agreement to the Distributor Agreement.
- c) O'Snap reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.00.

### **9.2 Computation of Commissions and Discrepancies**

- a) In order to qualify to receive commissions and/or bonuses, a Distributor must be in good standing and comply with the terms of the Distributor Agreement. Commission, bonuses, overrides, and achievement levels are calculated on a daily, monthly, or yearly basis.
- b) An O'Snap Distributor must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the thirty (30) day "grace period" no additional requests will be considered for commission recalculations.
- c) For additional information on payment of commissions, please review the Compensation Plan.
- d) O'Snap reserves the right, in its sole discretion, to modify or amend the terms or conditions of any Bonus or Bonus Pool. Furthermore, O'Snap may amortize the payment of proceeds from a Bonus or Bonus Pool.

### **9.3 Adjustments to Bonuses and Commissions for Returned Products or Distributor Memberships**

- a) A Distributor receives bonuses and commissions based on the actual sales of O'Snap products and services to end consumers and to Distributors through product and service purchases. When a product or service is returned to O'Snap for a refund from the end consumer or by a Distributor, the bonuses and commissions attributable to the returned product or service will be deducted from the Distributor who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.
- b) In the event that a Distributor terminates his or her O'Snap Account, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by O'Snap, the remainder of the outstanding balance may be offset against any other amounts that may be owed by O'Snap to the terminated Distributor.

## **10.0 ORDERING PRODUCT**

### **10.1 General Product Ordering Policies**

- a) "Bonus Buying" is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or Business Entity as a Distributor or Customer without their knowledge or consent; (b) the fraudulent enrollment of an individual or Business Entity as a Distributor or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Distributors or Customers ("phantoms"); (d) purchasing O'Snap products or services on behalf of another Distributor or Customer, or under another Distributor's or Customer's ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products, services or SmartShips that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end consumers.
- b) O'Snap requires that Distributors use their own credit cards and not allow others to use them. A Distributor shall not use another Distributor's or Customer's credit card or debit account to enroll in O'Snap or purchase products, services, or SmartShip.
- c) Regarding an order with an invalid or incorrect payment, O'Snap will attempt to contact the Distributor by phone, mail, and/or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after the expiration of ten (10) business days, the order will be canceled.
- d) Prices are subject to change without notice.
- e) A Distributor or Customer who is a recipient of a damaged or incorrect order must notify O'Snap within thirty (30) calendar days from receipt of the order and follow the steps as set forth in these Policies and Procedures, along with the Return/Exchange Policies and any other guidelines pertaining to product returns and exchanges.

### **10.2 Sales to Customers**

- a) Sales to retail Customers may be done directly through a Distributor's replicated website or directly using product that O'Snap has in inventory.

- b) Distributors will comply with applicable consumer protection laws and regulations (including any consumer rights to receive specific notices and any rights to return product) afforded consumers under applicable consumer protection legislation.
- c) When making a sale to an end Customer, a Distributor must provide him/her with an official O'Snap retail receipt at or prior to the time of the initial sale and every sale thereafter. The Distributor will need to customize the template with his/her personal information. If the customer exercises the right to cancel the sale, Distributor shall follow the refund procedures described in this section.
- d) The Customer should return all unused Product to O'Snap. These sales receipts set forth the consumer protection rights afforded by applicable law for direct sales, including the right to cancel (without any reason) the sales receipt up to ten (10) days after the end Customer receives a copy of the receipt or invoice.

### 10.3 Insufficient Funds

- a) All electronic payments that are declined for insufficient funds will be automatically re-submitted for payment.
- b) Any outstanding balance owed to O'Snap by a Distributor or Customer of a Distributor from NSF (non- sufficient funds) or insufficient fund ("ACH") fees, will be withheld by O'Snap from that Distributor's future bonus and commission funds.
- c) All transactions involving insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Distributor, constitute grounds for disciplinary sanctions or termination of the account.
- d) If a credit card order or automatic debit is declined the first time, the Customer or Distributor will be contacted directly and a request for an alternate form of payment will be made before any product will be shipped. If payment is declined a second time, the Customer or Distributor may be deemed ineligible to purchase O'Snap products or services or participate in the monthly SmartShip. **Note: Participation by Distributors in O'Snap's monthly auto ship, which is a recurring product order program, is entirely optional, and is not required in order to become a Distributor, move up in rank, or otherwise, fully participate in the Rewards Program.**

