

Violet Eyewear

POLICIES AND PROCEDURES v1.0

1.0 INTRODUCTION

1.1 Mutual Commitment Statement

Violet Eyewear, LLC (“hereafter as “Violet Eyewear” and the “Company”) recognizes that in order to develop a long-term and mutually rewarding relationship with its Business Owners (“Consultant” and “Consultants”) and Customers, Violet Eyewear and the consultants must acknowledge and respect the true nature of the relationship and support the Customers.

- A. In the spirit of mutual respect and understanding, Violet Eyewear is committed to:
 - I. Provide prompt, professional and courteous service and communications to all of its consultants and Customers;
 - II. Provide the highest level of quality products, at fair and reasonable prices;
 - III. Exchange or refund the purchase price of any product, service or membership as provided in our *Return Policy*;
 - IV. Deliver orders promptly and accurately;
 - V. Pay commissions accurately and on a timely basis;
 - VI. Expedite orders or checks if an error or unreasonable delay occurs;
 - VII. Roll out new products and programs with consultant input and planning;
 - VIII. Implement changes in the Compensation Plan or Policies and Procedures that affect the consultant with input from the consultants;
 - IX. Support, protect and defend the integrity of the Violet Eyewear Business Opportunity;
 - X. Offer consultants an opportunity to grow with Violet Eyewear with such growth guided by the principles of Servant Leadership.
- B. In return, Violet Eyewear expects that its consultants will:
 - I. Conduct themselves in a professional, honest, and considerate manner;
 - II. Present Violet Eyewear Corporate and product information in an accurate and professional manner;

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- III. Present the Compensation Plan and Return Policy in a complete and accurate manner;
- IV. Not make exaggerated income claims;
- V. Make reasonable effort(s) to support and train consultants and Customers in their downline;
- VI. Not engage in cross-line recruiting, unhealthy competition or unethical business practices;
- VII. Provide positive guidance and training to consultants and Customers in their downline while exercising caution to avoid interference with other downlines. As such, a consultant is discouraged from providing cross-line training to a consultant or Customer in a different organization without first obtaining consent of the consultant's or Customer's upline leader;
- X. Support, protect, and defend the integrity of the Violet Eyewear Business Opportunity;
- XI. Accurately complete and submit the consultant Agreement and any requested supporting documentation in a timely manner.

1.2 Violet Eyewear Policies and Compensation Plan Incorporated into the Distributor agreement

- A. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Violet Eyewear Agreement, these Policies and Procedures, and the Violet Eyewear Compensation Plan.
- B. It is the responsibility of the Sponsoring consultant to provide the most current version of these Policies and Procedures (available on the Violet Eyewear website) and the Violet Eyewear Compensation Plan to each applicant prior to his, her and/or its execution of a consultant Agreement.

1.3 Purpose of Policies

- A. Violet Eyewear is a direct sales company that markets products and services through a network of business owners. To clearly define the relationship that exists between consultants and Violet Eyewear, and to explicitly set a standard for acceptable business conduct, Violet Eyewear has established these Policies and Procedures.
- B. Violet Eyewear consultants are required to comply with; (i) all of the Terms and Conditions set forth in the consultant Agreement, which Violet Eyewear may amend from time to time in its sole discretion; (ii) all Federal, State, Provincial, Territorial, and/or local laws governing his, her and/or its Violet Eyewear business; and (iii) these Policies and Procedures.

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- C. Violet Eyewear consultants must review the information in these Policies and Procedures carefully. Should a consultant have any questions regarding a policy or rule, the consultant is encouraged to seek an answer from their Sponsor or any other upline consultant. If further clarification is needed the consultant may contact Violet Eyewear Customer Service.

1.4 Changes, Amendments, and Modifications

- A. Because Federal, State, and local laws, as well as the business environment, periodically change, Violet Eyewear reserves the right to amend the Agreement and the prices in its Violet Eyewear Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official Violet Eyewear Materials. ***This provision does NOT apply to the arbitration clause found in Section 13, 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 Violet Eyewear website;
 - II. Electronic mail (e-mail); or
 - III. In writing through the Violet Eyewear newsletters or other Violet Eyewear communication channels.

1.5 Delays

Violet Eyewear 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 January 1, 2020 and, at such time, shall automatically supersede any prior Policies and Procedures (the “old Policies and Procedures”), and, on that date, the old Policies and Procedures shall cease to have any force or effect.

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2.0 BASIC PRINCIPLES

2.1 Becoming A Violet Eyewear Distributor

- A. To become a consultant, an applicant must comply with the following requirements:
 - I. Be of the age of majority (not a minor) in his or her state of residence;
 - II. Reside or have a valid address in the United States, a U.S. territory, or Canada;
 - III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
 - IV. Submit a properly completed and signed Distributor Agreement to Violet Eyewear;
 - V. Not be a Violet Eyewear employee, the Spouse of a Violet Eyewear employee or related to an employee of Violet Eyewear and living in the same household as such Violet Eyewear employee.

2.2 New Distributor Registration

- A. A potential new consultant may self-enroll on the Sponsor's website. In such event, instead of a physically signed consultant Agreement, Violet Eyewear will accept the Web-enrollment and consultant Agreement by accepting the "electronic signature" stating the new consultant has accepted the Terms and Conditions of such consultant Agreement. Please note that such electronic signature constitutes a legally binding agreement between the consultant and Violet Eyewear.
- B. Violet Eyewear reserves the right to require signed paperwork for any account, regardless of origin.
- C. If requested the signed consultant Agreement must be received by Violet Eyewear within 14 days of enrollment.
- D. Signed documents, including, but not limited to, consultant personal agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been signed may lead to sanctions, up to and including involuntary termination of the consultant's consultantship.

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2.3 Rights Granted

- A. Violet Eyewear hereby grants to the consultant a non-exclusive right, based upon the Terms and Conditions contained in the consultant Agreement and these Policies and Procedures, to:
 - I. Purchase Violet Eyewear products and services;
 - II. Promote and sell Violet Eyewear products and services; and
 - III. Sponsor new consultants and Customers in the United States and in countries where Violet Eyewear may become established after the effective date of these Policies and Procedures.

2.4 Identification Numbers

- A. Each consultant is required to provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to Violet Eyewear on the consultant Agreement. Violet Eyewear reserves the right to withhold commission payments from any consultant who fails to provide such information or who provides false information.
- B. Upon enrollment, Violet Eyewear will provide a Violet Eyewear Identification Number to the consultant. This number will be used to place orders, structure organizations, and track commissions and bonuses.

2.5 Renewals and Expiration of the Distributor Agreement

- A. If the consultant allows his or her consultant Agreement to expire due to nonpayment, the consultant will lose any and all rights to his, her or its downline organization unless the consultant re-activates within 60 days following the expiration of the Agreement.
- B. If the former consultant re-activates within the 60-day time limit, the consultant will resume the rank and position held immediately prior to the expiration of the consultant Agreement. However, such consultant's paid as level will not be restored unless he, she and/or an entity qualifies at that payout level in the new month. The consultant is not eligible to receive commissions for the time period that the consultant's consultantship was expired.
- C. Any consultant who was terminated or whose Agreement has expired and lapsed the 60-day grace period is not eligible to re-apply for a Violet Eyewear business for 12 months following the expiration of the consultant Agreement.
- D. The downline of the expired consultant will roll up to the immediate, active upline Sponsor.

