

## Distributor's Code of Ethics

### Rights and Obligations of Vision Distributors

The provisions listed in this section are the behavioral norms that every distributor must follow. These rules have been adopted in order to define the functions, obligations, and rights of distributors in relation to each other and also to define the relationships between a distributor and the Company. The purpose of the rules is to create a system of relationships, simultaneously observing the rights of every distributor and not limiting his freedom of action in his business.

1. A distributor pledges himself to care about the Company's reputation, adhering to high ethical principles that accord with the spirit of cooperation among distributors.
2. The basic purpose of Vision's activities is to increase the amounts of products and services available to the end customer.
3. A distributor must not interpret descriptions of products and services listed on labels or in official Vision documents in his own way.
4. A distributor has the right to advertise Vision products only in accordance with the provisions of the Rules and other official Company documents.
5. A Vision distributor is forbidden to propagandize methods of gaining income that differ from those enumerated in official Company documents.
6. All distributors are obligated to observe the clauses of the contract signed by them.
7. Each distributor must maintain proper relations with all other Company distributors.
8. To the extent possible, distributors must prevent Ethics violations, informing Company employees in good time of any illegal activities performed by other distributors.
9. Distributors are obligated to run their affairs in a manner such that their activities are proper from the point of view of law and do not harm the reputation of Vision and of its distributors.

#### 1. Professional Leadership

Distributors are obliged to accomplish their activities while observing ethical and professional principles that facilitate the strengthening of the reputation of the Company and the distributors themselves. The behavior of distributors must not harm the Company's prestige or reflect negatively on the activities of other distributors. Distributors must behave politely and treat with respect all persons with whom they come into contact in the course of their work. Every distributor bears personal responsibility for maintaining Vision's reputation. The Company concludes a contract with a distributor, placing its trust in his honesty and decency and his ability to carry out his obligations professionally, and at the same time it guarantees him the same honesty and decency on its part.

#### 2. Presenting the VIP Marketing Plan

Distributors must present Vision's activities within the framework of its Marketing Plan objectively to potential Company distributors. Prior to contract signing the sponsor must present the candidate with all the information contained in Vision's rules of behavior so that the candidate can evaluate the Company's activities objectively.

When inviting a candidate to a presentation of Vision and its Marketing Plan the distributor must explain that:

- a distributor is an independent entrepreneur;
- a presentation is an introductory encounter and does not entail any obligation;
- a presentation is not a measure taken to study consumer demand; and

- a presentation is the exposition of the Company's activities and possibilities.

Distributors may tell about the standard of living they have achieved as the result of successful activities accomplished with Vision. Tourist trips, the purchase of cars, real estate, and so on may serve as examples.

### **3. An Example of Possible Earnings**

When presenting the VIP Marketing Plan it is essential to emphasize the inadmissibility of increasing one's income in ways that are inconsistent with these Rules and Regulations and other official Vision documents. The distributor must clearly explain to all candidates that success in their activities depends exclusively on the efforts they make. At the beginning of a presentation the distributor has the right to caution the candidates that all examples are adduced exclusively as illustrations for the VIP Marketing Plan. The distributor must not exaggerate possible income or claim that success is guaranteed. Examples should be adduced only in order to illustrate the use of the VIP Marketing Plan in one's work. It is essential that the distributor emphasize that reference to income is made exclusively for explanatory purposes.

### **4. Monthly Purchase**

Every distributor has the right to place the minimum monthly order provided for by Vision in order to be qualified as an active distributor and the right to receive commissions if he has sponsored at least one of the distributors.

### **5. International Sponsorship**

Vision is a worldwide company. Its distributor networks exist in many countries. As Vision's activity level abroad grows, every distributor gets the chance to be included in prestigious international activities. When he pledges to observe the requirements laid out below, a distributor can conduct his activities in any country where Vision has a presence through an office or a subsidiary company (franchisee) authorized to effect the network marketing program, observing the laws of the jurisdiction in which he conducts his activities.

### **6. Distributors are not Vision Employees**

A Distributor is a person who carries on his entrepreneurial activities on his own, independent of the Company. Distributors are not employees or Vision personnel, and they do not have the right to claim that they are permanent Company employees. Accordingly, distributors do not have the right to indicate such a connection on their business cards or in other documentation. A distributor bears responsibility for obligations (liabilities) and expenditures connected only to the development of his own activities. The Company does not bear responsibility for the obligations (liabilities) of distributors, and distributors are not responsible for the Company's obligations (liabilities).

### **7. Sponsorship**

It is essential that a distributor not only actively manage the work of the groups that are a part of his network, but also render them support. Your task as a sponsor is to prepare your distributors well, since their business is a part of your business. On the one hand, a sponsor directly monitors the activities of his group, while on the other hand he helps his distributors organize their activities. It is essential that a sponsor do everything possible to be in constant contact with the distributors, since he bears personal responsibility for observation of all the provisions of these Rules. A sponsor has the right to give instructions to his distributors by telephone or by mail. It is essential that a sponsor go through every Company innovation with his group and make sure the distributors have understood it correctly. In the event that a sponsor cannot organize his own group or manage it skillfully, he can turn for help to another distributor, who will render him assistance.