### 10.4 Credit Card Purchases

- a) Credit card purchases may only be made by the individual or Business Entity whose name and address are on the credit card. A Distributor or Customer may not use another individual's or Business Entity's credit card to purchase O'Snap products (regardless of whether that Distributor/Customer has permission from that individual/entity to do so). O'Snap considers such transactions fraudulent and will report them to the proper authorities for settlement.
- b) Under no circumstance will any Distributor or Customer charge back any credit card purchases. The Distributor Account associated with any credit card chargeback request will be terminated immediately without notice to the Distributor or Customer.

- c) All Distributor or Customer requests for refunds or returns must be done in accordance with these Policies.

## 10.5 Sales Tax Obligation

- a) Distributors shall comply with all federal and local taxes and regulations governing the sale of O'Snap products and services.
- b) O'Snap will collect and remit sales tax on all Distributor and Customer orders. When orders are placed with O'Snap, sales tax is prepaid based upon the suggested retail price and remitted to the appropriate state and local jurisdictions. Distributors may recover the sales tax when he or she makes a sale. Distributors are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- c) O'Snap encourages each Distributor to consult with a tax advisor for additional information for his or her business.

## 10.6 Refund Policy

- a) O'Snap Customers:
  - (i) If within the first thirty (30) days you are not satisfied with the product you must contact [support@osnap.com](mailto:support@osnap.com) to return the unused portion of the product for a full refund of the product purchase amount, minus shipping and handling charges incurred. After thirty (30) days and up to ninety (90) days post-purchase, you must [support@osnap.com](mailto:support@osnap.com) to return the remaining sellable portion of the product for a full refund, minus shipping and handling charges incurred. Because O'Snap cannot guarantee the quality of O'Snap products that are sold to Customers by non-Distributors, O'Snap's Refund Policy is not available for products that Customers purchase from anyone other than a Distributor or O'Snap directly or that are purchased in any unauthorized channel.
- b) O'Snap Distributors:
  - (i) If within the first thirty (30) days of the original purchase, you are not satisfied with the product, you must contact [support@osnap.com](mailto:support@osnap.com) to return the unused portion of the product for a full refund, minus shipping and handling charges. Your Distributor account will then be subject to six (6) months suspension.
  - (ii) Between thirty (30) and ninety (90) days, if you are not 100% satisfied with our products or are unable to sell them, you may return the items for a refund if the products are in resalable condition. (\*Resaleable condition means in sealed enclosed boxes with wrapper intact.) The refund shall be 70% percent of the original price for all returned product. Any shipping and handling charges incurred will not be refunded.
  - (iii) If you receive a product that is damaged or otherwise defective, you may return the product within thirty (30) days of receipt for a full refund or replacement product.

- c) Terminated Distributors. If a terminated Distributor has purchased O'Snap products, O'Snap will issue a refund or credit for any products purchased by the Distributor if: (i) the product is in Resalable condition; (ii) the Resalable product is returned to O'Snap within twenty (20) days from the date of termination; and (iii) the Distributor provides proof the product was purchased within twelve (12) months preceding the date of termination. [Note: the twelve (12) month requirements not applicable to residents of Maryland, Wyoming, Massachusetts, and Puerto Rico]. Refunds are subject to a ten percent (10%) handling fee. Shipping costs are not refundable.
- d) Problems with Shipments: If within thirty (30) days of the reported expected product delivery date, a Distributor does not notify [support@osnap.com](mailto:support@osnap.com) of a problem with the receipt of the Distributor's order, including but not limited to, failure to receive the product, improper sealing, damaged to the container, quality of the internal product, and/or receipt of wrong product, refunds or exchanges will not be given.
- e) All purchases are charged and refunded in U.S. Dollars. All returns, refunds, and exchanges will also be refunded or exchanged in U.S. Dollars. O'Snap is not responsible for fluctuating exchange rates.

