Zapple™

POLICIES AND PROCEDURES

*Effective May 1, 2022*

SECTION 1 – The Zapple Mission Statement

To change the lives of our Distributors and their customers by providing

affordable products, and by providing an opportunity to financially benefit their lives and the lives of their families in a positive way.

SECTION 2 – Introduction

2.1 Independent Distributor Agreement

The Independent Distributor Agreement comprises of the following items, any

formal agreement to such Independent Distributor Agreement or any action representing Zapple as an Independent Distributor through the purchase of product at wholesale price, participation of the compensation plan, or the retail of any Zapple product constitutes an agreement to abide by the following articles:

a.

b.

c.

The Independent Distributor Agreement

The Policies and Procedures (this document) The Zapple Compensation Plan

When referring to the Distributor Agreement or Agreement, it is referring to all

of the documents and components as described above. All Independent Distributors of Zapple carry the responsibility to read all components of the Agreement, and to be compliant with all aspects of said Agreement.

When sponsoring or enrolling a new Independent Distributor into Zapple, it likewise is their responsibility to become familiar with said Agreement and components thereof before signing the Independent Distributor Agreement or enrolling through an online form. It is the responsibility of all sponsoring Distributors to inform their new enrollments of the existence of these agreements, and that by enrolling as an Independent Distributor they are bound by such Agreements.

In this document or any component of the Agreement, when referring to

Zapple as a corporate structure, and any entities incorporated therein, they will be referred to by either “Company” or “Zapple.”

2.2 Purpose of the Policies and Procedures

The purpose of this Agreement and these Policies and Procedures is to

define the relationship between the Independent Distributor, other Independent Distributors, and the Company, and to clearly articulate the expected behavior and acceptable business conduct of all parties involved. By agreeing to the Independent Distributor Agreement and its components, the Independent Distributor is required to comply with it and its components, as well as with all federal, state, and local laws governing the Independent Distributor’s business activities.

If there are any questions in relation to the Independent Distributor

Agreement all Independent Distributors have their sponsors, and the corporate Distributor Support staff available to help answer any questions.

2.3 Changes to the Agreement

Zapple reserves the right to amend the Agreement and any or all of its

components, as well as its prices and commissionable volume levels, at its sole and absolute discretion. By executing or agreeing to the Distributor Agreement or any of its components, a Distributor agrees to abide by all amendments or modifications that Zapple elects to make. Amendments shall be effective upon notice (or a reasonable attempt to notify) to all Distributors that the Agreement or any of its components have been modified. Notification of amendments shall be published in any official capacity by Zapple. Zapple shall provide or make available to all Distributors a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company’s official website; (2) electronic mail (e-mail); (3) inclusion in any Company publications; or (4) any special mailings. The continuation of a Distributor’s Zapple business, activity, purchases, or sale of Zapple product, as well as any acceptance of bonuses or commissions constitutes acceptance and agreement of any and all amendments to the Agreement, any of its components, and the updated documents in their entirety.

If any amendments or modifications to this Agreement are not acceptable to

the Distributor they have 20 (twenty) days from the Agreements original publication date to notify the Company and request the termination of their Distributor Agreement.

2.4 Business Delays Beyond Zapple’s Control

Zapple is not responsible for any or all delays or failures in the

performance of its obligations when such performance is made commercially impractical due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, natural

disasters, death, curtailment of a party’s sources of supply, or government

decrees or orders.

This also applies to third party vendors of Zapple and limitations within

their services, including but not limited to delivery of packages or product, or any other feature, function, or service that is not expressly within the Companies control.

2.5 Invalid or Unenforceable Policies

If any part of the Agreement is held to be invalid or unenforceable, only that

invalid or unenforceable portion may be removed and the remainder of the Agreement shall remain intact and in force.

2.6 Compliance Enforcement

The Company never gives up its right to insist on the Independent

Distributors compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Zapple to exercise any right or power under the Agreement or to insist upon strict compliance by a Distributor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Zapple’s right to demand exact compliance with the Agreement or any components thereof. Waiver by Zapple can be effectuated only in writing by an authorized officer of the Company.

Zapple’s waiver of any particular breach by a Distributor shall not affect or impair Zapple’s rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Distributor. Nor shall any delay or omission by Zapple to exercise any right arising from a breach affect or impair Zapple’s rights as to that or any subsequent breach. The existence of any claim or cause of action of a Distributor against Zapple shall not constitute a defense to Zapple’s enforcement of any term or provision of the Agreement.

Any action or enforcement taken by Zapple in relation to a compliance

issue is address solely between Zapple and the parties involved. There is no requirement of notification to any other parties as to the outcome of such an investigation.

SECTION 3 – Becoming a Distributor

3.1 Requirements to Become a Distributor

To become a Zapple Distributor each applicant must:

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Be of the age of majority in your state of residence, or 18 years of age;

Reside in the United States;

Have a valid Social Security Number (SSN) or Federal Tax ID Number (EIN);

Read and agree to abide by the company’s Distributor Agreement and

all components therefore;

Remit payment of a Distributor Enrollment Fee;

Complete and submit (physically or electronically) an Independent Distributor Application and Agreement to Zapple.

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New Distributors may enroll online. An application with any secured or

protected information, such as SSN or EIN and credit card information, represents the personal application and agreement for such actions from the principle of such secured information. An existing Zapple Distributor must not fill out, sign, or accept the agreement for another Zapple Distributor.

Zapple reserves the right to reject or deny any new Distributor Agreement

or Application, and/or to reject any Agreement after its execution for any violation of policy as documented by the Agreement.

3.2 One Distributor Business Per Household / Vested Interest

To uphold the nature of the Zapple Compensation Plan, only one

Distributor Business may be open per household. This includes only having one executed Distributor Agreement per family, married couple, or live-in resident of the domicile. A corporation or business is also considered a single unit, household, or domicile for the purpose of this Agreement.

This restriction also includes the limitation that no Distributor can have a

vested interest in more than one Distributor’s business or Zapple account, including but not limited to: order placing, account management, or any interest or action in a position with the Zapple Tree which may define, enhance, or create an increase in commissions as a result.

3.3 Distributor Enrollment Fee

Each Distributor is required to pay an enrollment fee of $49.99 USD. This

enrollment fee covers the cost associated with the data creation of their account within the Distributor Management software package, supports the costs associated with management and service, provides the licensing of the Zapple name as an Independent Distributor, and creates a financial vestment in association with the adherence to the Agreement. In exchange for the Enrollment Fee, Zapple Distributors are free to use the Zapple brand in the distribution of their Zapple Inventory, and to purchase the

Zapple product at a discounted wholesale price (see Section 3.4). The

Enrollment Fee may be waived only if purchasing a Starter Kit during the initial enrollment process.

3.4 Distributor Benefits

After an Independent Distributor Application and Agreement has successfully

been completed and accepted by Zapple, all the benefits from the Zapple program, including the product offering, marketing materials, and Compensation Plan are available to the Distributor. These benefits include:

a.

