



# First Contact

# RELIV'S POSITION STATEMENT

## REGARDING FIRST CONTACT

The purpose of this Position Statement is to set forth the guidelines by which Reliv resolves disputes regarding First Contact and to provide a framework for Reliv Distributors to evaluate a First Contact issue in light of Reliv's position on First Contact. Sponsoring and line integrity are critical to the success of Reliv and its Distributors and the guidelines and positions set forth in this Position Statement have been developed and refined throughout Reliv's operating history.

### I. FIRST CONTACT

In general, Reliv defines First Contact as a purposeful action that induces a prospect to take a meaningful step towards becoming a Distributor or Customer. This may occur through presenting the opportunity or products to a prospect, introducing a prospect to an element of the Reliv system or by providing proper follow up with an existing Distributor or Customer. Merely mentioning Reliv in a passing communication or promoting Reliv without indulging any action on the part of the recipient does not constitute First Contact.

Reliv understands that there are a myriad of ways in which more than one Distributor comes in contact with a prospect prior to that prospect becoming a Distributor or Customer. In most cases, the facts and circumstances of a potential dispute are unique.

Accordingly, while every action that results in First Contact cannot be described in this Position Statement, Reliv intends that the guidelines and analysis set forth herein will provide the basis for an amicable resolution in the field of any dispute. Accordingly, the primary responsibility for resolving disputes lies with the upline Ambassadors of the Distributors involved. Only when a dispute cannot be resolved in the field, will Reliv apply the tenets of this Position Statement to a dispute and deliver a final and binding decision based on the facts and circumstances involved in the dispute.

When rendering a First Contact decision, Reliv will protect the efforts responsible

Distributors make to build their business and provide Distributors the opportunity to share Reliv in a timely and professional manner. Reliv acknowledges that there is a process in which Distributors engage as they seek to introduce prospects and those within the prospect's circle of influence to Reliv. Reliv will respect and uphold the efforts of Distributors that act responsibly in a timely and professional manner. Reliv requires a high level of integrity and ethics throughout the sponsorship process and when a Distributor learns that a prospect has been subject to First Contact from another

Distributor, the prospect should be referred back to the Distributor that established First Contact and no other Distributor may sell product to or work with the prospect.

## II. GUIDELINES

When evaluating a First Contact dispute, Reliv will apply the following guidelines to reach a resolution of the dispute:

1. A Distributor that initiates First Contact will retain First Contact privileges with respect to that prospect irrespective of who that prospect may know or with whom the prospect may wish to be involved.
2. Sponsor shopping by a prospect or Customer is wholly disallowed.
3. First Contact privileges do not extend indefinitely.
4. Distributors must act responsibly and in a professional manner in order to secure First Contact privileges.
5. When utilising passive internet-based marketing, Distributors receiving inquiries regarding Reliv must inquire how the prospect heard about Reliv and from where the prospect's connection to Reliv derives. When the active efforts of another Distributor generated that connection, the prospect must be directed to contact that Distributor. Thereafter, the Distributor utilising internet-based marketing must wait a minimum of four weeks before contacting the prospect to determine if the prospect has taken further action towards Reliv.

## III. APPLICATION AND ANALYSIS OF GUIDELINES

1. A Distributor that initiates First Contact will retain First Contact privileges with respect to that prospect irrespective of who that prospect may know or with whom the prospect may wish to be involved. When a prospect is subject to First Contact, that prospect is connected to the initiating Distributor for as long as the initiating Distributor acts professionally and maintains a line of communication with the prospect. This holds true no matter who the prospect may later find out is involved with Reliv or under whom the prospect would prefer to join.

Example: A prospect attends a Reliv meeting at the invitation of a Distributor who is merely an acquaintance. The prospect had no knowledge of Reliv prior to the meeting. At the meeting the prospect sees her best friend who had not yet shared Reliv with the prospect. Regardless of the prospect's desire to work with her best friend, the initial Distributor will maintain First Contact privileges with respect to the prospect. This same analysis applies even if the initial Distributor were in a different city or country, whether the original connection was a result of cold market advertising or if the prospect is related to another Distributor.

2. Sponsor shopping by a prospect or existing Customer or Distributor is wholly disallowed. Line integrity is vitally important to the success of Reliv and its Distributors. Line integrity ensures Distributors reap the benefits of their efforts and fosters cohesiveness and cooperation among Distributors. Reliv is committed to providing an open system where a Distributor may feel free to refer a prospect to a meeting in another city without fear of losing that prospect. Accordingly, under no circumstances will Reliv support or permit line shopping.

Example: A prospect attends a Reliv appointment or meeting. After the Reliv presentation, the prospect declines involvement with Reliv.

