BEST BUSINESS PRACTICES

Charles E. Ragus, founder of AdvoCare, set out ten Guiding Principles for AdvoCare – one is “To create a standard of excellence recognized as superior by the direct sales industry.” Nowhere is this foundational block more important than in the ethics practiced by our Distributors. The purpose of this document is to familiarize you with the terms, definitions, and basic tenets of our business.

WHO WE ARE
At its core, AdvoCare sells products designed to promote personal wellness. The Company uses the direct sales method to bring those products to the marketplace, and uses independent contractors (“Distributors”) to sell our products. Distributors are compensated via commissions only when there is a sale of products – there is no compensation for recruiting other individuals.

When you as a Distributor speak to others about AdvoCare and its products, provide materials designed to generate interest in AdvoCare, or post online about AdvoCare, you are advertising. Those advertisements are regulated by various governmental agencies to ensure the public obtains accurate information on which to base a decision whether to become involved with AdvoCare and its products.

WHO REGULATES OUR INDUSTRY

HOW DISTRIBUTORS PRESENT ADVOCARE TO THE PUBLIC
Regardless of the topic, Distributors must provide adequate context. “Adequate context” is defined as the amount of information necessary for a reasonable person to make an informed decision on a particular issue. Phrased another way, “it’s not just the truth – it’s the whole truth.”

PRODUCT CLAIMS
• Supplements are not drugs. Accordingly, no claims may be made that our products diagnose, treat, cure or prevent disease or medical conditions.
• Each product has its own dedicated page in materials published by AdvoCare which incorporates all approved claims for the product. Distributors may not deviate from the approved claims, including the directions and/or recommended usage.
• Customers should always be made aware of the AdvoCare Satisfaction Guarantee. Products may be returned or exchanged within 30 days of purchase. In discussions with prospective or current distributors, they must be made aware that if they no longer want to be a distributor they can return any product at any time for a full refund or credit (including any sales tax (if applicable) and shipping and handling). Refer to the Policies for more details.

WEIGHT LOSS CLAIMS
• Successful weight loss depends on a number of factors. Our weight management programs are based on (1) reduced caloric intake, (2) regular exercise, (3) healthy dietary choices, and (4) consistent product use over time.
• A loss of 1-2 pounds per week is considered healthy and sustainable. You must describe weight loss/maintenance over time with a focus on healthy lifestyle changes (i.e., do not suggest AdvoCare products alone result in weight loss/maintenance).
**COMPENSATION CLAIMS**

- AdvoCare is a work program. Don’t undersell the time and effort you put into creating, developing and maintaining your customer base.
- You must be truthful, accurate, and not misleading when discussing what a person can typically expect to earn – projected incomes, averages, and the use of your own AdvoCare income are prohibited. Your presentation must disclose the typical or average income as well as the information detailing those that do not make any income that is stated in AdvoCare’s AdvoCare Income Disclosure Statement.
- AdvoCare’s Income Disclosure Statement contains important information concerning Distributor compensation, including the average income earned. It must be prominently displayed or provided whenever discussing AdvoCare’s business opportunity.
- Lifestyle claims imply wealth and the accumulation of luxury items with AdvoCare earnings. Statements like “I left my job,” “my wife came home,” “we retired at 30” are impermissible income claims because they are not typical in AdvoCare.
- Only a small fraction of Distributors do AdvoCare as a full-time business.

AdvoCare has published a primer on **DOs and DON'Ts**, which provides extensive examples of how to properly make claims about our products and the business opportunity and provides insight into the types of things to avoid.

**IMPORTANT IN EVERY TRANSACTION**

- Be respectful and inclusive of all people, whatever their backgrounds or lifestyles.
- Whether considering becoming a Retail or Preferred Customer customer or becoming a Distributor, an individual must never be pressured into a sale or encouraged to incur debt.
- Be truthful, accurate, and not misleading in every statement to a consumer. Your statements must be substantiated by AdvoCare corporate materials.
- AdvoCare-approved written receipts are required for every transaction, which must be kept for a calendar year. Distributors are encouraged to conduct all transactions on the Distributor website provided by AdvoCare to facilitate tracking of sales.

**TRAINING AND EDUCATION**

Training materials (videos, pamphlets, and sales tools) as well as the documents referenced above can all be found in the back office of your Distributor website. AdvoCare offers additional Corporate training opportunities at Success School, through its AdvoCare University program, and conducts various Zoom trainings for Distributors.

The AdvoCare Policies and Procedures provide guidance for its distributors conduct their AdvoCare business, and explains the manner in which compensation is paid. You must review and acknowledge you have read the Policies as a condition of becoming or continuing as an AdvoCare distributor. These Policies are intended to protect AdvoCare, you, and the public.

The AdvoCare Business Ethics Team is dedicated to ensuring Distributors understand and operate within the rules and regulations of AdvoCare and our industry. You are encouraged to contact the Business Ethics team at legal@advocare.com with your questions and/or concerns – We want you to succeed!