## **8. Publication in the mass media, advertising, use of trademarks, brand names, and copyrights**

Distributors may not produce, demonstrate, or use any materials in which trademarks, symbols, or brand names belonging to Vision appear unless these actions have been approved by the Company. The advertising activities of Vision distributors in the mass media must be carried out in strict accordance with the rules established by the Company in the Regulation "On the Policies and Procedures for the Conduct of Advertising Activities by Vision International People Group Distributors in the Mass Media" as approved by the Company's Board of Directors. The rules mentioned here also apply to brochures, booklets, books, and other printed materials that distributors intend to publish for advertising purposes.

The Company's trademarks and/or brand names are its property and distinguish the Company's products from products marketed by other companies. Accordingly they must be protected reliably in order to avoid the possible deception of customers.

Vision's products enjoy great market demand. Other companies may attempt to utilize Vision International People Group trademarks and/or brand names protected by copyright to sell similar products. Relying on current legislation, Vision blocks the utilization of its trademarks, emblems, and/or trade and brand names by third persons. Every time the Company's trademarks or symbols are used illegally, significant material and ethical damage is inflicted upon it. In this connection Vision forbids even its own distributors any utilization whatsoever of its trademarks, brand names, emblems, and other symbols unless they have the Company's written permission to do so. If a distributor is suspected of improper or forbidden utilization of Vision's trademarks and/or brand names, it will be proposed to him that he send the Company a sample of the items being disseminated by him so that a decision may be reached.

When Vision International People Group trademarks and brand names are used in advertising materials of a general overview nature, both printed and audiovisual, it is essential that the Company's interests be observed. As already noted above, Company nomenclature (trademarks) and brand names must be protected from illegal utilization by third persons. This part of the Rules defines the procedures that must be adhered to so as to ensure the legal utilization of Vision International People Group trademarks and brand names by distributors.

In order to preserve a single proprietary style, only the Company itself or its authorized representatives may establish the designs for letterheads, envelopes, business cards, and other documents containing the Vision name or logotype. Business cards, letterheads, and so on may include only the following information:

- the name "Vision International People Group," after which should be added: "Independent Distributor" and;
- your name, address, and telephone number.

When any design is changed, Vision so informs its distributors. In accordance with current rules, it is not permitted to publish claims about the therapeutic or medicinal action of Vision products in any advertisement in either oral or written form.

It is forbidden to make improper remarks concerning Vision products. All product descriptions must accord with their description in the Company's official printed documents.

It is forbidden to sell or advertise Vision products in stores or retail trade outlets, including beauty salons and

barbershops. The following sanctions may be applied to distributors who have violated the provisions of the "Rules for the Utilization of Nomenclature (trademarks), Registered Company Brand Names, or Other Materials Protected by Copyright":

- deprivation of the right to utilize Vision trademarks and/or brand names;
- demand for compensation for abuse of Vision brand names and symbols; and/or
- abrogation of the contract with Vision.

A distributor must immediately inform the Vision office in the country where he carries out his activities of any possible remark or warning made on the part of the host authorities.

## **9. Carrying out Business Activities in Other MLM companies**

A distributor's activities must be carried out in accordance with the current Rules. A distributor must carry out activities strictly within the framework of the legal and social norms defining his activities. Over the course of the validity period of the contract, a distributor pledges not to engage in activities that are in competition with his commercial activities with Vision, in particular not to advertise and disseminate products of other network marketing companies. A distributor must not resort to any illegal commercial activities. According to the provisions of this document, the Company pledges to support and take part in the development of the successful activities of distributors who, as Vision distributors, honestly present only its products and possibilities in the market. In the event of violation of the conditions indicated and improper behavior by a distributor, such as:

- parallel activities in a different network marketing company;
- recruiting distributors by disseminating the videocassettes and printed productions of another company;
- discrediting the company or its leaders; and/or
- destruction of distributor networks.

In connection with the above violations, the Company reserves the right to abrogate the contract with a distributor or to suspend his activities for a certain time (at the Company's discretion).

## **10. Change of Sponsor**

A potential distributor chooses a sponsor among Company distributors. A candidate has the right to choose a sponsor for himself prior to signing a contract with Vision. A distributor does not have the right to change sponsors over the course of his activities.

