

POLICIES & PROCEDURES

Each Collect Direct Member (subsequently referred to as the “Member”) agrees, without reservation, to all the terms and conditions contained herein and holds CollectDirect free from any and all liability that may result from this agreement between the Member and CollectDirect.

CODE OF CONDUCT DECLARATION

Collect Direct (subsequently referred to as the “Company”) has established the following code of conduct to guide the appropriate, efficient, and ethical operation of the Company. We require our Members and Customers to abide by the letter and spirit of this code that forms our contract with all registered parties of CollectDirect.

1. Collect Direct Members will:

- a. Conduct themselves in an ethical and professional manner.
- b. Sell the Company’s products in accordance with the compensation plan.
- c. Represent the compensation plan only as prescribed by the Company.
- d. Be truthful in their representation of the Products and will make no Product claim that is not approved by and/or supported by official Company publications.
- e. Comply with applicable consumer protection laws and regulations.
- f. Maintain current and accurate information concerning their address, phone number, legal name, email, social security number, method of payment, and any other relevant data on their file, with specific requirements varying based on the area, state, or province in which they reside.

Collect Direct Members Will Not:

- a. Engage in deceptive, unlawful, or unethical business or recruiting practices.
- b. Engage in high-pressure selling or recruiting practices.
- c. Make misleading sales claims or guarantees concerning the Company’s products.
- d. Make misleading claims or guarantees concerning potential earnings.
- e. Sponsor or enroll minors or persons who are not capable of making an informed decision.
- f. Conduct business activities in countries other than those approved by CollectDirect.
- g. Purchase Business Volume on another Member or Customer’s account to qualify for any bonus or commission.
- h. Seek in any way to violate or circumvent CollectDirect policies.
- i. Engage in or condone harassment in any form. This encompasses behaviors such as making derogatory remarks, issuing threats, exhibiting inappropriate sexual conduct—including unwarranted sexual advances or solicitations, displaying sexually suggestive visuals, or engaging in physical, verbal, or any other form of intimidation. We urge all Members to promptly report instances of harassment. CollectDirect maintains a zero-tolerance policy towards any form of violence or harassment and commits to thoroughly investigating all reported incidents.
- j. Assume a role, whether as a Member, Director, Employee, Consultant, or Spokesperson, with another direct selling or network-marketing company that offers products similar to those of CollectDirect.

Section 1: Becoming a Member

- A. Age of Majority. To become a Member, all Applicants must have reached the age of maturity, usually eighteen (18) years of age, in the jurisdiction in which they reside.
- B. An individual becomes a Member upon completing the required fields on the website, upgrading from Customer

status, and agreeing to these Policies and Procedures.

C. The Company retains the sole right to accept or renew any Member Agreement.

D. A Member may need to provide proof of legal residency, work authorizations and a Social Security Number, Federal Employer Identification Number, or Government Issued ID. Upon enrollment, the Company assigns a unique Member Identification Number for order placements and commissions tracking.

E. Enrollment and Active Status: To maintain active membership, members must pay an annual fee of \$9.98 and make an initial purchase of \$29.98. Monthly orders of \$29.98 are required to keep the account active. Failing to order in the second month results in point loss, and not ordering by the third month leads to account inactivation and loss of business account privileges.

F. Business Entities. If a Member operates as a Business Entity, they may be required to provide the Company with an Identification Number specific to the entity. Additionally, a "Statement of Beneficial Interest" must be submitted, detailing, and verifying all individuals with a beneficial stake in the entity. The Company may request official documents, such as articles of organization or incorporation, to validate the entity's structure and authorized signatories.

G. Identification Number. For tax reporting (where required) and identification purposes (where permitted by law), the Company requires applicants, in accordance with provision D of this Section above, to provide an Identification Number or other personal identification number. Failure to provide this number may result in rejection of the application or cancellation of the membership or commissions withheld.

H. Inaccurate Information. The Company may terminate an Agreement or deem it void if it contains false or inaccurate information. Members must promptly report any changes affecting their Member Agreement's accuracy.

I. Term. The Contract remains valid for one year from the Date of Sign-up. To be automatically renewed on an annual basis each subsequent year. Members must maintain an active account with a \$29.98 purchase each month. Commissions are determined through a combination of the BV purchased by the Member and by the members/customers' orders associated with the Member.

J. Non-Exclusive Territory. Members are authorized to operate without any exclusive territorial rights. They cannot claim any specific territory or franchise as exclusively theirs.

Section 2: Obligations of a Members and Managing a Position

A. Compliance. A Member shall always comply with each of the terms and conditions of the Contract.

B. Independent Contractor. A Member is an independent contractor and is responsible for his or her own business expenses, decisions, and actions.

1. A Member shall not represent himself or herself as an agent, employee, partner, or joint venture with the Company. A Member shall not make purchases or enter into any transactions in the Company's name. A Member's work hours, business expenditures, and business plans are not dictated by the Company. A Member shall make no printed or verbal representations which state or imply otherwise.

2. Members are solely responsible for any verbal or written statements they make about Collect Direct's products, services, or compensation plan that aren't outlined in official company materials. They agree to protect and compensate the Company against any legal actions or expenses, including attorney fees, resulting from such statements or actions. This responsibility remains even after the termination of the Contract.

C. Compliance with Laws. In conducting its Member Business, a Member must comply with all applicable national and local laws, regulations, and ordinances. A Member shall not violate any laws which apply to unfair competition or business practice, including any law that prohibits the advertising, offer to sell, or sale of products at less than the wholesale price of the products.

D. Offerings. A Member may not offer or promote any non-approved non-Company plans, incentives,

opportunities, or non-approved Sales Tools in conjunction with the promotion of Collect Direct Products.

E. Retail Sales. Achieving success as a Member requires time, effort, and commitment. There are no guarantees of commissions, only rewards based upon productivity. A successful Member Business requires regular and repeated retail sales of products by a Member. Retail sales by a Member's Downline Organization also contribute to the success of a Member Business.

The Company encourages Retail Sales to at least two Customers monthly. A Member is required to keep all records of Retail Sales for at least four (4) years, and the Company randomly monitors compliance with Retail Sales requirements of its Members. Each product purchased by non-Members or Retail Customers from our retail website is automatically counted monthly in accordance with Retail Sales requirements.

F. Negative Statements. A Member will make no disparaging, misleading, inaccurate, or unfair statements, representations, claims, or comparisons regarding:

1. The Company, its Products, its commercial activities, or its Members; or
2. Other companies, including competitors, their services, products, or commercial activities.

G. Unethical Activity: Members must always uphold ethical and professional standards. They, or their Downline Members, must not engage in unethical behaviors, including but not limited to:

1. Unauthorized Actions:

- Use of another Member's credit card or use of an unauthorized credit card.
- Accessing Company Confidential Information without authorization.
- Chargebacks initiated against CollectDirect are cause for immediate termination.