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2.6 Business Entities

- A. A corporation, partnership, LLC, or trust (collectively referred to as a “Business Entity”) may apply to be a Violet Eyewear consultant. This consultant business and position will remain *temporary* until the proper documents are submitted. The Business Entity must submit one of the following documents: Certificate of Incorporation, Articles of Organization, Partnership Agreement or appropriate Trust documents. Violet Eyewear must receive these documents within 14 days from the date the consultant Agreement was signed.
- B. A Violet Eyewear consultant 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.

2.7 Independent Business Relationship; Indemnification for Actions

- A. The Violet Eyewear consultant is an independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, each consultant’s success depends on his or her independent efforts.
- B. The Agreement between Violet Eyewear and its consultants does not create an employer/employee relationship, agency, partnership, or joint venture between Violet Eyewear and the consultant.
- C. A Violet Eyewear consultant shall not be treated as an employee of Violet Eyewear for any purposes, including, without limitation, for Federal, State, or Provincial tax purposes. All consultants are responsible for paying local, State, Provincial, and Federal taxes due from all compensation earned as a consultant of Violet Eyewear. Any other compensation received by consultants from Violet Eyewear will be governed by applicable U.S. or Canadian tax laws (or the tax laws of any other applicable jurisdiction). The consultant has no express or implied authority to bind Violet Eyewear to any obligation or to make any commitments by or on behalf of Violet Eyewear. Each consultant, 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 consultant Agreement, these Policies and Procedures and applicable State, Federal and Provincial laws.
- D. The Violet Eyewear consultant is fully responsible for all of his or her verbal and written communications made regarding Violet Eyewear products, services, and the Compensation Plan that are not expressly contained within official Violet Eyewear materials. Distributors shall indemnify and hold harmless Violet Eyewear, 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 Violet Eyewear as a result of the consultant’s unauthorized representations or actions. This Provision shall survive the termination of the Violet Eyewear consultant Agreement.

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2.8 Insurance

- A. Business Pursuits Coverage. Violet Eyewear encourages consultants to arrange insurance coverage for their business. A homeowner's insurance policy does not cover business related injuries, or the theft of, or damage to, inventory or business equipment. Violet Eyewear consultants need to contact their insurance agent to make certain their business property is protected. In most instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

2.9 Errors or Questions

- A. If a consultant has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the consultant must notify Violet Eyewear in writing within 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 waived by the consultant.

3.0 VIOLET EYEWEAR'S CONSULTANT RESPONSIBILITIES

3.1 Correct Addresses

- A. It is the responsibility of the consultant or Customer to make sure Violet Eyewear has the correct shipping address before any orders are shipped.
- B. A consultant or Customer will need to allow up to 30 days for processing after the notice of address change has been received by Violet Eyewear.
- C. A consultant or Customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

3.2 Training and Leadership

- A. Any Violet Eyewear consultant who Sponsors another consultant into Violet Eyewear must perform an authentic assistance and training function to ensure his or her downline is properly operating his or her Violet Eyewear business. Sponsoring consultants should have ongoing contact and communication with the consultants 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 consultants to Violet Eyewear meetings, training sessions and any other related functions.
- B. A Sponsoring Violet Eyewear consultant should monitor the consultants in his or her downline organizations to ensure that downline consultants do not make improper product or business

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claims, or engage in any illegal or inappropriate conduct. Upon request, such consultant should be able to provide documented evidence to Violet Eyewear of his or her ongoing fulfillment of the responsibilities of a Sponsor.

- C. Upline consultants are encouraged to motivate and train new consultants about Violet Eyewear's products and services, effective sales techniques, the Violet Eyewear Compensation Plan and compliance with company Policies and Procedures.
- D. Marketing product is a required activity in Violet Eyewear and must be emphasized in all recruiting presentations.
- F. We emphasize and encourage all consultants to sell Violet Eyewear's products and services to Customers.
- G. Use of Sales Aids. To promote both the products and the opportunity Violet Eyewear offers, consultants must use the sales aids and support materials produced by Violet Eyewear. If Violet Eyewear consultants develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding Consultants' good intentions, they may unintentionally violate any number of statutes or regulations affecting the Violet Eyewear business. These violations, although they may be relatively few in number, could jeopardize the Violet Eyewear opportunity for all consultants. Accordingly, consultants must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the consultant receives specific written approval to use the material, the request shall be deemed denied. All consultants shall safeguard and promote the good reputation of Violet Eyewear and its products. The marketing and promotion of Violet Eyewear, the Violet Eyewear opportunity, the Compensation Plan, and Violet Eyewear products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

3.3 Constructive Criticism; Ethics

- A. Violet Eyewear desires to provide its independent consultants with the best products and services and Compensation Plan in the industry. Accordingly, Violet Eyewear values constructive criticism and encourages the submission of written comments addressed to Violet Eyewear Compliance Department.
- B. Negative and disparaging comments about Violet Eyewear, its products or Compensation Plan, by consultants made to Violet Eyewear, in the Field or at Violet Eyewear meetings or events, or disruptive behavior at Violet Eyewear meetings or events, serve no purpose other than to dampen the enthusiasm of other Violet Eyewear consultants. Violet Eyewear consultants must not belittle Violet Eyewear, other Violet Eyewear consultants, Violet Eyewear products or services, the Compensation Plan, or Violet Eyewear 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 Violet Eyewear.

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- C. Violet Eyewear is committed to providing consultants with a work environment free from harassment, intimidation, and abuse from other consultants, employees, vendors, and any other individuals in the work place. At Violet Eyewear, harassment of any kind will not be tolerated and is strictly prohibited, such as: derogatory or threatening comments, inappropriate sexual behavior including but not limited to unwelcome sexual advances or requests for sexual favors, displaying visual images of a sexual nature, physical or verbal harassment, or violent behavior. Employees are encouraged to report any type of harassment incidents immediately. Violet Eyewear will not tolerate acts or threats of violence and will investigate all reports. You have a responsibility to act when you are aware of a threat or risk to any of our employees.
- D. Violet Eyewear endorses the following code of ethics:**
- I. A Violet Eyewear consultant must show fairness, tolerance, and respect to all people associated with Violet Eyewear, regardless of race, gender, social class or religion, thereby fostering a “positive atmosphere” of teamwork, good morale and community spirit.
 - II. A consultant shall strive to resolve business issues, including situations with upline and downline consultants, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
 - III. Violet Eyewear consultants must be honest, responsible, professional and conduct themselves with integrity.
 - IV. Violet Eyewear consultants shall not make disparaging statements about Violet Eyewear, other consultants, Violet Eyewear employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.
- E. Violet Eyewear may take appropriate action against a consultant if it determines, in its sole discretion, that a consultant’s conduct is detrimental, disruptive, or injurious to Violet Eyewear or to other consultants.

