

GOLDSHIELD *Elite*

Enriching lives by maximizing
health, longevity, and financial freedom



Member Guidelines

Table of Contents

Introduction.....	page 4
Code of Ethics.....	page 5
Membership.....	page 6
Loyalty Rewards Plan Definitions.....	page 7
Policies & Procedures	page 9
Returns.....	page 15
Advertising.....	page 16
Notes.....	page 18

Introduction

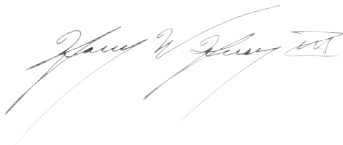
Elite supports its Members and maintains a commitment to their success, which is unmatched in the industry. To support our Members in the operation of a successful Elite organization, we offer these Member Guidelines to help define and govern the relationships between a) the Company and its Members, b) Members and their Enrollers/Sponsors, c) Members and other Members, and d) Members and their Prospects and Customers.

We pride ourselves upon our products. Now and in the future, you will find our attitude toward product development unchanging. That attitude is simple. We will only carry products that blend in with the image of Elite. All of our products meet these requirements:

- 1. They must be unique.**
- 2. They must benefit all.**
- 3. They must be of unquestionable quality.**

While we encourage you to move forward with excitement and enthusiasm, like all successful business owners, please take some time over the next few days to read these Guidelines to ensure your compliance with them at all times. Doing so will help you protect and preserve your business.

Once again, congratulations and best wishes for success!



Harry W. Hersey III, President

Code of Ethics

All Elite Members are obligated to conduct their business according to the following principals:

1. Members will uphold the signed Advanced Membership Agreement, as well as the Member Guidelines, as stated in this manual and in all other official Elite literature and publications.
2. Members will present Elite products and the Loyalty Rewards Plan in a truthful and honest manner using only authorized Elite literature and making claims only as are officially sanctioned in writing by Elite.
3. Members understand it is their responsibility to sell to retail customers and will uphold the money-back guarantee policy according to the Member Guidelines. They will give prompt and courteous service upholding the highest level of integrity in their Elite business.
4. Members understand that they are an independent Member and will never state or imply that they or any other Elite Member are employees of Elite.
5. Members will accept and carry out the various responsibilities of an Elite Member as set forth in the Elite Loyalty Rewards Plan.
6. Members will attend meetings and training seminars and read the various literature and publications of Elite to develop their knowledge to give support to other Members in their organization.
7. Members will support the spirit of the philosophy within the Member Guidelines of Elite, as well as support the efforts of the Direct Selling Association (DSA) to establish and maintain the highest standards and practices of truth in selling.
8. Members will assist their organization in every way to ensure their success in Elite and success in their own organization.

Membership

Advanced Members

- Advanced Members (AMs) have completed and signed the Advanced Membership Application and/or purchased a Member Kit or Success Pack.
- Enrollment entitles AMs that status for one full year.
- If enrollment is completed through the online application process, enrollees' acceptance is indicated by choosing the button indicating their agreement and to adhere to these Member Guidelines.
- Elite reserves the right to refuse any application and cannot be responsible for delays in processing any applications that are received incomplete or illegible.
- Renewal notices are sent annually or AMs may select the automatic renewal option on the Membership application.
- AMs are required to purchase product totaling a minimum of 30 QV per month in order to participate in the Loyalty Rewards plan.
- If AMs elect to purchase less than 30 QV per month for two consecutive months, they retain their Member status but forfeit their organizational position, organizational downline, any personal enrollees and retail members.
- AMs can purchase products at Member wholesale pricing as noted on the Member price list.
- To earn rewards AMs must meet the qualifications as outlined in the Loyalty Rewards Plan.
- If a Social Security/Social Insurance Number is not on file, AMs cannot receive more than US\$600 annually in rewards.
- Product purchases by AMs' Retail Customers count toward Organizational Volume and will be considered as their own product purchases for qualification and reward purposes. However, they will not qualify them for monthly personal requirements.
- AMs pay taxes based on the retail product value of all products purchased for resale unless a valid Sales Tax Certificate is on file. However, if an order is completely for personal use, they may inform Elite at the time of purchase and they will be taxed on the Member price paid. For orders that contain both personal use and retail items, AMs may submit a Tax Reclaim Form for the difference in tax between retail and wholesale product price for those products personally consumed.
- When Elite handles retail purchases for AMs, they will receive Member volume QV and RV credit and, in addition, will be paid a designated retail profit based on 75% of the difference between the retail and Member price.

