

## NAUTILIFE POLICIES AND PROCEDURES

### SECTION 1: POLICIES AND PROCEDURES INCORPORATED INTO AMBASSADOR AGREEMENT

These Policies and Procedures in their current form and as amended from time to time in the sole discretion of the Company (the “Policies and Procedures”) are incorporated into and form a part of the Ambassador Agreement (hereinafter, “Ambassador Agreement”), which sets forth NautiLife’s and the Ambassador’s legal rights and obligations regarding the Ambassador Program.

The Ambassador Program is defined as:

Marketing and promoting NautiLife products as described herein;  
Participating in the Compensation Plan (receiving Commissions and Bonuses, when and if eligible)

Receiving information and communications from NautiLife:

In the Policies and Procedures, when the term “Ambassador Agreement” is used, it refers to the enforceable agreement between the Company and each Ambassador (hereinafter, “Ambassador”), which includes (a) the Terms and Conditions of the NautiLife Ambassador Agreement; (b) these Policies and Procedures; (c) NautiLife Brand Guidelines; and (d) the NautiLife Compensation Plan (the “Compensation Plan”). These documents may be amended from time to time, and the Company will give Ambassadors thirty days’ notice via email or other written communication. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. Ambassadors’ continued participation in the NautiLife Ambassador Program, including marketing of the Company’s products and receiving commission payments, shall constitute acceptance of any changes or additions to the Policies and Procedures.

In the event of any conflict between the relevant Terms and Conditions of the NautiLife Ambassador Agreement, on the one hand, and these Policies and Procedures, on the other hand, these Policies and Procedures shall control. Each Ambassador is responsible for reading, understanding and following the most current version of these Policies and Procedures.

### SECTION 2: JOINING AS AN AMBASSADOR

To become an Ambassador, you must:

1. Be 21 years of age or older;
2. Be a legal resident of the United States or the District of Columbia;
3. Have a valid Social Security number;
4. Not be in jail or in another correctional institution;
5. Not have ever been convicted of a felony;
6. Complete and submit an Ambassador Agreement that is accepted by the Company

7. Have a valid email address that complies with the Company's brand guidelines and these Policies & Procedures

NautiLife reserves the right to accept or reject any Ambassador Agreement for any reason in its sole discretion.

**SECTION 3: TERMS Term of Agreement and Renewal** The term of the Ambassador Agreement is one year from the date of enrollment, unless terminated earlier as provided herein.

The Ambassador Agreement will thereafter automatically renew for successive one-year terms unless either party notifies the other that it does not wish to renew the Ambassador Agreement on the anniversary date.

An Ambassador shall not be held out as an agent of NautiLife for any purpose other than described in the Ambassador Agreement. No fiduciary relationship exists between the Parties. An Ambassador shall, at all times, have and maintain control of the manner and means of the Ambassador's performance under the Ambassador Agreement, subject to compliance with the Agreement.

Ambassadors have no authority, either express or implied, to bind NautiLife to any obligation. Ambassadors shall not be treated as employees for any purpose including, without limitation, federal, state or local tax purposes or retirement benefits.

NautiLife will not withhold or make payments for state or federal income tax, social security, make unemployment insurance or disability insurance contributions, or obtain workers' compensation insurance on behalf of a Ambassador. As a result, Ambassadors shall not receive or be entitled to receive any insurance or benefit plan and will not be covered by NautiLife's workers' compensation, unemployment insurance or retained coverage.

Once NautiLife has accepted and processed the Ambassador Agreement, the Applicant will become an Ambassador. The Ambassador will receive a password for the password-protected Brand Ambassador brand portal.

**SECTION 4: AMBASSADOR BENEFITS** When an Applicant becomes an Ambassador as set forth above, the Ambassador is able to:

- Marketing & promoting NautiLife products as described herein;
- Participate in the Compensation Plan (receiving Commissions and Bonuses, when and if eligible);
- Receive information and communications from NautiLife as it pertains to promotion of the brand, policy changes and legal updates.