## **10.7 Return Process**

- a) All returns, whether by a Customer, or Distributor, must be made as follows:
  - (i) Obtain a Return Merchandise Authorization ("RMA") from O'Snap by contacting [support@osnap.com](mailto:support@osnap.com) and submit a request.
  - (ii) Ship items to the address provided by O'Snap customer service when you receive your RMA.
  - (iii) Provide a copy of the sales receipt or invoice with the returned product. Such invoice must reference the RMA and include the reason for the return.
  - (iv) Ship product back in the original manufacturer's box exactly as it was delivered.
  - (v) All returns must be shipped to O'Snap pre-paid, as O'Snap does not accept shipping collect packages. O'Snap recommends shipping returned product by UPS or FedEx which includes tracking information and insurance, as risk of loss or damage in the shipping process of the returned product shall be borne solely by the Customer or Distributor. If returned product is not received at the address provided on the RMA, it is the responsibility of the Customer or Distributor to trace the shipment of the product wherein no credit will be applied.
  - (vi) The return of \$500 or more of products accompanied by a request for a refund within one (1) calendar year by a Distributor, may constitute grounds for involuntary termination.

## **11.0 O'SNAP OPPORTUNITY**

### **11.1 Presentation of Compensation Plan**

- a) In presenting the O'Snap business opportunity, a Distributor is required to:

- (i) present a copy of the O'Snap Income Disclosure Statement;
- (ii) refrain from misquoting or omitting any material fact about the Compensation Plan;
- (iii) clearly explain that the Compensation Plan is based upon sales of O'Snap products and services;
- (iv) not make income projections, claims, or guarantees while presenting or discussing the O'Snap opportunity or Compensation Plan to prospective Distributors or Customers;
- (v) inform all prospective Distributors that success requires substantial work;
- (vi) not make any claims regarding products or services of any products offered by O'Snap, except those contained in official O'Snap literature.
- (vii) not use official O'Snap material to promote the O'Snap business opportunity in any country where O'Snap is not duly authorized to conduct business.

#### **11.2 Sales Requirements Are Governed by the Compensation Plan**

- a) The O'Snap program is built on sales to the ultimate consumer or end-user. O'Snap encourages its Distributors to only purchase inventory, in reasonable quantities, that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Distributors must never attempt to influence any other Distributor to buy more products than they can reasonably use or sell to retail Customers in a month.
- b) Each O'Snap Distributor commits to personally use, sell, or use in business building at least seventy percent (70%) of every order placed with O'Snap prior to placing another order, and must be able to certify as much if demanded by O'Snap or by any regulatory agency. Purchasing product solely for the purpose of collecting bonuses or achieving rank is strictly prohibited. O'Snap retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

### **12.0 PROPRIETARY INFORMATION & TRADE SECRETS**

#### **12.1 Reports**

- a) By agreeing to the O'Snap Distributor Agreement, the Distributor acknowledges that business reports, lists of Customer and Distributor names and contact information, and any other information, which contain financial, scientific, or other information both written or otherwise circulated by O'Snap or pertaining to the business of O'Snap (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to O'Snap.

#### **12.2 Obligation of Confidentiality**

- a) During the term of the O'Snap Distributor Agreement and for a period of two (2) years after the termination or expiration of the Distributor Agreement between the Distributor and O'Snap, the Distributor shall not:

- i. Use the information in the Reports to compete with O'Snap or for any purpose other than promoting his or her O'Snap business;
- ii. Use or disclose to any person or entity any confidential information contained in the reports, including disclosure or use to replicate or attempt to replicate the Distributor's Upline and/or downline Organization genealogy in another network marketing company.

### **12.3 Breach and Remedies**

- a) The Distributor acknowledges that the Reports and other confidential and proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to O'Snap and to independent O'Snap businesses. O'Snap and its Distributors will be entitled to injunctive relief and/or to recover damages against any Distributor who violates this his or her obligations ins section 12.2 in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees, court costs, and expenses in addition to any award of damages.

### **12.4 Return of Materials**

- a) Upon demand by O'Snap, any current or former Distributor will return the original and all copies of all Reports to O'Snap together with any O'Snap confidential information in such person's possession.

## **13.0 PRIVACY POLICY**

### **13.1 Introduction**

- a) This Privacy Policy is to ensure that all Customers and Distributors understand and adhere to the basic principles of confidentiality. Without limiting the terms of this section, all Distributors must comply with applicable privacy laws governing the collection, use, and disclosure of Customer and fellow Distributor information.