The ability to purchase Zapple and products at

wholesale price;

The ability to retail Zapple with the intention of earning a retail profit from the sale thereof;

The ability to hold house parties, larger parties, or promote larger shows under the Zapple name as an Independent Distributor;

The ability to participate in the Zapple Compensation Plan (receive bonuses and commissions, if eligible);

The ability to sponsor other Independent Distributors;

The ability to receive Zapple training and communication;

The ability to participate in Zapple sponsored events, services, trainings, motivational functions, and recognition programs;

The ability to participate in any promotional or incentive contests and programs sponsored by Zapple for its Distributors.

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3.5 Business Entities

Certain types of corporations or businesses can apply to be a Zapple

Independent Distributor through the Independent Distributor Agreement. Business Entities are allowed to retail the product through any medium available to them (internet, retail store, etc.) as long as the retail or sales price to the end consumer is never lower (advertised or otherwise) than the suggested retail price per unit. Any exceptions to the suggested retail price offering must be approved in writing by an authorized officer of Zapple, and will only be considered for show events. This is in an effort to protect the business of all Independent Distributors.

During the registration process, all policies still apply that are applicable from

the Agreement. All persons, including Distributors, principles, and employees, of the corporation or business entity are held to the “Vested Interest” clause in Section 3.2.

3.6 Identification

During the application process, the Independent Distributor must provide a

Social Security Number or a Federal Identification Number to Zapple. Once the application is submitted and accepted, Zapple will assign a unique Distributor identification number. This will be used as the primary identifier of the Distributor account within Distributor Support, online applications, the tracking of orders, packages, and commissions processing and payments.

These IDs and other identifying numbers should not be shared with others.

3.7 Maintaining Distributor Status

After the initial application process, maintaining an Independent Distributor

status and placement within the Zapple Commission Tree Structure is contingent upon the following things:

a.

Adhering and maintaining all published policies, Agreements, and

components thereof (be in good standing);

Order at least 200 PV of inventory within the previous twelve (12) consecutive calendar months;

Be up-to-date on any invoices, owing balances, or retractions.

b.

c.

If at any point any of the items documented above are not maintained, the

account will be terminated, and the position will be removed from the Commission Tree structure. At which point the Distributor will lose all claim, rights, and privileges associated with the former position or account. If at any point a terminated Distributor wishes to re-engage as a Distributor of Zapple in good standing, the individual may reapply and pending approval may be re-enrolled into the organization. Reapplying Distributors will not be placed in previous locations or gain any of their former privileges associated with their former position.

SECTION 4 – Distributor Relationship with Zapple

4.1 Independent Contractor Status

When a Distributor joins Zapple, they are an Independent Distributor, or

Independent Contractor. They do not purchase a franchise or business opportunity, and the agreement between the Independent Distributor and Zapple does not create an employer/employee relationship, partnership, or joint venture. As a result, the Independent Distributor is solely responsible for paying all local, state, and federal taxes owed from any compensation earned, in the form of retail profits retained at the sale of all product or the bonus/commission plan offered by Zapple. Zapple will not withhold any FICA or taxes of any kind from any commission or bonuses paid out.

Independent Distributors are in complete control of the means by which they

operate their Zapple business. They will establish their own goals, hours, parties, shows, and methods of sale – within compliance with this Agreement and applicable laws. They are solely responsible for paying all expenses incurred in the development of their business and are not authorized to incur any debt or obligation on behalf of or in the name of Zapple or other Distributors or to open any financial account on behalf of, for, or in the name of Zapple. The success of their Zapple business is the sole responsibility of the Independent Distributor.

4.2 Income Taxes

As an Independent Contractor, Independent Distributors will receive an IRS

Form 1099 (Non-employee Compensation) earnings statement to each U.S. resident that has earnings of over $600 paid from Zapple in the previous calendar year.

The Independent Distributor is solely responsible for paying local, state, and

federal taxes on any income generated as an Independent Distributor. A copy of all IRS Form 1099s that are generated as a result of the criteria above will be remitted and sent to the United States Internal Revenue Service for the applicable tax year. If at any point the Federal Tax Information (name, SSN, EIN, etc.) provided by the Independent Distributor is wrong or contains an error, Zapple may hold all future earnings until the error is rectified within Zapple’s records and the correction is remitted to the IRS; in these circumstances, pending the severity of error, the Distributor may be subject to be liable for any fines incurred by excessive errors submitted to the IRS.

4.3 Reporting Errors

If at any time an Independent Distributor feels that there is an error made by

Zapple in regards to data display, volume accumulation, commission calculation, order delivery, tree placement of Distributors, or any other error – the Distributor has 30 days to notify Zapple, in writing, or when the purported error or incident occurred. Failure to do so will waive Zapple’s liability to correct, rectify, or make any adjustments for the issue in question.

4.4 Limitations of Liability

By signing or agreeing to the Independent Distributor Agreement or any

component thereof, the Independent Contractor agrees to release, discharge, and hold harmless Zapple, and anyone directly affiliated with Zapple (employees, officers, etc.) from any loss or damages, including costs and fees, incurred or suffered by you as a result of:

a.

The Independent Contractor’s breach of the Agreement (including

these policies);

The improper promotion or operations of the Zapple opportunity, business, or related activities;

Any incorrect data or information provided by a Distributor to Zapple;

Any incorrect data or display information displayed by the Virtual Office;

The Independent Contractors failure to provide any information to Zapple that may be necessary for Zapple to operate its business; or

The Independent Contractors failure to execute their personal business strategy.

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4.5 Request for Records

A Distributor’s request for physical copies of invoices, applications, downline

reports or other records will require a review and approval by the compliance department and will be subject to a $1.00 charge per page, as well as any applicable shipping charges.

4.6 Roll-Up of Downline Organization

When a vacancy occurs in a Downline Organization due to the voluntary

termination of a Zapple business, all Distributors or positions shifts up one level in order to fill that vacancy within the organization. This process and the removal of the terminated position is at the sole discretion and approval of the company, and may take up to three months to review. Roll-up of Downline Organization may not be approved in circumstances where there is any manipulation in the roll-up or termination process, or there is a significant rank advancement or commission increase that will occur as a result of such roll-up. In circumstances where Roll-up of the Downline Organization is not approved then the vacant position will still be terminated, and will remain empty until the company deems necessary.

When an account is terminated involuntarily by the Company, for any reason,

and the original position had generated a Commission earning in excess of

$50, the position will not be removed from the organization and the proceeding downline will not be “rolled-up.” This is due to the potential consequences as detailed above in such moves. The position will remain there, but be deemed inactive. As a result of Compression in the Zapple Compensation Plan it is anticipated that this activity will not negatively affect commission payout through the Unilevel program, however it will keep

organizational leg structure intact, and minimize potential manipulation in the

organization.

4.7 Sale, Transfer, or Assignment of a Zapple Business or Position

Although your Zapple business is privately owned and independently

operated, the sale, transfer, or assignment of it is subject to certain limitations and corporate approval. If you wish to sell your Zapple business or position within the organization structure, you must receive written authorization from the Company, and the Company has first right to purchase the position. In order to sell, transfer, or assign a Zapple business, the following criteria must be met:

a.