2. Misrepresentation and False Claims:

- Recruiting for another company (Cross-Company Recruiting).
- Making unapproved claims about products.
- Misrepresenting potential earnings.
- Making any false or misleading statements, including about product quality or price.

3. Professional Misconduct:

- Behaving in a manner that tarnishes the Company's reputation.
- Neglecting responsibilities as a Member.
- Breaching the Code of Ethics.
- Violating any of these Policies and Procedures.

4. Legal Violations:

- Breaking laws related to their Member role.

H. Cross-Company Recruiting/Sponsoring: Engaging in or attempting cross-sponsoring is strictly forbidden. "Cross-sponsoring" or "Poaching" refers to enrolling an individual or entity that already holds a current Member Agreement with CollectDirect or has held such an agreement within the past twelve months, but under a different sponsorship line. Using names of spouses or relatives, trade names, DBAs (Doing Business As), assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, or any other means to bypass this policy is not allowed. Members must not belittle, discredit, or defame other CollectDirect Members to persuade another Member to join their Downline. Another violation under Cross Recruiting is if a Member, who did not personally bring in another CollectDirect Member, tries, during their Contract term and for one year after its

termination or resignation, to sell or buy products or services other than those from CollectDirect. Any breach of this rule will cause immediate and significant harm to the Company. The Company can seek immediate injunctive relief without bond, and this relief can extend beyond the post-termination period of this restriction. This Section's provisions remain valid even after the Contract ends. This does not affect the Company's other rights and remedies related to its Confidential Information or other Contract breaches.

A CollectDirect Member must not:

- a. Share non-CollectDirect opportunities or products with CollectDirect Members, employees, or Customers on social media platforms promoting CollectDirect products.
- b. Present the CollectDirect opportunity or products alongside any non-CollectDirect program, opportunity, product, or service.

If any Cross-sponsoring is identified, it should be reported to the Company immediately. CollectDirect can take disciplinary action against the Member who changed organizations or those involved in the Cross-sponsoring. In some cases, if it's deemed equitable and feasible, CollectDirect might move a portion or the entirety of the violating Member's organization (Downline) back to their original organization. However, it's important to note that CollectDirect isn't obligated to make such transfers. The final decision on how to handle the organization of the Cross-sponsored Member's Downline rests solely with CollectDirect. As a result, Members agree not to make any claims against CollectDirect regarding how the Cross-sponsored Member's organization is managed.

I. Non-Solicitation. If a Member has reached the rank of Diamond or above, the Member shall not publicly, through social media or through any other means, actively recruit people that are not directly sponsored by the Member into another company in a comparable category and type of business.

For purposes of these Policies and Procedures, Recruit shall mean the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any way, either directly, indirectly, or through a third party, another Member or customer to enroll or participate in another multi-level marketing, network marketing, or direct sales opportunity.

J. Resolving Disputes. Members should always act in the Company's best interests. Leaders are encouraged to proactively address and resolve disputes within their teams. Personal disagreements between Members should be settled promptly and privately, prioritizing the Company's best interests.

K. No Claims of Unique Relationship. Members cannot claim or suggest that they have special access or a unique relationship with company executives or staff that others do not.

L. Detrimental Conduct. Any behavior by a Member deemed harmful or disruptive to the Company or its members will be addressed appropriately. The Company reserves the right to take necessary actions, including withholding payments, suspension, or termination.

M. No Reliance. Members should not depend on the Company for professional advice, including legal, tax, or financial guidance. If any such advice is given, it shouldn't be solely relied upon.

N. Insurance. While the Company has product liability insurance, Members should understand their personal liabilities. Consult your attorney if you have questions about personal insurance or need further clarification.

O. Privacy of Member Information. Members agree that the Company can share their contact details with their upline and three generations of their downline. This information should only be used for business-related activities.

P. Notification of Adverse Action. A Member shall immediately notify the Company in writing of any potential or actual legal claims from third parties against the Member arising from, or associated with, the Member Business or the Downline Organization that may adversely affect the Company. After notifying the Member, the Company may take any action necessary to protect itself, including controlling any litigation or settlement of legal claims. If the Company takes action in the matter, the Member shall not interfere or participate in the matter.

Q. Use of Media and Testimonials. Members grant the Company the right to use any photos, recordings, or endorsements for promotional purposes. This includes marketing, advertising, and other publicity efforts. Any materials used by the Company will be royalty-free. Members confirm the accuracy of any testimonials and waive any rights to inspect or approve the finished products. They also agree to defend the Company against any related claims.

R. International Business Operations:

- Members can operate in any country where they can legally conduct their business, adhering to local laws and regulations.
- Members must obtain the Company's explicit approval before securing licensing, establishing a business, or using the Company's trademarks, trade names, or Internet domain names in international markets.
- Without the Company's approval, Members are prohibited from selling, distributing, licensing, or registering products or business practices in any country.

Section 3: Compensation

CollectDirect Members may participate in our compensation program as outlined on the Pay Plan page of the website.

Commissions are paid as outlined on the Pay Plan page of the website. All Members understand BEFORE joining or purchasing any product that there is NO GUARANTEED EARNINGS. Members understand that any and all content on the website is not to reflect earnings, but to be used only for demonstration purposes and as a representation of company growth and does not mean anything in terms of commissions.

Members should not participate in CollectDirect under the expectation of earning income without referring new Members and Customers. Neither CollectDirect, nor its Members can guarantee "spill over" or earnings simply by becoming a Member. CollectDirect Members should not participate in the CollectDirect opportunity if they are not planning on sharing the products with others.

CollectDirect Members shall always present accurate information like proper disclaimers and access to the Income Disclosure Statement when encouraging prospects to join the CollectDirect opportunity.

Most Members earn less money each month in the compensation program than they are paying for their products. Although it is possible, CollectDirect Members should NOT expect to make a profit simply by becoming a Member, as it is very possible that will not occur.

CollectDirect cannot guarantee that Members will earn a profit by implementing the training materials provided. The products are for educational purposes only.

No Member should spend money that they cannot afford to lose to purchase products, advertising materials, or anything else related to CollectDirect. It is possible that you will NOT earn any income as a Member of CollectDirect.

A. Earnings. Commissions are paid to Members who qualify pursuant to the Compensation Plan and who are in compliance with the Contract. A Member's success is only achieved through the regular and repeated qualification of set minimum standards achieved by way of volume metrics. As the success of any Member depends largely on the personal efforts of that Member, the Company does not guarantee any level of profit or success, nor does it guarantee a Member a specific income.

B. Product Sales. The CollectDirect business model is built on sales to the ultimate consumer. CollectDirect encourages its Members to only purchase inventory that they and their family want to collect or to be resold to others. Members must never attempt to influence any other Member to buy more products than they reasonably need or want to sell to customers in a month.

C. Product Purchases and Qualifications:

- Members are required to purchase products to qualify for commissions.