3.4 Reporting Policy Violation

- A. A consultant who observes a policy violation by another consultant should submit a written and signed letter (e-mail will not be accepted) of the violation directly to the Violet Eyewear Corporate office. The letter shall set forth the details of the incident as follows:
- I. The nature of the violation;
 - II. Specific facts to support the allegations;
 - III. Dates;

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- IV. Number of occurrences;
 - V. Persons involved; and
 - VI. Supporting documentation
- B. Once the matter has been presented to Violet Eyewear, it will be researched thoroughly by the 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 consultants for the mutual effort to support, protect, and defend the integrity of the Violet Eyewear business and opportunity. If a consultant has a grievance or complaint against another consultant which directly relates to his or her Violet Eyewear business, the Procedures set forth in these Policies must be followed.

3.5 Sponsorship

- A. The Sponsor is the person who introduces a consultant or Customer to Violet Eyewear, helps them complete their enrollment, and supports and trains those in their downline.
- B. Violet Eyewear recognizes the Sponsor as the name(s) shown on the first:
- I. Physically signed Violet Eyewear consultant Agreement on file; or
 - II. Electronically signed consultant Agreement from a website or a Violet Eyewear consultants website.
- C. A consultant Agreement 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 Violet Eyewear.
- D. Violet Eyewear recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but Violet Eyewear will not allow consultants to engage in unethical sponsoring activities.
- E. All active consultants in good standing have the right to Sponsor and enroll others into Violet Eyewear. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one consultant will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first consultant who presented a comprehensive introduction to Violet Eyewear products or business opportunity.
- F. A *Protected Prospect* is a guest of any Violet Eyewear consultant or Customer who attended a Violet Eyewear event or conference call. For 60 days following the event, a Protected Prospect cannot be solicited or sponsored by any other Violet Eyewear consultant who attended the same event. A Violet Eyewear event can be defined as the following:

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- I. Any Violet Eyewear training session;
- II. Conference call;
- III. Fly-in meeting; or
- IV. Presentation, including but not limited to a Violet Eyewear at home presentation, whether sponsored by Violet Eyewear, a consultant, a Customer, or an agent or agency designated by Violet Eyewear.

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 consultant Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by Violet Eyewear, sanctions up to and including termination of a consultant’s consultancy 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 Violet Eyewear business in accordance with Violet Eyewear Sale or Transfer Policy set forth in these Policies.

3.7 Adherence to the Violet Eyewear Compensation Plan

- A. A consultant must adhere to the Terms of the Violet Eyewear Compensation Plan as set forth in these Policies and Procedures as well as in official Violet Eyewear literature. Deviation from the Compensation Plan is prohibited.
- B. A consultant shall not offer the Violet Eyewear opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Violet Eyewear literature.
- C. A consultant shall not require or encourage a current or prospective Customer or consultant to participate in Violet Eyewear in any manner that varies from the Compensation Plan as set forth in official Violet Eyewear literature.
- D. A consultant shall not require or encourage a current or prospective Customer or consultant to make a purchase from or payment to any individual or other entity as a condition to participating in the Violet Eyewear Compensation Plan, other than such purchases or payments required to naturally build their business.

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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 consultants because of the nature of the business. However, consultants must check their local laws and obey the laws that do apply to them.
- B. A Violet Eyewear consultant shall comply with all Federal, State, Provincial and local laws and regulations in their conduct of his or her Violet Eyewear business.

3.9 Compliance with Applicable Income Tax Laws

- A. Violet Eyewear will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US consultant whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of Violet Eyewear 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 consultant, and a minimum charge of \$20 may be assessed by Violet Eyewear. Canadian T-4's will be sent to consultants who earn more than \$500 or who received trips, prizes, or awards valued at \$500 or more. Violet Eyewear consultants are responsible for the payment of taxes on these trips, prizes, or awards provided to them by Violet Eyewear.
- B. A consultant accepts sole responsibility for and agrees to pay all Federal, State, Provincial and local taxes on any income generated as an independent consultant, and further agrees to indemnify Violet Eyewear from any failure to pay such tax amounts when due.
- C. If a consultant's business is tax exempt, the Federal Tax Identification number must be provided to Violet Eyewear in writing.
- D. Violet Eyewear encourages all consultants to consult with a tax advisor for additional information for their business.

3.10 One Violet Eyewear Business Per Distributor

- A. A consultant may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Violet Eyewear business. No individual may have, operate or receive compensation from more than one Violet Eyewear businesses. Individuals of the same family unit may each enter into or have an interest in their own separate Violet Eyewear 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.

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3.11 Actions of Household Members or Affiliated Parties

If any member of a Distributor's immediate household engages in any activity which, if performed by the Distributor, would violate any provision of the Agreement, such activity will be deemed a violation by the Distributor and Violet Eyewear may take disciplinary action pursuant to these Policies and Procedures against the Distributor. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Violet Eyewear may take disciplinary action against the Business Entity. Likewise, if a Distributor enrolls in Violet Eyewear as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the Terms and Conditions of the Agreement.

3.12 Solicitation for Other Companies or Products

- A. A Violet Eyewear consultant may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the Term of this Agreement and for one (1) year thereafter, a Violet Eyewear consultant may not recruit any Violet Eyewear consultant or Customer for any other direct sales or network marketing business, unless that consultant or Customer was personally sponsored by such consultant.
- 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 consultant or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the consultant's actions are in response to an inquiry made by another consultant or Customer.
- C. However, you may sell *non-competing* products or services to Violet Eyewear Customers and consultants. Specifically, a non-competing company is defined as a Network Marketing company that does NOT sell products in optical retail.

Due to the visibility of our higher-ranking affiliates, Violet Eyewear consultants at the rank of Director or above agree not to participate in **any** Network Marketing or party plan company, regardless if the company sells competing products or not.

- D. A consultant may not display or bundle Violet Eyewear products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or consultant into believing there is a relationship between the Violet Eyewear and non-Violet Eyewear products and services.
- E. A Violet Eyewear consultant may not offer any non-Violet Eyewear opportunity, products or services at any Violet Eyewear related meeting, seminar or convention, or immediately following a Violet Eyewear event.

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- F. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Violet Eyewear and its consultants and would inflict irreparable harm on Violet Eyewear. In such event, Violet Eyewear may, at its sole discretion, impose any sanction it deems necessary and appropriate against such consultant or such consultant's consultantships including termination, or seek immediate injunctive relief without the necessity of posting a bond.