The line of sponsorship must always be maintained, and the business

must continue on;

The organization must be protected, and an agreement must be signed from the departing Distributor that it will be protected for the next 24 months after the transaction – resulting in no contact, recruiting, or cross recruiting;

The departing Distributor agrees not to enroll as a Zapple Distributor for a period of no less than twelve months, or as a Distributor or distributor for any network marketing or direct sales company for a period of no less than six months;

The purchasing agent must not be a current, or have been a Distributor for the previous twelve months – must be new to Zapple; The purchasing agent must enroll through the transaction as a new Distributor, signing the Agreement, and a new account created;

No history is transferable, only the position and location in tree; Before the sale is finalized, it must be brought to Zapple’s attention for approval;

All participants must have been in good standing for the previous twelve months;

A $250 Transfer Fee must be paid prior to the approved transfer being processed.

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Zapple reserves the right to deny the transfer or sale of any organization at

its sole discretion, request additional information, or documentation. Upon approval or denial, Zapple will give further directions or timeline associated with the decision.

4.8 Separation of a Business

In circumstances where joint owners or partners of a single position or

Zapple business no longer wish to continue the business relationship due

to separation or divorce – there must be a way to equitably continue the

business as a single entity, in its current location, while minimizing any impact to any other business owners which may be formally or informally associated with the business in question. If such an action is not possible, then Zapple will involuntarily terminate the Distributor Agreement, and the position, account, or business entity will be terminated.

During any business separation or divorce proceedings, the following options

are available in which Zapple will support:

1. One party, with consent of the other, continues to operate the business

pursuant to the Agreement. All claimants on the position will deal directly with the party selected, and Zapple will deal and respond only to the selected account operator;

1. The parties may continue to operate the account as joint owners and partners.

In the event that the parties cannot come to a resolve for the dispute,

Zapple will terminate the Distributor Agreement and execute its right to either terminate the position or take control of the account.

4.9 Transfer Upon Death of a Distributor

To affect a transfer upon the death of a Distributor, the claimant will need to

provide the following:

a.

b.

Copy of the death certificate;

Notarized letter or legal instrument establishing the rightful successor; and

Completion of a new Distributor Agreement.

c.

4.10 Indemnification

A Distributor is fully responsible for all of his/her verbal and written actions or

statements made regarding Zapple products and the Zapple Marketing and Compensation Opportunity that are not expressly contained with official Zapple materials. Distributors agree to indemnify Zapple and Zapple’s directors, officers, agents, and employees and hold them harmless from any liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Zapple as a result of the Distributor’s unauthorized representations or actions. This provision shall survive the termination of the Agreement.

4.11 Claims

Distributors may not make any claims in relation to the product or income

generated by Zapple.

4.12 Distributor Support and Responsibilities to Retail Customers

Zapple offers Distributor Support for enrolled or enrolling Zapple

Independent Distributors. Zapple does not offer Distributor Support to Retail Customers of Zapple Distributors. Distributors are expected to offer support and services and be a liaison between their customers and Zapple.

4.13 Zapple Right to Data

Zapple reserves the right to store acquired data from the Distributor. They

also maintain the right to own, share, or display such data (excluding secure data) within reasonable means to increase the business of the Distributor, or the offering of Zapple. This right includes sharing contact information, general location information, success information, or any other reasonable data through appropriate mediums, such as the Zapple website, replicated sites, web based communication, letters, telephone, or other accepted mediums of communication.

Zapple commits to protect the integrity of such data to the full extent it is

reasonably capable of doing, and to avoid selling or distributing any sensitive information with organizations or persons that are in-line with the mission and goals of Zapple, or that is in the reasonable welfare of their Distributors.

4.14 Disparaging Remarks

Distributors may not use disparaging remarks in relation to Zapple

corporate staff, employees, directors, officers, or any other Representative of Zapple, including but not limited to other Independent Distributors.

Distributors are to conduct their business with positivity and in a manner that uplifts everyone. Comments made by Distributors which may be negative in nature that relate to others potentially damage their own business, the business of others, and the Zapple brand. Distributors should be courteous, polite, and always seek an amicable resolution to any disagreement or dispute.

Owners of social media sites, forums, blogs, or community pages, are

responsible to ensure that all messaging and content by contributors to those pages remain positive, uplifting, and supportive of the Zapple business, operators, Distributors, and programs. All comments made on any such sites are the sole responsibility of the owner to monitor, and any

violation or disparaging comments made on such forums, will also be the

responsibility of the site owner or manager as if they were made by them directly.

SECTION 5 – Operating a Zapple Business

5.1 Adherence to the Zapple Marking and Compensation Plan

Distributors must adhere to all published Zapple Marketing and

Compensation Plan literature. Zapple Distributors may not offer Zapple products or opportunity in conjunction with any other system, program, or method of marketing other than that which is set forth in the published Zapple Marketing literature. Distributors may not enforce, require, or encourage Customers or Distributors to execute any agreement other than the official Independent Distributor Agreement.

5.2 General Advertising

Zapple Distributors shall safeguard and promote the good reputation of

Zapple and its products. The marketing of Zapple products, opportunity, compensation plan, and marketing shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, slanderous, unethical or immoral conduct or practices.

Any personalized promotional material or advertising attempt must be

approved by Zapple and its legal department to ensure that there are no claims or violations to the Zapple trademark, namesake, or other legal issues. Distributors are not permitted at any time to make any income claims in relation to the Zapple opportunity. All labels, trademarks, logos, names or titles, must include the title “Independent Distributor” prominent enough to easily identify that the Distributor represents their own business and not Zapple as a whole or as a corporation.

5.3 Use of Zapple Name

Distributors may not use the Zapple name or any of its registered

trademarks, names, services, or products in any personalized or personally owned businesses, webpage addresses, e-mail address domains, or internet domain registration.

Distributors, or anyone, may not use Zapple trademarks, designs, or

symbols, without its express prior written permission. Distributors may not record Zapple sponsored Company events, speeches, conference calls, or

any other event or function through any medium without the prior written

consent from Zapple.

Distributors may only use the Zapple name in casual communication (i.e.

social media communication, online forums, blogs, email addresses, etc.) under the following considerations: (1) it is with the intention of building their Zapple business, (2) when there are no plural terms used in the title of use of the Zapple name, so as to not represent a group of individuals, and (3) there is a specific individual identifier clearly indicating not only the use of it by an Independent Distributor, but which independent Distributor is using the term (such as Distributor Identification Number or name).

5.4 Zapple Brand

At no time may a Distributor re-label or remove the label of any Zapple

product for retail sale. Such relabeling or repackaging would violate this Agreement and governing laws which could result in severe criminal penalties. Civil liabilities may also result when the persons using the products suffer any type of injury or their property is damaged as a consequence of the repackaging or relabeling of products.

Any media inquiries in relation to Zapple must be responded to by

Zapple’s Communications Department and corporate headquarters, and Distributors should not attempt to respond to any inquiries without express written permission to do so.

5.5 Use of the Zapple Logo

At no time can any Distributor create or distribute any item or literature that

contains the Zapple logo and brand that was not created by Zapple directly and distributed for that intended purpose.

Independent Distributors are free to use the “Zapple Independent

Distributor” logo, which is available to all Distributors online; as long as they do not alter or distort the logo in any way. Distributors may make any tools, or accessories necessary for them to build their business using the Zapple Independent Distributor logo, for personal use or consumption. No Distributor may create and then sell, distribute, or promote, any items with the Independent Distributor logo to other Distributors, members of their teams, or anyone else.