D. Order Timing:

- To qualify for the weekly period, orders must be placed from midnight Friday to midnight the following Thursday, Central Time.

E. Payment Details:

1. Payment:

Commissions are paid for orders:

- Received before the commission period ends.
- Fully paid.
- Payments are made in the name listed in the Payment Option link on the website. If no option is chosen, commissions are held.

2. Payment Schedule:

- Global Revenue Pools and Lifestyle Bonuses: Paid on the 15th of the following month or sooner.
- Retail Bonus, Fast Start Bonus, Uni-Level, Matching Bonuses, and Dual Team Binary Commissions: Paid each Friday for the previous week's volume ending Thursday at midnight central time.

F. Commission Payout:

- All Members agree to adhere to the stipulations set in place by the 3rd party payout providers to accept and receive their commissions.

G. Minimum Payment Amount:

- The minimum amount for payment of commissions is set by our 3rd party payout providers and may be subject to change as those options change.
- Commissions less than the minimums for a pay period will accumulate until they equal or exceed the minimum payment amount for the payment option selected.

H. Returned or Unpaid Payments:

- Unpaid commissions are held for 90 days.
- After 90 days, a \$10.00 USD monthly maintenance charge applies.

I. Ethical Practices:

1. No Manipulation:

- Manipulating the Compensation Plan is prohibited.
- Manipulation includes (but isn't limited to) unnecessary bulk purchasing to qualify for ranks or commissions.
- Manipulating the Compensation Plan can lead to suspension of commissions and termination of membership. This includes placing orders in one's Downline Organization and actions violating anti-pyramid scheme laws.

2. Deductions and Offsets:

- The Company can deduct fees from commissions as outlined or as deemed appropriate.
- Any Commissions left in the back office credit wallet upon termination and/or inactivity of the account for 90 days, whichever applies, will be recouped by the Company.

Section 4: Ordering Company Products

A. Inventory.

- No specific inventory requirement is imposed.
- Members decide on inventory based on projected sales and collecting needs.

B. Ordering Method.

- Products can be ordered online.
- Payments must match the order amount. We accept various payment methods, including but not limited to Visa, Mastercard and Discover cards, PayPal, and other approved payment options. It is the Member's/Customer's responsibility to select their preferred payment method at the time of purchase.
- Bank wire is for high-volume orders only.

C. Payment and Shipping.

Unauthorized credit card use is prohibited.

- By placing an order, Member's/Customer's authorize CollectDirect to charge the payment method you have provided for the total order amount, including taxes, shipping, and any applicable fees.
- Orders must be prepaid before pick-up or dispatch.
- Shipping costs vary based on location and product quantity.
- All transactions are processed in US Dollars at the time of purchase. Members are responsible for any currency conversion fees, if applicable.

D. Will Call.

- Orders can be picked up at designated locations, if available.
- Unpicked orders within 90 business days may be shipped at the Member's cost or forfeited.

E. Back Orders.

- Out-of-stock products result in a "back order" notice.
- Back orders are prioritized with new stock.
- Volume is credited to the month of the original order payment.

F. Auto Ship Program.

- Members can easily set up auto-delivery either online, by phone, or through a written request to Support (support@collectdirect.com). This service schedules regular shipments at monthly intervals chosen by the Member, ensuring convenience and consistency in product delivery.
- Order Flexibility: No limit on order quantity or frequency. Failed billing attempts are retried for 10 days.
- Modifications: Changes or cancellations can be made online or via customer support before billing.

Sales Tax, GST, VAT:

1. Sales Tax.

- Calculated based on the product's suggested retail price and shipping location rates.
 - The Company handles collection and remittance. However, if a Member registers as a withholding agent and provides the necessary exemption certificate, they handle tax collection and must update the certificate annually.
2. GST/VAT.
- Applicable in certain jurisdictions.
 - The Company excludes GST or VAT from commission payments. Registered Members can invoice the Company for GST or VAT on commission.

Returns, Refunds, Exchanges and Cancelation:

3. First Product Purchase:
- Returns allowed within 30 days for unopened, sealed products.
 - A full refund is given on product price, excluding shipping and handling.
 - Opened or damaged products are not eligible.
 - Refunds are issued to the original payments source. If for any reason this can not happen refunds are issued to the Member's back office credit wallet.
4. Subsequent Orders:
- Returns allowed within 30 days of each new order placed for unopened, sealed products.
 - A full refund is given on product price, excluding shipping and handling.
 - Open or damaged products are not eligible.
 - Refunds are issued to the original payments source. If for any reason this can not happen refunds are issued to the Member's back office credit wallet.
5. Commission Adjustments:
- Commissions on returned products will be deducted.
 - Returns may affect rankings and commissions.
 - Over 50% product return from a single order affects commissions.
6. Shipping Responsibilities:
- Returnees cover shipping costs.
 - CollectDirect is not responsible for damage or loss during shipping.
 - Members cover all customs, duties, or country fees.
7. Non-Refundable Fees:
- Please note that any fees imposed by PayPal at the time of purchase will be non-refundable. CollectDirect is not responsible for these fees, and they are subject to PayPal's terms and conditions.
8. Exchanges:
- Submit an exchange request to support@collectedirect.com. You will be required to provide the original order details, including the order number and the reason for the exchange, providing pictures when necessary.
 - Upon receipt of the exchange request, Collect Direct will review and authorize the exchange based on the eligibility criteria. Once approved, you will receive an RMA and further instructions on how to proceed.

- Non-Refundable Original Shipping Fees: Original shipping fees paid for the initial purchase are non-refundable. This applies to both standard and expedited shipping options, as well as any fees incurred for international shipments.
- Once we receive the returned product, our team will inspect it to ensure it meets the criteria for exchange. To be eligible for an exchange, the product must be returned in its original condition, with all tags and packaging intact, and any accessories included with the original purchase. If the product does not meet the required conditions, we reserve the right to deny the exchange.
- Please note that exchange requests are subject to shipping fees to receive the exchanged product. These fees are the responsibility of the customer and may vary depending on the location and shipping method selected.

Return Location:

USA, Canada, International:

Collect Direct Returns

3601 N. 4th Ave.

Sioux Falls, SD USA 57104

Return procedure:

- Write Member ID or Customer ID in the return address on the box
 - Provide Full Name and Member ID or Customer ID inside the box and the reason for return
 - Obtain an RMA number from support@collectdirect.com for your return to be processed
 - Provide a tracking number to support@collectdirect.com ensure the package is received in a timely manner
9. The Company will exchange Product if the Product is incorrectly sent due to a Company error. However, when an exchange is not feasible, the Company will refund the amount of the returned Product. If Product is sent to you in error, Members should contact the Company within ten (10) days of receipt of the order.
10. Cancellation Policy:
- Please contact support@collectdirect.com, in most cases orders can be cancelled the same day they are placed. However, if an order has already reached fulfilment status it will not be able to be cancelled and the order will then fall under the Return/Exchange Policy.