3.13 Presentation of the Violet Eyewear Opportunity

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

A copy of the IDS must be presented to a prospective consultant anytime the Compensation 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") include; (1) statements of average earnings, (2) statements of non-average

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earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one consultant earned over a million dollars last year” or “Our average ranking consultant makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher ranking consultants is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

3.14 Sales Requirements are Governed by the Compensation Plan

- A. Violet Eyewear consultants may purchase Violet Eyewear products and then re-sell them at any price they choose unless otherwise specified by Violet Eyewear or by any/its product suppliers on a per product basis. Violet Eyewear will provide suggested selling prices. There are no exclusive territories granted to anyone. No franchise fees are applicable to a Violet Eyewear business.
- B. The Violet Eyewear program is built on sales to the ultimate consumer. Violet Eyewear encourages its Distributors to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Distributors must never attempt to influence any other consultant to buy more products than they can reasonably use or sell to retail Customers in a month.
- C. ***Purchasing product solely for the purpose of collecting bonuses or achieving rank is prohibited.*** Violet Eyewear retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

4.0 ORDERING

4.1 General Order Policies

- A. “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (b) the fraudulent enrollment of an individual or entity as a consultant or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Distributors or Customers (“phantoms”); (d) purchasing Violet Eyewear products or services on behalf of another Distributor or Customer, or under another Distributor’s or Customer’s ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

A consultant shall not use another consultant’s or Customer’s credit card or debit checking account to enroll in Violet Eyewear or purchase products or services without the account

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holder's *written permission*. Such documentation must be kept by the consultant indefinitely in case Violet Eyewear needs to reference this.

- B. Regarding an order with an invalid or incorrect payment, Violet Eyewear will attempt to contact the consultant by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after 10 business days, the order will be canceled.
- C. If a consultant wants to move an order to another consultant's position, he or she must have prior authorization, of all parties involved. Violet Eyewear will charge the consultant a \$20 fee for processing.
- D. Prices are subject to change without notice.
- E. A consultant or Customer who is a recipient of a damaged or incorrect order must notify Violet Eyewear within 30 calendar days from receipt of the order and follow the 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 consultant or Customer for all returned checks and insufficient funds.
- B. Any outstanding balance owed to Violet Eyewear by a consultant or Customer of the consultant from NSF (non-sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld by Violet Eyewear from a consultant's 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 the consultant, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the Customer or consultant will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or consultant may be deemed ineligible to purchase Violet Eyewear products or services or participate in the monthly auto ship.

4.3 Sales Tax Obligation

- A. The consultant shall comply with all State, Provincial and local taxes and regulations governing the sale of Violet Eyewear products and services.
- B. Violet Eyewear will collect and remit sales tax on consultant orders unless a consultant furnishes Violet Eyewear with the appropriate Resale Tax Certificate form. When orders are placed with Violet Eyewear, sales tax is prepaid based upon the suggested retail price. Violet Eyewear will remit the sales tax to the appropriate state, Provincial and local jurisdictions. The

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consultant may recover the sales tax when he or she makes a sale. Violet Eyewear consultants are responsible for any additional sales taxes due on products marked up and sold at a higher price.

- C. Violet Eyewear encourages each consultant 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

- A. A consultant must be active and in compliance with Violet Eyewear Policies and Procedures to qualify for bonuses and commissions. So long as a consultant complies with the Terms of the Agreement, Violet Eyewear shall pay commissions to such consultant in accordance with the Compensation Plan.
- B. Violet Eyewear will not issue a payment to a consultant without the receipt of a completed and signed Violet Eyewear consultant Agreement or Electronic Authorization.
- C. Violet Eyewear reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.

5.2 Computation of Commissions and Discrepancies

- A. In order to qualify to receive commissions and bonuses, a consultant must be in good standing and comply with the Terms of the Agreement and these Policies and Procedures. Commissions, bonuses, overrides, and achievement levels are calculated each month.
- B. A Violet Eyewear consultant must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within 30 days of receipt. After the 30-day “grace period” no additional requests will be considered for commission recalculations.
- C. For additional information on payment of commissions, please review the Compensation Plan.

5.3 Adjustments to Bonuses and Commissions for Returned Products or consultant Memberships.

- A. A consultant receives bonuses and commissions based on the actual sales of products and services to end consumers and to consultants through product and service purchases. When a product or service is returned to Violet Eyewear for a refund from the end consumer or by a consultant, the bonuses and commissions attributable to the returned product or service will be deducted from the consultant 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.

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- B. In the event that a consultant terminates his or her consultancy, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Violet Eyewear, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Violet Eyewear to the terminated consultant.

6.0 SATISFACTION GUARANTEED AND RETURN OF SALES AIDS

Violet Eyewear offers a one hundred percent (100%) ninety-day money back guarantee for all Customers. If a Customer purchased a product or service and is not satisfied with the product or service, the Customer may request a refund from their consultant. If you are not 100% satisfied with our products, you may return the items for a refund if neither you nor we have terminated the Agreement and the products or services were purchased within twelve (12) months and remain in resaleable condition. The refund shall be ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Upon cancellation of the Agreement, the consultant may return all generic sales aids purchased within one (1) year from the date of cancellation for a refund if he or she is unable to sell or use the merchandise. A consultant may only return sales aids he or she personally purchased from the Company under his or her consultant Identification Number, and which are in Resalable condition. Any custom orders of printed sales aids (i.e. business cards, brochures, etc.) whereon the Consultant's contact information is imbedded or hard printed, or has been added by the Consultant, are not able to be returned in resaleable condition thus are nonrefundable. Upon Violet Eyewear's receipt of the products and sales aids, the consultant will be reimbursed ninety percent (90%) of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same credit card account. The Company shall deduct from the reimbursement paid to the consultant any commissions, bonuses, rebates or other incentives received by the consultant which were associated with the merchandise that is returned.

6.1 Return Process

- A. All returns, whether by a Customer, or consultant, must be made as follows:
 - I. Obtain Return Merchandise Authorization ("RMA") from Violet Eyewear;
 - II. Ship items to the address provided by Violet Eyewear 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 Violet Eyewear pre-paid, as Violet Eyewear does not accept shipping collect packages. Violet Eyewear recommends shipping returned product by UPS or

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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 consultant. If returned product is not received at Violet Eyewear Distribution Center, it is the responsibility of the Customer, or consultant 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 a consultant, may constitute grounds for involuntary termination.

7.0 PRIVACY POLICY

7.1 Introduction

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

7.2 Expectation of Privacy

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

7.3 Employee Access to Information

Violet Eyewear limits the number of employees who have access to Customer's and consultants' nonpublic personal information.

7.4 Restrictions on the Disclosure of Account Information

- A. Violet Eyewear will not share non-public personal information or financial information about current or former Customers or consultants with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers', or consultants' interests or to enforce its rights or obligations under these Policies and Procedures, or consultant's Agreement or with written permission from the accountholder on file.

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8.0 PROPRIETARY INFORMATION AND TRADE SECRETS

8.1 Business Reports, Lists, and Proprietary Information

- A. By completing and signing the Violet Eyewear consultant Agreement, the consultant acknowledges that Business Reports, lists of Customer and consultant names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by Violet Eyewear pertaining to the business of Violet Eyewear (collectively, “Reports”), are confidential and proprietary information and trade secrets belonging to Violet Eyewear.

8.2 Obligation of Confidentiality

- A. During the Term of the Violet Eyewear consultant Agreement and for a period of five (5) years after the termination or expiration of the consultant Agreement between the consultant and Violet Eyewear, the consultant shall not;
- I. Use the information in the Reports to compete with Violet Eyewear or for any purpose other than promoting his or her Violet Eyewear 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

- A. The consultant 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 Violet Eyewear and to independent Violet Eyewear businesses. Violet Eyewear and its consultants will be entitled to injunctive relief or to recover damages against any consultant 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

- A. Upon demand by Violet Eyewear, any current or former consultant will return the original and all copies of all “Reports” to Violet Eyewear together with any Violet Eyewear confidential information in such person’s possession.