Basic Members

- Basic Members (BMs) purchase products at the Member wholesale price and may receive up to US\$300 monthly in organizational rewards.
- BMs must pay the Basic Membership Fee and must maintain a 30 QV Monthly or Insured Order each month to participate in the Loyalty Rewards Plan. Membership fee entitles BMs to receive Member wholesale prices for one full year.
- If BMs elect not to purchase product for two consecutive months, they will retain their Member status but will forfeit organizational position, organizational downline, any personal enrollees, and retail members.
- BMs can purchase products at Member wholesale pricing as noted on the Member price list.
- To earn rewards, BMs must meet the qualifications as outlined in the Loyalty Rewards Plan.
- If a Social Security/Social Insurance Number is not on file, BMs cannot receive more than US\$600 annually in rewards.
- BMs may purchase products for personal use and are taxed on the Member price paid for any items.
- BMs may not resell Elite products.

Retail Customers

- Retail Customers purchase products directly from the Company or an Independent Member at retail (not wholesale) prices.
- You will not pay any Membership fees and will not participate in the Loyalty Rewards Plan.
- You may refer other Customers to Goldshield Elite; Though you do not participate in the Loyalty Rewards Plan, you are still linked to your referrals in the system as long as they remain at retail status and have not become Members prior to you. As a Member recruitment incentive, should you ever decide to convert to Member status, all of your referrals, who have remained at retail status, will be placed under your new Membership.

Loyalty Rewards Plan Definitions

The following are terms as they relate to the Loyalty Rewards Plan and Elite Members:

Administration Fee: A 5% fee (minimum of US\$1.50 / maximum of US\$15) is deducted from monthly organizational rewards. This fee covers reward calculations, monthly reward distributions, automatic promotions and required governmental reporting for all qualified Members.

Calendar Month: The period of time from the first business day to the last business day of the month used to accumulate volume for reward calculations.

Enroller: Any Elite Member who has helped another in joining Elite as a Basic or Advanced Member and provides continuing assistance and motivation. The Enroller's name must be listed on the new Member's application.

I.D. Number: Your assigned Membership number. Please use on all communication with Elite.

Inactive: An Elite Member who does not renew his/her Membership. (See Roll Down)

Level: All Members directly or indirectly sponsored in a Member's group or organization. These Members are below you in the Loyalty Rewards Plan. A maximum number of Members are allowed per level.

Low Order Surcharge: A nominal charge, which applies to an order of three products or less. No surcharge applies when four products or more are placed on any given order. Sales aids do not count toward the product total.

Membership Fee: The established fee required to participate in Elite. This fee must accompany the Basic or Advanced Membership Application. It may be paid by personal check, money order, cashier's check, or credit card, and is nonrefundable. The Advanced Membership fee covers the cost of processing the application, placement of the Member's name on the Elite mailing list, an Elite Member Guidelines manual, Member Kit (which includes company business and product information) and a one year subscription to Elite Edition, Elite's monthly publication.

Minimum QV Requirement: The minimum product Qualifying Value (QV) required according to the Loyalty Rewards Plan for each calendar month in order to qualify for various levels of monthly rewards.

Monthly Order Programs: Elite Members choose from two types of monthly order programs — Monthly Order or Insured Product (IP) order.

Monthly Order

In order to participate in Elite's Loyalty Rewards Plan, Elite Members must have a minimum of 30 QV each month. The Monthly Order makes qualifying easy. At the same time each month your designated product order is shipped to you. Never worry about qualifying for Loyalty Rewards, running out of product or placing an order. Simply complete the Basic Membership Application or Advanced Membership Application, depending on the level at which you wish to join, and provide your credit card/debit card/bank draft information. Choose the products you wish to receive each month and we do the rest. Nothing could be easier.