Section 5: Marketing the Product and Opportunity

A. Use of Sales Tools. Members may use only Sales Tools approved by the Company for an Authorized Country. The Member agrees that if it uses a fulfillment house or other third party to sell or distribute Sales Tools, the Member will enter into a non-disclosure agreement (to be provided by the Company) with the fulfillment house or third party to ensure that all Member and Customer information is protected from disclosure and remains the sole property of the Company.

B. Approval of Sales Tools. Members must submit all Sales Tools to the Company for approval prior to use. The Company has complete discretion whether to approve or reject a proposed Sales Tool. The approval process generally requires a minimum of three (3) weeks to complete. To comply with changing laws and regulations, the Company may rescind its prior approval of a Sales Tool and may require the Member to remove from the market at its own cost and obligation a previously approved Sales Tool. If approved, the Company will issue an email to the Member confirming approval of said Sales Tools.

C. Product Claims. The only claims and representations Members may make regarding Products are those found in

the literature distributed by the Company. Any third-party material used for Member Business must comply with all federal and local laws.

D. No Altering. Members shall not re-label, alter or repackage any Products.

E. No Endorsement Claims. No Member may imply that the promotion, operation, or organization of the Company has been approved, sanctioned, or endorsed by any governmental regulatory authority unless noted on the Company's website.

F. Income Claims Prohibition. A Member is prohibited from making false, misleading, or unrepresentative claims regarding earning potential. If a Member does make an income claim, it must be based on actual earnings and the Company's current Annual Average Income Disclosure, posted on the Company's website, must be presented concurrent with the income claim. In discussing the Collect Direct opportunity with a potential Member, a present, accurate Income Disclosure Statement shall be provided to the potential Member.

G. Use of Trademarks and Copyrights.

1. The Company may license the use of its trademarks to Members, subject to the limitations herein and subject to the limitations of any licensing agreement. A licensing agreement may be obtained by emailing customer support.

2. Members may not use any of the Company's current or after acquired trademarks or any confusingly similar variations of its marks, in a manner that is likely to cause confusion, mistake, or deception as to the source of the Products or services advertised.

3. Except as indicated herein Members are prohibited from using the Company's trademarks or any variations that could be confusingly similar to its trademarks (examples include "CollectDirect", "Collect Direct", etc.) in business names, email addresses, internet domain names, sub-domain names, URLs, telephone numbers, or any other addresses or titles. However, an exception exists: A Member may use the Company's trademarks in a URL, internet domain, or sub-domain name if they have entered into a licensing agreement for a Company Licensed Website.

4. The Member acknowledges that the Company retains all rights to its trademarks, even when used in URLs, internet domains, or sub-domains. The Company can revoke the use of its trademarks at any time and for any reason. If the Company chooses to acquire such a URL, the Member agrees to transfer it to the Company for a nominal registration fee. The Member will also take any necessary actions requested by the Company to facilitate this transfer.

5. If a Member registers or reserves any of the Company's names, trade names, trademarks, or internet domain names in violation of this policy, they must immediately re-assign them to the Company. This policy remains in effect even after the termination of the Contract

6. Members may not use the Company's trademarks on non-approved Sales Tools.

7. The Company, in its sole discretion, will determine whether a variation of its trademark is confusingly similar. Use of such marks is prohibited.

8. A Member must not use the name, logos, trademarks, or other references to the Company's business or manufacturing partners in any Sales Tool, correspondence, or any form of advertising.

9. The Company's literature and media are copyrighted by the Company and may not be duplicated.

H. Use of "Member" in Advertising. If a Member selects a business title, the title must clearly state that the Member is a "Member." A Member's title may not imply that the Member is an employee or agent of the Company. Each time the Company's logo or name is used in writing and in relation to the Member, the Member must identify itself as a "Collect Direct Member."

I. Methods of Advertising. Members may advertise using the following means:

1. Newspaper: A Member may place a generic business opportunity advertisement in the classified section of a

local newspaper, provided the advertisement conforms to all applicable laws and regulations.

2. **Phone Directory:** Any Member may place a text listing of its name in the white or yellow pages of a telephone directory followed by "Collect Direct Member." Graphical and display ads in telephone directories are prohibited.
 3. **Electronic Mail Advertisements:** All advertisements sent via email, telephone, or facsimile must comply with all anti-spamming laws for the state or country where the intended recipient resides. The Member is under obligation to research and comply with all laws concerning unsolicited commercial email.
 4. **Television and Radio:** Television and radio advertising requires prior written approval from the Company. Requests should be submitted through customer support.
 5. **Celebrity Endorsement:** A Member may use a celebrity endorsement with written approval from the Company and the specific, prior, written approval of the endorsing celebrity for each use of the celebrity's name.
 6. **Fairs, Swap Meets, etc.:** A Member may sell or promote Products at bazaars, flea markets, fairs, swap meets, tradeshow or other similar gatherings only at a price of no less than the Member price of the products listed on the website.
 7. **Internet Auction Sites:** A Member may sell or facilitate the sale of Product on Internet websites where an auction is the mode of selling or buying (e.g., eBay), so long as the product has a minimum reserve selling price of no less than the suggested retail price on the Collect Direct website. A Member may not use a third party to place Product on auction websites or sell Product to a third party if the Member knows, or has reason to know, that such Product will be sold on auction websites for less than the suggested retail price on Collect Direct's website of the product. The provisions of this Section survive the termination of the Contract.
- J. **Advertising at Company Sponsored Events.** At Company-sponsored events, Members may not, unless specifically authorized in writing by the Company, advertise, sell, or promote Company products or services, including, but not limited to, the promotion or distribution of flyers, DVDs or other materials, or the use of any other form of promotion deemed inappropriate by the Company.
- K. **Internet Advertising.** Subject to the provisions of Section K.7 herein, Members may use only a Company Licensed Website to promote Products or a business opportunity over the Internet. Promoting Products or the business opportunity through an unlicensed Internet website is strictly prohibited. Members that wish to operate a Company Licensed Website must meet the following criteria:
1. A Member may not enter into a website licensing agreement until they have completed a website training course given by the Company.
 2. All licensed websites must first be reviewed and approved by the Company as Sales Tools. Licensed websites must be Company-specific and may not advertise, promote, or link to any other product or opportunity.
 3. Members may not use any keywords or meta tags to advertise any licensed website on the Internet if the search words or meta tags explicitly or implicitly present illegal or unsubstantiated income claims.
 4. The Company may revoke the license for any previously approved website at any time and for any reason, including changes to federal and local laws and regulations.
 5. Members may promote the business opportunity and Products on social networking sites such as "Facebook" and "Twitter," video sites such as "YouTube" and "Google Video," and blogging sites such as "Wordpress" and "Blogger" (collectively "Social Media Sites"), provided the following conditions are met:
 - a. All text, audio and video postings do not contain Product or income claims. For Product information, Members may refer viewers to their Collect Direct replicated website, the Company website, or a Company Licensed Website.
 - b. Videos posted to Social Media Sites must show the text "Collect Direct Member" for the entirety of the

video.