9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES

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AND TRADEMARKS

9.1 Labeling, Packaging, and Displaying Products

- A. A Violet Eyewear consultant may not re-label, re-package, refill, or alter labels of any Violet Eyewear product, or service, information, materials or program(s) in any way. Violet Eyewear products and services must only be sold in their original containers from Violet Eyewear. Such re-labeling or re-packaging violates Federal, and State and Provincial laws, which may result in criminal or civil penalties or liability.
- B. A Violet Eyewear consultant shall not cause any Violet Eyewear product or service or any Violet Eyewear trade name to be sold or displayed in retail establishments except;
 - I. Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas and beauty salons);
 - II. Where the retail establishment is owned or managed by the consultant and the store does not exceed \$1 million in annual gross revenue, and there are 5 or fewer stores under common ownership of management.
- C. Violet Eyewear will permit consultants to solicit and make Commercial Sales upon *prior written approval* from Violet Eyewear. For the purpose of these Policies and Procedures, the term "Commercial Sale" means the sale of;
 - I. Violet Eyewear products that equal or exceed \$5,000 in a single order;
 - II. Products sold to a third party who intends to resell the products to an end consumer.
- D. A consultant may sell Violet Eyewear products and services and display the Violet Eyewear trade name at any appropriate display booth (such as trade shows) upon *prior written approval* from Violet Eyewear.
- E. Violet Eyewear reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the Violet Eyewear opportunity.

9.2 Use of Company Names and Protected Materials

- A. A Violet Eyewear consultant must safeguard and promote the good reputation of Violet Eyewear and the products and services it markets. The marketing and promotion of Violet Eyewear, the Violet Eyewear opportunity, the Compensation Plan, and Violet Eyewear products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.

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- B. All promotional materials supplied or created by Violet Eyewear must be used in their original form and cannot be changed, amended or altered except with prior written approval from the Violet Eyewear Compliance Department.
- C. The name of Violet Eyewear, each of its product and service names and other names that have been adopted by Violet Eyewear in connection with its business are proprietary trade names, trademarks and service marks of Violet Eyewear. As such, these marks are of great value to Violet Eyewear and are supplied to consultants for their use only in an expressly authorized manner.
- D. A Violet Eyewear consultant's use of the name "Violet Eyewear" is restricted to protect Violet Eyewear proprietary rights, ensuring that the Violet Eyewear protected names will not be lost or compromised by unauthorized use. Use of the Violet Eyewear name on any item not produced by Violet Eyewear is prohibited except as follows:
 - I. [consultant's name] Independent Violet Eyewear consultant
 - II. [consultant's name] Independent consultant of Violet Eyewear products and services.
- E. Further procedures relating to the use of the Violet Eyewear name are as follows:
 - I. All stationary (i.e. letterhead, envelopes, and business cards) bearing the Violet Eyewear name or logo intended for use by the consultant must be approved in writing by the Violet Eyewear Compliance Department.
 - II. Violet Eyewear consultants may list "Independent Violet Eyewear consultant or consultant" in the white pages of the telephone directory under his or her own name.
 - III. Violet Eyewear consultants may not use the name Violet Eyewear or Violet Eyewear in answering his or her telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent Violet Eyewear consultant."
- F. Certain photos and graphic images used by Violet Eyewear in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to consultants. If a consultant wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- G. A Violet Eyewear consultant shall not appear on or make use of television or radio, or make use of any other media to promote or discuss Violet Eyewear or its programs, products or services without prior written permission from the Violet Eyewear Compliance Department.
- H. A consultant may not produce for sale or distribution any Company event or speech, nor may a consultant reproduce Violet Eyewear audio or video clips for sale or for personal use without prior written permission from the Violet Eyewear Compliance Department.

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- I. Violet Eyewear 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 consultant.
- J. A consultant shall not promote non-Violet Eyewear products or services in conjunction with Violet Eyewear products or services on the same websites or same advertisement without prior approval from Violet Eyewear Compliance.

9.3 Faxes and E-mail - Limitations

- A. Except as provided in this section, a consultant may not use or transmit unsolicited faxes, email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her Violet Eyewear business. The exceptions are;
 - I. Faxes or e-mailing any person who has given prior permission or invitation;
 - II. Faxing or e-mailing any person with whom the consultant has established a prior business or personal relationship.
- B. In all States, Provinces or Territories where prohibited by law, a consultant 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 faxes, e-mail or computer broadcasted documents subject to this provision shall include each of the following;
 - I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
 - II. A clear return path or routing information;
 - III. The use of legal and proper domain name;
 - IV. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
 - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
 - VI. The true and correct name of the sender, valid senders fax or e-mail address, and a valid sender physical address;

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- VII. The date and time of the transmission;
 - VIII. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, a Violet Eyewear consultant 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. A consultant may not use or attempt to register any of Violet Eyewear'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.
- B. A Violet Eyewear consultant may not sell Violet Eyewear products, services or offer the Business Opportunity using "online auctions," such as eBay®.
- C. All consultants may have one (1) Approved third-party website. A third-party website is a Violet Eyewear-approved personal website that is hosted on non-Violet Eyewear servers and has no affiliation with Violet Eyewear. Any consultant who wishes to develop their own third-party website must submit a properly completed third-party website Application and Agreement along with the proper Website registration fee and receive Violet Eyewear's prior written approval before going live with their third-party website. Third-party websites may be used to promote your business and Violet Eyewear's products so long as the third-party website adheres to Violet Eyewear's advertising policies. Moreover, no orders may be placed through third-party websites, and no enrollments may occur through a third-party website. If you wish to use any third-party website, you must do the following:
 - a. Identify yourself as a consultant for Violet Eyewear;
 - b. Use only the approved images and wording authorized by Violet Eyewear;
 - c. Adhere to the branding, trademark, and image usage policies described in this document.
 - d. Adhere to any other provision regarding the use of a third-party website described in this document;
 - e. Agree to give the Compliance Department at Violet Eyewear access to the third-party website and, if the website is password protected, the Compliance Department must receive passwords or credentials allowing unlimited access.
 - f. Agree to modify your website to comply with current or future Violet Eyewear policies.

