



POLICIES AND PROCEDURES v1.0

1.0 INTRODUCTION

1.1 Mutual Commitment Statement

SKINNY JOE CO. LLC (hereafter “SKINNY JOE CO.” or the “Company”) offers nutritional wellness products (“Products”) sold through a direct sales opportunity afforded to independent business owners (called “Associates”). The SKINNY JOE CO. opportunity allows customers (“Customers”) and Associates to make a difference in both the world and their personal lives.

To ensure a long-term and mutually rewarding relationship with its Associates, SKINNY JOE CO. and its business owners must acknowledge and respect the true nature of their relationship and pledge combined support towards the service of Customers.

- A. In the spirit of mutual respect and understanding, SKINNY JOE CO. is committed to:
 - I. Providing prompt, professional and courteous service and communications to all of its Customers and Associates;
 - II. Providing the highest quality and level of Products at fair and reasonable prices;
 - III. Exchanging or Refunding the purchase price of Products pursuant to the SKINNY JOE CO. Return Policy (as defined more fully herein);
 - IV. Delivering orders both promptly and accurately;
 - V. Paying commissions accurately and on a timely basis;
 - VI. Rolling out new Products and programs with solicited Associate input and planning;
 - VII. Supporting, protecting and defending the integrity of the SKINNY JOE CO. opportunity; and
 - VIII. Offering Associates an opportunity to grow with SKINNY JOE CO. and make a difference in their own personal lives and the lives of others.
- B. In return, SKINNY JOE CO. expects its Associates to:
 - I. Conduct themselves in a professional, honest, and considerate manner;
 - II. Present Corporate and Product information in an accurate and professional manner;



- III. Present the Rewards Plan and Return Policy in a complete and accurate manner;
- IV. Refrain from making exaggerated income claims;
- V. Make reasonable effort(s) to support Customers and Associates in their Downline;
- VI. Refrain from cross-line recruiting, unhealthy competition or unethical business practices;
- VII. Provide positive encouragement, guidance and training to Associates in their Downline while exercising caution to avoid interference with those Associate's in another's Downline;
- VIII. Support, protect, and defend the integrity of the SKINNY JOE CO. opportunity;
- IX. Accurately complete and submit the Associate Terms of Use and any other requested supporting documentation in a timely manner.

1.2 SKINNY JOE CO. Policies and Rewards Plan Incorporated into the Terms of Use (Terms of Use)

Throughout these Policies and Procedures when the term "Terms of Use" is used, it collectively refers to the SKINNY JOE CO. Terms of Use, these Policies and Procedures, and the SKINNY JOE CO. Rewards Plan. It is the responsibility of the Sponsoring Associate to provide the most current version of these Policies and Procedures (available on the SKINNY JOE CO. website: www.skinnyjoe.co) and the SKINNY JOE CO. Rewards Plan to each applicant prior to his, her and/or its execution of the Associate Terms of Use.

1.3 Purpose of Policies

- A. To clearly define the relationship that exists between you and SKINNY JOE CO., and to explicitly set a standard for acceptable business conduct, SKINNY JOE CO. has established these Policies and Procedures.
- B. As an Associate, you are required to comply with: (i) all of the terms and conditions set forth in the Associate Terms of Use, which SKINNY JOE CO. may amend from time to time in its sole and absolute discretion; (ii) all federal, state, and/or local laws governing a SKINNY JOE CO. business; and (iii) these Policies and Procedures.
- C. Associates must review the information in these Policies and Procedures carefully. Should you have any questions or require any clarification regarding the Policies and



Procedures, you should contact the SKINNY JOE CO. (info@skinnyjoe.co), subject line: “Compliance Department”.

1.4 Changes, Amendments, and Modifications

- A. Because governing laws and regulations, as well as the business environment, periodically change, SKINNY JOE CO. reserves the right to amend the Terms of Use and the prices in its Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official Company Materials. *Note: This provision does NOT apply to the arbitration clause found in Section 12, which can only be modified via mutual consent.*
- B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
 - I. Posting on the official Company website;
 - II. Electronic mail (e-mail);
 - III. Inclusion in Company newsletters or other Corporate communication channels; or
 - IV. Posting in an Associate’s Back Office.

1.5 Delays

The Company shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, and/or weather, curtailment of a source of supply, or government decrees or orders.

1.6 Effective Date

These Policies and Procedures shall become effective as of July 10, 2018 (“Effective Date”). Upon this Effective Date, these Policies and Procedures shall automatically supersede any prior Policies and Procedures (the “Old Policies and Procedures”), and the Old Policies and Procedures shall immediately cease to have any force or effect.

2.0 BASIC PRINCIPLES

2.1 Becoming an Associate of SKINNY JOE CO.

- A. To become an Associate, you must comply with the following requirements:



- I. Be of legal age in the state in which you reside or at least the age of majority;
- II. Reside or have a valid address in the United States or a U.S. territory;
- III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
- IV. Submit a properly completed Associate Terms of Use in either hard copy or via electronic signature;
- V. Submit payment of the non-commissionable \$59.95 Associate enrollment fee;

2.2 New Associate Registration

- A. A prospective Associate may self-enroll on a Sponsor's website. Under such circumstances, the Company will accept an Associate's web-enrollment by way of submission of his, her or its "electronic signature." This "electronic signature signifies one's acceptance of the terms and conditions of the Associate Terms of Use. Please note that such electronic signature constitutes a legally binding Terms of Use between you and the Company.
- B. Nonetheless, the Company reserves the right, should it so choose, to require signed paperwork for any account, regardless of origin.
- C. Signed documents, including, but not limited to, Associate Terms of Uses, are legally binding contracts which must not be altered, tampered with or changed in any manner after execution. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document's execution may lead to sanctions, up to and including involuntary termination of the Associate's business.

2.3 Rights Granted

Upon enrollment, the Company thereby grants an Associate the non-exclusive right, based upon the terms and conditions contained in the Associate Terms of Use and these Policies and Procedures, to:

- I. Purchase SKINNY JOE CO. Products;
- II. Promote and sell SKINNY JOE CO. Products in selected markets;
- III. Participate in the Rewards Plan, receiving bonuses and commissions if eligible and earned; and
- IV. Sponsor new Customers and Associates in countries where the Company is established after the Effective Date of these Policies and Procedures.



2.4 Identification Numbers

- A. Each Associate must provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to the Company. SKINNY JOE CO. reserves the right to withhold commission payments from any Associate who fails to provide such information or who provides false information.
- B. Upon enrollment, the Company will provide you with a SKINNY JOE CO. Identification Number. This number will be used to place orders, structure organizations, and track commissions and bonuses.

2.5 Business Entities

- A. A corporation, partnership, LLC, or trust (collectively referred to as a “Business Entity”) may apply to be a SKINNY JOE CO. Associate. This Associate business and position will remain *temporary* until the proper documents are submitted. For a Business Entity to become an Associate, it must provide the Company with the following:
 - I. A completed Associate enrollment (online) signed with an electronic checked box by an authorized officer of the Business Entity;
 - II. A copy of the corporate Articles of Organization (Corporation), Articles of Organization or Operating Terms of Use (LLC), partnership Terms of Use, or trust Terms of Use (as applicable). Articles of Incorporation or Articles of Organization must be stamp-filed by the Secretary of State in the state of formation. Partnerships or trust Terms of Uses must be fully executed;
 - III. The full name, address, and Social Security Number of all equity owners and each director, manager, officer, shareholder, unit, or holder who owns the Business Entity;
 - IV. A copy of IRS Form SS-4, which by providing you consent verification of and to;
 - V. A properly executed Form W-9;
 - VI. A copy of the fully signed resolution authorizing the Business Entity to enter into the Terms of Use; and
 - VII. A letter from the Business Entity designating one individual, who must be at least eighteen (18) years of age, as the responsible party for the Business Entity’s operations and sales.



SKINNY JOE CO. must receive these documents within five (5) business days from the date of the Associate Terms of Use's execution. A SKINNY JOE CO. Associate may change their status under the same Sponsor from an individual to a partnership, LLC, corporation, trust or from one type of business entity to another.