5.6 Team Use of Distributor Logo and Team Services

The only exception to using and reselling an item with the Zapple

Independent Distributor logo that will be considered will be for the purpose of team use, and only under the following considerations:

1)

The Distributor creating, designing, and reselling the item has

proven themselves capable both financially and through building a successful organization, and has reached the rank of A-Lister for a minimum of two consecutive months;

The qualified Distributor has also formally agreed to all terms within the Distributor Licensing Agreement (which can be requested once qualifications are met);

All items with the Zapple logo use the Zapple Independent Distributor logo, and also include an additional team logo prominently displayed on the item;

All items are submitted and approved by Zapple, before they are produced, created, generated, and sold to the general public;

All items are to be tasteful, and of quality.

2)

3)

4)

5)

Zapple reserves the right to deny any design on the grounds of brand

protection. Distributors may not charge other Distributors or team members for any type of products, services, or training (material or immaterial) unless they have proved their ability to succeed with Zapple by reaching the rank of Black Diamond for a minimum of two consecutive months, and have the express written approval of Zapple to do so through the approved Licensing Agreement.

In the event where there is a personal or team brand, or any other brand

related to the business of a Distributor – at no time may that brand be seen to circumvent, replace, overshadow, or supersede the Zapple brand, in any forum, which may include but not be limited to online activity, shows or expositions, or any other related activity which is reasonably intended to build the Zapple brand.

5.7 International Sales

Distributors are only allowed to sell Zapple Products and Opportunity

within the United States, and those countries which Zapple has announced they are officially launched in (currently only United States).

5.8 Distributor Release

By agreeing to the Agreement or any of its components, the Independent

Distributor authorizes Zapple to use their name, testimonials, likeness, or experiences in Zapple advertising or promotional material with no

remuneration. Further, any reproduction of any photos, images, testimonials,

stories, conversations, or documentation that is created by Zapple or provided to the company is also authorized for reproduction in any form without remuneration.

5.9 Unsolicited Communication

Independent Distributors may not initiate any unsolicited communication

(faxes, e-mails, phone, etc.) to anyone who they are not personally aware of (or to people they do not know).

5.10 Online Activity

Independent Distributors may not use any online forum (eBay, classifieds,

CraigsList, or any other online retail tool) to bundle, distribute, or sell Zapple products. Independent Distributors are not allowed to use Mass E- Mailer or generate “SPAM” for their Zapple Business.

Social media or networking is permitted for the intention of developing a

warm market, or networking with current associates, but is not permitted for the direct sale or distribution of Zapple product. Distributors are not allowed to recruit through any Corporate social media page, or through any social media page that does not directly belong to that Distributor. This also includes directly contacting someone through instant messages or e-mails that were found through a social media site not directly owned by that Distributor. Violation of this policy can result in termination, as potential Distributors who are interested in doing Zapple can quickly become disinterested through heavy online recruiting activities.

Any and all online activity of Distributors with the intention of promoting

Zapple must be appropriately designated as an “Independent Distributor.”

5.11 Retailing or Reselling

After the initial product or inventory is purchased, no product can be resold

or retailed for less than the suggested retail price. Any exceptions must be approved prior to the sale or event by an authorized Zapple officer in writing. Any activity in which the product is sold under the suggested retail price from any Distributors risks the program of all Distributors.

5.12 Recruiting or Enrolling Promotions

At no point may a Distributor advertise or promote an enrolling or recruiting

promotion which discounts the price or value of the enrollment process. This includes, but is not limited to, offering discounted Enrollment Fees or Starter Kits, reimbursements, cash offers for enrollment, extra personal inventory, or anything else that is seen to increase the value or decrease the value of the enrollment process. This activity is often seen as an attempt to create an unfair advantage to other Distributors.

5.13 Parties, Fairs, Expositions, and Other Temporary Sales Forums

Parties, fairs, expositions, and other temporary sales forums represent good

opportunities to both sell product and expose a population of people to the Zapple lifestyle, culture, product, and business opportunity. Zapple does not have any control over the business practices or the behaviors of the event organizers, hostess home environments, or managers at the event; and Zapple has no intention of mediating within these environments. Therefore, Zapple requests that all Distributors who wish to participate in these activities adhere to the following, and acknowledge the same through this Agreement:

a.

All transactions are on a cash carry basis, or through an independently

established merchant account provider. Zapple will not process charges, or accept funds on behalf of an Independent Distributor unless at a Zapple sponsored event and such is permitted.

Zapple does not issue or accept any liability for the decline of charges, charge backs, lost cash, or any other transaction difficulties that may take place at such events. All transactions for retail product are the sole responsibility of the Independent Distributor.

Zapple does not offer or accept any liability insurance for any home party, meeting, booth, bazaar, seminar, show, or any other event or sales location initiated by the Independent Distributor. Such events are the Independent Distributor’s meetings, and therefore all liabilities and ownership are the Distributor’s responsibility.

Only one Zapple booth is allowed per show or event. It is the Distributors responsibility to check with the show managers or promoters to ensure that there are no Zapple Distributors contracted before you contract for any space.

Zapple show booths must exclusively offer Zapple. Zapple may not be mixed with any other products or offerings within a show booth.

The Distributor must make it known to the show managers and promoters that they are a Zapple Distributor and that they can be the only Zapple Distributor present. This must be done in writing, as well as the reception of such information from the show manager or

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c.

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promoter. Failure to obtain written acknowledgement from the show

manager or promoter that they understand this policy minimizes the Distributor’s ability to mediate any potential issues that may arise.

If there are any disputes in relation to this policy, and there is more than one Distributor selling Zapple products at a show, the challenging Distributor must take it up with the show promoter or manager that they contracted the space with in an effort to resolve the issue. Zapple will not mediate such disputes.

The Distributor may never offer a sale, deal, or promotion at a show which lowers the retail or sale value below the suggested retail value.

No competing or similar products may be offered alongside or in the same booth, as Zapple products in order to maintain its good name, and to minimize comparison with inferior products.

The Independent Distributor, or an agent thereof, must attend all hostess parties, home parties, show booths, or events that they are sponsoring or supporting (gaining retailing product at). The booth or party may never be left unattended at any time, or with someone who is not a Zapple Distributor.

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It should be noted that only the Show Director has the ability to resolve any

issues on the premises. As any concerns or issues are directed towards Zapple, it can only be in relation to a claim of policy violation, and the Distributor who has followed the policy as outlined above, and has their documentation dated and in writing will overrule. No circumstance, in which neither disputing party in relation to a policy violation has followed the above policy, will be considered by Zapple. A failure to comply with the policy as outlined above, equates to failure to dispute or challenge another’s right within the policy.

5.14 Change of Sponsor or Placement

To protect the integrity of all marketing organizations and the hard work of all

Distributors within the organization, Zapple will seldom allow changes to the sponsorship or placement of another Distributor or organization.

Maintaining the integrity of the sponsorship and placement trees is critical for the success of every Distributor and marketing organization. Accordingly, the transfer of a Zapple business from one position to another is rarely permitted.

Requests for a change of Sponsor or Placement within an organization must

be submitted in writing to the Zapple Distributor Support Department in writing via email (sales@Zapple.com), and must include the

reason for the request. Transfers will only be considered in the following

circumstances:

a.