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- D. All marketing materials used on a consultant's third-party website must be provided by Violet Eyewear or approved in writing by Violet Eyewear.
- E. To avoid confusion, the following three elements must also be prominently displayed at the top of every page of your third-party website:
1. The Violet Eyewear Distributor Logo
 2. Your Name and Title
 3. Violet Eyewear Corporate Website Redirect Button
- F. A consultant may not use third-party sites that contain materials copied from corporate sources (such as Violet Eyewear brochures, CDs, videos, tapes, events, presentations, and corporate websites). This Policy ensures brand consistency, allows Customers and consultants to stay up-to-date with changing products, services and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.
- G. A Violet Eyewear consultant who currently qualifies at the rank of **Diamond** may apply to the Compliance Department for an exception to the third-party website policy. To qualify for an exception, the website must serve a unique market that the Violet Eyewear corporate site does not currently serve or intend to serve.
- H. Violet Eyewear products may be displayed with other products or services on a consultant's third-party website so long as the other products and services are consistent with Violet Eyewear values and are not marketed or sold by a competing network-marketing company.
- I. If the independent Violet Eyewear business of a consultant who has received authorization to create and post a third-party website is voluntarily or involuntarily canceled for any reason, or if Violet Eyewear revokes its authorization allowing the consultant to maintain a third-party website, the consultant shall assign the URL to his/her third-party website to the Violet Eyewear within three (3) days from the date of the cancellation and/or re-direct all traffic to the site as directed by the Violet Eyewear. Violet Eyewear reserves the right to revoke any consultant's right to use a third-party website at any time if Violet Eyewear believes that such revocation is in the best interest of Violet Eyewear, its consultants, and Customers. Decisions and corrective actions in this area are at Violet Eyewear's sole discretion.
- J. Social Media sites may not be used to sell or offer to sell Violet Eyewear products or services. **PROFILES A DISTRIBUTOR GENERATES IN ANY SOCIAL COMMUNITY WHERE Violet Eyewear IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE DISTRIBUTOR AS A VIOLET EYEWEAR DISTRIBUTOR**, and when a consultant participates in those communities, consultants 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 Violet Eyewear's sole discretion, and offending consultants will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Violet Eyewear approved

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- library. If a link is provided, it must link to the posting consultant's Replicated website or an approved third-party website.
- K. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending consultants will be subject to disciplinary action.
 - L. Distributors may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments consultants create or leave must be useful, unique, relevant and specific to the blog's article.
 - M. Distributors must disclose their full name on all Social Media postings, and conspicuously identify themselves as an independent consultant for Violet Eyewear. Anonymous postings or use of an alias is prohibited.
 - N. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Violet Eyewear income opportunity, Violet Eyewear's products and services, and/or your biographical information and credentials.
 - O. Distributors are personally responsible for their postings and all other online activity that relates to Violet Eyewear. Therefore, even if a consultant does not own or operate a blog or Social Media site, if a consultant posts to any such site that relates to Violet Eyewear or which can be traced to Violet Eyewear, the consultant is responsible for the posting. Distributors are also responsible for postings which occur on any blog or Social Media site that the consultant owns, operates, or controls.
 - P. As a Violet Eyewear consultant, it is important to not converse with any person who places a negative post against you, other consultants, or Violet Eyewear. Report negative posts to Violet Eyewear at customerservice@violeteyewear.com. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Violet Eyewear, and therefore damages the reputation and goodwill of Violet Eyewear.
 - Q. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, Violet Eyewear therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that consultants using, or who wish to use, such sites adhere to the Violet Eyewear's policies relating to third-party websites.
 - R. If your Violet Eyewear business is cancelled for any reason, you must discontinue using the Violet Eyewear name, and all of Violet Eyewear's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent Violet Eyewear consultant, you must conspicuously disclose that you are no longer an independent Violet Eyewear consultant.

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- S. Failure to comply with these Policies for conducting business online may result in the consultant losing their right to advertise and market Violet Eyewear products, services and Violet Eyewear's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.

9.5 Advertising and Promotional Materials

- A. You may not advertise any Violet Eyewear products or services at a price LESS than the highest company published, established retail price of ONE offering of the Violet Eyewear product or service plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the 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 Violet Eyewear Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the Violet Eyewear Compliance Department.
- E. Violet Eyewear approval is not required to place blind ads that do not mention Violet Eyewear, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. A consultant who is currently paid at the **Diamond** rank may create his or her own ads or promotional materials including the development of commercials, infomercials and additional third-party websites. However, all such materials, and any subsequent changes thereto shall be submitted to the Violet Eyewear Compliance Department for approval.
 - I. **Diamonds** are encouraged to work with the Compliance Department prior to the production of commercials, infomercials, or websites.
- G. Violet Eyewear 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 consultant.

9.6 Testimonial Permission

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- A. By signing the Violet Eyewear Distributor Agreement, a consultant gives Violet Eyewear permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in the Violet Eyewear Business Opportunity, a consultant waives any right to be compensated for the use of his or her testimonial or image and likeness even though Violet Eyewear may be paid for items or sales materials containing such image and likeness. In some cases, a consultant's testimonial may appear in another consultant's advertising materials. If a consultant does not wish to participate in Violet Eyewear sales and marketing materials, he or she should provide a written notice to the Violet Eyewear 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 Telemarketing - Limitations

- A. A Violet Eyewear consultant must not engage in telemarketing in relation to the operation of the consultant's Violet Eyewear business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of Violet Eyewear products or services, or to recruit them for the Violet Eyewear opportunity.
- B. 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.
- C. While a consultant 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 consultant to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).
- D. "Cold calls" or "state-to-state calls" made to prospective Customers, or consultants that promote either Violet Eyewear products, services or the Violet Eyewear opportunity is considered telemarketing and is prohibited.
- E. Exceptions to Telemarketing Regulations

A Violet Eyewear consultant may place telephone calls to prospective Customers, or consultants under the following limited situations;

- I. If the consultant has an established business relationship with the prospect;
- II. In response to the prospect's personal inquiry or application regarding a product or service offered by the Violet Eyewear consultant, within 3 months immediately before the date of such a call;
- III. If the consultant receives written and signed permission from the prospect authorizing the consultant to call;

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- IV. If the call is to family members, personal friends, and acquaintances. However, if a consultant 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. Violet Eyewear consultants engaged in calling “acquaintances,” must make such calls on an occasional basis only and not as a routine practice.
- F. A consultant shall not use automatic telephone dialing systems in the operation of his or her Violet Eyewear businesses.
 - G. Failure to abide by Violet Eyewear policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the consultant’s consultantship, up to and including termination of the consultantship.
 - H. By signing the consultant Agreement, or by accepting commission checks, other payments or awards from Violet Eyewear, a consultant gives permission to Violet Eyewear and other consultants to contact them as permitted under the Federal Do Not Call regulations.
 - I. In the event a consultant violates this section, Violet Eyewear reserves the right to institute legal proceedings to obtain monetary or equitable relief.

10.0 INTERNATIONAL MARKETING

10.1 International Marketing Policy

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

11.0 CHANGES TO A DISTRIBUTOR BUSINESS

11.1 Modification of the Distributor Agreement

- A. A Violet Eyewear consultant may modify his or her existing consultant Agreement (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 consultant) by submitting a written request, accompanied by a new consultant Agreement and the Business

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Registration Form, if applicable, completed with fresh signatures (not a “crossed out” or “white-out” version of the first Agreement), and any appropriate supporting documentation.