2.6 Independent Business Relationship; Indemnification for Actions

- A. As an Associate, you are independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, your success depends entirely upon your own independent efforts.
- B. The Terms of Use between SKINNY JOE CO. and its Associates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and its independent distributors.
- C. An Associate of SKINNY JOE CO. shall not be treated as an employee of the Company for any purposes, including, without limitation, for federal or state tax purposes. All Associates are responsible for paying local, state, and federal taxes due from all compensation earned through a SKINNY JOE CO. business. Any other compensation received by An Associate from SKINNY JOE CO. will be governed by applicable U.S. tax laws (or the tax laws of any other applicable jurisdiction). The Associate has no express or implied authority to bind SKINNY JOE CO. to any obligation or to make any commitments by or on behalf of the Company. Each Associate, whether acting as management of a Business Entity or represented as an individual, shall establish his or her own goals, hours, and methods of operation and sale, so long as he or she complies with the terms of the Associate Terms of Use, these Policies and Procedures and applicable state and federal laws.
- D. The SKINNY JOE CO. Associate is fully responsible for all of his or her verbal and written communications made regarding the Company's Products and the Rewards Plan that are not expressly contained within official Company materials. Associates shall indemnify and hold harmless SKINNY JOE CO., its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by the Company as a result of the Associate's unauthorized representations or actions. This provision shall survive the termination of the Associate Terms of Use.

2.7 Errors or Questions



If you have any questions about, or believe any errors have been made regarding commissions, bonuses, business reports, orders, or charges, you must notify the Company in writing within thirty (30) days of the date of the error or incident in question. Any such errors, omissions or problems not reported within 30 days shall be deemed expressly waived.

3.0 AN ASSOCIATE'S RESPONSIBILITIES

3.1 Correct Addresses

- A. Accurate and current contact information on Customers and Associates is essential for timely delivery of Company information, product shipments, issuance of tax documents, and commissions. Therefore, all Associates must keep their contact information (e.g., name, SSN or FEIN, email address, mailing address, telephone number, etc.) current. Any email address or telephone number change can be made in the Associate's Back Office or by contacting the SKINNY JOE CO. Support team. A mailing address change can only be made by contacting the SKINNY JOE CO. Support team and providing the appropriate documentation for proof of residence.
- B. Any fines, sanctions, or penalties levied upon the Company or its Associates resulting from an Associate's failure to provide accurate and complete contact information in a timely manner shall be deducted from that Associate's commissions.

3.2 Training and Leadership

- A. Any SKINNY JOE CO. Associate who Sponsors another into the Company must perform authentic assistance and training function(s) to ensure those Associates in their Downline properly operate their SKINNY JOE CO. business. Sponsoring Associates should have ongoing contact and communication with those in their Downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone contact, team calls, voice-mail, e-mail, personal meetings, accompaniment of Downline Associates to SKINNY JOE CO. meetings, training sessions and any other related functions.
- B. A Sponsoring SKINNY JOE CO. Associate should monitor those in their Downline organizations to ensure that Downline Associates do not make improper product or business claims or engage in any illegal or inappropriate conduct. Upon request, an Associate should be able to provide documented evidence to the Company of ongoing fulfillment of these Sponsor responsibilities.
- C. Upline Associates are encouraged to motivate and train new Associates about SKINNY JOE CO.'s Products, effective sales techniques, the Company Rewards Plan and compliance with these Policies and Procedures.



- D. **The marketing and sale of product is a required activity in SKINNY JOE CO. and must be emphasized in all recruiting presentations.**
- E. Training and Business Tools. Education, training and motivation are critically important to building a successful SKINNY JOE CO. business. To educate Associates in the business and teach them how to train and motivate others, the Company provides support materials, tools, support services, and training events in a joint effort with top SKINNY JOE CO. leaders and executives. These materials include training collateral and ticketed events produced and distributed by the Company. Associates are not required to purchase these items or attend these events. As such, these items and events are subject to a no-refund policy. These items may include: books, magazines, charts and other printed materials, audio CD's or DVD's, online materials, training and recognition events, conventions or other ticketed events and websites.

3.3 Constructive Criticism; Ethics

- A. SKINNY JOE CO. desires to provide its Associates with the best products and Rewards Plan in the industry. Accordingly, SKINNY JOE CO. values constructive criticism and encourages the submission of written comments to its Company Support team.
- B. Negative and disparaging comments made by Associates about SKINNY JOE CO., its Products or Rewards Plan, serve no purpose other than to dampen the enthusiasm of other SKINNY JOE CO. business owners. Associates must not belittle SKINNY JOE CO., other SKINNY JOE CO. Associates, SKINNY JOE CO. Products, the Rewards Plan, or SKINNY JOE CO. directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by the Company.
- C. **SKINNY JOE CO. endorses the following code of ethics:**
 - I. Associates must show fairness, tolerance, and respect to all people associated with SKINNY JOE CO., regardless of race, gender, social class or religion, fostering a "positive atmosphere" of teamwork, good morale and community spirit.
 - II. Associates shall strive to resolve business issues, including situations with those in their Upline and Downline, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
 - III. Associates must be honest, responsible, professional and conduct themselves with integrity.
 - IV. Associates shall not make disparaging statements about SKINNY JOE CO., other Associates, SKINNY JOE CO. employees, product suppliers or agents,



Products, services, sales and marketing campaigns, or the Rewards Plan, or make statements that unreasonably offend, mislead or coerce others.

- D. SKINNY JOE CO. may take appropriate action against an Associate if it determines, in its sole discretion, that the Associate's conduct is detrimental, disruptive, or injurious to SKINNY JOE CO. or to other business owners.

3.4 Reporting Policy Violation

- A. An Associate who observes a policy violation by another business owner should submit a written and signed letter, or email, of the violation directly to the SKINNY JOE CO. Corporate office. The letter shall set forth the details of the incident as follows:
 - I. The nature of the violation and specific facts to support the allegations;
 - II. Dates and number of occurrences;
 - III. Persons involved; and
 - IV. Any other supporting documentation
- B. Once the matter has been presented to the Company, it will be researched thoroughly by the Company Compliance Department and appropriate action will be taken if required.
- C. This section refers to the general reporting of policy violations as observed by other Associates for the mutual effort to support, protect, and defend the integrity of the SKINNY JOE CO. business and opportunity. If an Associate has a grievance or complaint against another which directly relates to his or her SKINNY JOE CO. business, the procedures set forth in these Policies must be followed.

3.5 Sponsorship

- A. A Sponsor is the person who introduces a Customer or Associate to SKINNY JOE CO., helps them complete their enrollment, and supports and trains those in their Downline.
- B. SKINNY JOE CO. recognizes the Sponsor as the name(s) shown on the first:
 - I. Physically signed SKINNY JOE CO. Associate Terms of Use on file; or
 - II. Electronically signed Associate Terms of Use from a website or an Associate's replicated website.



- C. An Associate Terms of Use that contains notations such as “by phone” or the signatures of other individuals (i.e., Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by the Company.
- D. SKINNY JOE CO. recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but SKINNY JOE CO. will not allow Associates to engage in unethical sponsoring activities.
- E. All ACTIVE Associates in good standing have the right to Sponsor and enroll others into SKINNY JOE CO. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Associate will approach the same prospect. It is our policy to accept the first application received via US mail or electronic transmission.
- F. A *Protected Prospect* is a guest of any SKINNY JOE CO. Customer or Associate who attended a Company event or conference call. For sixty (60) days following the event, a Protected Prospect cannot be solicited or sponsored by any other SKINNY JOE CO. Associate who attended the same event. A Company event can be defined as the following:
 - I. Any SKINNY JOE CO. training session;
 - II. Conference call;
 - III. Fly-in meeting; or
 - IV. Presentation, including but not limited to a SKINNY JOE CO. at home presentation, whether sponsored by SKINNY JOE CO., an Associate, a Customer, or an agent or agency designated by SKINNY JOE CO.

3.6 Cross Sponsoring Prohibition

- A. “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an individual, or Business Entity, that already has a signed Associate Terms of Use. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by SKINNY JOE CO., sanctions up to and including termination of an Associate’s business may be imposed.
- B. The use of a Spouse’s or relative’s name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this policy is not permitted.
- C. This policy does not prohibit the transfer of a SKINNY JOE CO. business in accordance with SKINNY JOE CO. Sale or Transfer Policy set forth in these Policies.