### **13.2 Expectation of Privacy**

- a) O'Snap recognizes and respects the importance its Customers and Distributors place on the privacy of their financial and personal information. O'Snap will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers', and Distributors' financial and account information and nonpublic personal information.
- b) By entering into the Distributor Agreement, a Distributor or Customer authorizes O'Snap to disclose his or her name and contact information to Upline Distributors solely for activities related to the furtherance of the O'Snap business. A Distributor hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline Organization and conducting the O'Snap business.

### **13.3 Employee Access to Information**

- a) O'Snap limits the number of employees who have access to Customers' and Distributors' nonpublic personal information.

### **13.4 Restrictions on the Disclosure of Account Information**

- a) O'Snap will not share non-public personal information or financial information about current or former Customers or Distributors with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers', or Distributors' interests or to enforce its rights or obligations under the Distributors Agreement or with written permission from the accountholder on file.

## **14.0 PRODUCT INSPECTION, QUALITY CONTROLS, ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS**

### **14.1 Inspection, Product Care, and Quality Controls**

- (a) Promptly upon receipt, Distributors shall inspect O'Snap products and their packaging for damage, broken seals, evidence of tampering, or other product defects. If a product is defective or damaged, Distributors shall not sell the product and must report the defect or damage to O'Snap. Distributors may return products that are damaged or otherwise defective within thirty (30) days of receipt for a full refund or replacement.
- (b) Distributors must comply with all instructions provided by O'Snap regarding the proper care, storage, and handling of O'Snap products. Additionally, Distributors shall store all O'Snap products in a dry place at room temperature, away from direct sunlight. Members shall also regularly inspect inventory for products that are expired or that will expire within sixty (60) days, and shall not sell any such products.
- (c) If O'Snap discovers that a Distributor is not properly inspecting products upon receipt, not properly storing and caring for O'Snap products, and/or selling products that are damaged or otherwise defective, O'Snap will investigate the Distributor and take remedial and disciplinary action up to and including involuntary termination of the offending Distributor's O'Snap Account.

### **14.2 Labeling, Packaging, and Displaying Products**

- a) An O'Snap Distributor and/or Customer may not re-label, re-package, refill or alter labels of any O'Snap product, or service, information, materials, or program(s) in any way. O'Snap products must only be sold in their original containers from O'Snap. Such re-labeling or re-packaging violates federal law, which may result in criminal or civil penalties or liability.
- b) An O'Snap Distributor shall not cause any O'Snap product or service or any O'Snap trade name to be sold or displayed in retail establishments except:
  - i. Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas, and beauty salons);

- ii. Where the retail establishment is owned or managed by the O'Snap Distributor and the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.
- c) A Distributor may sell O'Snap products and services and display the O'Snap trade name at any appropriate display booth (such as trade shows, expositions, conferences, etc.) with the express written consent of O'Snap.
- d) A Distributor or Customer is prohibited to sell O'Snap products and services and display the O'Snap trade name, trademark, or service mark at any kiosk or booth located in any retail establishment, such as a mall or retail facility.
- e) O'Snap reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the O'Snap opportunity.

### **14.3 Use of Company Names and Protected Materials**

- a) An O'Snap Distributor must safeguard and promote the good reputation of O'Snap and the products and services it markets. The marketing and promotion of O'Snap, the O'Snap business opportunity, the Compensation Plan, and O'Snap products and services will be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct and practices.
- b) All promotional materials supplied or created by O'Snap must be used in their original form and cannot be changed, amended, or altered, except with prior written approval from the O'Snap Compliance Department.
- c) The name of O'Snap, each of its product and service names, and other names that have been adopted by O'Snap, in connection with its business are proprietary trade names, trademarks, and service marks of O'Snap. As such, these marks are of great value to O'Snap and are supplied to Distributors for their use only in an expressly authorized manner.
- d) An O'Snap Distributor's use of the name "O'Snap" is restricted to protect O'Snap proprietary rights, ensuring that the O'Snap protected names will not be lost or compromised by unauthorized use. Use of the O'Snap name on any item not produced by O'Snap is prohibited except as follows:
  - i. [Distributor's name] Independent O'Snap Distributor.
  - ii. [Distributor's name] Independent Distributor of O'Snap products and services.
- e) Further procedures relating to the use of the O'Snap name are as follows:
  - i. All stationary (i.e. letterhead, envelopes, and business cards) bearing the O'Snap name or logo intended for use by the O'Snap Distributor must be submitted via email to the O'Snap Compliance Department for approval. Submit to; [compliance@osnap.com](mailto:compliance@osnap.com).
  - ii. O'Snap Distributors may list "Independent O'Snap Distributor" in the white pages of the telephone directory under his or her own name.