**SECTION 5: AMBASSADOR REQUIREMENTS AND RESTRICTIONS**

1. An ambassador should, but is not required to, purchase product samples when he or she submits a signed Ambassador Agreement.
2. An Ambassador is advised to seek legal counsel in his or her state to ensure all additional requirements unique to the Ambassador's state are followed. Ambassadors are not licensed or authorized to sell directly to Customers or to other Ambassadors. In addition, as a result of laws limiting volume of wine shipped, which vary state to state, all orders must be placed through the NautiLife website and wines must be shipped directly to the end-consumer from NautiLife. Local Pickup is an exception to this rule. All cash and carry activities or exchange of value for wine are prohibited.
3. Because Ambassadors are not licensed or authorized to sell directly to Customers, they may not create their own offers outside of the NautiLife website. This includes offering a percentage discount, a free bottle of wine with a minimum purchase, free shipping or any other offer if it requires that the Ambassador and Customer exchange any funds.
4. Charitable Contributions: Ambassadors are welcome to donate wine to a charitable organization, subject to their local tax laws. Ambassadors may not, however, donate a wine tasting, as tastings have no value and are not a compensatory event. As a result, they would violate most state alcohol and beverage laws. As with all activities as a business owner, Ambassadors are responsible for ensuring that any gifts or charitable contributions – including their marketing messages and promotions – comply with all applicable laws, regulations and codes governing advertising, promotions, competitions and prize-draws where they live.

## SECTION 6: TASTING POLICIES

1. Ambassadors may hold wine tastings in the following places: a. Private residence; b. Private office; c. In a private room at a public venue if invitations were sent to specific individuals and walkups are not allowed access to the private room; and d. In a yoga studio, boutique, or other similar establishment if the tasting is held after hours, invitations were sent to specific individuals, and walkups are not allowed access to the establishment during the tasting. Ambassadors may not pour in a public venue unless they're in a private room, invitations were sent to specific individuals and walkups are not allowed. For purposes of this provision, an invitation is an announcement sent to a specific group of individuals by mail, e-mail or other electronic means. It expressly allows the use of sites such as Evite or Paperless Post where Ambassadors are creating a distribution list of specific email addresses for a limited group of people. Use of sites such as Eventbrite, Event Bee, Facebook or other social media where the event is being publicized at large to a social network or the public is expressly disallowed. Under these Policies & Procedures, events publicized using these channels do not comply with the above Tasting & Pouring Policy and will constitute a Brand Standards violation.

2. Ambassadors may not charge a fee for admission to any venue where wine is being served, regardless of what the charge is for. Nor may they pour wine at an event where a fee for admission is being charged by someone else, regardless of

what the charge is for. To further clarify, a ticketed event (whether for-profit or charitable) including “free” drinks is not really free. Likewise, if a tip jar sits next to the wine expecting “donations.”

3. All tasting attendees must be of legal drinking age. If an Ambassador is unsure of a guest's age, the Ambassador should check the attendee's government issued ID.

4. Attendees should never be allowed to drive if they do not appear to be able to do so safely.

5. Open but unfinished bottles of wine should be left with the host or hostess to avoid violation of open carry or other similar laws and to positively impact the hosting experience.

**SECTION 7: TERRITORY.** Ambassador shall claim or imply that she or he has ownership of, or exclusivity in, any particular geographic area, territory, market or region. There are no exclusive territories granted to any Ambassador, and all Ambassadors have the full right to market and promote in any market where wine can be sold and distributed NautiLife. Please note these markets change from time to time.

**SECTION 8: MEDIA INQUIRIES:** All opportunities and inquiries from the media shall be directed to the Company at [info@nautilifewine.com](mailto:info@nautilifewine.com) to ensure that accurate and consistent information regarding the NautiLife brand is being presented to the public.

**SECTION 9: ADVERTISING POLICIES** Ambassadors are permitted to create their own advertising materials, promotional materials, and sales aids, including social media assets, videos, and other print materials (collectively “Sales Tools”) to promote NautiLife only as provided in this Section.

1. Any repackaging or relabeling violates federal and state law, which may result in criminal or civil penalties.
2. Ambassadors are strictly prohibited from reselling wine to Customers or anyone else. All Customer purchases are directly fulfilled by NautiLife.
3. Ambassadors must protect and promote the good reputation of NautiLife. The marketing and promotion will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.
4. Online social media sites (Facebook, LinkedIn, Twitter, Instagram, etc). may be used to drive traffic to the NautLife website for use of the Ambassador's code. When an Ambassador participates in those communities, Ambassadors must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is in NautiLife's sole discretion, and

offending Ambassadors will be subject to disciplinary action. If a link is provided, it must link to the posting NautiLife's website.