3.7 Adherence to the SKINNY JOE CO. Rewards Plan

- A. An Associate must adhere to the terms of the SKINNY JOE CO. Rewards Plan as set forth in these Policies and Procedures as well as in official Company literature. Deviation from the Rewards Plan is prohibited.
- B. An Associate shall not offer the SKINNY JOE CO. opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Company literature.
- C. An Associate shall not require or encourage a current or prospective Customer or Associate to participate in SKINNY JOE CO. in any manner that varies from the Rewards Plan as set forth in official Company literature.
- D. An Associate shall not require or encourage a current or prospective Customer or Associate to make a purchase from or payment to any individual or other entity as a condition to participating in the SKINNY JOE CO. Rewards Plan, other than such purchases or payments required to naturally build their business.
- E. While presenting or discussing the Rewards Plan, Associates must make it clear to prospective Associates that financial success with the Company requires commitment, effort, and sales skill. Conversely, Associates must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations may include statements such as:
 - I. It's a turnkey system;
 - II. The system will do the work for you;
 - III. Just get in and your Downline will come;
 - IV. Just join and I will build your Downline for you;
 - V. The Company does all the work for you; and/or
 - VI. You don't have to sell anything.

The above statements are just examples of improper representations about the SKINNY JOE CO. Rewards Plan. It is important that Associates do not make these or any other representations that could lead a prospective Associate to believe that he, she or it can be successful without commitment, effort, and sales skills.

3.8 Adherence to Laws and Ordinances



- A. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Associates because of the nature of the business. However, Associates must check their local laws and obey the laws that do apply to them.
- B. A SKINNY JOE CO. Associate shall comply with all federal, state and local laws and regulations in their conduct of a SKINNY JOE CO. business.

3.9 Compliance with Applicable Income Tax Laws

- A. SKINNY JOE CO. will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US Associate whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of SKINNY JOE CO. Products for resale, or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the Associate, and a minimum charge of \$20 may be assessed by SKINNY JOE CO.
- B. An Associate accepts sole responsibility for and agrees to pay all federal, state, and local taxes on any income generated as an independent SKINNY JOE CO. business owner, and further agrees to indemnify the Company from any failure to pay such tax amounts when due.
- C. If an Associate's business is tax exempt, the Federal Tax Identification number must be provided to the Company in writing.
- D. SKINNY JOE CO. encourages all Associates to consult with a tax advisor for additional information for their business.

3.10 One SKINNY JOE CO. Business Per Associate

An Associate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only **one (1)** SKINNY JOE CO. business. No individual may have, operate or receive compensation from more than one SKINNY JOE CO. business. Individuals of the same family unit may each enter into or have an interest in their own separate SKINNY JOE CO. businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A "family unit" is defined as Spouses and dependent children living at or doing business at the same address.

3.11 Actions of Household Members or Affiliated Parties

If any member of your immediate household engages in any activity, which if performed by you, would violate any provision of the Terms of Use, such activity will be deemed a violation expressly by you and SKINNY JOE CO. may take disciplinary action pursuant to these Policies and Procedures. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other



entity (collectively “Business Entity”) violates the Terms of Use, such action(s) will be deemed a violation by the Business Entity, and SKINNY JOE CO. may take disciplinary action against the Business Entity. Likewise, if an Associate enrolls in SKINNY JOE CO. as a Business Entity, each affiliated party of the Business Entity (“Affiliated Party”) shall be personally and individually bound to, and must comply with, the terms and conditions of the Terms of Use.

3.12 Solicitation for Other Companies or Products

- A. A SKINNY JOE CO. Associate may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the term of this Terms of Use and for one (1) year thereafter, you may not recruit any SKINNY JOE CO. Associate or Customer for any other direct sales or network marketing business, unless you personally sponsored said Associate or Customer.
- 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 Customer or Associate to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Associate’s actions are in response to an inquiry made by another Customer or Associate.
- C. During the term of this Terms of Use and for a period of one (1) year thereafter, you must not sell, or entice others to sell, any competing products, including training materials, to SKINNY JOE CO. Customers or Associates. Any product in the same category as a SKINNY JOE CO. product(s) is deemed to be competing (i.e., any competing product regardless of differences in cost or quality).
- D. However, an Associate may sell non-competing products to SKINNY JOE CO. Customers and Associates that they personally sponsored.
- E. An Associate may not display or bundle SKINNY JOE CO. Products in sales literature, on a website or in sales meetings, with any other products to avoid confusing or misleading a prospective Customer or Associate into believing there is a relationship between the SKINNY JOE CO. and non-SKINNY JOE CO. Products.
- F. You may not offer any non-SKINNY JOE CO. opportunity or Products at any SKINNY JOE CO.-related meeting, seminar or convention, or immediately following a Company event.
- G. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between SKINNY JOE CO. and its Associates and would inflict irreparable harm on SKINNY JOE CO. In such event, SKINNY JOE CO. may, at its sole discretion, impose any sanction it deems necessary and appropriate



against such Associate or such Associates' business including termination, or seek immediate injunctive relief without the necessity of posting a bond.

3.13 Presentation of the SKINNY JOE CO. Opportunity

- A. In presenting the SKINNY JOE CO. opportunity to potential Customers and Associates, you are required to comply with the following provisions:
- I. You shall not misquote or omit any significant material fact about the Compensation Plan.
 - II. You shall make it clear that the Rewards Plan is based upon sales of SKINNY JOE CO. Products and upon the sponsoring of other Associates.
 - III. You shall make it clear that success can be achieved only through substantial independent efforts.
 - IV. You shall not make unauthorized income projections, claims, or guarantees while presenting or discussing the SKINNY JOE CO. opportunity or Rewards Plan to prospective Associates or Customers.
 - V. You may not make any claims regarding Products except those contained in official Company literature.
 - VI. You may not use official SKINNY JOE CO. material to promote the SKINNY JOE CO. business opportunity in any country where SKINNY JOE CO. has not established a "presence."
 - VII. In an effort to conduct best business practices, SKINNY JOE CO. has developed the Income Disclosure Statement ("IDS"). The SKINNY JOE CO. IDS is designed to convey truthful, timely, and comprehensive information regarding the income that SKINNY JOE CO. Associates earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective Associates.

A copy of the IDS must be presented to a prospective Associate anytime the Rewards Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms "income claim" and/or "earnings representation" (collectively "income claim") includes the following: (i) statements of average earnings; (ii) statements of non-average earnings; (iii) statements of earnings ranges; (iv) income testimonials; (v) lifestyle claims; and (vi) hypothetical claims. Examples of "statements of non-average earnings" includes: "Our number one Associate earned over two million dollars last year" or "Our average-ranking Associate



makes six thousand per month.” An example of a “statement of earnings ranges” is, “The monthly income for our higher-ranking Associate is twelve thousand dollars on the low end to forty thousand dollars a month on the high end.”

3.14 Sales Requirements are Governed by the Rewards Plan

- A. SKINNY JOE CO. Associates may only sell SKINNY JOE CO. Products at the price specified by the Company. There are no exclusive territories granted to anyone. No franchise fees are applicable to a SKINNY JOE CO. business.
- B. The SKINNY JOE CO. program is built on sales to the ultimate consumer. SKINNY JOE CO. encourages its Associates to only purchase inventory that they and their family will personally consume or use as a sales tool. Associates must never attempt to influence any other Associate to buy more products than they can reasonably use or sell to Customers in a given month.

4.0 ORDERING

4.1 General Order Policies

- A. “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes: (i) the enrollment of individuals or entities without the knowledge of and/or execution of an Terms of Use by such individuals or Business Entities; (ii) the fraudulent enrollment of an individual or entity as a Customer or Associate; (iii) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Customers or Associates (“phantoms”); (iv) purchasing SKINNY JOE CO. Products on behalf of another Customer or Associate, or under another Customer’s or Associate’s ID number, to qualify for commissions or bonuses; (v) purchasing excessive amounts of products that cannot reasonably be used or resold in a month; and/or (vi) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product purchases by end user consumers.

An Associate shall not use another Customer’s or Associate’s credit card or debit checking account to enroll in SKINNY JOE CO. or purchase Products without the account holder’s *written permission*. Such documentation must be kept by the Associate indefinitely in case the Company needs to reference this.

- B. Regarding an order with an invalid or incorrect payment, SKINNY JOE CO. will attempt to contact the Associate by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after five (5) business days, the order will be canceled.
- C. Product prices are subject to change without notice.