11.2 Change Sponsor or Placement for Active consultants

- A. Maintaining the integrity of the organizational structure is mandatory for the success of Violet Eyewear and our independent consultants. 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 a consultant. Furthermore, such changes may only occur within the same organization.
- B. Sponsors may make “Placement changes” from one consultant to another for personally Sponsored (frontline) consultants during the first 30 days of enrollment.
- C. New consultants 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 consultant Agreement must be received within the calendar month for commission calculations to be effective with the requested change.
- D. To change or correct the Sponsor, a consultant must comply with following procedures;
 - I. Submit a Sponsor Placement Transfer Form;
 - II. Submit a Violet Eyewear consultant Agreement showing the correct Sponsor and Placement, and any appropriate supporting documentation;
 - III. The consultant Agreement must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first Agreement.
- E. Upon approval, the consultant’s downline, if any, will transfer with the consultant.
- 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 30 days from initial enrollment, Violet Eyewear will honor the Sponsor/Placement as shown:
 - I. On the most recently signed consultant Agreement on file; or
 - II. Self-enrolled on the website (i.e., electronically signed Web Agreement).
- H. Violet Eyewear 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.

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11.3 Change Sponsor or Placement for Inactive consultants

- A. At the discretion of Violet Eyewear, consultants who did not participate in an auto ship or have not ordered products or services for at least 12 months, and who have not tendered a letter of resignation, are eligible to re-enroll in Violet Eyewear under the Sponsor/Placement of their choice.
- B. Upon written notice to Violet Eyewear that a former consultant wishes to re-enroll, Violet Eyewear will “compress” (close) the original account. A new Violet Eyewear ID number will then be issued to the former consultant.
- C. Such consultant does not retain former rank, downline, or rights to commission checks from his or her former organizations.
- D. Violet Eyewear reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

11.4 Change Organizations

- A. If a Violet Eyewear consultant wishes to transfer organizations, he or she must submit a letter of resignation to the Violet Eyewear Customer Service Department and remain inactive (place no orders, or be on an auto ship) with or in Violet Eyewear for 6 months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. Violet Eyewear retains the right to approve or deny any request to re-enroll after a consultant’s resignation.
- C. If re-enrollment is approved, the former consultant will be issued a new Violet Eyewear ID number and will be required to submit a new consultant Agreement. The consultant 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.

11.5 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 consultant from another consultant or influencing another consultant to transfer to a different sponsor.
- D. Allegations of unethical sponsoring must be reported in writing to the Violet Eyewear Compliance Department within the first 90 days of enrollment. If the reports are substantiated, Violet Eyewear may transfer the consultant or the consultant’s downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement consultants. Violet Eyewear remains the final authority in such cases.

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- E. Violet Eyewear prohibits the act of “Stacking.” Stacking is the unauthorized manipulation of the Violet Eyewear compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline consultant 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 independent consultant positions of all individuals and/or entities found to be directly involved.
- F. Should Distributors engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Violet Eyewear products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a consultant alleging that they engaged in inappropriate recruiting activity of another company’s sales force or Customers, Violet Eyewear will not pay any of Distributor’s defence costs or legal fees, nor will Violet Eyewear indemnify the Distributor for any judgment, award, or settlement.

11.6 Sell, Assign or Delegate Ownership

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for Violet Eyewear to place restrictions on the transfer, assignment, or sale of a consultantship.
- B. A Violet Eyewear consultant may not sell or assign his or her rights or delegate his or her position as a consultant without *prior written approval* by Violet Eyewear, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Violet Eyewear.
- C. Should the sale be approved by Violet Eyewear, 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 Violet Eyewear consultantship, the following items must be submitted to the Violet Eyewear Compliance Department;
 - I. A Sale/Transfer of Distributorship Form properly completed, with the requisite signatures.
 - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
 - III. A Violet Eyewear consultant Agreement completed and signed by the Buyer;
 - IV. Payment of the \$100 administration fee;
 - V. Any additional supporting documentation requested by Violet Eyewear.
- E. Any debt obligations that either Seller or Buyer may have with Violet Eyewear must be satisfied prior to the approval of the sale or transfer by Violet Eyewear.

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- F. A Violet Eyewear consultant who sells his or her consultantship is not eligible to re-enroll as a Violet Eyewear consultant 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.

11.7 Separating a Violet Eyewear 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 Violet Eyewear business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize Violet Eyewear to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee;
 - II. The parties may continue to operate the Violet Eyewear business jointly on a “business as usual” basis, whereupon all compensation paid by Violet Eyewear will be paid in the name designated as the consultants or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, Violet Eyewear will pay compensation to the name on record and in such event, the Consultant named on the account shall indemnify Violet Eyewear from any claims from the other business owner(s) or the other Spouse with respect to such payment.
- B. Violet Eyewear recognizes only one Downline organization and will issue only one commission check per Violet Eyewear business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will Violet Eyewear 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 Violet Eyewear 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 consultant or active Customer in the former organization, and must develop a new business in the same manner as any other new Violet Eyewear consultant. A consultant 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 13.5.

11.8 Succession

- A. Upon the death or incapacity of a consultant, the consultant’s business may be passed on to his or her legal successors in interest (successor). Whenever a Violet Eyewear business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased consultant’s sales organization. The successor must:
 - I. Complete and sign a new Violet Eyewear consultant Agreement;
 - II. Comply with the Terms and provisions of the consultant Agreement; and

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- III. Meet all of the qualifications for the last rank achieved by the former consultant.
- B. Bonus and commission checks of a Violet Eyewear business transferred based on this section will be paid in a single check to the successor. The successor must provide Violet Eyewear 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 consultantship, 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. Violet Eyewear 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 Violet Eyewear Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Violet Eyewear business, the successor must provide the following to Violet Eyewear 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 Violet Eyewear business.
- E. To complete a transfer of the Violet Eyewear business because of incapacity, the successor must provide the following to the Violet Eyewear 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 Violet Eyewear business; and
 - III. A completed consultant Agreement executed by the trustee.
- F. If the successor is already an existing consultant, Violet Eyewear will allow such consultant to keep his or her own consultantship plus the inherited consultantship active for up to six (6) months. By the end of the 6-month period, the consultant must have compressed (if applicable), sold or otherwise transferred either the existing consultantship or the inherited consultantship.
- G. If the successor wishes to terminate the Violet Eyewear consultantship, he or she must submit a notarized statement stating the desire to terminate the consultantship, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, Violet Eyewear may grant a 1 month bereavement waiver and pay out at the last “paid as” rank.

11.9 Resignation/Voluntary Termination

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- A. A consultant may immediately terminate his or her consultantship by submitting a written notice or email to the Violet Eyewear Compliance Department compliance [at]violeteyewear.com. The written notice must include the following;
 - I. The consultant's intent to resign;
 - II. Date of resignation;
 - III. Violet Eyewear Identification Number;
 - IV. Reason for resigning; and
 - V. Signature.
- B. A Violet Eyewear consultant may not use resignation as a way to immediately change Sponsor and Placement. Instead, the consultant who has voluntarily resigned is not eligible to reapply for a consultantship or have any financial interest in a or any Violet Eyewear business for 6 months from the receipt of the written notice of resignation.