5. Ambassadors may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Ambassadors create or leave must be useful, unique, relevant, and specific to the blog's article. Ambassadors who use social media sites must also comply with the rules associated with such websites or networks. For example, some sites prohibit users from advertising products or promoting financial opportunities. Federal and state agencies have established guidelines and rules for what may and may not be communicated and even an Ambassador's personal experience may not conform to these regulatory guidelines. Ambassadors who provide testimonials on social networking sites and otherwise on the internet are responsible for ensuring that their testimonials comply with all applicable laws and regulations.
6. Ambassadors are personally responsible for their postings and all other online activity that relates to the Company. Even if an Ambassador does not own or operate a blog or social media site, if an Ambassador posts to any such site that relates to NautiLife or which can be traced to the Company, the Ambassador is responsible for the posting. Ambassadors are also responsible for postings which occur on any blog or social media site that the Ambassador owns, operates or controls.
7. In all social media posts Ambassadors must conspicuously identify themselves as independent Ambassadors. Anonymous postings or use of an alias is prohibited.
8. Ambassadors must ensure that their postings are truthful and accurate. Postings that are false, misleading or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the products, the company, and/or Ambassador biographical information and/or credentials.
9. Ambassadors must respect the privacy of others and be thoughtful and courteous in their postings.
10. Ambassadors must conduct themselves with professionalism on social media sites. Ambassadors should also carefully check their postings for spelling, punctuation, and grammatical errors. Social media sites are not proper forums to publish grievances or take retaliatory action. Report negative posts to the Company at [info@nautilifewine.com](mailto:info@nautilifewine.com)
11. Prohibited Postings: Ambassadors cannot use social media outlets to comment on other brand products that are competitive to NautiLife. Ambassadors shall not make any posting, or link to any posting or other material, that: a. Is sexually explicit, obscene or pornographic; b. Is offensive, profane, hateful,

- threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise); c. Is solicitous of any unlawful behavior; d. Engages in personal attacks on any individual, group, or entity; e. Is in violation of any intellectual property rights of the Company or any third party; or f. Is not consistent with the standards set forth in these Policies and Procedures.
12. Termination of the Ambassador Agreement: If an Ambassador Agreement is terminated for any reason, the Ambassador must discontinue using the NautiLife name, all of the Company Trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and on all social media sites that she or he utilizes.
13. Communications: An Ambassador may not use or transmit unsolicited mass e-mail distribution, unsolicited e-mail or engage in "spamming" in connection with the advertising, promotion or sale of NautiLife. The term "unsolicited e-mail" means the transmission via electronic mail of any material or information to any person on an unsolicited basis. Any email sent by or for an Ambassador advertising or promoting the Company's products must comply with requirements applicable to commercial e-mailers found in the Controlling the Assault of Non-Solicited Pornography and Marketing Act ("CAN-SPAM") and the related Federal Trade Commission ("FTC") regulations, and any other applicable laws and regulations.

**SECTION 10: COMPENSATION PLAN** An Ambassador must be active and in compliance with these Policies and Procedures to qualify for bonuses and commissions. So long as an Ambassador complies with the Terms of the Ambassador Agreement, the Company shall pay commissions to such Ambassador in accordance with the Compensation Plan.

NautiLife will not issue a payment to an Ambassador without the receipt of all required paperwork. The Company reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$10.

**Computation of Commissions and Discrepancies** 1. NautiLife will review monthly sales data and report commission calculations to Ambassadors. Any discrepancies must be made within thirty (30) days of receipt. After the thirty-day "grace period," no additional requests will be considered for commission recalculations, except in the discretion of the Company.

AMBASSADORS WAIVE ANY AND ALL CLAIMS AGAINST THE COMPANY THE PAYMENT PROCESSOR AND THEIR OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS IN THE EVENT THAT THE COMPANY AND/OR ITS PAYMENT PROCESSOR MAKE AN ERROR THAT RESULTS IN AN UNDERPAYMENT OR OVERPAYMENT TO AN AMBASSADOR, AND EACH AMBASSADOR AUTHORIZES THE COMPANY, THROUGH THE PAYMENT PROCESSOR, TO DEBIT OR CREDIT HER OR HIS ACCOUNT AS NECESSARY TO CORRECT ERRORS.

The following payment processor fees will be deducted from commissions: Personal Check Fee: \$3.00, Debit Card Transaction Fee: \$1.50, ACH Returned Charge (Incorrect bank account or routing number): \$10.00