Insured Product Order

The Insured Product (IP) order is perfect for those Elite Members who wish to vary the content of their orders each month. The Insured Product order (IP) guarantees that you meet your designated monthly qualifying volume (QV) and receive Loyalty Rewards. This is helpful if you were to forget or simply not have an opportunity to order during the month. Simply choose products to meet 30, 75, or 100 QV depending on the level you wish to qualify for and we will keep your order on file. If by the 25th of the month, you have not met the QV level established on your IP order, we will automatically process and ship this order to you. For example: if your IP is established at 75 QV and you have only ordered 74 QV by the 25th, your entire designated 75 QV IP order will be shipped in addition to all other orders placed.

Changes to Monthly Orders

Our policy is that Members make all changes to their monthly orders at least **two full business day** in advance. The reason for this is that certain times of the month are extremely busy. We **process** the order on the day prior to ensure that it is **shipped** on the requested date. The same remains true if a Monthly Order falls on the weekend. Since we do not ship over the weekend, your order may be sent out on Friday so it will reach you before your supplements run out.

New Member: Someone that has not been a Member of any Goldshield company for three or more years and neither the sponsor nor enroller on a previous original application.

Organization: Up to seven levels of Members according to the Elite Loyalty Rewards Plan.

Organizational QV: The total QV accumulated in a calendar month from products purchased by the Member, their organization, and their retail customers.

Organizational Reward: The Reward Volume (RV) created by all of the Elite Members in your 1st through 7th Levels in your organization. Each Elite Member may contribute up to a maximum of 200 RV per calendar month toward your Organizational Reward. Personal RV is not included.

Paid As Level: The level a Member is qualified for when calculating rewards. The True level (or Title) and Paid As level may differ on a monthly basis. For example: you may have become a 4-Star in January (True level) but in March only meet qualifications for 3-Star (Paid As level).

Personal Volume (PV): The total wholesale cost of products personally purchased by a Member from Elite. The wholesale cost as a retail customer's volume is added to the Member's PV.

Promotions: Automatic promotions to 1-Star and above are done by the Elite computer service. Promotions are based upon Members' qualifying organizational points and other requirements as stated in the Elite Loyalty Rewards Plan.

Qualified Member: A Member who fulfills the requirements of the Loyalty Rewards Plan, which allows various payouts.

Qualifying Value (QV): The published value (QV) Elite assigns to a product.

Reward Value (RV): This is the published value used to calculate rewards. Elite assigns an RV amount to each product.

Rewards: The amount Members earn (paid monthly and/or weekly) based upon the total monthly Reward Value and organizational points of product purchased in their organizations. To be paid, Members must meet published qualifications. Monthly reward checks are scheduled to be mailed on or before the 10th of the following month for the previous month's product purchases.

Renewal Fee: Upon the Member's anniversary date, a nominal fee is required annually from each Member to remain active in the Loyalty Rewards Plan, receive rewards and mailings. Renewals can be automatically charged if requested.

Retail Customer: A customer who purchases products and/or sales aids at retail price from an Elite Member or directly from Elite.

Roll Down: Members who do not order a minimum of 30 QV for two consecutive months will forfeit their organizational position in the Loyalty Rewards Plan. Roll Down Members can still purchase at wholesale prices and can choose to build a new organization. Loyalty Rewards will be paid when qualifications are met. (See compression of the organization for Member roll-up restructure process.)

Sponsor: The sponsor is the Elite Member you are directly linked to in the organization. Each Member is allowed to sponsor a maximum of five first level Elite Members. (Additional first level Members may be added once certain organizational criteria are met. See Loyalty Rewards brochure.) A Sponsor and Enroller may or may not be the same person.

Suggested Retail: The amount at which Elite recommends that you resell products to retail customers who do not wish to commit to purchasing a minimum of 30 QV per month. This price represents approximately a 30% mark-up profit. If a retail customer purchases directly from Elite, a predetermined retail profit will be paid to the Member.

Surcharge: (See Low Order Surcharge)

Wholesale Price: The cost of Elite products to Elite Members when purchased directly from Elite.