- iii. O'Snap Distributors may not use the name O'Snap in answering his or her telephone, creating a voice message, or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent O'Snap Distributor."
- f) Certain photos and graphic images used by O'Snap in its advertising, packaging, and websites are the results of paid contracts with outside vendors that do not extend to Distributors. If a Distributor wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- g) An O'Snap Distributor shall not appear on or make use of television or radio or make use of any other media to promote or discuss O'Snap or its programs, products, or services without prior written permission from the O'Snap Compliance Department.
- h) A Distributor may not produce for sale or distribution any Company event or speech, nor may a Distributor reproduce O'Snap audio or video clips for sale or for personal use without prior written permission from the O'Snap Compliance Department.
- i) O'Snap reserves the right to rescind its prior approval of any sales aid or promotional materials to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Distributor.
- j) A Distributor shall not promote non-O'Snap products or services in conjunction with O'Snap products or services on the same social media site or same advertisement without prior approval from O'Snap Compliance Department.
- k) Claims (which include personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by O'Snap may not be made except those contained in official O'Snap literature. In particular, no Distributor may make any claim that O'Snap products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate O'Snap policies, but they also potentially violate federal and provincial laws and regulations.
- l) A Distributor and/or Customer may not make any claims regarding products or services of any products offered by O'Snap, except those contained in official O'Snap literature.

#### **14.4 Faxes and E-mail - Limitations**

- a) Except as provided in this section, a Distributor may not use or transmit unsolicited email, mass email distribution, other commercial electronic messages, or "spamming" that advertises or promotes the operation of his or her O'Snap business. The exceptions are:
  - i. E-mailing any person who has given prior permission or invitation;
  - ii. E-mailing any person with whom the Distributor has established a current business or personal relationship.
- b) In all states or U.S. or International territories where prohibited by law, a Distributor may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer, or other devices), an unsolicited advertisement to any equipment, which has the

capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.

- c) All e-mail or computer broadcasted documents subject to this provision shall include each of the following:
  - i. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words "advertisement" or "solicitation" should appear in the subject line of the message;
  - ii. A clear return path or routing information;
  - iii. The use of legal and proper domain name;
  - iv. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
  - v. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - vi. The true and correct name of the sender, valid sender's fax or e-mail address, and a valid sender physical address;
  - vii. The date and time of the transmission; and
  - viii. Upon notification by the recipient of his or her request not to receive further faxed or e-mailed documents, an O'Snap Distributor shall not transmit any further documents to that recipient.
  
- d) All e-mail or computer broadcasted documents subject to this provision shall not include any of the following:
  - i. Use of any third-party domain name without permission; and
  - ii. Sexually explicit materials.

#### **14.5 Internet and Third-Party Website Restrictions**

- a) A Distributor and/or Customer is prohibited from creating or registering any third-party website in order to promote, sell or advertise their O'Snap business without O'Snap's express written approval. A Distributor and/or Customer is prohibited to use or attempt to register any of O'Snap' trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the O'Snap name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
  
- b) An O'Snap Distributor and/or Customer may not (directly or indirectly through any intermediary or instrumentality) advertise, offer for sale, or facilitate the offering for sale of any O'Snap products or services or offer the Business Opportunity on any online auction websites, internet retailer sites, or online marketplace websites. Examples of such sites include, but are not limited to, eBay®, Amazon, Facebook Marketplace, Sears.com,

Jet.com, Walmart.com, and Etsy. This obligation survives the termination of a Distributor's Distributor Agreement with O'Snap.