- D. An Associate or Customer who is a recipient of a damaged or incorrect order must notify SKINNY JOE CO. within thirty (30) calendar days from receipt of the order and follow the return procedures as set forth in these Policies.

4.2 Insufficient Funds

- A. All checks returned for insufficient funds will be re-submitted for payment. A \$35 fee will be charged to the account of the Associate or Customer for all returned checks and insufficient funds.
- B. Any outstanding balance owed to SKINNY JOE CO. by an Associate or Customer of yours from NSF (non-sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld by the Company from your future bonus and commission checks.
- C. All transactions involving returned checks or insufficient funds through ACH or credit card, which are not resolved in a timely manner by you as an Associate, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the Customer or Associate will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or Associate may be deemed ineligible to purchase SKINNY JOE CO. Products.

4.3 Sales Tax Obligation

- A. The Associate shall comply with all state and local taxes and regulations governing the sale of SKINNY JOE CO. Products.
- B. SKINNY JOE CO. will collect and remit sales tax on Associate orders unless an Associate furnishes SKINNY JOE CO. with the appropriate Resale Tax Certificate form. When orders are placed with SKINNY JOE CO., sales tax is based on the retail value and the address where the product is being delivered. SKINNY JOE CO. will remit the sales tax to the appropriate state and local jurisdictions. An Associate may recover the sales tax when he or she makes a sale. SKINNY JOE CO. Associates are responsible for any additional sales taxes due on Products marked up and sold at a higher price.
- C. SKINNY JOE CO. encourages each Associate to consult with a tax advisor for additional information for his or her business.

5.0 PAYMENT OF COMMISSIONS & BONUSES

5.1 Bonus And Commission Qualifications And Discrepancies



- A. An Associate must be ACTIVE and in compliance with SKINNY JOE CO. Policies and Procedures to qualify for bonuses and commissions. So long as the Associate complies with the terms of the Terms of Use, the Company shall pay commissions to such Associate in accordance with the Rewards Plan.
- B. SKINNY JOE CO. will not issue a payment to an Associate without the receipt of a completed and signed SKINNY JOE CO. Associate Terms of Use or Electronic Authorization.
- C. SKINNY JOE CO. reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.
- D. A SKINNY JOE CO. Associate must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the 30-day “grace period,” no additional requests will be considered for commission recalculations.
- E. For additional information on payment of commissions, please review the Rewards Plan.

5.2 Adjustments To Bonuses And Commissions For Returned Products

- A. An Associate receives bonuses and commissions based on the actual sales of Products to ultimate users. When a product is returned to SKINNY JOE CO. for a refund from the ultimate user, the bonuses and commissions attributable to the returned product will be deducted from the Associates 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 an Associate terminates his or her business, and the amounts of the bonuses or commissions attributable to the returned Products have not yet been fully recovered by SKINNY JOE CO., the remainder of the outstanding balance may be offset against any other amounts that may be owed by SKINNY JOE CO. to the terminated Associate.

6.0 SATISFACTION GUARANTEED AND RETURN OF PRODUCT & SALES AIDS

SKINNY JOE CO. offers a one hundred percent (100%) thirty (30) day money back guarantee for all Customers. If a Customer purchased a product and is not satisfied, the Customer may request a refund from their Associate. If an Associate is not 100% satisfied with our Products, you may return the items for a refund if the following conditions are present: (i) neither you nor the Company have terminated the Terms of Use; (ii) the products were purchased within twelve (12) months; and (iii) the Products remain in resalable condition (“Resalable Condition” as defined in the Glossary of Terms). The refund



shall be “up to” ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Sales and training tools and items are subject to a no-refund policy. These items may include: books, samples, magazines, charts and other printed materials, audio CD’s or DVD’s, online materials, training and recognition events, conventions or other ticketed events and websites.

6.1 Return Process

- A. All returns, whether by a Customer or Associate, must be made as follows:
 - I. Obtain Return Merchandise Authorization (“RMA”) from SKINNY JOE CO.;
 - II. Ship items to the address provided by SKINNY JOE CO. Customer Service when you are given your RMA.
 - III. Provide a copy of the invoice with the returned Products or service. Such invoice must reference the RMA and include the reason for the return.
 - IV. Ship back product in manufacturer’s box exactly as it was delivered.
- B. All returns must be shipped to SKINNY JOE CO. pre-paid, as SKINNY JOE CO. does not accept shipping collect packages. SKINNY JOE CO. recommends shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer or Associate. If returned product is not received at SKINNY JOE CO. Distribution Center, it is the responsibility of the Customer or Associate to trace the shipment and no credit will be applied.
- C. The return of \$500 or more of Products accompanied by a request for a refund within a calendar year by an Associate, may constitute grounds for involuntary termination.

7.0 PRIVACY POLICY

7.1 Introduction

This Privacy Policy is to ensure that all Customers and Associates understand and adhere to the basic principles of confidentiality.

7.2 Expectation of Privacy

- A. SKINNY JOE CO. recognizes and respects the importance its Customers and Associates place on the privacy of their financial and personal information. SKINNY JOE CO. will make reasonable efforts to safeguard the privacy of and maintain the



confidentiality of its Customers' and Associates' financial and account information and nonpublic personal information.

- B. By entering into the Associate Terms of Use, you authorize the Company to disclose your name and contact information to Upline Associates solely for activities related to the furtherance of the SKINNY JOE CO. business. An Associate hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing your Downline organization and conducting the SKINNY JOE CO. business.

7.3 Employee Access to Information

SKINNY JOE CO. limits the number of employees who have access to Customer's and Associate's nonpublic personal information.

7.4 Restrictions on the Disclosure of Account Information

SKINNY JOE CO. will not share non-public personal information or financial information about current or former Customers or Associates with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers' or Associates' interests or to enforce its rights or obligations under these Policies and Procedures the Associate Terms of Use or with written permission from the accountholder on file.

8.0 PROPRIETARY INFORMATION AND TRADE SECRETS

8.1 Business Reports, Lists, and Proprietary Information

By completing and signing the SKINNY JOE CO. Associate Terms of Use, the Associate acknowledges that Business Reports, lists of Customer and Associate names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by SKINNY JOE CO. pertaining to the business of SKINNY JOE CO. (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to SKINNY JOE CO.

8.2 Obligation of Confidentiality

During the Term of the SKINNY JOE CO. Associate Terms of Use and for a period of five (5) years after the termination or expiration of the Associate Terms of Use between the you and the Company, you shall not:

- I. Use the information in the Reports to compete with SKINNY JOE CO. or for any purpose other than promoting your SKINNY JOE CO. business;



- II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

8.3 Breach and Remedies

The Associate acknowledges that such 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 SKINNY JOE CO. and to independent SKINNY JOE CO. businesses. SKINNY JOE CO. and its Associates will be entitled to injunctive relief or to recover damages against any Associate who violates this provision 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.

8.4 Return of Materials

Upon demand by SKINNY JOE CO., any current or former Associate will return the original and all copies of all "Reports" to the Company together with any SKINNY JOE CO. confidential information in such person's possession.

9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS

9.1 Labeling, Packaging, and Displaying Products

- A. An Associate may not re-label, re-package, refill, or alter labels of any SKINNY JOE CO. product, product information, materials or program(s) in any way. SKINNY JOE CO. Products must only be sold in their original containers from SKINNY JOE CO. Such re-labeling or re-packaging violates federal and state laws, which may result in criminal or civil penalties or liability.
- B. An Associate shall not cause any SKINNY JOE CO. product or any SKINNY JOE CO. trade name to be sold or displayed in retail establishments.
- D. An Associate may only sell SKINNY JOE CO. Products and display the SKINNY JOE CO. trade name at any appropriate display booth (such as trade shows) if he or she receives *prior written approval* from the SKINNY JOE CO. Compliance Department.
- E. SKINNY JOE CO. 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, or the SKINNY JOE CO. opportunity.