Policies & Procedures

Accuracy of Forms

Responsibility for the accuracy of the information provided to Elite belongs to the Member. Elite does not take responsibility for loss of rewards or bonuses nor for any delays in the registration of Members or input of orders due to:

1. Errors in the information provided by the Member or the sending of the applications, order forms or any other documents.
2. Delays or errors caused by the mail, email, fax or electronic transmission.
3. Non-receipt of documents at the Elite Home Office.
4. Illegible or incomplete information on applications, orders or other documents.
5. The inability of Members to reach Elite via phone, email or fax during peak busy times.
6. Incorrect information input by the Member through the website.
7. It is the responsibility of each Member to verify the receipt of all applications and orders forms. This information is available through the Goldshield Elite corporate website.

Elite will process all applications and orders in the calendar month in which they are received. Orders received after the last business day of the month will be processed in the following calendar month.

Immediate notification to Elite of any errors or inquiries in reference to rewards, bonuses, contests, recognition, orders, applications, and payments is important. Elite will only correct errors reported within 60 days. Elite is not responsible for any errors, omissions or problems not brought to our attention within 60 days.

Recognized Members

The following categories represent those who Elite will allow to develop an organization:

- a. A person of at least 18 years of age.
- b. Tax-exempt entities that have a current registered and approved status.
- c. Corporations that are registered, approved and in good standing with their state of incorporation.
- d. Established trusts.

Partnerships

Elite discourages partnerships. Our experience is that it is better if two people want to work together, one should enroll the other. If a partnership should wish to join Elite, you may be required to submit a copy of your partnership agreement. Under no circumstances can one individual be allowed on two separate applications.

Identification Numbers

All Social Security and/or Social Insurance Numbers or any other form of Federal or State identification numbers submitted to Elite must be the valid numbers as assigned to that individual by the government agency.

One Business Unit Per Household

Only one Elite Membership is permitted in a single household.

Ownership of an Elite Business

Elite independent business ownership must be an individual, a lawfully married couple, a legal corporation, tax exempt entities or trusts that are in compliance with the law. Should any of the above joint ownership dissolve or divorce, only one individual may retain ownership of the business. It is incumbent upon the Members of the dissolved entity to advise Elite of the individual who retains ownership of the business. This advice must be in writing and signed by all parties and include a notarized statement or certified copy of the court approved divorce decree or property settlement. Any questions as to the legal ownership of the business will result in immediate suspension. Elite has the right to suspend all rewards and bonuses until the ownership issue is resolved in accordance with this policy.

Independent Status

When an Elite Membership is accepted, the Member is recognized as an Independent Member (Contractor). Members are not Elite employees and should not represent themselves as employees. All Membership applications must be completed and signed. If filled out via the corporate website, the enrollee must choose the acceptance button indicating agreement to these Member Guidelines. U.S. and Canadian residents must include a Social Security or Social Insurance Number if they wish to earn over US\$600 per year. As Independent Members, neither the Member nor Elite has any right to enter into binding contracts or commitments on behalf of the other, nor will Elite or the Member be liable in any way for the debts or obligations of the other. The Member is solely responsible for all liabilities and expenses associated with his or her independent business activities, including all benefits, wages, taxes, and insurance of the Member and any of its employees.

Independent Members (Contractors)

As an Independent Member you must:

1. Conform to all of the federal, state and local laws governing the running and maintenance of a small business.
2. Obtain any necessary licenses or file any pertinent reports as required by the laws in your area.
3. Be responsible for any federal, state, local or general taxes and fees due in your area.
4. Supply all necessary tools and equipment required to operate your business including but not limited to telephone, photocopies, office equipment and transportation.
5. Determine your own work hours and establish a place of business.

Changes of Enroller or Organization

Elite discourages any changes in the organizational or enroller structure. The integrity of the Loyalty Rewards Plan depends on that structure. Elite protects the rights of the enroller. Realignment will only rarely be considered. In order to make a change, a waiver must be signed by all applicable parties.

In order for an Elite Member to join again under a different enroller, they must be inactive for a minimum of six consecutive months.

Sometimes two or more customers will contact the same person. Elite does not get involved in settling disputes of this nature. We will recognize the Member whose name appears as the enroller on a signed application. If more than one application is received in the office, the one we receive first is recognized. Since there are no changes in the enrollment structure allowed, this area of the application should be filled out very carefully.