Cases involving fraudulent or unethical sponsoring. All requests of this

nature must be made with 60 days of the alleged activity;

Distributors may terminate their positions voluntarily, wait the required 12 (twelve) months, and then re-enroll within the desired organization; or

The request is made and received within 72 hours of the initial enrollment or placement.

b.

c.

It will be left to the sole discretion of Zapple whether any downline or team

members may be moved in the process of such requests. At no time will a request be approved if it directly affects the ranking or significantly affects the monetary rewards from an organization (as a result of the move itself). There is a $25 non-refundable fee to investigate any requested changes.

If at any time an Independent Distributor is deemed inactive for a period of

three consecutive months, that Independent Distributor forfeits all rights to have their approval required for any requested changes within their organization, at the discretion of the Company.

5.15 Non-solicitation

Zapple Distributors are free to participate in other multilevel, network

marketing, or party planning companies and organizations (“network marketing”). However, during the term of this Agreement, and to survive for 12 months after the termination of this Agreement, Distributors may not solicit or recruit (attempted or successful) other Zapple Distributors to any other network marketing business.

Distributors must not sell, or attempt to sell, any competing non-Zapple

products at any event where Zapple products are being sold.

Distributors may not display Zapple promotional material, signage, or

literature in a way or fashion that may confuse or mislead a prospective customer or Distributor into believing there is a relationship between Zapple and non-Zapple products or services. Distributors may not offer the Zapple opportunity side by side, or in conjunction with, any non- Zapple opportunity, product, or service.

5.16 Downline Activity Reports (Genealogy)

Downline Activity Reports are available to Distributors to access and view

their Zapple Sales Organization. These reports are available in the Zapple Back Office. These reports are property of Zapple, and therefore the information contained therein is confidential. The use of these reports outside the intended use of supporting and building a Zapple organization is in direct violation of this agreement, and may bring legal action upon the violating Distributor. A Distributor shall not, on his/her own behalf, or on the behalf of any other person, partnership, association, corporation or other entity:

a.

Directly or indirectly disclose any information contained in any

Downline Activity Report to any third party;

Directly or indirectly disclose the password or access code to his/her Downline Activity Report, or to the Reports of any other Distributor; Use the information to compete with Zapple or for any purpose other than promoting his/her Zapple business;

Recruit or solicit any Distributors or Customers of Zapple listed on any report, or in any manner attempt to influence or induce any Distributor of Zapple to alter their business relationship with Zapple; or

Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Reports

– including sponsorship or placement relationships.

b.

c.

d.

e.

Upon demand by Zapple, any current or former Distributor will return the

original and all copies of any Downline Activity Reports to the Company.

5.17 Cross Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. “Cross

Sponsoring” is defined as the enrollment (or attempted enrollment) of an individual or entity which is already or has a current Independent Distributor Agreement on file, which has not expired or been terminated for the duration of 12 consecutive months. The use of a spouse’s or relative’s name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, or any other artifice to circumvent this policy is prohibited. Distributors must not demean, discredit, or defame other Distributors in an attempt to entice another Distributor to become a part of a new organization with Zapple or within another company.

If cross sponsoring is discovered, it must be brought to the Company’s

attention immediately. Zapple will then conduct a compliance investigation, in which Zapple reserves the right to permanently terminate any

agreements involved, rectify the organization as they deem appropriate, and

potentially initiate legal action.

5.18 Inventory Loading

Distributors must never purchase more products than they can reasonably

use or sell to Retail Customers in a month, and therefore must not influence other Distributors to purchase more product than they can reasonably sell within a month. Not only will excess product not be returnable, it may be seen as Bonus Buying and a violation of Section 5.19.

5.19 Bonus Buying

Bonus Buying is strictly and absolutely prohibited. “Bonus Buying” involves

any method of directly or indirectly maintaining or increasing a Distributors rank, volume, or commission level by purchasing products for which the Distributor does not have a bona fide need for personal use or bona fide reason or intent to resell within the next 30 days from the date of the order; or, placing orders personally with the intention of hitting or maintaining a rank, volume, or commission level. This also includes using multiple positions within the organization to achieve the goal of “buying” the bonus or achievement.

If it is determined by the Compliance Department that a Distributor is Bonus

Buying, that Distributor may be subject to suspension, termination, loss of commissions, loss of rank, or temporary or permanent suspension of the return policy. Product determined to be used or purchased in an abusive manner (i.e. Bonus Buying) will not be allowed to be returned.

5.20 Fraudulent Behavior

Distributors, and the hosts they work with, are obligated to work in an ethical,

fair, and honest manner. If a Distributor’s behavior or interactions are dishonest or fraudulent in any way, they will be immediately suspended, investigated, and potentially terminated. It is also expected that Distributor uphold all agreements, contracts, or obligations entered into with any other party, through the course of building their Zapple business.

SECTION 6 – RESPONSIBILITES OF DISTRIBUTORS

6.1 Change of Address, Telephone, or Contact Information

To avoid any disruption in business practices, the Distributor is responsible

to notify Zapple of any changes to the contact information provided on the

Distributor’s account. Most changes can be made online, but can also be

done via phone through the Distributor Support Department. A Post Office

Box (“P.O. Box”) is acceptable for a billing address, but not acceptable for a Shipping Address, as inventory packages will NOT be shipped using the USPS and will NOT be delivered to a USPS P.O. Box unless a delivery confirmation waiver is received. Zapple is not held liable for missing shipments, commission payments, or any action or delayed response as a result of inaccurate or outdated contact information on the Distributor’s account. This includes name, billing address, shipping address, telephone numbers, texting numbers, email address, and any other means of communication possible.

6.2 Changes to the Agreement

It is the Distributor’s responsibility to update or initiate any updates if there

are any changes to the Agreement, including government ID numbers, applicant names, or business entities. These changes can be initiated through Distributor Support, and require a newly executed and completed Agreement submitted. There may be an additional $25 fee to change principles, Business Entities, or taxable Government IDs on file.

6.3 Continuing Leadership

Any Distributor who sponsors another Distributor into Zapple must

perform a bona fide assistance and training function to ensure that his/her organization is properly operating their Zapple business and that they are in full compliance with local and federal laws, and this Agreement. It is expected that Distributors will monitor the activities of their organizations and support full compliance with the Company’s polices contained within this Agreement. In any circumstances, where it is discovered by a Distributor that a member of their team may be in violation to this Agreement, they are to do all within their power to bring them back into compliance with this Agreement; if that is not possible or completed, they are to notify Zapple Compliance Department immediately.

Distributors are expected to support, train, and mentor other Distributors in

the organization to help them build success. It is expected that sponsoring Distributors be available to be contacted, attend meetings, and support their organizations. Failure to do so will result in a lack of personal success within the Company.

6.4 Providing Documentation

When enrolling a new Distributor, the sponsoring Distributor must be able to

provide or ensure that they have access to, and have reviewed, the latest

version of the Policies and Procedures, the Compensation Plan, and the

Distributor Agreement before the new Distributor signs the Independent Distributor Agreement, or completes the process online.

6.5 Reporting Obligation

All Distributors have an obligation to report any policy violation that they may

witness or be aware of to the Zapple Compliance Department. Failure to do so may result in compliance actions taken against them.

