



DISTRIBUTOR AGREEMENT

United States

The following states the Terms and Conditions of this Agreement between the named Applicant (hereinafter “Distributor”) and AdvoCare International, L.P. (hereinafter “AdvoCare”). As a Distributor, you wish to resell AdvoCare products. For those that wish to simply buy AdvoCare products, please take advantage of AdvoCare’s “Preferred Customer” program offering discounts on AdvoCare products. Information on this program is available at <https://www.advocare.com> (follow the current links concerning the Preferred Customer program).

- 1. Policies Incorporated into Distributor Agreement.** This Agreement incorporates by reference the AdvoCare Policies, Procedures and Compensation Plan (“Policies”), in their current form and as amended periodically at the sole discretion of AdvoCare. Capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Policies. The parties agree that good and valuable consideration exists for the Policies and Distributor Agreement in the event that he or she decides to continue operating under the then amended Policies and/or Distributor Agreement. It is the responsibility of each Distributor to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of the Policies. The most current version of the Policies is available online through your AdvoCare Distributor Website. **Any amendments to the Policies shall apply only prospectively, not retrospectively, shall be communicated directly to Distributors via email, and shall be effective fourteen (14) days after online posting by AdvoCare. AdvoCare reserves the right to amend the Policies in its sole discretion.** By executing the AdvoCare Distributor Agreement, each Distributor agrees to abide by all amendments or modifications made by AdvoCare. The continuation of a Distributor’s AdvoCare business following the posting of amended Policies, including but not limited to Distributor’s acceptance of compensation under the Compensation Plan or acceptance of discounted AdvoCare products (“Products”), shall constitute acceptance of all amendments to the Policies. Any breach of this Agreement shall be a material breach and may result in immediate termination. **This Agreement may be terminated by either AdvoCare or the Distributor for any reason upon thirty (30) days’ notice, which the parties agree is reasonable.** Distributor understands and agrees that this Agreement is non-exclusive and that AdvoCare retains the right to sell its products in any manner it chooses and in accordance to its own business judgment.
- 2. Integrated Contract.** Together the Distributor Agreement and the Policies, as they may be amended, constitute the contractual agreement (“Contract”) between AdvoCare and each Distributor. The Contract sets forth the entire agreement between AdvoCare and the Distributor and supersedes any and all prior oral or written agreements or understandings between AdvoCare and the Distributor, including any representations by AdvoCare or its Distributors not explicitly made in the Contract or in official AdvoCare publications. The Contract may not be altered or amended except as provided in the



Policies as amended from time to time or by other written notice by AdvoCare. Should any discrepancy exist between the terms of the Contract and verbal representations made to any Distributor by any AdvoCare employee, the terms and requirements of the Contract will prevail. Should any discrepancy exist between the terms of the AdvoCare Distributor Agreement and the Policies, the terms of the Policies will prevail, unless otherwise provided in the Policies.

- 3. Policies and Provisions Severability.** Any provision of the Contract that is judicially invalidated or otherwise rendered unenforceable in any jurisdiction is ineffective only to the extent of such invalidation or unenforceability in that jurisdiction, and only within that jurisdiction. Any prohibited, judicially invalidated, or unenforceable provision of the Contract is severable and will not invalidate or render unenforceable any other provision of the Contract, nor will such provision of the Contract be invalidated or rendered unenforceable in any other jurisdiction. In the event any provision of the Contract is deemed invalid or unenforceable in any particular proceeding, such provision shall be reformed to effectuate its original intent and purpose to the fullest extent possible.
- 4. Requirements to Become an Independent Distributor.** In order to become an Independent Distributor, you must:
- (1) Be at least 18 years of age;
 - (2) Reside in a geographic area where AdvoCare conducts its direct selling business;
 - (3) Submit a signed Distributor Agreement; and
 - (4) Purchase a Distributor Kit.

A signed Distributor Agreement constitutes your agreement with AdvoCare and acknowledges your understanding that you must adhere to the AdvoCare Policies, which are incorporated into the Distributor Agreement as part of the Contract.

- 5. Rights and Privileges of Distributors.** Once AdvoCare receives and accepts a Distributor Agreement, the Distributor enjoys the following rights and privileges that are continuing in nature, and regularly supplemented and updated to enhance a Distributor's business opportunity (further detailed and defined in the Policies):
- (1) To sell Products to Retail Customers and earn a profit, if eligible;
 - (2) To sell Products to Preferred Customers and Registered Retail Customers and earn Wholesale Commissions, if eligible;
 - (3) To purchase Products directly from AdvoCare at a discounted price; and
 - (4) To enjoy limited license to display and use AdvoCare trademarks, trade names, or corporate logos upon AdvoCare approval.

However, Distributors are strictly prohibited from selling to other Distributors, individuals, or entities who may resell Products.

- 6. Distributors are Independent Contractors.** Distributors are independent contractors, not employees of AdvoCare. Distributors may not do anything that would lead someone to believe that he or she is an employee or an agent of AdvoCare. As an independent contractor, Distributors are responsible for the following:
- (1) Setting retail prices for Products sold (although, in order to maintain AdvoCare's premium brand image, business goodwill, and the integrity of its sales channel, AdvoCare strongly encourages Distributors to charge customers the suggested retail price);
 - (2) Establishing working hours;



- (3) Conducting the day-to-day business; and
- (4) Reporting to the IRS any income earned from the Distributorship.