- c) Social Media sites may be used to sell or offer to sell O'Snap products or services. PROFILES A DISTRIBUTOR OR CUSTOMER GENERATES IN ANY SOCIAL COMMUNITY WHERE O'SNAP IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE DISTRIBUTOR AS AN INDEPENDENT O'SNAP DISTRIBUTOR, and when a Distributor and/or Customer participates in those communities, Distributors and/or Customers must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at O'Snap's sole discretion, and offending Distributor and/or Customer will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the O'Snap approved library, official O'Snap website, or social media outlet. If a link is provided, it must link to the posting Distributor's Replicated website.
- d) Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Distributors will be subject to disciplinary action.
- e) Distributors and/or Customers may not use blog spam, spamdexing, or any other mass-replicated methods to leave blog comments. Comments Distributors or Customers create or leave must be useful, unique, relevant, and specific to the blog's article.
- f) Distributors and/or Customers must disclose their full name on all Social Media postings, and conspicuously identify themselves as an Independent O'Snap Distributor for O'Snap. Anonymous postings or use of an alias is prohibited.
- g) Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the O'Snap business opportunity or income therewith, O'Snap's products and services, and/or your biographic information and credentials.
- h) Distributor and/or Customer are personally responsible for their postings and all other online activity that relates to O'Snap. Therefore, even if a Distributor does not own or operate a blog or Social Media site, if a Distributor and/or Customer posts to any such site that relates to O'Snap or which can be traced to O'Snap, the Distributor is responsible for the posting. Distributor and/or Customer are also responsible for postings which occur on any blog or Social Media site that the Distributor and/or Customer owns, operates, or controls.
- i) As an O'Snap Distributor, it is important to not converse with any person who places a negative post against you, other Distributors, or O'Snap. Report negative posts to O'Snap at [support@osnap.com](mailto:support@osnap.com). Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as O'Snap, and therefore damages the reputation and goodwill of O'Snap.
- j) The distinction between a Social Media site and a website may not be clear-cut because some Social Media sites are particularly robust, O'Snap, therefore, reserves the sole and exclusive right to classify certain Social Media sites as third-party websites which are herein prohibited.

- k) If your O'Snap business is canceled for any reason, you must discontinue using the O'Snap name, and all of O'Snap's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an Independent O'Snap Distributor, you must conspicuously disclose that you are no longer an Independent O'Snap Distributor.
- l) Failure to comply with these Policies for conducting business online may result in the Distributor losing their right to advertise and market O'Snap products, services, and O'Snap's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.
- m) Distributors are prohibited from selling O'Snap products to individuals or entities that they know or should know, intend to resell the products. Distributors must sell O'Snap products only to end-user customers, and Distributors shall not sell to any person any quantity of O'Snap products greater than that generally purchased by an individual for personal use. Distributors must take reasonable steps to ensure that they do not violate these prohibitions.

#### **14.6 Advertising and Promotional Materials**

- a) You may not advertise any O'Snap products or services at a price LESS than the highest company published, established retail price of ONE offering of the O'Snap product or service plus shipping, handling, and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the O'Snap.
- b) Advertising and all forms of communications must adhere to principles of honesty and propriety.
- c) All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the O'Snap Compliance Department.
- d) All requests for approvals with respect to advertising must be directed in writing to the O'Snap Compliance Department.
- e) O'Snap reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations and may require the removal of such advertisements from the marketplace without obligation to the affected Distributor.

#### **14.7 Testimonial Permission**

- a) By agreeing to the O'Snap Distributor Agreement, a Distributor gives O'Snap permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio, and video. In consideration of being allowed to participate in the O'Snap business opportunity, a Distributor waives any right to be compensated for the use of his or her testimonial or image and likeness even though O'Snap may be paid for items or sales materials containing such image and likeness and represents that any testimonial represents Distributor's current, original, honest opinion, thoughts, beliefs, findings or experiences, based on Distributor's actual experience with

O'Snap and any stated use of O'Snap products and/or services, and agrees to notify Distributor immediately of any changes in the views expressed in the testimonial. In some cases, a Distributor's testimonial may appear in another Distributor's advertising materials. If a Distributor does not wish to participate in O'Snap sales and marketing materials, he or she should provide a written notice to the O'Snap Compliance Department to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