6.6 Laws and Ordinances

All Distributors must be aware of, and adhere to any local or federal laws and

ordinances that may affect or be a part of their Zapple business or sales activities.

6.7 Federal Regulations

Certain federal regulations govern the direct sale of inventory, which includes

Zapple. In order to comply with those regulations, Distributors must ensure the following information is provided on all sales receipts at each transaction:

a.

b.

c.

d.

Date of transaction;

Product issued (units purchased);

Name and Address of selling Distributor; and Signature of purchaser, indicating receipt of product.

They must also be aware of the Distributor’s return policy of the product.

Distributors are required to issue sales receipts for the retail purchase of

Zapple product, as well as to keep a copy for themselves for no less than two years from the transaction documented.

6.8 Adherence to Hostess Rewards Program

The success of any party planning organization rests with the success of the

Hostess. “Hostess” refers to someone who has agreed to hold a party for their friends and associates, and have invited a Zapple Distributor to offer product at their home. Incentivizing a Hostess to hold a party at their home is key to the success of any organization. Therefore, Zapple has outlined the following as the minimum amount of compensation offered to Hostesses for hosting the party:

a. All Distributors are obligated to offer a 5% credit to the Hostess for the

retail sales generated at their hosted party; preferably to be selected out of the inventory at the party. The credit is determined from Retail Sales (not profit), and is exchanged for Retail Price.

To support and augment the cost for the Distributor to adhere to this

minimum offering for their Hostess, Zapple has supplemented many of the Party Packs with additional units which may be used to fill this obligation.

Zapple strongly encourages Independent Distributors to increase and

enhance their Hostess Rewards program for their own Hostesses – understanding that the more excited the Hostess is, the more excited the customers are, and the more sales are generated.

6.9 Reception of Product

When an order is received, it is the Distributor’s responsibility to do an

immediate inventory of the product delivered to determine if there are any damaged or missing pieces from the invoiced order. Failure to notify Zapple within three business days of confirmed delivery of the shipment will cancel your right to request a return.

6.10 Holding or Manipulation of Enrollments or Orders

A Distributor must never hold or manipulate the timing of an Independent

Distributors enrollment or order. Doing so will result in the conclusion that such actions are in conjunction with “Bonus Buying” (see Section 5.19), and will be subject to a compliance review. Doing so also postpones the activity of the new Independent Distributor, and can damper an opportunity for them to succeed.

6.11 Actions of Household Members

If a member of a Distributor’s immediate household engages in activities that

violate the Agreement (including these Policies), the Distributor will be considered to be in violation of the Agreement. This section also applies to any member of a business entity that is a business representative of Zapple as a Distributor.

6.12 Business Insurance

Zapple does not provide or offer any form of business or liability insurance

for the Distributor’s business. Distributors are free to purchase such insurance for their business. Homeowners or automobile coverage usually does not provide coverage for any type of business related injury, theft, or damage.

SECTION 7 – Bonuses and Commissions

7.1 Bonuses and Commissions

A Distributor must be active (with a minimum of 50 PV in inventory monthly

inventory purchases), in good standing, and in compliance with the Agreement to qualify for bonuses and commissions. So long as the Distributor complies with the terms of the Agreement, Zapple shall pay commissions to qualified Distributors in accordance with the Marketing and Compensation plan and their qualifications. The minimum amount for which Zapple will issue a check or deposit is $20.00 (after a $2.50 commission processing fee). If a Distributor’s earnings for the month is less than the required amount, those funds will be placed on their account to be added to the next commission payout cycle and paid once the minimum amount has accumulated.

7.2 Commission Times

Commissions are only paid in the form of checks or direct deposit, and are

paid as a whole payment in relation to the activity within the last previously closed commission period. Commission Periods (and Qualification Periods) begin the first day of every calendar month at 12:00 AM EST, and conclude the evening of the last day of every calendar month at 11:59 PM EST. After a commission period is closed, a monthly audit and commission calculation begins. Final commission calculations will be posted (via the internet based Back Office) around the 10th of the month, and the checks mailed and deposits made no later than the 20th day of the following month for which the commissions are being processed for. Commission checks are only mailed to the Mailing Address on file, and are printed only to the name which is the Primary Name on file (personal or business).

7.3 Compensation Plan Adjustment

Zapple reserves the right to make any adjustments necessary to the

Compensation Plan at its sole discretion with 30 days prior notice in writing. Such notice would be made via e-mail, and through any notifications on the web-based Back Office.

7.4 Bonus Adjustments from Returns

In the event that a commission has been issued on the sale of product that is

eventually returned or on inventory that is accepted back by Zapple, any bonuses or commissions that were calculated and paid on the initial sale of the inventory or products will be deducted from the month in which the refund or return took place. This may continue for subsequent months until the paid commissions are recovered from all Distributors up the tree which may have earned commissions from the initial sales of the refunded inventory.

7.5 Bonus and Volume Reports

All information provided by Zapple over the phone, online, or through any

type of Downline Activity Reports, including but not limited to personal and group sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit cards and payments, returned product or inventory, credit cards and payment method charge backs, the information is not guaranteed by Zapple or any person creating or transmitting the information. All sales volume information is provided “as is” without warranties, expressed or implied, or representations of any kind whatsoever. In particular, but without limitation, there shall be no warranties of merchantability, fitness for a particular use, or non-infringement.

To the fullest extent permissible under applicable law, Zapple and/or other

persons creating or transmitting the information will in no event be liable to any Distributor or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity, and damages that may result from inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the information), even if Zapple or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, Zapple or other persons creating or transmitting the information shall have no responsibility or liability or other theory with respect to any subject matter of this agreement OR terms and conditions related thereto.

Access to and use of the Zapple online and telephone reporting services

and the Distributor’s reliance upon such information is at the Distributor’s own risk. If the Distributor is dissatisfied with the accuracy or quality of the information, their sole and exclusive remedy is to discontinue use of and

access to Zapple’s online and telephone reporting services and their

reliance upon the information.

7.6 Compensation Plan Calculations

All calculations within the Zapple Compensation Plan (qualification and

bonus calculations) are based off of the Personal or Product Volume (PV) accumulated within such account or organization. This includes all ranks, commissions, bonuses, rebates, promotions, or any other form of rewards offered by Zapple within or outside of the Zapple Compensation Plan.

Zapple Compensation Plan is audited monthly in an attempt to ensure

accuracy. Any errors that are discovered are to be reported to Distributor Support within 30 days of the publication of the Commission run. Zapple has no responsibility in relation to any issues that are not reported within that 30 day period. Zapple does all due diligence to ensure accuracy in all calculations and payouts.

SECTION 8 – Payment & Sales Tax

8.1 Insufficient Funds

It is the Distributors responsibility to ensure that there are sufficient funds

through the approved transaction type or credit card. If the funds or credit is not available, the system may not accept the Distributor’s order, or the orders of their organization. If the order payment is not resolved by the end of the commission period, the order will be canceled, and any lost commissions, qualifications, or business as a result of the lost order is the sole responsibility and liability of the Distributor.

