

From: Kyle Wilkins <kwilkins@thehappyco.com>
Date: January 27, 2022
To: xxxxxx@xxxxxxxx.com
Subject: The Happy Co. Compliance - Resignation Confirmation

Hello xxxxxxxx,

We received an email from you on **1/X/2022** to cancel your account. Effective as of that date, **1/X/2022**, we canceled **your monthly Smartship and account in full**.

Among the purposes of this letter is to notify you that the Company intends to fully enforce compliance by former Brand Partners with the continuing contractual obligations contained in the Company's agreements. Even though you have resigned your distributorship, you have certain continuing obligations to the Company, as set forth below, with which you must comply. The Company is in the process of investigating the activities of each of the Brand Partners who have resigned from the Company to determine if there have been active violations of any obligations. If violations are discovered, another letter and/or commencement of formal legal action will result.

We want to reiterate that you entered "The Happy Co. Agreement," which set out the terms and conditions of your "Brand Partner" status with The Happy Co. as an independent contractor and seller of its health and wellness products. In conjunction with the execution of this Agreement, you also, on the same date, executed and agreed to be bound by the "Policies & Procedures of The Happy Co. LLC" and the "The Happy Co. Social Media & Online Policy Guide" (collectively, the "Agreements"). All these Agreements were executed by you utilizing an electronic click and accept portal. Therefore, you are bound by the following policies, although you are no longer an Affiliate of The Happy Co.

44. Effect of Cancellation. A Brand Partner whose business is cancelled for any reason will lose all Brand Partner rights, benefits and privileges. This includes the right to express identity as a Brand Partner, to sell the Company's products and the right to receive commissions, bonuses, or other income resulting from her/his own sales and the sales and other activities of the Brand Partner and the Brand Partner's former downline sales organization. There is no whole or partial refund for tangible sales kits that are not currently marketable, Brand Partner Back-Office, replicated website or renewal fees if a Brand Partner's business is cancelled.

Please note: the Policies Agreement defines "Recruit and Recruiting" as the direct or indirect, actual or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, another Brand Partner to enroll or participate in another network marketing opportunity. "This conduct constitutes Recruiting even if [your] actions are in response to an inquiry made to you by another Brand Partner or customer [of the Company]." Additionally, please understand this if you ask another person, such as your spouse, to engage in the conduct which you cannot perform directly yourself due to your continuing obligations under the Company's Agreements, that is an example of "indirect" conduct which is prohibited.

It is each Brand Partner's responsibility to follow the social media site's terms of use (15. Page 4).

- Any social media site that is directly or indirectly operated or controlled by a Brand Partner that is used to discuss or promote the Company's products, or the opportunity may not link to any website, social media site, or site of any other nature that promotes the products, services, or business program of any direct selling company other than the Company.
- During the term of this Agreement and for a period of twelve (12) calendar months thereafter, a Brand Partner may not use any social media site on which they discuss or promote, or have discussed or promoted, the Business or the Company's products to directly or indirectly solicit anyone for another direct selling or network marketing program (collectively, "Direct Selling Venture").

- During the term of this Agreement and for twelve (12) calendar months after the cancellation of a Brand Partner’s Business for any reason, a Brand Partner shall not take any action on any social media site on which they discuss or present, or have discussed or presented, the Company’s products or the Business that may reasonably be foreseen to draw an inquiry from a Brand Partner relating to the Brand Partner’s other Direct Selling Venture or products. Violation of this provision shall constitute a violation of the non-solicitation provision in Policy 28.

- If a Brand Partner creates a business page on any social media site to promote or relates to the Company, its products, or opportunity, the page may not promote or advertise the products or opportunity of any other network marketing business other than The Happy Co. and its products.

- All aspects of a “Group”, “Private Group” or “Group Chat” on Facebook or other social media platform (collectively, the “Forum”) upon which The Happy Co.’s products or business is discussed or promoted shall constitute the confidential and proprietary information of the Company. A Brand Partner who originates the creation of the Forum (hereafter, “Originating Administrator”) agrees that if their business is cancelled or terminated, or if such Brand Partner fails to exclusively promote The Happy Co. product line or business, at any time in the future, then the Originating Administrator will: (1) leave the Forum; and (2) promptly re-assign another Brand Partner as administrator of the Forum (the “Replacement Administrator”). The Replacement Administrator shall agree to support and perform the various administrative tasks of the Forum necessary to continue promoting The Happy Co. products or business.

We hope you will carefully review this letter and the accompanying Agreements, and strictly comply with your continuing obligations following your resignation as a Brand Partner.

We wish you well in your future endeavors—and we thank you in advance for abiding by, and not contravening, your ongoing contractual responsibilities. 😊

Sincerely,

Kyle Wilkins

Compliance Manager

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