Transferring from Original Organization

Elite Members and all Members of their immediate household are prohibited from the following:

- a. Enrolling any Elite Members for other business ventures, either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of other business ventures to any Elite Member whether implicitly or explicitly encouraging any Member to join other business ventures. It is the Member's responsibility to first determine whether or not the prospect is currently an Elite Member before enrolling the prospect in another business venture. It will be considered a violation of this policy to enroll a Member even if their status is unknown.
- b. Producing any literature, tapes or promotional material of any nature for another business venture, which is used by the Member or any third party to recruit Elite Members for that business venture.
- c. Selling, offering to sell, or promoting any competing products or services to Elite Members.
- d. Offering any non-Elite products, services or business opportunities in conjunction with the offering of Elite products, services or business opportunity or at any Elite meeting, seminar, kick-off, celebration, convention, trainings or other Elite event.

Violations of any provision of this policy constitutes a Member's voluntary resignation and cancellation of his/her Membership, effective as of the date of the violation, and forfeiture by the Member of all Loyalty Rewards payable for and after the calendar month in which the violation occurred. If Elite pays any Loyalty Rewards to the Member after the date of the violation, all commissions and Loyalty Rewards for and after the calendar month in which the violation occurred shall be refunded to Elite. Violations of this policy are especially detrimental to the growth and sales of other Members' businesses and to Elite as a whole. Therefore, Elite may seek and obtain from the violating Member damages for violations of this policy. If litigation or arbitration is undertaken to recover Loyalty Rewards, bonuses or damages as specified herein, the prevailing party shall be entitled to an award of attorney's fees and expenses. All legal action will be governed by the laws of the State of Florida in a Palm Beach county court.

Cross Sponsoring

Members cannot enroll or attempt to enroll a Member from another Elite organization. Members may not introduce other business opportunities to any Elite Members whom they have not personally enrolled into Elite, even if that opportunity appears to complement our products or the business. It is improper for an Elite Member to enroll, recruit or attempt to recruit the guest or prospect of another Elite Member. Violation of this policy is grounds for termination of Elite Member status.

- Guests of an Elite Member attending an Elite meeting or a company-sponsored function are protected prospects.
- Protected prospects may only be enrolled into the business of the person who invited them to the function for a period of 30 days following the original Elite meeting.
- A prospect brought to a corporate-sponsored event is protected for 30 days following the company-sponsored event.
- Protected prospect status does not apply to any Elite Member who did not attend the Elite meeting or Member-sponsored function and, therefore, did not meet the guest there.

Inheritance

An Elite business may be inherited through any valid will or estate inheritance laws as defined by state or province in which the Member holds residency. Elite requires proper documentation from the person who inherits that he/she is the beneficiary and is authorized to represent the estate. He/She must fill out a new Membership Application and agree to abide by all Elite Member Guidelines.

Membership Changes

Any changes to your Membership can be submitted in writing and signed for by the primary Member name on the Membership, called in to a Customer Service Representative (be sure to get the name of the representative who assists you and confirm the information changed is accurate before hanging up), or you may make changes yourself through the Members Only section of the corporate website, www.goldshieldelite.com. Passwords can be obtained from the Customer Service Department or obtained through registering online.

If the post office returns any mail to Elite due to an incorrect address, Elite will place all mail on hold and wait for a correction from the Member before sending any more mail.

Sale/Transfer of Elite Business

An Elite business may not be sold or transferred without prior written approval from the Elite Home Office, except in the case of inheritance as outlined above. Before a sale/transfer can be made, the following requirements must be met:

- a. Approval by Elite acknowledging that this sale will be in the best interest of all parties, buyer and seller as well as taking into consideration the interests of all of the Members in the organizational structure and the Elite company itself.
- b. Statuses will not transfer with the business organization. The status of the buyer/transferee of the organization will be dependent upon the actual organization QV being generated at the time of transfer, which will include a reasonable period of time prior to the sale/transfer.
- c. The seller/transferrer of the business unit must be the actual personal enroller of the personal enrollee linkage as well as the person who is actively working with the business unit.
- d. Originals of the Request for Sale/Transfer and Request for Purchase/Transfer documents must be notarized and submitted to Elite Headquarters.
- e. An Elite Member sale/transfer agreement must be completed and submitted by the buyer along with these documents.
- f. The buyer/transferee agrees to participate in whatever level of training is deemed necessary by Elite in order to effectively manage this organization. Level of training will be dependent on the size of the business.
- g. The seller/transferrer must be in compliance with all Elite Member Guidelines currently and for the year prior to such a request to sell or transfer.