9.2 Use of Company Names and Protected Materials

- A. A SKINNY JOE CO. Associate must safeguard and promote the good reputation of the Company and the Products it markets. The marketing and promotion of SKINNY JOE



CO., the SKINNY JOE CO. opportunity, the Rewards Plan, and SKINNY JOE CO. Products 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 SKINNY JOE CO. must be used in their original form and cannot be changed, amended or altered except with prior written approval from the SKINNY JOE CO. Compliance Department.
- C. The name of SKINNY JOE CO., each of its product names and other names that have been adopted by SKINNY JOE CO. in connection with its business are proprietary trade names, trademarks and service marks of SKINNY JOE CO. As such, these marks are of great value to SKINNY JOE CO. and are supplied to Associates for their use only in an expressly authorized manner.
- D. A SKINNY JOE CO. Associate's use of the name "SKINNY JOE CO." is restricted to protect SKINNY JOE CO. proprietary rights, ensuring that the SKINNY JOE CO. protected names will not be lost or compromised by unauthorized use. Use of the SKINNY JOE CO. name on any item not produced by SKINNY JOE CO. is prohibited except as follows:
 - I. [Associate's name] Independent Associate of SKINNY JOE CO. Business;
 - II. [Associate's name] Associate of SKINNY JOE CO. Products.
- E. Further procedures relating to the use of the SKINNY JOE CO. name are as follows:
 - I. All stationary (i.e., letterhead, envelopes, and business cards) bearing the SKINNY JOE CO. name or logo intended for use by the Associate must be approved in writing by the SKINNY JOE CO. Compliance Department.
 - II. SKINNY JOE CO. Associates may list "Associate of SKINNY JOE CO." or "SKINNY JOE CO. Associate" in the white pages of the telephone directory under his or her own name.
 - III. SKINNY JOE CO. Associate's may not use the name SKINNY JOE CO., SKINNY JOE CO. LLC, or SKINNY JOE CO. Corporate 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, "Associate of SKINNY JOE CO."
- F. Certain photos and graphic images used by SKINNY JOE CO. in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Associates. If an Associate wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.



- G. A SKINNY JOE CO. Associate shall not appear on or make use of television or radio, or make use of any other media to promote or discuss SKINNY JOE CO. or its programs or Products without prior written permission from the SKINNY JOE CO. Compliance Department.
- H. An Associate may not produce for sale or distribution any Company event or speech, nor may an Associate reproduce SKINNY JOE CO. audio or video clips for sale or for personal use without prior written permission from the SKINNY JOE CO. Compliance Department.
- I. SKINNY JOE CO. reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Associate.
- J. An Associate shall not promote non-SKINNY JOE CO. Products in conjunction with SKINNY JOE CO. Products on the same websites or same advertisement without prior approval from SKINNY JOE CO. Compliance Department.
- K. **Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any Products offered by SKINNY JOE CO. may not be made except those contained in official SKINNY JOE CO. literature. In particular, no Associate may make any claim that SKINNY JOE CO. 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 SKINNY JOE CO. policies, but also may potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.**

9.3 Email Limitations

- A. Except as provided in this section, an Associate may not use or transmit unsolicited email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her SKINNY JOE CO. business. The exceptions are:
 - I. E-mailing any person who has given prior permission or invitation;
 - II. E-mailing any person with whom the Associate has established a prior business or personal relationship.
- B. In all states where prohibited by law, an Associate may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), 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 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 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 senders e-mail address, and a valid sender physical address;
 - VII. The date and time of the transmission;
 - VIII. Upon notification by recipient of his or her request not to receive further e-mailed documents, a SKINNY JOE CO. Associate 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;
 - II. Sexually explicit materials.

9.4 Internet and Third-Party Website Restrictions

- A. An Associate may not use or attempt to register any of SKINNY JOE CO.'s trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company’s 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. Other than through a Personal Replicated Website (“PRW”), an



Associate is prohibited from using Internet sponsored links to take orders or solicit leads.

- B. A SKINNY JOE CO. Associate may not sell SKINNY JOE CO. Products, services or offer the SKINNY JOE CO. opportunity using “online auctions,” such as eBay®, or through “online marketplaces,” such as Amazon.
- C. If you as an Associate desires to utilize an Internet web page to promote your SKINNY JOE CO. business, you may do so through the Personal Replicated Website (“PRW”) provided by the Company. These websites are seamlessly link to the official SKINNY JOE CO. corporate website, giving the Associate a professional and Company-approved presence on the Internet. Associates may enroll both new Customers and Associates on their PRW. All Company website addresses and sub-domains of the Company websites are wholly owned by SKINNY JOE CO.

Associates MAY NOT independently design a website that uses the Company trademarks, trade names, logos or copyrighted materials. Nor may an Associate use “blind” ads on the Internet that makes claims or representations that are ultimately associated with Products or the SKINNY JOE CO. opportunity. If you have any questions regarding PRWs, you may contact the SKINNY JOE CO. Compliance Department.

- D. Social Media sites may not be used to sell or offer to sell SKINNY JOE CO. Products. **PROFILES AN ASSOCIATE GENERATES IN ANY SOCIAL COMMUNITY WHERE SKINNY JOE CO. IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE ASSOCIATE AS A SKINNY JOE CO. ASSOCIATE.** Further, when an Associate participates in those communities, he, she or it 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 the Company’s sole discretion, and offending Associates will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the SKINNY JOE CO. approved library. If a link is provided, it must link to the posting Associate’s PRW.
- E. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Associates will be subject to disciplinary action.
- F. Associates may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Associates create or leave must be useful, unique, relevant and specific to the blog’s article.
- G. Associates must disclose their full name on all Social Media postings, and conspicuously identify themselves as an Associate of SKINNY JOE CO. Anonymous postings or use of an alias is prohibited.



- H. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the SKINNY JOE CO. income opportunity, SKINNY JOE CO.'s Products, and/or your biographical information and credentials.
- I. Associates are personally responsible for their postings and all other online activity that relates to SKINNY JOE CO. Therefore, even if an Associate does not own or operate a blog or Social Media site, if an Associate posts to any such site that relates to SKINNY JOE CO. or which can be traced to SKINNY JOE CO., the Associate is responsible for the posting. Associates are also responsible for postings which occur on any blog or Social Media site that the Associates owns, operates, or controls.
- J. As a SKINNY JOE CO. Associate, it is important to not converse with any person who places a negative post against you, other Associates, or SKINNY JOE CO. Report negative posts to the SKINNY JOE CO. Compliance Department. 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 SKINNY JOE CO., and therefore damages the reputation and goodwill of the Company.
- K. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, SKINNY JOE CO. therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that Associates using, or who wish to use, such sites adhere to the SKINNY JOE CO.'s policies relating to third-party websites.
- L. If your SKINNY JOE CO. business is cancelled for any reason, you must discontinue using the SKINNY JOE CO. name, and all of SKINNY JOE CO.'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 Associate of SKINNY JOE CO., you must conspicuously disclose that you are no longer an Associate of the Company.
- M. Failure to comply with these policies for conducting business online may result in the Associate losing their right to advertise and market SKINNY JOE CO. Products and the SKINNY JOE CO. business opportunity online in addition to any other disciplinary action available herein.

9.5 Advertising and Promotional Materials

- A. You may not advertise any SKINNY JOE CO. Products at a price LESS than the highest company published and established retail price, plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not



limited to, offers of free Products, a free SKINNY JOE CO. business, free shipping, or other such offers that grant advantages beyond those available through the Company.

- 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 SKINNY JOE CO. Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the SKINNY JOE CO. Compliance Department.
- E. SKINNY JOE CO. approval is not required to place blind ads that do not mention SKINNY JOE CO., its employees, any of its Products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. SKINNY JOE CO. 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 Associate.

9.6 Testimonial Permission

By signing the SKINNY JOE CO. Associate Terms of Use, you give the Company permission to use your 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 SKINNY JOE CO. opportunity, you waive any right to be compensated for the use of your testimonial or image and likeness even though SKINNY JOE CO. may be paid for items or sales materials containing such image and likeness. In some cases, an Associate's testimonial may appear in another Associate's advertising materials. If an Associate does not wish to participate in SKINNY JOE CO. sales and marketing materials, he or she should provide a written notice to the SKINNY JOE CO. 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.

9.7 Testimonial Submissions

The company encourages Associates to submit personal testimonial statements about your own experiences with particular SKINNY JOE CO. products, and with the SKINNY JOE CO. business opportunity. Company-approved testimonials will be catalogued in a TESTIMONIAL LIBRARY for access by Associates for appropriate use and reference in marketing both the SKINNY JOE CO. line of products and the SKINNY JOE CO. business opportunity, as set forth elsewhere in these Policies and Procedures. A Form has been developed for Associates to directly submit their testimonial and any accompanying documents (for example, photos) for company consideration. Non-Associate product



testimonial submissions (for example, customers only) are not being accepted, but may be considered at a future time.