- A. The prospect makes an immediate effort to get involved through a second Distributor. Reliv will redirect sponsorship to the initial Distributor as it is akin to shopping for a sponsor.
  - B. The prospect waits a period of time and then initiates contact with a second Distributor. Although some amount of time has elapsed, it is the prospect that made the effort to get connected with a second Distributor. Reliv will support the First Contact privileges of the initial Distributor so long as the initial Distributor has maintained contact and a professional relationship. Reliv's prohibition against line shopping applies equally among existing Customers and Distributors as it does prospects.
  - C. Example: A new Distributor has a customer that has refused to hear about Reliv's business opportunity. After receiving improved health results, the Customer finally agrees to attend a Tuesday night meeting. At the meeting the customer is impressed with the presentation of an experienced Ambassador and decides he would rather be a business partner with the Ambassador than the new Distributor. The Customer will only be permitted to sign up under the Distributor that is selling him products.
  - D. The same analysis applies to former Customers and Distributors depending upon the period of inactivity. Reliv's Policies and Procedures require that a Customer be inactive for a period of six months before becoming a Customer or Distributor under a different sponsor. Further, a former Distributor must have resigned or terminated their distributorship agreement for a period of six months before they may become involved under a different sponsor. A former Customer or Distributor may renew their Reliv involvement with the same sponsor at any time. Distributors who come in contact with a former Reliv Customer or Distributor within this period should use all efforts to convince the Customer or Distributor to contact their previous Distributor.
3. First Contact privileges do not extend indefinitely. First Contact privileges necessarily require an ongoing level of commitment and attention to a prospect in order to secure First Contact privileges. Reliv is aware that there is a process through which Distributors attempt to convert prospects into Customers or Distributors and Reliv will support and respect that process. However, responsible Distributors act in a timely manner and understand that there exists a sense of urgency with respect to prospects. Actions which would constitute First Contact initially but are later coupled with a complete disregard for and lack of follow up with a prospect, will not result in the award of First Contact privileges.

Example: A Distributor sets an appointment with a prospect. The prospect, while interested, initially declines involvement with Reliv due to a personal situation that is consuming the prospect's time and attention. The Distributor indicates they will follow up with the prospect in a couple of weeks. The Distributor does not call or make a personal attempt to follow up with the prospect after the initial appointment. Six months later, the prospect is contacted by a second Distributor at a time when their personal situation has been resolved and they would like to become a Distributor. The initial Distributor failed to act in a timely and responsible manner and, as a result, the second Distributor will be permitted to sponsor the prospect. In those situations where a Distributor has made soft

contact with a prospect, whether through an online discussion or a passing conversation, the Distributor has a period of four weeks within which to properly follow up and take action that results in First Contact.

Example: A Distributor briefly tells a prospect at church about the Reliv products or business opportunity and asks if the prospect would like to hear more about Reliv. The prospect is interested and agrees to the Distributor calling to set up an appointment. A few days later, the prospect is talking to a neighbour who mentions they are a Reliv Distributor and he would like to tell her more. The prospect remarks that they heard about Reliv from a friend at church last week. The second Distributor should refer the prospect back to the initial Distributor since very little time has passed since the soft contact. If it had been more than four weeks and the initial Distributor failed to call the prospect, then the second Distributor would be free to share Reliv with the prospect.

4. Distributors must act responsibly and in a professional manner in order to secure First Contact privileges. Reliv expects Distributors to be courteous and respectful and to present the Reliv opportunity in a professional manner that reflects favourably on Reliv, the opportunity and Reliv's products. If a Distributor significantly deviates from these expectations when initiating First Contact, that Distributor will not maintain First Contact privileges in the event a prospect is later contacted by another Distributor that presents Reliv in a way consistent with Reliv's expectations and requirements.

Example: A prospect sees an advertisement for Reliv in the local newspaper and calls the telephone number listed in the advertisement. It takes three tries for the prospect to make contact with the advertising Distributor. After an appointment is set, the advertising Distributor arrives 15 minutes late and is dressed in a sloppy manner. The Distributor's presentation is disorganised and hurried and the Distributor is abrasive and unwilling to listen to the prospect's concerns. The prospect declines involvement with Reliv. After a period of time during which the advertising Distributor makes no effort to contact the prospect, the prospect is contacted by a second Distributor who is a trusted business associate. Following a meeting with the second Distributor, the prospect has a completely different opinion of Reliv and determines to get involved with Reliv. Under these circumstances, First Contact privileges would not extend to the initial Distributor as his conduct and presentation were unprofessional and irresponsible.