The Company may monitor the Social Media Sites for compliance with the Contract, and the Member agrees to immediately remove or modify the Social Media Sites upon the Company's request to comply with the Contract.

L. Advertising and Selling Price of Products on the Internet. Member acknowledges and agrees that the advertising and selling of all Products on the Internet may only be done on a Company Licensed Website, and the advertising and selling price of all Products on such website, if sold to an Applicant, must not be lower than the suggested retail price of same product on Collect Directs website plus reasonable shipping and the amount the Company charges for taxes and handling. In connection with this Section, the Member also agrees that all advertising regarding the price of Products will be truthful and will not contain misleading statements (e.g., "lowest price available" which infers that a Member is able to sell the Products at a price lower than other Members, etc.). Members acknowledges and agrees that he or she shall not advertise or sell any Products on the Internet, which were purchased from another Member. Any violation of this Section by a Member shall constitute a breach of the Contract and will be subject to termination of Membership.

M. The sale of Company products on social media sites, third-party sites, or otherwise, as defined in this Section is not permitted. Third-party sites include but are not limited to: Amazon, eBay, Craigslist, and Facebook Marketplace. For further clarity between the distinction in social media sites and third-party sites. The Company reserves the right to be the ultimate decision maker in its sole discretion on such definitions either with or without a Member requesting such review. In accordance with the particular site's policies, Members may only market products or the opportunity on such sites and direct any Customers or aspiring Members to the Company corporate website or to a Member's created site that is permitted under these Policies and Procedures.

N. Members are independent contractors as described in these Policies and Procedures, but a Members's use of Company's name, likeness, or other proprietary information can still be implied to be directed by the Company. Accordingly, all Members are made aware through these Policies and Procedures and this Section that they are personally responsible for their online postings and all other online activity that relates to or can be imputed to Company, whether intended or not.

O. It is imperative that every Member understands that even when interacting in their personal capacity, their actions can be imputed to the Company due to using the Company marks, products, or other related materials (e.g., a Member's background photo on a social media site is Company related and a Member posts something unrelated to the business; as a Member of the Company, this can still be imputed to the Company and would fall under this definition).

P. Any posting that is false, misleading, or deceptive is prohibited. A Member shall not commingle any other business activity, sales, earnings, or potential as these are considered deceptive and confusing.

Q. In addition, Members are responsible for all that is posted and should refrain from posting anything, including, but not limited to, pictures, videos, music, writings, or any other tangible or intangible posting that is copyrighted, trademarked, or otherwise owned by another. Members should be cognizant of the location that they receive materials and be aware of the repercussions of posting anything freely. This not only opens Member to both scrutiny and potential litigation but also has a deleterious impact on other Members and the Company's brand as a whole.

R. Mass Communications. For purposes of this Section, "Mass Communications" are defined as communications intended to reach twenty (20) or more Members in the sender's Downline Organization or at least three (3) Members who are crossline by a Member:

1. Members targeted to receive the Mass Communications must have knowingly "opted in" to hear or receive the Mass Communication through registration (if the Mass Communication will be received at an event or webinar), and/or through an affirmative request if the Mass Communication is delivered through an email or on a website.

2. If by email, there must be an “opt out” feature prominently displayed in the Mass Communication.
 3. All Mass Communication must comply with the terms of this Section.
 4. The following disclaimer shall be prominently positioned in all Mass Communications that promote any particular building method:

There are many methods and techniques used successfully for building your Collect Direct business. The building method promoted [in/at] this [website/webinar/email/meeting] may be different from that which is taught by your Upline. Please consult with your Upline if they have taught you a different building method or if you have any questions.
 5. Member acknowledges that allowing the Member to create databases of Member information for Mass Communications, the sale of tools, and for any other purposes constitutes the use of Company Confidential Information, which information is the Company’s trade secrets, and such use can be a substantial financial benefit to the Member. Member acknowledges that he or she is subject to the Cross-Company Recruiting obligations set forth in this agreement and shall survive the termination of the Contract.
- S. Lead Distribution. Persons who are outside the Company network often make inquiries to the Company about its Products. If the Company is able to determine that the inquiring Person received the information from a specific Member or that there is a particular Member that the Person is acquainted with, every attempt will be made to refer the Person to that Member. If an association with a particular Member cannot be determined, final judgment with respect to the positioning of leads remains the right of the Company.
- T. Public Relations Matters. The Company encourages Members to use personal media coverage to expand and build their business; however, certain situations require the Member to contact the Company. These would include and are not limited to:
1. Instances where the story or medium has national potential.
 2. Cases where the story calls for a wider Company/Product perspective; and/or
 3. When the Member is questioned about Company sales figures and/or business strategies.
- U. Retail or Service Establishments: A Member may sell Products or promote the business opportunity through Retail or Service Establishments in Countries CollectDirect is authorized to conduct such business as long as i) the display of Member information within the premises of a Retail or Service Establishment is clearly indicated, and ii) the product is not sold for an amount less than the suggested retail price as shown on the Collect Direct website.

Section 6: Breach of Contract Procedures

- A. Conditional Obligations. The Company’s obligations to a Member are conditioned upon the Member’s faithful performance of the terms and conditions of the Contract. The Company, in its sole discretion, will determine if a Member is in breach of the Contract and may elect any or all available remedies.
- B. Remedies. In the event of breach, the Company may elect to take no action or to exercise some or all contractual remedies and remedies at law or in equity, including, but not limited to:
1. Notify the Member either in writing or verbally of the breach and provide a notice to cure the breach
 2. Require from the Member additional assurances of future compliance
 3. Withhold or deny recognition and attendant perks
 4. Assess damages and withhold them from commission payments
 5. Suspend Member Rights temporarily or permanently
 6. Seek injunctive relief

7. Terminate the Contract; and
8. Seek damages and associated costs.

C. Reporting Contract Breaches. If a Member observes or is aware of another Member's violation of any term or condition of the Contract, the observing Member shall submit a written complaint to the Company's support department through email. Because of the difficulties of investigating and asserting appropriate remedies for stale claims, any complaint for breach of the terms and conditions of the Contract other than Cross-Company Recruiting must be brought to the Company's attention for review within eighteen (18) months of the start of the alleged violation; Cross-Company Recruiting violations must be brought to the Company's attention within six (6) months of the alleged violation. Failure to report a violation within that time period may result in the Company not pursuing the allegations in order to prevent the Member Business from being disrupted due to stale claims. However, this policy does not waive the Company's right to investigate and discipline Members found guilty of the stale claims.

D. Circumvention of the Contract. The Contract is designed to protect Members and the Company from the adverse consequences of their violation. Members who intentionally circumvent the Contract to accomplish indirectly what is prohibited directly will be disciplined as if the applicable policy or rule had been broken directly. In such circumstances, all of the available remedies as stated above will be available to the Company. The Contract is not intended to give a Member the right to enforce the Contract against another Member directly, or to take any legal action against another Member.