## **11. Transfer of Contract**

A distributor has the right to transfer the contract he has signed with Vision to close relatives (his spouse, children, parents). The distributor must thereby submit a written request to the Company with an attached copy of the contract, in which he declares his wish to transfer all the rights to his contract to another person. Photocopies of the passport data of the new owner of the contract must be attached to this statement with confirmation of his agreement to the transfer. After thorough verification of the documents presented, the Company shall make the appropriate decision. In the event a distributor transfers the Contract to his family members, it is not only the distributor's rights that are transferred but also his obligations. Upon the transfer of his contract to his family members, the distributor has not the right to conclude a new contract until 1 year has elapsed from the transfer date.

## **12. Termination of a Distributor's Activities**

A distributor has the right to cease his activities, having so informed the Company in writing. In ceasing his activities the distributor loses all rights, advantages, and privileges connected to activities in Vision. The distributor must submit a request to the Company in written form with an attached copy of the contract and passport; a Company employee shall then thoroughly verify the identity of the declarer; in this case the personal presence of the distributor or a notarized power of attorney from the person wishing to annul his contract is required. Company rules strictly forbid the annulment of another distributor's contract. If violation of this rule becomes known to the Company, the Company reserves the right to apply the appropriate sanctions to the violator. Immediately upon abrogation of the contract, the sanctioned distributor is obliged to cease his activities along with utilization of Company nomenclature (trademarks) and markings. In the event of abrogation of the contract, the distributor has not the right to conclude a new contract until one year has elapsed from the transfer date.

### **13. Family Contract**

Spouses pledge to sign a common family contract. In such case one of the spouses will act as the primary owner of that contract, while the other will act as a partner. Company distributors who have decided to marry after they have registered as Vision distributors have the right for each of them to keep their own contract, creating their own downline structures. In the event of an official divorce, the distributor who acted as the partner has the right to conclude a new Contract with the Company under the same sponsor. The Company considers each such case individually. Only officially registered spouses are allowed to enter family contracts as partners.

### **14. Re-signing**

Each new distributor pledges to sign only one Contract with the Company. Company ethics strictly forbid signing a second Contract while the first one is still in effect. If it becomes known to the Company that a distributor has signed a second Contract and is sponsoring prospect distributors under that Contract, the Company has the right to apply the following sanctions:

- annul the second Contract;
- merge the Contracts together into the first signed contract and transfer the group and purchases from the second signed contract to the first;
- suspend the contract of the sponsor who re-signed the distributor for a period of one to several months; and/or
- suspend the contract of the distributor who re-signed himself for a period of one to several months.

### **15. Distributor and Client**

The core activity that Company's distributors engage in is propagation of its philosophy Whole Health Option and the culture of a healthy lifestyle. The latter are fundamental values of the company that serves the interests of preserving and improving people's health, and also preventing children and adults from suffering from diseases that are associated with their unhealthy lifestyle.

Propagation of the Company's philosophy and ideology includes, among other things, dissemination of printed materials, audio- and videotapes, presentation CD's and other media containing health related information, and also information about such attributes of a healthy lifestyle as biologically active dietary supplements, cosmetics and other products offered by the Company, the consumption of which makes it possible for every person to improve his or her health. A distributor is obligated to be polite and tactful. All representations of the product must be complete and trustworthy. They must include the rules for usage and the warnings given on the label and also on the printed materials published by the Company and accompanying it. In the event that the client is under medical observation, the distributor should suggest that the client confer with his doctor before changing his system of nutrition.

## 16. Disciplinary Measures

A distributor who becomes aware of a violation of the Rules is obligated to inform the violator and discuss his act with him. The purpose of the given rule should be explained to the violator. The majority of violations are the result of an incorrect understanding, or misinterpretation, of the Rules. In the majority of instances, calm discussion and explanation are sufficient to resolve the problem. If the violator understands the rule and agrees to act in accordance with it, there is no need to inform the Company of the violation. In the event, however, that the violator refuses to act in accordance with the rule, the distributor can send the Company a detailed description of the given case on the appropriate form. It is a punishable violation of the Rules of Behavior to knowingly give false information. Upon receipt of the given statement by the Company, all sides will be given the opportunity to present evidence, confirmations, and written statements.

The Company makes and ensures all the necessary conditions for its distributors, but if the violation of one of the provisions of the Rules of Behavior becomes known to the Company, it has the right to apply the following sanctions with respect to the distributor:

- Suspension of the distributor's activities for a period of time (at the Company's discretion). For that time the distributor loses the rights to all the privileges of activities without exception and does not have the right to sign up new distributors. The distributor is deprived of the right to make purchases and to receive commissions. The Company sends the distributor and his sponsor above him a letter to notify them that the Rules of Behavior and Company Ethics have been violated. The distributor must contact the Company within ten days of receipt of the letter to clarify the situation; and
- Unilateral abrogation of the contract with the distributor without any compensation. The Company informs the distributor of said abrogation by mail, in a written notification sent to the last address shown in an official document. The contract is considered to be abrogated as of the date indicated in the written notification. The reasons entailing abrogation of the contract are also specified in the notification.