5. When utilising passive internet-based marketing, Distributors receiving inquiries regarding Reliv must inquire how the prospect heard about Reliv and from where the prospect's connection to Reliv derives. When the active efforts of another Distributor generated that connection, the prospect must be directed to contact that Distributor. Thereafter the Distributor utilising internet-based marketing must wait a minimum of four weeks before contacting the prospect to determine if the prospect has taken further action towards Reliv.

Reliv recognises that the natural reaction for many people in modern society that wish to learn more about a subject is to search the internet for information. Reliv encourages and promotes the use of the Internet to share information, promote the Reliv business and develop leads. A website, blog or social media can be an effective way to update a Distributor's organisation and prospects on current events, share ideas and exchange information and promote Reliv products and the business opportunity.

Internet-based marketing, and a website in particular, however, is predominantly passive. As mentioned above, Reliv recognises that there is often a process that Distributors undertake to convert prospects into Customers and Distributors. Reliv will protect and honour that process where a Distributor is acting responsibly in building his or her business. When a Distributor is actively promoting and generating interest in Reliv, Reliv allows that Distributor a period of four weeks during which to convert that interest into a bona fide First Contact before any web-based contact will be given priority.

Example: A Distributor is responsibly sharing and building a Reliv business. Among others, they have a Customer that they call to ask her how they're doing, they ask them for referrals and they provide their cards to share with their friends so that they can enjoy the benefits of Reliv as well. Customer's friend asks Customer what they're doing because they've lost 10 pounds and look great. Customer tells their friend about Reliv and gives their Distributor's business card or phone number. Distributor calls Customer as part of their routine follow up a couple of days later and Customer gives Distributor their friend's information. Distributor calls Customer's friend to discover that the friend has gone online and found a second Distributor via the internet. The second Distributor upon discovering the friend learned of Reliv through the Customer should refer the friend back to the initial Distributor and wait a period of four weeks before reconnecting with the friend to determine if the initial Distributor had established First Contact.

In the above example, the initial Distributor is acting in a professional and responsible manner by doing proper follow up, asking for referrals and generating activity. The Distributor with a website is also acting in a professional and responsible manner by advertising his business through the internet. It is Reliv's position that a Distributor that receives an internet-based lead generated through the efforts of a local Distributor should refer that lead back to the local Distributor generating the interest. While Reliv recognises that First Contact privileges do not typically extend to Customers or their upline until the upline Distributor makes contact, Reliv will permit local Distributors acting responsibly and generating interest in Reliv a period of four weeks in which to establish First Contact. Websites held by Reliv distributors should not impede or interfere in the normal process of active Distributors generating leads and referrals. In the event a local Distributor fails to timely follow up on referrals and potential leads within a four-week period, then the Distributor utilising internet-based advertising is free to fill that void and initiate First Contact.

It is imperative that Distributors generating internet-based leads inquire of the prospect how they heard about Reliv. In many cases, a prospect seeks information about Reliv through the internet because of the actions of a local distributor. The best way to handle this situation is to ask the prospect, "Tell me how you heard about Reliv and came to my website?" Prospects are typically unfamiliar with network marketing and first contact guidelines, so it's important to decipher how a prospect learned of Reliv. Accordingly, it is the responsibility of each Distributor to elicit the whole story surrounding how a prospect first heard of Reliv. Getting the prospect's story allows the Distributor to address the situation in accordance with these guidelines. A response of "I googled nutrition and found your web site" is quite different from "I heard about Reliv from my cousin who is on the products." In the former instance, the Distributor is free to proceed with the prospect. In the latter instance, the prospect should be referred to the cousin's Distributor. Again, the process is what should be honoured. No responsible Distributor should seek to build their business based on the efforts of another.

#### **IV. SUMMARY**

There is no limit to the number of examples that can illustrate First Contact disputes and no one black and white set of rules that can be applied to every situation. The objective of this Position Statement is to prevent sponsoring disputes in the field from escalating to a point of requiring resolution by Reliv. In the event of a sponsorship dispute and prior to its submission to Reliv for resolution, Reliv requires that the upline Ambassadors of each Distributor be advised of the situation and attempt to resolve it in the field. Reliv's Ambassadors typically have experience addressing sponsorship disputes and are familiar with Reliv's position regarding such disputes.

In the event a dispute cannot be resolved in the field, Reliv will make every effort to fully investigate the facts and circumstances surrounding a dispute and make an informed judgment based upon the sequence of events and application of the guidelines set forth in this Position Statement. Reliv retains sole and absolute discretion to render a final and binding decision upon the parties involved. In the event a Distributor repeatedly creates sponsoring issues, that Distributor may be subject to disciplinary action, including suspension or termination, at the sole and absolute discretion of Reliv.