Section 7: Termination

1. A Member may terminate the Contract by writing a request to support@collectdirect.com
 2. The Company may terminate the Contract if the Member violates the terms of the Contract and any amendments thereto.
 3. A Member who voluntarily terminates Membership and is not in breach of the Contract may rejoin under the same enroller at any time. However, to re-sign under a New Enroller, a person must have six (6) consecutive months of order inactivity, which follows their voluntary termination.
- A. Return of Confidential Information. A Member must return all Confidential Information, including any information derived therefrom, over which he or she has direct or indirect control to the Company upon termination or upon demand of the Company. If any such Confidential Information cannot be returned because it is in electronic format, the Member shall permanently delete and erase the Confidential Information upon termination or upon demand.
- B. Buyback. If a Member is in breach, the Company reserves the right to stop or delay the buyback process set forth in this Contract.
- C. Effects of Termination for Breach of Contract.
1. A Member whose Contract is terminated by the Company must wait six (6) months before applying for a new Membership. During that time, the Member can have no Beneficial Interest in any other Membership.
 2. Upon termination of the Contract, all the Member's rights in and to the Membership and the Member Business are revoked and terminated. In acknowledgment of the damages the Company has likely suffered and/or will suffer as a result of Members breach, including, but not limited to, all or any of the following: (i) loss of goodwill and loss in the value of the Company's confidential and proprietary information and trade secrets; (ii) loss of a portion of the value of the Company's business; and (iii) loss of future profits; Member consents that any unpaid Commissions may be forfeited to the Company to offset a portion of the damages.
 3. The Company may elect to reorganize the Downline Organization of a position terminated for breach in a manner that serves the best interests of the Company, Downline Organization, and Upline.

4. Where the Company elects to terminate a position in which there is more than one Beneficial Interest holder, the following may apply: a) the departing Beneficial Interest holder(s) must relinquish all rights to, and interests in, the Membership; b) The Company may not divide or reassign any of the Downline Organization; and c) The Company may not split Commissions between the prior or current Beneficial Interest holders of the Membership. All unpaid Commissions or Commission in the back office credit wallet at the time of termination will be recouped by the Company for any loss accrued due to the termination.

D. Effects of Voluntary Termination by the Member.

1. The Contract can be voluntarily terminated by a Member who is not in breach of the Contract for any reason, at any time, by providing written notice to the Company signed by all Person(s) listed on the Member's Agreement. The termination is effective on the date the Company receives the written notice. If a Member is in breach of the Contract, he or she cannot voluntarily or unilaterally terminate the Contract.

2. Upon termination of the Contract, all of the Member's rights in and to the Membership and the Member Business are revoked and terminated. A Member who voluntarily terminates Membership and is not in breach of the Contract may rejoin under a new Membership under the same or a new enroller at any time. All unpaid Commissions or Commission in the back office credit wallet at the time of termination will be recouped by the Company for any loss accrued due to the termination.

3. A Member may not terminate voluntarily if the Membership is not in good standing with the Company, as may be evidenced by, but not limited to, any of the following conditions: (i) a temporary Membership; (ii) a business position is on hold, suspension, or probation; (iii) the Membership is under investigation, but no formal discipline has taken place; or (iv) notice of intent to terminate has been sent.

Section 8: Disclaimers

Packaging Condition Notice: Each product's packaging may vary in appearance and condition. Especially with vintage items, expect potential signs of wear, aging, color changes, or other imperfections. We endeavor to provide accurate descriptions of the packaging in our listings, but the original packaging's preservation cannot be guaranteed.

Not for Consumption Disclaimer: Please read this legal disclaimer carefully before purchasing old, vintage packs of candy, Pez, and gum from CollectDirect, Inc "CollectDirect". By making a purchase from our website, you agree to the following terms and conditions:

1. **Non-Edibility:** The vintage candy, Pez, and gum products offered by CollectDirect are sold strictly as collectible items. They are not intended for consumption and should never be ingested. These products may have passed their expiration dates or may no longer be safe to eat due to their age and packaging conditions.

2. **Health and Safety:** Consuming old, vintage candy, Pez, and gum can pose health risks, including but not limited to foodborne illnesses, allergic reactions, and dental issues. We strongly advise against attempting to consume any product purchased from us, regardless of its appearance.

3. **Packaging Condition:** The condition of the packaging may vary from product to product. Vintage packaging may show signs of wear, aging, discoloration, or damage. We make reasonable efforts to describe the condition of the packaging accurately in product listings, but we cannot guarantee the preservation of the original packaging.

4. **Limited Liability:** CollectDirect assumes no responsibility for any harm, injury, illness, or adverse reactions resulting from the misuse or ingestion of our vintage candy, Pez, and gum products. By purchasing these items, you acknowledge and accept the risks associated with their age and non-edibility.

5. Not Suitable for Children: Vintage candy, Pez, and gum products are not suitable for children or anyone who may be unaware of the associated risks. Keep these products out of reach of children and ensure they are only handled by responsible adults.

6. Use as Collectibles: We encourage our customers to enjoy vintage candy, Pez, and gum products as collectibles, keepsakes, or display items. These items hold historical and nostalgic value and can be appreciated without the need for consumption.

By making a purchase from CollectDirect, Inc, you acknowledge that you have read and understood this legal disclaimer and agree to its terms and conditions. If you do not agree with any part of this disclaimer, please do not purchase our vintage candy, Pez, and gum products.

Section 9: Miscellaneous

A. The Contract contains the entire understanding concerning the subject matter hereof between the Company and the Member, and is intended as a final, complete, and exclusive expression of the terms of the parties. This Contract supersedes and replaces all prior negotiations and proposed, but unexecuted agreements, either written or oral. Any prior agreements, promises, negotiations, or representations, either written or oral, relating to the subject matter of this Contract, are of no force or effect. If there is any discrepancy between verbal representations made to the Member by any employee or agent of the Company and the terms of the Contract, the express written terms and requirements of the Contract will prevail.

B. The section and subsection headings in the Contract are inserted solely as a matter of convenience and for reference and will not be considered in the construction or interpretation of any provision hereof. Unless the context otherwise specifically requires, all references to sections of the Contract will refer to all subsections thereof.

C. The Company reserves the right to make any modifications to the Contract, provided that the modifications are communicated by the Company to the Member at least thirty (30) days prior to taking effect. The Company may communicate these modifications by posting any portion of the modified Contract on the Company's website, or by any other method of communication. The Member is deemed to have accepted the modification to the Contract if the Member engages in any Member Business, renews its Membership, or accepts Commissions after the thirty (30) day period is ended.