Elite Products in Retail Stores

Elite product use and distribution depends greatly upon individual service and personal testimonials by our loyal customers. Elite believes that marketing through and rewarding our loyal customers is one of the most powerful forms of free enterprise available today. That is why we enforce a strict policy stating that Elite products are not to be sold through retail outlets other than personal service establishments requiring appointments or direct referral business such as sole proprietorships, salons, doctors' offices, etc. An active Elite Member must operate all such establishments.

Exclusive Territories or Franchises

The ability to sell, assign, designate, grant or transfer any Elite franchise or territory does not exist, and an Elite Member shall not imply or represent that this authority does exist. Members do not possess exclusive territories and they may not claim or imply that they do.

Non-Qualification of a Member

The success of Elite's Loyalty Rewards Plan is the Member's commitment to participate at a certain level in their organization's monthly purchases. By not keeping that commitment and producing less than the minimum Qualifying Volume (QV) necessary to maintain their Qualified Status in that month, Members forfeit their right to rewards or bonuses paid per the Loyalty Rewards Plan in that month.

Failure to meet the minimum QV requirement laid out in the Loyalty Rewards Plan for two consecutive months will constitute a roll down. That roll down will take place two weeks after the month following the second month of non-qualification.

Returning to Elite after Resignation

- a. Should a Member wish to return or re-enroll after a voluntary resignation, he/she may re-enter his/her organization under the original Member in the first available position.
- b. After six consecutive months of inactive status, the former Member may re-enroll in any organization simply by completing a Basic Membership or Advanced Membership Application, and paying any applicable fees.

Exclusivity of Information

All information such as names, addresses, phone numbers, and email addresses of any and all Members is proprietary information belonging solely to Goldshield. All Elite Members agree not to disclose any such information to any third party unless it is for the express purpose of promoting the Elite opportunity nor can it be used to promote any other business opportunity at any other time whether or not the person is still associated with Elite. Violation of this policy would result in irreparable damage to Elite and as such Elite would be allowed injunctive relief to stop such a violation. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of attorney's fees and expenses as governed by the State of Florida, in a Palm Beach county court.

Sharing Ideas

Elite's Loyalty Rewards Plan is based on the sale of products to customers and rewarding our loyal Members. This plan encourages Members to help other Members who, in turn, help others. Elite Members are encouraged to share ways to market the products and promote the opportunity while continuing to uphold the Member Guidelines of the Company.

Inventory Loading

Elite's Loyalty Rewards Plan is based on the sale of products to Customers and Members and rewarding our loyal Members. Most products purchased represent personal use by our Members. Excess product must not be purchased simply for the purposes of qualifying for bonuses, contests or recognition.

Unauthorized Purchases

Members may not order in the name of other Members without express authorization and agreement to reimburse for such a purchase. In addition, one Member may not order in the name of another Member for the purpose of personal benefit. This includes Success Packs. International Elite Members are authorized to sell Elite products only in the countries in which Elite is currently doing business. Elite Members may not ship or sell Elite products across any international border for the purpose of resale except the authorized countries for which Elite has provided products that are appropriately registered, labeled and packaged.

Elite Members may not provide products to any individual who the Member knows or has reason to believe is exporting products to an unauthorized country.

Compensation versus Titles

Once Elite Members meet the necessary qualifications to attain a title and recognition at a certain level, they never lose that title as long as they remain active. However, each month they are paid in the Loyalty Rewards Plan at the level at which they are currently qualified. Current qualifications are based upon but not limited to the number of qualified Personal Enrollees during a given month (purchasing a minimum of 30 QV), the total Organizational Points during that month, and the number of personally enrolled legs.