In preparing your testimonial, please follow the general guidance below, as well as any specific guidelines for certain types of experiences. This will help ensure that your statements are presented in a fair, accurate and truthful way, and include the “critical context” in which they occurred. This will assist readers in their evaluation and assessment of the reasonableness of your testimonial statement, and that they can reasonably rely on that statement and its relevancy to their own personal situation, in either purchasing a SKINNY JOE CO. product(s), or in choosing to become an Associate.

All testimonials submitted will be reviewed by SKINNY JOE CO. staff. SKINNY JOE CO. reserves the right to edit your testimonial, including the removal of any unauthorized claims, fix grammar, shorten or improve the presentation of your information; Associates may or may not be advised if any revisions or edits are recommended before they are accepted.

A. General Guidelines when submitting product and/or opportunity testimonials to SKINNY JOE CO.

1. All testimonials must be consistent with SKINNY JOE CO. Policies and Procedures.
2. Representations and testimonials must be truthful, accurately presented and not misleading.
3. All testimonials must provide an authentic portrayal of your experience and benefits in a way that may be achieved by a typical consumer or distributor.
4. All testimonials must provide important facts that consumers or distributors would find relevant in making a purchasing or enrolling decision.
5. All photos, documents and corresponding testimonials submitted to SKINNY JOE CO. must be dated or time stamped, and reflect the FOR PRODUCT and FOR OPPORTUNITY guidance as noted below.
6. To ensure the ongoing accuracy of your testimonial, we request that you update us at info@skinnyjoe.co if anything should change with your personal experiences after your initial Testimonial submission. This includes, for example, continued weight loss or inches, additional benefits or set-backs on the use of SKINNY JOE CO. Product(s), or continued or additional income success, or set-backs as it relates to the SKINNY JOE CO. Opportunity.
7. While your testimonial submission is pending for review, please do not post your testimonial submission on any personal social media sites, or circulate to others who may intend to do the same.



8. Any questions about your testimonial and/or photo or document attachments, should be directed to: info@skinnyjoe.co

B. Product Guidelines to help you write your Testimonial.

1. Give us a little sense of your background (Age, Health History, Weight if relevant, etc.), why you decided to try the Product(s) at this time, and any expectations or goals you had.
2. Tell us what specific products you used.
3. For each product, let us know when you starting using them, how long you used them, and how often you used them.
4. For non-weight related products – share what you personally felt, experienced, saw, noticed, or others may have noticed; and describe any changes you believe happened to your lifestyle, activities, or abilities as the result or, or in combination with you taking a particular product(s). Chronicle for us if you can the actual time frame when noticeable changes took place. Also, share what, if anything, you did besides using the Product(s) that may have contributed to your achieving the changed results you experienced and chronicled. For example, any changes to your diet, intake of water, changes in medication or treatments, changes to or increase in exercise, etc.
5. For weight related products - share what you personally felt, experienced, saw, noticed, or others may have noticed, including what “specific changes” you noticed in your body, health or weight. This includes chronicling for us if you can the actual time frame when you observed noticeable changes, with any actual changes in your weight (weight loss) and in your body dimensions or measurements (inches lost, difference in the way any of your clothing was fitting, etc.) – take photos, too! And let us know how you tracked your benefits (scale, tape measurer, etc.), and how often did you record this information. Also, share what you did besides using the Product(s) to achieve the changed results you experienced and chronicled. For example, did you reduce or change your food intake, did you change your diet or eating habits, did you increase your intake of water, did you add or increase any exercise, etc. If you didn’t make any changes to your normal routine and lifestyle, please describe your normal routines before using the SKINNY JOE CO. Product(s).

C. Opportunity Guidelines to help you write your Testimonial.

The SKINNY JOE CO. business offers Associates an opportunity to grow with SKINNY JOE CO. and make a difference in their own personal lives and the lives of others. So tell us “your story” of who you are, how you got involved, what you’ve been doing, and what changes have happened through your SKINNY JOE CO. business experience...in your own words. Here are some suggestions:

1. Give us a little sense of your personal background, with your age, family, work history, and why you decided to try the Opportunity, etc.



2. Tell us how you first heard about SKINNY JOE CO., and how you got started with SKINNY JOE CO. – Customer first, attended a meeting, tried a sample, Associate first and purchased a product or a Pack (if a Pack, describe which one), and when or how long ago you got started, etc.
3. Tell us about your general income experience here, including what you earned, how you earned it (retail sale, retail commissions, earned bonuses, company trips, etc.), any particular activity or marketing tools (SKINNY JOE CO. or other) used to help create the income, and over what time period you earned this money.
4. Tell us generally about any changes or differences in your personal life or that of your family, as a result of your SKINNY JOE CO. business experiences; and if you've been involved in the past in other businesses or business opportunities, share how the SKINNY JOE CO. business is different.
5. A couple of things not to do in your testimonial submission: please don't exaggerate your income or earnings claims as company records will show company-paid earnings to you, and prospects will also be presented with the company compensation plan illustrating potential earnings – just tell us what actions you took to make or earn money, what you made or earned, the earnings source (retail sale, retail commissions, earned bonuses), and over what time period; please don't exaggerate any changes to your lifestyle, as certain levels of lifestyle claims will require written substantiation; and please don't make statements that your success came without any commitment, effort, and any marketing & sales activities.

9.8 Telemarketing Limitations

- A. The Federal Trade Commission (“FTC”) and the Federal Communications Commission (“FCC”) each have laws that restrict telemarketing practices. Both federal agencies, as well as a number of states have “do not call” regulations as part of their telemarketing laws.
- B. While an Associate 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 Associate to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).
- C. “Cold calls” or “state-to-state calls” made to prospective Customers or Associates that promote either SKINNY JOE CO. Products or the SKINNY JOE CO. opportunity is considered telemarketing and is prohibited.
- D. Exceptions to Telemarketing Regulations



A SKINNY JOE CO. Associate may place telephone calls to prospective Customers or Associates under the following limited situations:

- I. If the Associate has an established business relationship with the prospect;
 - II. In response to the prospect's personal inquiry or application regarding a product offered by the SKINNY JOE CO. Associate, within three (3) months immediately before the date of such a call;
 - III. If the Associate receives written and signed permission from the prospect authorizing the Associate to call;
 - IV. If the call is to family members, personal friends, and acquaintances. However, if an Associate makes a habit of collecting business cards from everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption;
 - V. SKINNY JOE CO. Associate engaged in calling "acquaintances," must make such calls on an occasional basis only and not as a routine practice.
- E. An Associate shall not use automatic telephone dialing systems in the operation of his or her SKINNY JOE CO. businesses.
- F. Failure to abide by SKINNY JOE CO. policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Associate's business, up to and including termination of the Associate's position.
- G. By signing the Associate Terms of Use, or by accepting commission checks, other payments or awards from SKINNY JOE CO., an Associate gives permission to SKINNY JOE CO. and other Associates to contact them as permitted under the Federal Do Not Call regulations.
- H. In the event an Associate violates this section, SKINNY JOE CO. reserves the right to institute legal proceedings to obtain monetary or equitable relief.

10.0 CHANGES TO AN ASSOCIATE'S BUSINESS

10.1 Modification of the Associate Terms of Use

A SKINNY JOE CO. Associate may modify his or her existing Terms of Use (i.e., change a social security number to a Federal ID number, add a Spouse or partner to the account, or change the form of ownership from an individual to a Business Entity owned by the Associate) by submitting a written request, accompanied by a new Associate Terms of Use and the Business Registration Form, if applicable, completed with fresh signatures (not a "crossed out" or "white-out" version of the first Terms of Use), and any appropriate supporting documentation.