NOTWITHSTANDING ANYTHING TO THE CONTRARY ABOVE, ANY AMENDMENT BY THE COMPANY TO THE DISPUTE RESOLUTION SECTION HEREIN SHALL ONLY TAKE EFFECT UPON A MEMBER'S EXPRESS AGREEMENT TO SUCH AMENDMENT. A MEMBER MAY INDICATE THEIR AGREEMENT TO SUCH PROPOSED AMENDMENT BY FOLLOWING THE INSTRUCTIONS ACCOMPANYING THE PROPOSED AMENDMENT THAT WILL APPEAR WHEN LOGGING IN TO THE CORPORATE WEBSITE OR THE MEMBER'S PERSONAL WEBSITE. THE COMPANY MAY TERMINATE THE CONTRACT OF ANY MEMBER WHO DOES NOT AGREE TO A PROPOSED AMENDMENT TO THE DISPUTE RESOLUTION SECTION WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF THE AMENDMENT. ANY SUCH AMENDMENT SHALL APPLY TO ALL CLAIMS BROUGHT BY THE COMPANY OR THE MEMBER ON OR AFTER THE EFFECTIVE DATE OF THE AMENDMENT, REGARDLESS OF THE DATE OF OCCURRENCE OR ACCRUAL OF ANY FACTS UNDERLYING SUCH CLAIM.

D. The Company extends no product warranties, either expressed or implied, beyond those specifically articulated in the Contract. The Company disclaims and excludes all warranties regarding possible infringement of any United States or foreign patent, trademark, trade name, copyright, or trade secret arising from the Member's operations. THE COMPANY HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, ACCURACY AND NON-INFRINGEMENT. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT.

E. Any waiver by the Company of a Member's breach of a Contract provision must be in writing and will not be

construed as a waiver of any subsequent or additional breach by the Member. The failure by the Company to exercise any right or privilege under the Contract will not constitute a waiver of that right or privilege.

F. If any term or condition of this Contract is judicially invalidated, prohibited, or otherwise rendered unenforceable in any jurisdiction, it is unenforceable only to the extent of the invalid, prohibited, or unenforceable provision in that jurisdiction only, and it will not render unenforceable or invalidate any other provision of the Contract, nor will the Contract be rendered unenforceable or invalidated in another jurisdiction.

G. Force Majeure. Member acknowledges that the Company is not liable for any damages or losses caused by the delay or inability to manufacture, sell, or deliver its products due to labor strikes, accidents, fire, flood, acts of civil authority, acts of God, acts of terrorists, pandemics or from any other causes that are beyond the control of the Company.

H. Governing Law, Arbitration Injunctive Relief. The State of Nevada is the place of the origin of this Contract and is where the Company accepted the offer of the Applicant to become a Member and where the Member entered into the Contract with the Company. The Contract is therefore to be construed in accordance with the laws of the State of Nevada (without giving effect to any conflict of law provision or rule) as to contracts made and to be wholly performed within the State. Any controversy or claim arising out of or relating to the Contract or the breach thereof, or any controversy or claim relating to the business relationships arising between Members shall be resolved by mandatory, final, binding, non-appealable arbitration in Nevada, United States of America.

I. Disciplinary Sanctions. Violation of the Contract, these Policies, 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 Partner that, in the sole discretion of the Company, may damage its reputation or goodwill (such damaging act or omission need not be related to the Partner's Company business), may result, at Company's sole discretion, in one or more of the following corrective measures:

- a. Issuance of a written warning or admonition
- b. Requiring the Member to take immediate corrective measures
- c. Imposition of a fine, which may be withheld from bonus and commission checks
- d. Loss of rights to one or more bonus and commission checks
- e. Withholding from a Member all or part of the Member's bonuses and commissions during the period that the Company is investigating any conduct allegedly contrary to the Contract. If a Member's business is canceled for disciplinary reasons, the Member will not be entitled to recover any commissions withheld during the investigation period
- f. Suspension of the individual's Member Contract for one or more pay periods
- g. Involuntary termination of the offender's Member Contract
- h. Any other measure expressly allowed within any provision of the Contract or which the Company deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Member's policy violation or contractual breach
- i. Instituting legal proceedings for monetary and/or equitable relief. Each violation is reviewed on a case-by-case basis, and all disciplinary actions are at the sole discretion of the Company.

J. Dispute Resolution. THIS PROVISION CONTAINS AN AGREEMENT THAT AFFECTS HOW CLAIMS A MEMBER MAY HAVE AGAINST THE COMPANY OR CLAIMS THE COMPANY MAY HAVE AGAINST A MEMBER WILL BE RESOLVED. THE PARTIES UNDERSTAND AND AGREE THAT THE DISPUTE RESOLUTION AGREEMENT IN THIS SECTION OPERATES

AS A SEPARATE AND DISTINCT AGREEMENT THAT IS SEVERABLE FROM THE REMAINDER OF THE CONTRACT AND IS ENFORCEABLE REGARDLESS OF THE ENFORCEABILITY OF ANY OTHER PROVISION OF THE CONTRACT OR THE CONTRACT AS A WHOLE. CONSIDERATION FOR THIS DISPUTE RESOLUTION AGREEMENT INCLUDES, WITHOUT LIMITATION, THE PARTIES' MUTUAL AGREEMENT TO ARBITRATE CLAIMS. THE PARTIES FURTHER UNDERSTAND AND AGREE THAT THE UNENFORCEABILITY OF THE CONTRACT IN WHOLE OR IN PART SHALL NOT SUPPORT A FINDING THAT THE DISPUTE RESOLUTION AGREEMENT IN THIS SECTION IS UNENFORCEABLE. THE FEDERAL ARBITRATION ACT ("FAA") SHALL GOVERN THE DISPUTE RESOLUTION AGREEMENT IN THIS SECTION WITHOUT GIVING EFFECT TO ANY LAW TO THE CONTRARY.

Although the Contract is made and entered into between the Member and the Company, Company affiliates, owners, members, managers, and employees ("Related Parties") are intended third-party beneficiaries of the Contract for purposes of the provisions of the Contract referring specifically to them, including this agreement to negotiate, mediate, and arbitrate. The Parties acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between the Member and the Company, and the Parties further acknowledge that nothing contained herein shall be argued by either of them to constitute any waiver by the Related Parties of any defense which Related Parties may otherwise have concerning whether they can properly be made a party to any dispute between the other parties.

Any controversy, claim, or dispute of whatever nature arising between a Member, on the one hand, and the Company and/or the Related Parties on the other, including, but not limited to, those arising out of or relating to the Contract including these Policies or the breach thereof, the sale, purchase, or use of the Company services, or the commercial, economic, or other relationship of a Member and Company and/or the Related Parties (for purposes of this Section, each a "party"), whether such claim is based on rights, privileges, or interests recognized by or based upon statute, contract, tort, common law, or otherwise ("Dispute"), and any Dispute as to the arbitrability of a matter under this provision, shall be settled through negotiation, mediation, or arbitration, as provided herein.