8.2 Sales Tax

In states where the Zapple products are subject to sales tax, the

Distributor is charged for the sales tax at the full Retail Sales amount at the time of the wholesale purchase of inventory. This is intended to ensure that each state tax agency is made whole on any potential sales from the transactions of that wholesale product. The sales tax is charged at the local level of the location where the order is shipped. Zapple collects these taxes at the time of wholesale inventory purchase and remits it to the state on behalf of the Retail Sale that the Distributor may now have.

This also allows the Zapple Distributor the option of charging their local

taxes on their Customer transactions and recuperate that cost, or absorbing

it into their business structure; while at the same time not bringing any

uncovered sales tax liability on Zapple or the Distributor.

Zapple is required to remit sales tax this way.

8.3 Automated Payment Processing

In the circumstance where Zapple offers a payment package for any event

or experience ticket, the Distributor agrees to the terms proposed through the payment process. Tickets for Zapple events, shows, or trainings are non-refundable. All Distributors must pay the full amount of the ticket after they have registered for the event, regardless of whether they attend or not. All automatic recurring payments, as designated and agreed to by the Distributor upon registration, must be completed and the ticket must be paid in full.

SECTION 9 – Warranties, Guarantees, Returns, and Repurchases

9.1 Manufacturer Defects

Zapple only warrants against manufacturer defects. Distributors are

required to inventory their product within three days upon receipt and immediately report any defective products (in accordance with Section 6.9).

Distributors are expected to report any issues to Distributor Support, and describe the issue to identify what might be done to resolve the issue. If indeed, it is determined that there is a manufacturer defect, the Distributor Support Representative will approve an RMA (Return Merchandise Authorization) Number for the defective pieces ONLY. Upon receipt either a replacement (if available) will be sent, a similar replacement, or credit will be issued for that piece. Product that is returned under this policy must be received by Zapple within 15 days of notification, or 18 day from the receipt of the order. Any product received outside of this window will not be considered for a return, exchange, or refund.

9.2 No Warranty of Used Product

Zapple does not guarantee or warranty its product after it is removed from

the packaging and/or used. Zapple are fashionable, trendy, and inexpensive. There is no intention or claim at the time of retail purchase of any life of the product, guarantee, or warranty. Distributors are encouraged to have their own satisfaction offerings within their own business, but to never offer any type of product life guarantee by Zapple. Used or opened

product will not be returnable to Zapple, whether by a Retail Customer or

an Independent Distributor, unless the product falls under the manufacturer defects mentioned in Section 9.1.

9.3 Purchase Policy

Any Distributor who has an active account may purchase Zapple product

as inventory to resell. Purchased Zapple product is the inventory of the Distributor, and is their responsibility to sell or move. Distributors should not purchase more than they reasonably believe they can resell. Upon purchase and opening of the product the Distributor accepts the responsibility to sell that product, and remove any liability of Zapple to make any retail sales on their behalf. Product purchased for inventory carries no warranties (see Section 9.2) and in most circumstances may not be returned (see Section 9.4) and the purchasing Distributor accepts those liabilities.

9.4 Return Policy

As a result of the nature of the Zapple business, excess inventory from a

show or a house party is not returnable. In relation to the nature of Zapple, fashion trends, and rotating inventory, once the product is purchased and is delivered that item is not returnable unless it falls under the guidelines of “Manufacturer Defects” (see Section 9.1), and is identified within three days of receipt. Once a product package is no longer offered, returned inventory is no longer available to be restocked and therefore resold. Any excess products from a show or party that the Distributor may have ordered, are encouraged to be used at the next party or show or as Hostess Gifts. As a result of the fast change of fashion, the potential handling of the product, and the inability to track single pieces, or to resell returned kits that have already rotated out of the online catalogue, most jewelry that has been received may not be considered resalable, and therefore should not be requested to be returned.

Any and all volume from the returned product will be retracted from the sales

organization if within a current commission period, or any commissions issued would be retracted back from the upline per Section 7.4

9.5 Return of Enrollment

Distributors have 30 days from the time of their enrollment to select not to be

a Distributor with Zapple. As long as Zapple is notified of within the first 30 days from the time of their initial enrollment, Zapple will refund their enrollment fee of $49.99 (if applicable), or allow any unopened, unused, or undisplayed product to be returned with the use of an RMA Number.

Returning items must be received no later than 15 days from notification, or

45 days from initial enrollment date (whichever is sooner). Returning product is at the expense of the Distributor.

9.6 Inventory Buy Back

In the event that a Distributor wishes to terminate their account, and request

that any remaining inventory be purchased back by Zapple only unused, not previously displayed, unopened, never previously worn, and only those with the original Zapple tags would be considered for inventory buy back. In such an event, the inventory buy back, as a result of the changing world of fashion, will be at a discounted rate per acceptable unit piece (with a retracted 2 PV for each unit). Acceptable pieces will be determined at the sole discretion of Zapple and only after review and inspection upon the return. An RMA number issued and approved by Distributor Support is required prior to any Inventory Buy Back returns taking place – or the Inventory Buy Back will not be honored. The full accumulation of the returned product volume will be retracted from the organization as in Section 7.4, and the most recent commissions which may have been earned by the terminating Distributor may be retracted or removed from the returning funds as a result of the retracting volume which may have qualified them within the Zapple Compensation Plan for previous awarded bonuses.

9.7 Refused Deliveries

In any circumstance where a Zapple Inventory order is refused at the door

and returned to Zapple, the ordering Distributor will be liable for a $15.00 refusal fee (issued by the delivering service) as well as a 10% restocking fee to restock the unopened inventory.

9.8 Business Protect Autoship Process

In the event that Zapple offers a Business Protect Autoship, the Distributor

acknowledges that it is an optional service, and is in no form required by this document, literature, or training. This offering is only designed to help Distributors who actively opt into the program ensure that they are doing the following:

1. Achieve their minimum level of Personal Volume (PV) to maximize

their potential earnings;

1. Maintain new inventory through ensuring regular inventory shipments, the size of which are specifically designated by the Distributor.

Due to the nature of Zapple’s inventory process, when a

Business Protect Autoship Package is selected by the Distributor, the Distributor acknowledges the following:

a)

There is no guarantee, option, or perception that any single piece,

accessory, or item will be part of the Business Protect Package; That each package is selected with the intent to increase inventory of the Distributor by the specified amount, not to increase any particular item or accessory, and that a Distributor has the potential of getting any piece which has previously been offered by Zapple;

That due to the nature and purpose of the Business Protect Autoship, Business Protect Packages are non refundable, returnable, or disputable, for any reason, including but not limited to: selection of items received, color of items received, ration of any particular accessory, or satisfaction of the items received. Only item that fall under the guidelines of a Manufacturer Defect and falls under the considerations of Section 9.1 will be able to request an RMA.

b)

c)

Autoships must be cancelled three full business days previous to their

scheduled processing date in order to ensure that any changes within the system take effect before they are processed for the month. Any Autoships that are processed and ordered that are in the system three days prior to the date is the responsibility of the Distributor which received the order, and is non returnable. We encourage all Distributors to be aware of the process of the Business Protect Autoship process and how it will be conducted. Any returns (as detailed above) which are approved will be shipped back at the expense of the Distributor.