10.2 Change Sponsor or Placement for ACTIVE Associates

- A. Maintaining the integrity of the organizational structure is mandatory for the success of SKINNY JOE CO. and our Associates. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first 30 days of initial enrollment as an Associate. Furthermore, such changes may only occur within the same organization.
- B. Sponsors may make “Placement changes” from one Associate to another for personally Sponsored (frontline) Associate during the first 30 days of enrollment.
- C. New Associates or their original Sponsor may request a change of Sponsor or Placement within the first 30 days of enrollment for the purpose of structuring an organization. The new Associate Terms of Use must be received within the calendar month for commission calculations to be effective with the requested change.
- D. To change or correct the Sponsor, an Associate must comply with following procedures:
 - I. Submit a Sponsor Placement Transfer Form;
 - II. Submit a SKINNY JOE CO. Associate Terms of Use showing the correct Sponsor and Placement, and any appropriate supporting documentation;
 - III. The Associate Terms of Use must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first Terms of Use.
- E. Upon approval, the Associates’ Downline, if any, will transfer with the Associate.
- F. If one transfer has already been made, a \$20 fee will be assessed for the second and for each transfer thereafter.
- G. After the first thirty (30) days from initial enrollment, SKINNY JOE CO. will honor the Sponsor/Placement as shown:
 - I. On the most recently signed Associate Terms of Use on file; or
 - II. Self-enrolled on the website (i.e., electronically signed Web Terms of Use).
- H. SKINNY JOE CO. retains the right to approve or deny any requests to change Sponsor or Placement, and to correct any errors related thereto at any time and in whatever manner it deems necessary.



10.3 Change Sponsor or Placement for INACTIVE Associates

- A. At the discretion of SKINNY JOE CO., Associates who did not participate either by ordering or selling Products within the last twelve (12) months, and who have not tendered a letter of resignation, are eligible to re-enroll in SKINNY JOE CO. under the Sponsor/Placement of their choice.
- B. Upon written notice to SKINNY JOE CO. that a former Associate wishes to re-enroll, the Company will “compress” (i.e., close) the original account. A new SKINNY JOE CO. ID number will then be issued to the former Associate. Such Associate does not retain former rank, Downline, or rights to commission checks from his or her former organizations.
- C. SKINNY JOE CO. reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

10.4 Change Organizations

- A. If a SKINNY JOE CO. Associate wishes to transfer organizations, he or she must submit a letter of resignation to the SKINNY JOE CO. Customer Service Department and remain INACTIVE (place no orders nor sell any product) with or in the Company for at least six (6) months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. SKINNY JOE CO. retains the right to approve or deny any request to re-enroll after an Associate’s resignation.
- C. If re-enrollment is approved, the former Associate will be issued a new SKINNY JOE CO. ID number and will be required to submit a new Associate Terms of Use. The Associate will not be entitled to keep any former rank, Downline, or rights to commission checks from any prior organization.
- D. Transfers may not be done outside of the original organization.

10.5 Unethical Sponsoring

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Associate from another Associate or influencing another Associate to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported in writing to the SKINNY JOE CO. Compliance Department within the first 90 days of enrollment. If the reports are substantiated, SKINNY JOE CO. may transfer the Associate or the Associates’



Downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Associates. SKINNY JOE CO. remains the final authority in such cases.

- C. SKINNY JOE CO. prohibits the act of “Stacking.” Stacking is the unauthorized manipulation of the SKINNY JOE CO. compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a Downline Associate in an unearned manner. One example of stacking occurs when a Sponsor places participants under an INACTIVE Downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the business of all individuals and/or entities found to be directly involved.
- D. Should Associates engage in solicitation and/or enticement of members of another direct sales company to sell or distribute SKINNY JOE CO. Products to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an Associate alleging that they engaged in inappropriate recruiting activity of another company’s sales force or Customers, SKINNY JOE CO. will not pay any of Associate’s defense costs or legal fees, nor will SKINNY JOE CO. indemnify the Associate for any judgment, award, or settlement.

10.6 Sell, Assign or Delegate Ownership

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for SKINNY JOE CO. to place restrictions on the transfer, assignment, or sale of a position.
- B. A SKINNY JOE CO. Associate may not sell or assign his or her rights or delegate his or her business without *prior written approval* by SKINNY JOE CO., which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of SKINNY JOE CO.
- C. Should the sale be approved by SKINNY JOE CO., the Buyer assumes the position of the Seller at the current qualified title, but at the current “paid as” rank, at the time of the sale and acquires the Seller’s Downline.
- D. To request corporate authorization for a sale or transfer of a SKINNY JOE CO. position, the following items must be submitted to the SKINNY JOE CO. Compliance Department:
 - I. A Sale/Transfer of position Form properly completed, with the requisite signatures.
 - II. A copy of the Sales Terms of Use signed and dated by both Buyer and Seller.



- III. A SKINNY JOE CO. Associate Terms of Use completed and signed by the Buyer;
- IV. Payment of the \$250 administration fee;
- V. Any additional supporting documentation requested by SKINNY JOE CO.
- E. Any debt obligations that either Seller or Buyer may have with SKINNY JOE CO. must be satisfied prior to the approval of the sale or transfer by SKINNY JOE CO.
- F. A SKINNY JOE CO. Associate who sells his or her business is not eligible to re-enroll as a SKINNY JOE CO. Associate in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

10.7 Separating a SKINNY JOE CO. Business

- A. Pending a divorce or dissolution of a partnership or other 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 SKINNY JOE CO. business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize SKINNY JOE CO. to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee;
 - II. The parties may continue to operate the SKINNY JOE CO. business jointly on a “business as usual” basis, whereupon all compensation paid by SKINNY JOE CO. will be paid in the name designated as the Associate or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, SKINNY JOE CO. will pay compensation to the name on record and in such event, the Associate named on the account shall indemnify SKINNY JOE CO. from any claims from the other business owner(s) or the other Spouse with respect to such payment.
- B. SKINNY JOE CO. recognizes only one Downline organization and will issue only one commission check per SKINNY JOE CO. business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will SKINNY JOE CO. split commission and/or bonus checks.
- C. If a relinquishing Spouse, partner or owner of the business has completely relinquished (“Relinquishing Party”), in writing, all rights to the original SKINNY JOE CO. business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall



have no rights to, and shall not solicit, any Associate or ACTIVE Customer in the former organization, and must develop a new business in the same manner as any other new SKINNY JOE CO. Associate. An Associate 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 12.5.

10.8 Succession

- A. Upon the death or incapacity of an Associate, the Associate's business may be passed on to his or her legal successors in interest (successor). Whenever a SKINNY JOE CO. business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Associate's sales organization. The successor must:
 - I. Complete and sign a new SKINNY JOE CO. Associate Terms of Use;
 - II. Comply with the terms and provisions of the Associate Terms of Use; and
 - III. Meet all of the qualifications for the last rank achieved by the former Associate.
- B. Bonus and commission checks of a SKINNY JOE CO. business transferred based on this section will be paid in a single check to the successor. The successor must provide SKINNY JOE CO. with an "address of record" to which all bonus and commission payments will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.
- C. If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a Federal taxpayer identification number. SKINNY JOE CO. will issue all bonus and commission payments and one 1099 Miscellaneous Income Tax form to the managing business entity only.
- D. Appropriate legal documentation must be submitted to SKINNY JOE CO. Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a SKINNY JOE CO. business, the successor must provide the following to SKINNY JOE CO. 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 SKINNY JOE CO. business.
- E. To complete a transfer of the SKINNY JOE CO. business because of incapacity, the successor must provide the following to the SKINNY JOE CO. 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 SKINNY JOE CO. business; and
 - III. A completed Associate Terms of Use executed by the trustee.
- F. If the successor is already an existing Associate, SKINNY JOE CO. will allow such Associate to keep his or her own position plus the inherited position ACTIVE for up to six (6) months. By the end of the 6-month period, the Associate must have compressed (if applicable), sold or otherwise transferred either the existing position or the inherited position.
- G. If the successor wishes to terminate the SKINNY JOE CO. business and position, he or she must submit a notarized statement stating the desire to terminate, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, SKINNY JOE CO. may grant a one (1) month bereavement waiver and pay out at the last "paid as" rank.

10.9 Resignation/Voluntary Termination

- A. An Associate may immediately terminate his or her position by submitting a written notice or email to the SKINNY JOE CO. Compliance Department. The written notice must include the following:
- I. The Associate's intent to resign;
 - II. Date of resignation;
 - III. SKINNY JOE CO. Identification Number;
 - IV. Reason for resigning; and
 - V. Signature.
- B. A SKINNY JOE CO. Associate may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Associate who has voluntarily resigned is not eligible to reapply for a position or have any financial interest in any SKINNY JOE CO. business for six (6) months from the receipt of the written notice of resignation.