#### **14.8 Telemarketing - Limitations**

- a) An O'Snap Distributor must not engage in telemarketing in relation to the operation of the Distributor's O'Snap business. The term "telemarketing" means the placing of one or more telephone calls, text messages, email, or facsimile transmissions to an individual or entity to induce the purchase of O'Snap products or services or to recruit them for the O'Snap opportunity.
- b) The federal government administers the Unsolicited Telecommunication Rules and operates a national Do-Not-Call registry that requires businesses to refrain from calling phone numbers listed on the national "Do-Not-Call" list (DNCL) and or people who tell the caller directly not to call/fax in the future.
- c) While a Distributor may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Distributor to violate the law. These regulations must not be taken lightly, as they carry significant penalties.
- d) "Cold calls" or unsolicited calls/texts/emails/faxes made to prospective Customers or Distributors in order to promote O'Snap products, services, or the O'Snap business opportunity is considered telemarketing and is prohibited.
- e) Exceptions to Telemarketing Regulations. An O'Snap Distributor may place telephone calls or faxes to prospective Customers, or Distributors under the following limited situations:
  - i. If the Distributor has an established current business relationship with the prospect;
  - ii. In response to the prospect's personal inquiry or application regarding a product or service offered by the O'Snap Distributor, within 3 months immediately before the date of such a call/fax;
  - iii. If the Distributor receives written and signed permission from the prospect authorizing the Distributor to call/fax;
  - iv. If the call/fax is to family members, personal friends, and acquaintances. However, if a Distributor makes a habit of collecting business cards from everyone, he/she meets and subsequently calls/faxes them, the federal government may consider this a form of telemarketing that is not subject to this exemption; and
  - v. O'Snap Distributors engaged in calling "acquaintances," must make such calls/faxes on an occasional basis only and not as a routine practice.

- f) A Distributor shall not use automatic telephone dialing systems in the operation of his or her O'Snap businesses.
- g) Failure to abide by O'Snap's policies or federal regulations regarding telemarketing may lead to sanctions against the Distributor, up to and including termination of the Distributor's O'Snap Account.
- h) By enrolling as a Distributor, or by accepting commissions, other payments, or awards from O'Snap, a Distributor gives permission to O'Snap and other Distributors to contact them as permitted under the Federal Do Not Call regulations.
- i) In the event a Distributor violates this section, O'Snap reserves the right to institute legal proceedings to obtain monetary or equitable relief.

## **15.0 INTERNATIONAL MARKETING**

### **15.1 International Marketing Policy**

- a) An O'Snap Distributor is authorized to sell O'Snap products and services, to Customers and Distributors only in the countries in which O'Snap is authorized to conduct business, according to the Policies and Procedures of each country. O'Snap Distributors may not sell products or services in any country where O'Snap products and services have not received applicable government authorization or approval.
- b) A Distributor may not, in any unauthorized country, conduct sales, enrollment, or training meetings, enroll or attempt to enroll potential Customers or Distributors, nor conduct any other activity for the purpose of selling O'Snap products and services, establishing a sales organization, or promoting the O'Snap business opportunity.

## **16.0 SMARTSHIP CANCELLATION**

- a) To cancel or modify your SmartShip at any time you may email [support@osnap.com](mailto:support@osnap.com). You can also modify or cancel your order at any time through your portal at [www.osnap.com](http://www.osnap.com). By selecting the "SmartShip" option on the website, you are giving O'Snap authorization to enroll you in the automatic shipping program. O'Snap will ship your product directly to you. You are also authorizing O'Snap to charge your credit card for the products you have ordered on a monthly basis without further warning or notification from O'Snap. You may cancel at any time without penalty by emailing [support@osnap.com](mailto:support@osnap.com). All SmartShip cancellations must be performed or delivered to O'Snap within three (3) business days prior to your next shipment to guarantee cancellation of that shipment.

## **17.0 SHIPPING POLICY**

- a) All orders are processed within 2-3 business days.
- b) Orders are not shipped or delivered on weekends or holidays.
- c) If O'Snap is experiencing a high volume of orders, shipments may be delayed by a few days. Please allow additional days in transit for delivery. If there will be a significant delay in shipment of your order, we will contact you via email or telephone.
- d) Shipping charges for your order will be calculated and displayed at checkout. Delivery delays can occasionally occur.

- e) O'Snap is not liable for any products damaged or lost during shipping. If you received your order damaged, please contact the shipment carrier to file a claim.
- f) Please save all packaging material and damaged goods before filing a claim.