SECTION 10 – Dispute Resolution and Disciplinary Proceedings

10.1 Disciplinary Sanctions

A Distributor’s violation of the Agreement, any of its components, these

Policies and Procedures, or the violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Distributor that, in the sole discretion of the Company may damage its reputation or goodwill, may result, at Zapple’s discretion, in one or more of the following measures being imposed on the Distributor:

1. Issuance of a written warning;
2. Requirement that the Distributor take immediate corrective measures;

c.

Imposition of a fine, which may be withheld from bonus and

commission checks;

Loss of rights to one or more bonus and commission checks; Zapple may withhold from a Distributor all or part of the Distributor’s bonuses and commissions during any period of investigation involving an alleged violation of the Agreement. If the Distributors business is terminated for disciplinary reasons they will lose all rights and will not be entitled to recover any held commissions; Suspension of the individual’s Agreement for one or more pay periods; Involuntary termination of the offender’s Agreement;

Any other measure expressly allowed within any provision of the agreement;

In situations deemed appropriate by Zapple, the Company may institute legal proceedings for monetary and/or equitable relief.

d.

e.

f.

g.

h.

i.

In the event that a written warning is issued, with specific request of

compliance or action, such agreed to terms between Zapple and the disciplined Distributors are considered an appended agreement to their Distributor Agreement, and a violation of such terms may warrant, at Zapple’s full discretion, any or all of the actions detailed above.

All disciplinary actions are considered confidential and should not be

discussed without uninvolved parties. Resolutions and outcomes are not required to be made public knowledge.

10.2 Grievances and Complaints

When a Distributor has a grievance or complaint with another Distributor

regarding any practice or conduct in relationship to their respective Zapple business, the complaining Distributor should first report the problem to his/her Sponsor who should review the matter and try to resolve it with the other party’s upline sponsor. If the matter cannot be resolved, it must be reported in writing to the Distributor Support Department. The Distributor Support Department will review the facts and resolve the issue at the sole discretion of the Compliance Department.

10.3 Arbitration and Jurisdiction

Any dispute or claim arising from or relating to the Agreement (including these Policies and Procedures), or any other claim or grievance against Zapple in any form whatsoever, including but not limited to, economic losses, personal injury, property damage, will be subject to mediation at Zapple’s corporate address using a neutral mediator of Zapple’s choosing. In the event that Zapple and the Independent Distributor are unable to resolve their dispute through mediation, Zapple and the

Independent Distributor will be subject to final and binding arbitration to be

held in Utah.

The arbitration will take place before a panel of three arbitrators to be

selected as follows: the Independent Distributor shall select one arbitrator, Zapple shall select one arbitrator, and the selected arbitrators will select the third arbitrator. The third arbitrator shall be an attorney. The party initiating the arbitration will identify its arbitrator in its written demand for arbitration to the other party. The other party shall identify its arbitrator within five (5) days of receipt of the notification of intent to arbitrate, and the third arbitrator must be selected within five (5) days of the appointment of the second arbitrator. Zapple shall pay the fees of its selected arbitrator, the Independent Distributor shall pay the fees of his/her selected arbitrator, and Zapple and the Independent Distributor shall pay equal shares of the third arbitrator’s fees. The dispute will be subject to rules of arbitration agreed upon by the majority vote of the arbitrators and will be communicated to the party within ten (10) days after the arbitration panel has been completed.

The prevailing party in any arbitration proceeding shall be entitled to receive

from the losing party all costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrators shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. The decision of the arbitrators shall be final, and there shall be no right to appeal such decisions in any court or judicial system. This agreement to arbitrate shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent Zapple from

applying to and 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 Zapple’s interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

Additionally, any dispute a Distributor has with Zapple for any act or

omission relating to or arising from this Agreement, must be brought within one year from the date of the alleged misconduct and by accepting this Agreement, said Distributor waive all claims that any other statute of limitation applies.

Further, by accepting this agreement, the Distributor agrees and covenants

not to file suit against Zapple, any of its affiliates, subsidiaries, officers, directors, or employees for any claim or grievance the Distributor may have arising from the status as an Independent Distributor of Zapple.

Jurisdiction and venue of any matter not subject to arbitration shall reside in

Washington County, in the state of Utah unless the laws of the state in which the Distributor resides expressly require the application of its laws, in which case that state’s law shall govern all issues related to jurisdiction and venue. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of the State of Utah shall govern all other matters relating to or arising from the Agreement unless the laws of the state in which a Distributor resides expressly require the application of its laws.

10.4 Product Liability Claims

Zapple maintains insurance to protect the Company against product

liability claims. Zapple’s insurance policy contains a “Vendors Endorsement” which extends the coverage to Independent Distributors so long as they are marketing Zapple products in accordance with applicable laws and regulations and the Agreement. Zapple’s product liability policy does not extend coverage to claims that arise as a result of a Distributor’s misconduct in marketing, reselling, or representing the product or company.

SECTION 11 – Inactivity and Cancellation

11.1 Voluntary or Involuntary Cancellation

As long as the Distributor remains current, and complies with the terms of the

Agreement and these Policies and Procedures, Zapple will continue to pay the Distributor all earned bonuses and commissions in accordance with the Compensation Plan. Bonuses and commissions constitute the entire reward for the Distributors efforts in generating sales and all activities related – including building and support of a Downline Organization.

If a Distributor fails to meet the minimum inventory purchases or sales

requirement for a period of twelve consecutive months (with less than 200 PV), or if the Agreement is voluntarily or involuntarily terminated, the Distributor shall be deemed to have waived all their rights, title, claim, privileges, or interest to the Downline Organization that they operated, and to any bonuses or commissions for the sales generated from that organization. Additionally, the Distributor will lose the right to represent Zapple, the right to sell Zapple products and the right to receive any further compensation, bonuses, commissions, or other income resulting from Zapple activities.

11.2 Cancellation Due to Inactivity

In order to keep a Distributors Agreement and account active, the Distributor

must have accumulated at least 200 PV in personal purchases or inventory purchases within a rolling 12 consecutive month window. If at any time the Distributor has 12 consecutive months where no orders have been placed which accumulate to the 200 PV minimum, the Agreement will be canceled; the account and position terminated, and the measures in Section 11.1 will take effect. Zapple will not provide or issue any written confirmation of the cancellation.

11.3 Voluntary Cancellation

The Distributor has the right to cancel their Distributor Agreement at any

time, regardless of reason. Cancellation must be submitted in writing to Distributor Support. Any cancellation notice must include name, address, Zapple Distributor ID, and a signature of the primary account representative. At the conclusion of the Agreement, all Sections which specifically denote a life beyond the Agreement are still enforceable.

11.4 Involuntary Cancellation

Any violation of the terms of the Agreement, including any amendment that

may be made by Zapple at its sole discretion, may result in any of the sanctions listed in Section 10.1, including involuntary termination or cancellation of the Agreement at the sole discretion of Zapple.

Zapple reserves the right to cancel any or all Distributor Agreements upon

thirty (30) days written notice in the event that it elects to.

In any circumstance where there is an Involuntary Cancellation of an

Agreement on a position which previously had generated a minimum of $50 from the Compensation Plan; that account will be terminated, but will not be removed from the Zapple Organization Tree – maintaining the current structure of the organization, and protecting the integrity of the original organization (see Section 4.6 for further detail).