The services performed as an AdvoCare Independent Distributor are performed pursuant to the Contract, and such Contract provides that Distributors will not be treated as an employee with respect to such services for Federal tax purposes. If a Distributor has any employees, they will have no rights against or relationship with AdvoCare. Such employees do not have any authority to resell any AdvoCare products.

- 7. **Status Change from Distributor to Preferred Customer.** In AdvoCare’s sole discretion and based on criteria that demonstrates the Distributor is operating their business solely for the purpose of obtaining discounts on Products, AdvoCare may initiate a “Status Change” moving the Distributor to Preferred Customer status. Criteria that AdvoCare may evaluate, include but are not limited to (a) the amount of Products purchased over a given period of time; (b) development of Preferred Customers and Registered Retail Customers; and/or (c) other actions that reflect a Distributor is not operating their business in accordance with the Policies.
- 8. **Manipulation of the Compensation Plan.** AdvoCare strictly prohibits conduct and actions that are, or may be perceived as, manipulation of the Compensation Plan. This prohibited conduct may include any orders in a fraudulent, manipulative, or deceptive manner. AdvoCare employs robust and consistent monitoring and enforcement procedures to review and sanction Distributors who do not comply.
- 9. **Use of Logos, Trademarks, and Copyrighted Material.** AdvoCare owns all AdvoCare trademarks, trade names, logos, and copyrighted images and content. Distributors may not use AdvoCare trademarks, trade names, or copyrighted images without express written approval from AdvoCare. Distributors have a limited license to use approved materials and logos to promote their AdvoCare business, which are made available through their Distributor Website.
- 10. **Testimonial Claims.** AdvoCare considers any statement or assertion about its Products, results on Products, use of Products, its business opportunity, and results with its business opportunity to be a testimonial claim. When discussing or promoting AdvoCare, Distributors may make only those claims or representations found on product packaging, the AdvoCare Website, or in current literature published by AdvoCare. For more information, refer to the Policies.
- 11. **Termination for Convenience.** AdvoCare reserves the right at any time to terminate for convenience in its sole discretion any Distributorship upon thirty (30) days written notice. Cancellation shall be effective on the date on which written notice is mailed, emailed, or delivered to an express courier, to the Distributor’s last known address, email address, or to his or her counsel, or when the Distributor receives actual notice of cancellation, whichever occurs first. AdvoCare shall not be required to have any reason, nor to prove any cause in order to terminate any Distributorship with any Distributor. If and when any Distributorship with any Distributor is terminated, the Distributor shall have no claim against AdvoCare, its affiliates, or their respective officers, directors, agents, employees, servants, and representatives, nor any right to claim or collect lost profits, lost opportunities, or any other damages. Termination will result in the loss of all benefits as a Distributor. The terms hereof are in satisfaction of any and all statutory and common law claims, including without limitation, any right to reasonable notice of termination of the contractual relationship.



12. ARBITRATION, GOVERNING LAW, JURISDICTION AND VENUE. THE COMPLETE AGREEMENT CONCERNING ARBITRATION IS CONTAINED IN THE POLICIES, PLEASE READ IT CAREFULLY. EXCEPT AS MAY BE EXPRESSLY PROVIDED OTHERWISE BY THE POLICIES, ANY CLAIM OR CONTROVERSY ARISING OUT OF OR RELATING TO THE CONTRACT, WHETHER SUCH CLAIM ARISES IN TORT, CONTRACT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED BY BINDING AND CONFIDENTIAL ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS THEN EXISTING COMMERCIAL ARBITRATION RULES BEFORE A SINGLE ARBITRATOR. THE ARBITRATION SHALL BE CONDUCTED IN COLLIN COUNTY, TEXAS, WHICH SHALL BE THE EXCLUSIVE LOCATION OF THE ARBITRATION ABSENT AGREEMENT BY THE PARTIES OR EXTRAORDINARY CIRCUMSTANCES. THE CONTRACT, ITS INTERPRETATION AND ENFORCEMENT, AND ALL CLAIMS ARISING OUT OF OR RELATING TO THE CONTRACT, WHETHER ASSERTED IN LAW OR EQUITY, CONTRACT-BASED, TORT-BASED, OR OTHERWISE, AND INCLUDING SUBSTANTIVE CLAIMS OR DEFENSES ASSERTED WITHIN ANY ARBITRATION PROCEEDING, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CHOICE OF LAW OR CONFLICTS OF LAW PRINCIPLES. PROCEDURAL MATTERS IN ANY ARBITRATION PROCEEDING SHALL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (“FAA”) AND, UNLESS OTHERWISE CONFLICTING WITH THE FAA, THE TEXAS ARBITRATION ACT. MANDATORY AND EXCLUSIVE JURISDICTION AND VENUE OF ANY CLAIM, DISPUTE, MATTER, CONTROVERSY, OR ACTION BETWEEN ADVOCARE AND ANY DISTRIBUTOR(S) THAT IS NOT SUBJECT TO ARBITRATION SHALL BE IN THE COURTS OF COLLIN COUNTY, TEXAS AND/OR THE UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF TEXAS, TO THE EXCLUSION OF ALL OTHER VENUES AND FORUMS, AND DISTRIBUTOR HEREBY WAIVES ANY AND ALL OBJECTIONS TO SUCH VENUE, INCLUDING PERSONAL JURISDICTION AND FORUM NON CONVENIENS.

The signee has read and understood all of the foregoing terms and conditions, and the Policies, and hereby accepts them by submitting his/her personal information and executing this agreement.