## 18.0 **GLOSSARY OF TERMS**

The terms listed below shall have the following meaning throughout these Policies and Procedures regardless of whether they are capitalized.

**ACCOUNT:** The secure and proprietary back-office associated with each Distributor's O'Snap business and unique User ID where a Distributor can access the Distributor Agreement, the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

**ACTIVE DISTRIBUTOR:** A Distributor who is in good standing with respect to the Distributor Agreement and who satisfies the minimum sales volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

**COMPENSATION PLAN:** The guidelines and referenced literature for describing how Distributors can generate commissions and bonuses.

**COMPETING PRODUCT(S):** Any program, product, or service offered by another network marketing/direct sales company with characteristics, functions, benefits, or ingredients similar to those offered by O'Snap, regardless of differences in cost, quality, or other distinguishing factors.

**CUSTOMER:** Any person who purchases O'Snap products and does not enroll as an O'Snap Distributor.

**DISTRIBUTOR AGREEMENT:** The most current version of the following along with any addendums or exhibits thereto: (i) O'Snap Policies and Procedures; and (ii) O'Snap Compensation Plan.

**DISTRIBUTOR:** An individual or entity who actively promotes, markets, and sells O'Snap products for profit and who actively seeks and Recruits others to do the same in accordance with the Distributor Agreement.

**FAMILY UNIT:** Parents or dependent children living at or doing business at the same address as a Distributor.

**LINE OF SPONSORSHIP (LOS):** A report generated by O'Snap that provides critical data relating to the identities of Distributors, sales information, and enrollment activity of each Distributor's Organization. This report contains propriety, confidential, and trade secret information.

**ORGANIZATION OR DOWNLINE:** The Customers and Distributors placed below a particular Distributor.

**OFFICIAL O'SNAP MATERIAL:** Literature, audio or video recordings, photographs, intellectual property, and/or any other materials developed, printed, published, or distributed by O'Snap to Distributor and/or Customers.

**PLACEMENT:** A Distributor's position inside his or her Sponsor's organization.

**RECRUIT, RECRUITMENT & RECRUITING:** Actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Distributor or Customer to enroll or participate in any direct sales or network marketing opportunity. Recruitment includes but is not limited to messaging, posting, friending, or otherwise contacting known Distributors and/or Customers of O'Snap on social media (e.g., Facebook, Instagram, etc.) to discuss another direct sale or network marketing opportunity. The conduct described in this paragraph is Recruitment even if the Distributor's actions are in response to an inquiry made by another Distributor or Customer

**RESALABLE:** Products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labeling have not been altered or damaged, 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current O'Snap labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SPONSOR:** A Distributor who enrolls a Customer or other Distributor into O'Snap and is listed as the Sponsor.

**SPOUSE:** An individual that is legally married to a Distributor or an individual that is party to a legally recognized common-law relationship with a Distributor.

**UPLINE:** This term refers to the Distributor(s) above a particular Distributor in a Sponsorship line up to the Company. It is the line of Sponsors that link any particular Distributor to the Company.

**WALLET:** A secure feature in the back-office software that maintains a Distributor's commissions and bonuses.



# **ADDENDUM 1**

## **O'Snap**

### **Compensation Plan**

**ADDENDUM 2**  
**INCOME DISCLOSURE**  
**STATEMENT**

## INCOME DISCLOSURE STATEMENT

The O'Snap Compensation Plan is an exciting opportunity that rewards you for selling products and services and sponsoring other participants who do the same. Although the opportunity is unlimited, individual results will vary depending on the commitment levels and sales skills of each participant. Since O'Snap has recently launched, it lacks enough statistical data to prepare reliable income disclosures. There will be certain participants who will earn less while others will earn much more. We're excited about the O'Snap Compensation Plan and we're confident it will provide you a solid foundation to help you achieve your financial goals. As with all endeavors, hard work and the time you dedicate impact outcomes.

If income projections were presented to you prior to your enrollment, such projections are not necessarily representative of the income, if any, that you can earn through your participation in the Compensation Plan. These income projections should not be considered as guarantees or projections of your actual earnings or profits. Success with O'Snap results only from hard work, dedication, and leadership.