Consent for Photography, Filming, Video/Audio Recording, Televising or Videodisc

By entering into the agreement to become an Independent Member of Elite, you also grant permission to Elite to use any image (still, motion, video, digitized or audio recordings) made of you. This is a full release of all claims now or hereafter, which may be made against Elite or its employees in regards to the utilization and promotion of said photographic reproductions, films, video/audio tapes, or videodiscs. It is understood that this material will be used in a legitimate manner, both internally and outside Elite and is not intended to cause any harm or undue embarrassment to the parties involved.

If you do not want to participate in any form of recognition that may require the use of your picture or name in any of the aforementioned forms, then it is your responsibility to notify the Elite Home Office in writing of your decision. Furthermore, you agree to waive any right that you may have to inspect and/or approve the finished product or the advertising copy or other matter that may be used in connection therewith or the use to which it may be applied.

Suspended Status

An Elite Member may be placed in Suspended Status as a corrective action for any serious breach of ethics or misrepresentation of the products, the Loyalty Rewards Plan or the Member Guidelines. Whenever there is a complaint or evidence of such activity, Elite will first contact the Member and let the individual(s) know that a breach or misrepresentation has been brought to our attention. The Member is given the opportunity to respond. Suspended status can be imposed during the period of time that it takes to investigate any complaints or allegations of misconduct or misrepresentation and can include any or all of the following:

- a. All bonuses, rewards and recognition will be withheld.
- b. Participation in contests is restricted.
- c. Exclusion from participation in Elite meetings, trainings or corporate sponsored events even if the qualification period for such events is prior to the deferment period.
- d. QV and RV from Members who are in suspended status will not count toward any organizational QV or RV totals.

Elite will send a letter to the Personal Enroller and the Member in question stating what specific actions will be taken during the suspended status period.

Termination

Should a Member be found to be in violation of any of the Policies of Elite, Elite reserves the right to terminate the agreement between the Member and Elite. The procedure for such termination is as follows:

- a. Notification of intent to terminate the agreement will be sent to the Member via the U.S. Postal Service.
- b. The Member will have 15 days to respond to the notice, sending any dissenting information, explanation or alternative response in writing to Elite.
- c. Elite's review board will make a final determination as to whether the Member will be terminated.
- d. Should the termination take place, the vacancy will be filled according to the normal compression policy as written.

Termination is permanent inactivation of an Elite Member. The Member is no longer authorized to sell Elite products or enroll any new Basic or Advanced Members. They can no longer participate in any way in the Loyalty Rewards plan, contests or recognition. They may not re-enroll in the future. Should the terminated member wish to continue to purchase Elite products, they would then be classified as a Retail customer.

Compression of the Organization

When a vacancy occurs, whether from inactivity, voluntary resignation or involuntary termination, that vacancy is filled in the following manner:

The prior month's highest-producing Member on the first level has the opportunity to move up into that position. The following requirements in sequence determine who moves up.

1. Highest number of qualified Personal Enrollees
2. Highest organizational QV
3. Highest personal QV
4. Most recent order

Personal Enrollees — The Personal Enrollees of the terminated Member are distributed accordingly. When one of these Personal Enrollees moves up in status, the Member who personally enrolled the terminated Member is given credit as the Enroller of the Member who rolled up.

Member Kit Refund

Within 60 days after an Advanced Member's initial purchase of a Member Kit, he/she may return the unopened, resalable Member Kit to Elite and receive a full refund minus the freight and handling charges. Individual literature items are non-refundable.

Election to Cancel Agreements

Any Member may cancel his/her Membership for any reason at any time by sending written notification to the Elite Home Office. Written cancellations with an original signature must be sent to Elite, Customer Service Department, P.O. Box 20027, West Palm Beach, FL 33416-0027.

Returns

Success Pack Returns

Products purchased as part of a Success Pack or any other special offer at a price lower than Elite Member cost can be returned or exchanged. A money-back refund will not be issued unless the entire Success Pack is returned. All rewards and bonuses will be deducted from the enroller's check if the Success Pack is returned.