10.10 Involuntary Termination



- A. SKINNY JOE CO. reserves the right to terminate an Associate's position for, but not limited to, the following reasons:
- I. Violation of any terms or conditions of the Associate Terms of Use;
 - II. Violation of any provision in these Policies and Procedures;
 - III. Violation of any provision in the Rewards Plan;
 - IV. Violation of any applicable law, ordinance, or regulation regarding the SKINNY JOE CO. business;
 - V. Engaging in unethical business practices or violating standards of fair dealing;
or
 - VI. Returning over \$500 worth of Products for a refund within a twelve (12) month period.
- A. If an Associate does not make a purchase for six (6) consecutive months, SKINNY JOE CO. will make them INACTIVE and their group will "roll up" to their ACTIVE Upline.
- B. SKINNY JOE CO. will notify the Associate in writing at his or her last known address or e-mail address of its intent to terminate the Associate's business and position and the reasons for termination. The Associate will have three (3) calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice.
- C. If the Associate does file a timely appeal of termination, SKINNY JOE CO. will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the Associate of its decision. The decision of SKINNY JOE CO. is then considered final and not subject to further review.
- D. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by SKINNY JOE CO. The former Associate shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to anything SKINNY JOE CO. SKINNY JOE CO. will notify the ACTIVE Upline Sponsor within ten (10) days after termination. The organization of the terminated Associate will "roll up" to the ACTIVE Upline Sponsor on record.
- E. The SKINNY JOE CO. Associate who is involuntarily terminated by SKINNY JOE CO. may not reapply for a position, either under his or her present name or any other name or entity, without the *express written consent of an officer of SKINNY JOE CO.*,



following a review by the SKINNY JOE CO. Compliance Department. In any event, such Associate may not re-apply for a position for twelve (12) months from the date of termination.

10.11 Effect of Cancellation

- A. Following an Associate's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Associate:
 - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Associate's former organization or any other payments in association with the Associate's former independent position;
 - II. Effectively waives any and all claims to property rights or any interest in or to the Associate's former Downline organization;
 - III. Shall receive commissions and bonuses only for the last full pay period in which he or she was ACTIVE prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, and less any other amounts owed to SKINNY JOE CO.

11.0 DISCIPLINARY SANCTIONS

11.1 Imposition of Disciplinary Action - Purpose

It is the spirit of SKINNY JOE CO. that integrity and fairness should pervade among its Associates, thereby providing everyone with an equal opportunity to build a successful business. Therefore, SKINNY JOE CO. reserves the right to impose disciplinary sanctions at any time, when it has determined that an Associate has violated the Terms of Use or any of these Policies and Procedures or the Rewards Plan as they may be amended from time to time by SKINNY JOE CO.

11.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following:
 - I. Monitoring an Associate's conduct over a specified period of time to assure compliance;
 - II. Issuance of a written warning or requiring the Associate to take immediate corrective action;
 - III. 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 SKINNY JOE



CO. receives adequate additional assurances from the Associate to ensure future compliance;

- IV. Suspension from participation in Company or Associate events, rewards, or recognition;
- V. Suspension of the SKINNY JOE CO. Associate Terms of Use and position for one or more pay periods;
- VI. Involuntary termination of the Associate's Terms of Use and position;
- VII. Any other measure which SKINNY JOE CO. deems feasible and appropriate to justly resolve injuries caused by the Associate's policy violation(s) or contractual breach(es);
OR
- VIII. Legal proceedings for monetary or equitable relief.

12.0 DISPUTE RESOLUTION

12.1 Grievances

- A. If a SKINNY JOE CO. Associate has a grievance or complaint against another Associate regarding any practice or conduct relating to their respective SKINNY JOE CO. businesses, he or she is encouraged to resolve the issue directly with the other party. If an Terms of Use cannot be reached, it must be reported directly to the SKINNY JOE CO. Compliance Department as outlined below in this Section.
- B. The SKINNY JOE CO. Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Associates involved.
- C. SKINNY JOE CO. will confine its involvement to disputes regarding SKINNY JOE CO. business matters only. SKINNY JOE CO. will not decide issues that involve personality conflicts or unprofessional conduct by or between Associates outside the context of a SKINNY JOE CO. business. These issues go beyond the scope of SKINNY JOE CO. and may not be used to justify a Sponsor or Placement change or a transfer to another SKINNY JOE CO. organization.
- D. SKINNY JOE CO. does not consider, enforce, or mediate third party Terms of Uses between Associates, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:



- I. The SKINNY JOE CO. Associate should submit a written letter of complaint (via email is acceptable) directly to the SKINNY JOE CO. Compliance Department. 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, SKINNY JOE CO. will conduct an investigation according to the following procedures:
 - a. The Compliance Department will send an acknowledgment of receipt to the complaining Associate;
 - b. The Compliance Department will provide a verbal or written notice of the allegation to the Associate under investigation;
 - c. The 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. Associate calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.

- E. SKINNY JOE CO. will make a final decision and timely notify the Associate involved.

12.2 Arbitration

- A. **Any controversy or claim arising out of or relating to the SKINNY JOE CO. Associate Terms of Use, these Policies and Procedures, or the breach thereof, the Associate’s business or any dispute between SKINNY JOE CO. and the Associate, shall be settled by binding and confidential arbitration administered by the American Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Any such arbitration shall be held in San Diego, California. There shall be one arbitrator, who shall have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the American Arbitration Association.



- B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including reasonable attorney's fees and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.
- C. This Terms of Use to arbitration shall survive any termination or expiration of the Associate Terms of Use.
- D. Nothing in these Policies and Procedures shall prevent SKINNY JOE CO. from applying for or obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect SKINNY JOE CO. interests or its Confidential Information prior to, during or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.
- E. **NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.**
- F. These Policies and Procedures and any arbitration involving an Associate and SKINNY JOE CO. shall be governed by and construed in accordance with the laws of the state of California, without reference to its principles of conflict of laws.

12.3 Severability

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.

12.4 Waiver

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

12.5 Successors and Claims



The Terms of Use shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13.0 GOVERNING LAW

These Policies and Procedures shall be governed by and construed in accordance with the Laws of the State of California and the exclusive jurisdiction of the United States courts.

14.0 SKINNY JOE CO. GLOSSARY OF TERMS

ACTIVE ASSOCIATE: An Associate who satisfies the minimum volume requirements, as set forth in the Rewards Plan, to ensure that they are eligible to receive bonuses and commissions.

TERMS OF USE: The contract between the Company and each Associate, which includes: (i) the Associate Terms of Use; (ii) the SKINNY JOE CO. Policies and Procedures; and (iii) the SKINNY JOE CO. Rewards Plan, all in their current form and as amended by SKINNY JOE CO. in its sole discretion. These documents are collectively referred to as the “Terms of Use.”

CANCEL: The termination of an Associate’s business. Cancellation may be either voluntary, involuntary, or through non-renewal.

REWARDS PLAN: The guidelines and referenced literature for describing how Associates can generate commissions and bonuses.

CUSTOMER: A Customer who purchases SKINNY JOE CO. Products and does not engage in building a business or retailing product.

ASSOCIATE: An individual who purchases product, generates retail sales and business building commissions.

LINE OF SPONSORSHIP (LOS): A report generated by SKINNY JOE CO. that provides critical data relating to the identities of Associates, sales information, and enrollment activity of each Associate’s organization. This report contains confidential and trade secret information which is proprietary to SKINNY JOE CO.

ORGANIZATION: The Customers and Associates placed below a particular Associate.

OFFICIAL SKINNY JOE CO. MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by SKINNY JOE CO. to Associates.

PLACEMENT: Your position inside your Sponsor’s organization.

RECRUIT: For purposes of SKINNY JOE CO.’s Conflict of Interest Policy, the term “Recruit” means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way,



either directly, indirectly, or through a third party, another SKINNY JOE CO. Associate or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

RESALABLE CONDITION: Products shall be deemed in “resalable condition” if each of the following elements is satisfied: (i) the Products are unopened and unused; (ii) the product’s original packaging and labeling has not been altered or damaged; (iii) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and (iv) the product contains current SKINNY JOE CO. 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: An Associate who enrolls a Customer or another Associate into the Company, and is listed as the Sponsor on the Associate Terms of Use. The act of enrolling others and training them to become Associates is called “sponsoring.”

UPLINE: This term refers to the Associate or Associates above a particular Associate in a sponsorship line up to the Company. It is the line of sponsors that links any particular Associate to the Company.