11.10 Involuntary Termination

- A. Violet Eyewear reserves the right to terminate a consultant's consultantship for, but not limited to, the following reasons;
 - I. Violation of any Terms or Conditions of the consultant Agreement;
 - II. Violation of any provision in these Policies and Procedures;
 - III. Violation of any provision in the Compensation Plan;
 - IV. Violation of any applicable law, ordinance, or regulation regarding the Violet Eyewear business;
 - V. Engaging in unethical business practices or violating standards of fair dealing; or
 - VI. Returning over \$500 worth of products, services and/or sales tools for a refund within a 12 month period.
- B. Violet Eyewear will notify the consultant in writing *by certified mail, return receipt requested or overnight documented mail*, at his or her last known address of its intent to terminate the consultant's consultantship and the reasons for termination. The consultant will have 15 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. Violet Eyewear will then have 30 calendar days from the date of receipt of the consultant's response to render a final decision as to termination.
- C. If a decision is made by Violet Eyewear to terminate the consultant's consultantship, Violet Eyewear will inform the consultant in writing that the consultantship is terminated effective as of the date of the written notification. The consultant will then have 15 calendar days from the date of mailing of such notice to appeal the termination in writing. Violet Eyewear must receive the consultant's written appeal within 20 calendar days of the date of the Violet Eyewear termination letter. If the written appeal is not received within this time period, the termination will be considered final.

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- D. If the consultant does file a timely appeal of termination, Violet Eyewear will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the consultant of its decision. The decision of Violet Eyewear is then considered final and not subject to further review.
- E. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by Violet Eyewear. The former consultant shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Violet Eyewear products or services. Violet Eyewear will notify the active Upline Sponsor within 10 days after termination. The organization of the terminated consultant will “roll up” to the active Upline Sponsor on record.
- F. The Violet Eyewear consultant who is involuntarily terminated by Violet Eyewear may not reapply for a consultantship, either under his or her present name or any other name or entity, without the *express written consent of an officer of Violet Eyewear, following a review by the Violet Eyewear Compliance Committee*. In any event, such consultant may not re-apply for a consultantship for 12 months from the date of termination.

11.11 Effect of Cancellation

- A. Following a consultant’s cancellation for inactivity or voluntary or involuntary termination (collectively, a “cancellation”) such consultant;
 - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the consultant’s former organization or any other payments in association with the consultant’s former independent consultantship;
 - II. Effectively waives any and all claims to property rights or any interest in or to the consultant’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 Violet Eyewear.

12.0 DISCIPLINARY SANCTIONS

12.1 Imposition of Disciplinary Action - Purpose

- A. It is the spirit of Violet Eyewear that integrity and fairness should pervade among its consultants, thereby providing everyone with an equal opportunity to build a successful business. Therefore, Violet Eyewear reserves the right to impose disciplinary sanctions at any time, when it has determined that a consultant has violated the Agreement or any of these Policies and Procedures or the Compensation Plan as they may be amended from time to time by Violet Eyewear.

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12.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following;
 - I. Monitoring a consultant's conduct over a specified period of time to assure compliance;
 - II. Issuance of a written warning or requiring the consultant 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 Violet Eyewear receives adequate additional assurances from the consultant to ensure future compliance;
 - IV. Suspension from participation in Company or consultant events, rewards, or recognition;
 - V. Suspension of the Violet Eyewear consultant Agreement and consultantship for one or more pay periods;
 - VI. Involuntary termination of the consultant's Agreement and consultantship;
 - VII. Any other measure which Violet Eyewear deems feasible and appropriate to justly resolve injuries caused by the consultant's Policy violation or contractual breach; OR
 - VIII. Legal proceedings for monetary or equitable relief.

13.0 DISPUTE RESOLUTION

13.1 Grievances

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

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E. Process for Grievances:

I. The Violet Eyewear consultant should submit a written letter of complaint (e-mail will not be accepted) directly to the Violet Eyewear 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, Violet Eyewear will conduct an investigation according to the following procedures;

- a. The Compliance Department will send an acknowledgment of receipt to the complaining consultant;
- b. The Compliance Department will provide a verbal or written notice of the allegation to the consultant under investigation. If a written notice is sent to the consultant, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by Violet Eyewear
- 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. Distributor calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.

E. Violet Eyewear will make a final decision and timely notify the Violet Eyewear consultants involved.

13.2 Arbitration

A. **Any controversy or claim arising out of or relating to the Violet Eyewear consultant agreement, these Policies and Procedures, or the breach thereof, the consultant’s business or any dispute between Violet Eyewear and the consultant, 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**

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- be entered in any court having jurisdiction thereof.** Any such arbitration shall be held in Columbus, Ohio. 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 agreement to arbitration shall survive any termination or expiration of the consultant agreement.
 - D. Nothing in these Policies and Procedures shall prevent Violet Eyewear 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 Violet Eyewear 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.**
 - G. These Policies and Procedures and any arbitration involving a consultant and Violet Eyewear shall be governed by and construed in accordance with the laws of the state of Ohio, without reference to its principles of conflict of laws.

13.3 Damages

- A. In any case which arises from or relates to the wrongful termination of the consultant Agreement and/or an consultant's Violet Eyewear business, the Violet Eyewear and consultant agree that damages will be extremely difficult to ascertain. Therefore, the Company and consultant stipulate that if the involuntary termination of the consultant Agreement and/or loss of the consultant's Violet Eyewear business is proven and held to be wrongful under any theory of law, the consultant's sole remedy shall be liquidated damages calculated as follows:

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- I. For consultant's at the "Paid As" rank of Consultant or above (with the exception of paragraph II below), liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the Violet Eyewear Compensation Plan in the twelve (12) months immediately preceding the termination.
 - II. For consultant's at the "Paid As" rank of Director or above, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the Violet Eyewear Compensation Plan in the twenty-four (24) months immediately preceding the termination.
- B. In any action arising from or relating to the Agreement, the Violet Eyewear business, or the relationship between the Company and consultant, both parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The Company and consultant further waive all claims to exemplary and punitive damages.

13.4 Severability

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

13.5 Waiver

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

13.6 Successors and Claims

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

14.0 GOVERNING LAW

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

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15.0 Violet Eyewear GLOSSARY OF TERMS

ACTIVE DISTRIBUTOR: A consultant who satisfies the minimum volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

AGREEMENT: The contract between the Company and each Distributor; includes the Distributor Agreement, the Violet Eyewear Policies and Procedures, and the Violet Eyewear Compensation Plan, all in their current form and as amended by Violet Eyewear in its sole discretion. These documents are collectively referred to as the “Agreement.”

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

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

CUSTOMER: A Customer who purchases Violet Eyewear products and does not engage in building a business or retailing product.

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

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

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

OFFICIAL VIOLET EYEWEAR MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Violet Eyewear to Distributors.

PLACEMENT: Your position inside your Sponsor’s organization.

RECRUIT: For purposes of Violet Eyewear’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 Violet Eyewear Distributor or Customer to enrol or participate in another multilevel marketing, network marketing, or direct sales opportunity.

RESALABLE: Products shall be deemed “resalable” if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labelling has not been altered or damaged, 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current Violet Eyewear labelling. Any

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merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

SPONSOR: A consultant who enrolls a Customer, Retailer, or another Distributor into the Company, and is listed as the Sponsor on the Distributor Agreement. The act of enrolling others and training them to become Distributors is called “sponsoring.”

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