A. Mediation

If a Dispute arises, the parties shall first attempt in good faith to resolve it promptly by negotiation. Any of the parties involved in the Dispute may initiate negotiation by providing notice (the "Dispute Notice") to each involved party setting forth the subject of the Dispute and the relief sought by the party providing the Dispute Notice, and designating a representative who has full authority to negotiate and settle the Dispute. Within ten (10) Business Days after the Dispute Notice is provided, each recipient shall respond to all other known recipients of the Dispute Notice with notice of the recipient's position on and recommended solution to the Dispute, designating a representative who has full authority to negotiate and settle the Dispute. Within twenty (20) Business Days after the Dispute Notice is provided, the representatives designated by the parties shall confer either in person at a mutually acceptable time and place or by telephone or other electronic means such as videoconferencing, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute. At any time twenty (20) Business Days or more after the Dispute Notice is provided, but prior to the initiation of arbitration, regardless of whether negotiations are continuing, any party may submit the Dispute to JAMS for mediation by providing notice of such request to all other concerned parties and providing such notice and a copy of all relevant Dispute Notices and notices responding thereto to JAMS. In such case, the parties shall cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in promptly scheduling the mediation proceedings and shall participate in good faith in the mediation either in person at a mutually acceptable time and place or by telephone or other electronic means such as videoconferencing, in accordance with the then-prevailing JAMS's mediation procedures and this Section, which shall control.

B. Arbitration

Any Dispute not resolved in writing by negotiation or mediation shall be subject to and shall be settled exclusively by final, binding arbitration before a single arbitrator or, for Disputes in excess of \$2 million, a panel of three arbitrators, in the State of Nevada, United States of America, in accordance with the then-prevailing

Comprehensive Arbitration Rules of JAMS, Inc. No party may commence Arbitration with respect to any Dispute unless that party has pursued negotiation and, if requested, mediation, as provided herein, provided, however, that no party shall be obligated to continue to participate in negotiation or mediation if the parties have not resolved the Dispute in writing within sixty (60) Business Days after the Dispute Notice was provided to any party or such longer period as may be agreed by the parties. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as an arbitrator in the case. The parties understand and agree that if the arbitrator or arbitral panel awards any relief that is inconsistent with the Limitation of Liability provision of these Policies and Procedures, such award exceeds the scope of the arbitrator's or the arbitral panel's authority, and any party may seek a review of the award in the exclusive jurisdiction and venue of the courts of the State of Nevada.

Notwithstanding the foregoing, venue and jurisdiction for any claims or disputes arising under or relating to the Contract brought by residents of Louisiana shall be established pursuant to Louisiana law.

C. Class Action Waiver

THE NEGOTIATION, MEDIATION, OR ARBITRATION OF ANY DISPUTE SHALL BE LIMITED TO INDIVIDUAL RELIEF ONLY AND SHALL NOT INCLUDE CLASS, COLLECTIVE, OR REPRESENTATIVE RELIEF. IN ANY ARBITRATION OF A DISPUTE, THE ARBITRATOR OR ARBITRAL PANEL SHALL ONLY HAVE THE POWER TO AWARD INDIVIDUAL RELIEF AND SHALL NOT HAVE THE POWER TO AWARD ANY CLASS, COLLECTIVE, OR REPRESENTATIVE RELIEF. THE PARTIES UNDERSTAND AND AGREE THAT EACH IS WAIVING THE RIGHT TO TRIAL BY JURY OR TO PARTICIPATE IN A CLASS, COLLECTIVE, OR OTHER REPRESENTATIVE ACTION.

To the fullest extent allowed by law: 1) the costs of negotiation, mediation, and arbitration, including fees and expenses of any mediator, arbitrator, JAMS, or other persons independent of all parties acting with the consent of the parties to facilitate settlement, shall be shared in equal measure by Member, on the one hand, and the Company and any Related Parties involved on the other, except where applicable law requires that the Company bear any costs unique to arbitration (which Company shall bear); and 2) the arbitrator or arbitral panel or, in the case of provisional or equitable relief or to challenge an award that exceeds arbitral authority as described in this Section, the court, shall award reasonable costs and attorneys' fees to the person or entity that the arbitrator, arbitral panel, or court finds to be the prevailing party; provided, however, that if fees are sought under a statute or rule that sets a different standard for awarding fees or costs, then that statute or rule shall apply.

Nothing in these Policies shall prevent the Company 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 the Company'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.

K. Liquidated Damages. In any case which arises from or relates to the wrongful termination of the Contract and/or a Member's business, the Company and the Member agree that damages will be extremely difficult to ascertain. Therefore, the Company and the Member stipulate that if the involuntary termination of the Contract and/or loss of the Members Company business is proven and held to be wrongful under any theory of law, the Member's sole remedy will be liquidated damages calculated as follows:

- a. For Members earning \$10,000 or more per month below, liquidated damages will be in the amount of their gross compensation that they earned pursuant to the Company's Compensation Plan in the eighteen (18) months immediately preceding the termination.
- b. In any action arising from or relating to the Contract, the Company business, or the relationship between the Company and a Member, both Parties waive all claims for incidental and/or consequential damages, even if the other Party has been apprised of the likelihood of such damage. The Company and Member further waive all claims to exemplary and punitive damages.

L. Attorneys' Fees. If any suit, action, or proceeding is brought to enforce any term or provision of this Contract, the

prevailing party shall be entitled to recover reasonable attorneys' fees, costs, and expenses incurred, in addition to any other relief to which such party may be legally entitled.

M. Successors and Assigns. The Contract will be legal and binding upon and insure to the benefit of the heirs, devisees, executors, administrators, personal representatives, successors, and assigns (as applicable) of the respective parties hereto.

N. Limitation of Liability. To the extent permitted by law, the Company, its directors, officers, members, managers, shareholders, employees, assigns, and agents (collectively referred to as "Responsible Parties") shall not be liable for, and the Member releases the Company and its Responsible Parties from and waives all claims for, any loss of profits, indirect, direct, special or consequential damages, and for any other losses incurred or suffered by Members as a result of:

(i) Member's breach of the Contract; (ii) the promotion or operation of the Membership and the Membership Business; (iii) Member's incorrect or wrong data or information provided to the Company or its Responsible Parties; or (iv) the Member's failure to provide any information or data necessary for the Company to operate its business. EACH MEMBER AGREES THAT THE ENTIRE LIABILITY OF THE COMPANY AND ITS RESPONSIBLE PARTIES FOR ANY CLAIM WHATSOEVER RELATED TO THE CONTRACT, BUT NOT LIMITED TO, ANY CAUSE OF ACTION SOUNDING IN CONTRACT, TORT, OR EQUITY, SHALL NOT EXCEED, AND SHALL BE LIMITED TO, THE AMOUNT OF PRODUCTS THE MEMBER HAS PURCHASED FROM THE COMPANY THAT ARE IN RESALABLE CONDITION.