General Returns

Any Elite Member may return a product within 60 days of purchase for a product exchange. You must contact Customer Service to obtain a Return Authorization (RA) number and instructions for returning your product. Since some states/provinces require a purchase price refund, Elite will follow regulations. In the event a Member receives a refund instead of an exchange, any rewards paid to the organization will be deducted accordingly. In addition, Elite may terminate any Elite Members who return more than 50% of his or her total purchases made in the last six (6) months and has the right to refuse any further returns from those Members.

Satisfaction Guarantee for Retail Customers

Elite products carry a 100% guarantee. The following are the procedures to follow regarding retail customer refunds:

Retail Purchases Directly from Elite:

If your Retail Customer purchased product directly from Elite and is not satisfied for any reason with the product, he/she may return the unused portion or empty container to Elite within 90 days from time of purchase and receive a full refund or exchange, minus shipping. Any rewards paid out on the purchase will be deducted accordingly.

Retail Purchases Directly from a Member:

Here is a simple procedure to follow when making refunds to those customers who you personally service.

- a. The customer should put in writing why he or she is returning the product. Include the name, address and phone number of the customer, preferably on the retail receipt. If a customer does not want to put the reason down in writing, you, the Member, should make the exchange or refund personally and put the information required into written form with your signature. Be quick and courteous about making the exchange or refund.
- b. The Member should place each returned item in a separate plastic bag with a copy of the sales receipt and the written reason for the return attached.
- c. When a Member returns a product to Elite that a customer has returned, Elite will replace the product with a new one for the Member's inventory.

Advertising

Media

All inquiries from the media must be referred to the Elite Home Office directly. Only an authorized Elite spokesperson can talk to the media about Elite's Loyalty Rewards Plan, products or services. No matter whether it is radio, TV or print media, all queries must be referred to the Elite Home Office.

Copyrighted Materials

Permission to use the Elite name, Elite trade names, logos or the trade names and logos of any of Elite's products, must be obtained from the Elite Home Office.

Promotional Materials

All Elite literature was created to present the Elite products and opportunity in the most professional image possible and abide by the State and Federal regulations governing such literature in regards to claims for both health and income. Therefore, Members may not:

- a. Create, sell, display or distribute any literature, audio or videotape, Internet web site, email or other print, audio, visual or electronic media designed to represent Elite's products, Loyalty Rewards Plan or services other than that which is produced and provided by Elite;
- b. Copy or reproduce any material produced by Elite without permission;
- c. Use the Elite name or logos in any advertisements, displays, notices or in any promotion without permission;
- d. Produce and/or sell any product, literature, audio or video tapes or electronic media with is deceptively similar to Elite products and thus create the impression that such material originates from Elite.
- e. Present Elite's products or opportunity in a manner or environment that is vulgar, profane or which presents Elite in an undesirable manner.
- f. Make claims for product and/or income potential. No exaggerated or curative claims in regards to Elite products or opportunity. Only use approved corporate language in defining the features and benefits of Elite products. Never diagnose or prescribe any Elite products as a specific treatment for any disease or condition.

In addition, a Member must not make exaggerated or hypothetical claims about the earning potential available with the Elite Loyalty Rewards plan.

Telephone Advertising

A Member may list his or her name in their phone book as long as it is clearly stated that the Member is an Independent Member, i.e.:

John Smith — Elite Independent Member — 2222 Main Street — 123-4567

Business Cards and Other Promotional Materials

All cards, letterheads, signs and advertising materials, etc. used by Elite Members to promote their businesses must make it clear that they are Independent Members of Elite. Members may in no way imply or intimate that they are agents, employees, joint ventures or franchises of the company.

Newspaper Advertisements

Some Members use classified advertising in the newspapers to find prospects. Here are a few simple rules to follow when placing such an ad:

- Do not imply that a job or position is available.
- Do not promise a specific income.
- Do not include any misleading facts or distortions of the Elite Loyalty Rewards Plan or products.

Repackaging Elite Products

Repackaging of Elite products by Members is not authorized. Products are to be sold in their original packaging only. Under no circumstances are Members allowed to print labels bearing the Elite name or logo.

If you have any questions regarding these Member Guidelines, please contact the Elite Home Office at any time for clarification.

GOLDSHIELD *Elite*

West Palm Beach, FL 33407
Greely, ON K4P 1A2