

Club BizSmart LLC Policies and Procedures

(v1.922-20)

The Policies and Procedures of Club BizSmart contained herein were established to explain and define the rights and responsibilities of Club BizSmart and its Independent Business Consultants.

Each Independent Business Consultant agrees, without reservation, to all the terms and conditions contained herein.

E-SIGN

The Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7001, et seq.), requires that you consent to entering into an electronic agreement with Club BizSmart LLC, an Arizona Limited Liability Company, before the following Club BizSmart Consultants/Retail Customer Agreement is executed.

Please read the following information carefully. Should you enter into an online Consultant/Customer Agreement ("the Agreement") with Club BizSmart you will not be required to submit a paper application. The entire Agreement between you and Club BizSmart will be evidenced by an electronic record. To enter into the Agreement, you must consent to the use of an electronic record and you must read Club BizSmart Policies and Procedures, Club BizSmart Marketing Plan, and electronically acknowledge that you have read these documents. To access these documents and submit your online application, you will need the following hardware and software: A Personal Computer ("PC") with modem or other Internet access device, operational Internet browser software (e.g., Google Chrome, or Internet Explorer), and Adobe Acrobat Reader. If you do not have Adobe Acrobat Reader, you may download it for free at: www.adobe.com/products/acrobat/readstep2.html.

You may withdraw your consent to the use of electronic records at any time. However, should you do so, the Agreement will be automatically terminated, and you will lose all rights to an organization (including but not limited to any property rights you may have), and you will lose all rights to all remuneration under the Club BizSmart Marketing Plan. Should you wish to withdraw your consent to the exclusive use of an electronic agreement (and thereby terminate your agreement with Club BizSmart), or update any personal information, you may do so by sending an email to support@clubbizsmart.com or by sending written notice to: Club BizSmart LLC, 835 W. Warner Road Suite 473, Gilbert, AZ 85233

During the enrollment process, you will be required to read the Agreement (which includes the Policies and Procedures and the Marketing Plan) in its entirety. Club BizSmart encourages you to print and retain these documents for future reference. Should you wish to obtain a printed copy of the Policies and Procedures and/or Marketing Plan, you may download and print a PDF (Portable Document Format) version of the same from Club BizSmart website. Or, you may send a written request for those documents to: Club BizSmart LLC, 835 W. Warner Road Suite 473, Gilbert, AZ 85233 or email: support@clubbizsmart.com.

Your request must include your name, Customer Identification Number, mailing address, and e-mail address. Upon receipt of such a request, Club BizSmart will mail you the then current version of each document. There is no charge for this service. By entering into the Agreement, you agree that Club BizSmart may amend the same (including the Policies and Procedures and the Marketing Plan) at its sole discretion at any time. You may obtain a copy of the version of these documents that were in effect at any time after you executed your electronic agreement. Outdated versions are archived by Club BizSmart. The most current version of the Policies and Procedures and the Marketing Plan are always available at Club BizSmart official web site for viewing, printing and downloading at: www.clubbizsmart.com/PoliciesAndProcedures.aspx.

Should there ever be a change in the equipment or software necessary to access the terms of the Agreement, Club BizSmart, will advise you of the same and will provide you with a list of the equipment and software that is necessary. Upon such event, you may voluntarily terminate the Agreement.

By clicking on "I AGREE" below, you consent to use of electronic records evidencing your Club BizSmart, Customer Agreement.

CODE OF CONDUCT DECLARATION

Club BizSmart (subsequently referred to as the “Company”) has established the following code of conduct to guide the appropriate, efficient and ethical operation of Club BizSmart. Club BizSmart requires our Independent Business Consultants and Customers to abide by the letter and spirit of this code that forms our contract with all registered parties of Club BizSmart.

1. **Member Obligation.** Club BizSmart Members will:

- a) Conduct themselves in an ethical and professional manner;
- b) Sell the company’s products in accordance with the marketing plan;
- c) Make it clear that success in Club BizSmart’s marketing plan is based on product purchases through Club BizSmart’s Smartship Program rather than sponsoring;
- d) Fairly and correctly represent the Club BizSmart Team Rewards Plan and the income potential represented therein. *They understand that they are prohibited from using their own income as an indication of other’s potential success, or using commission checks as marketing materials.*
- e) 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;
- f) Ensure that they operate and market their business in an ethical manner that does not compromise the opportunity for other Consultants or misrepresents the income opportunity.
- g) Comply with applicable consumer protection laws and regulations;
- h) Maintain current and accurate information concerning the address, phone number, email, social security number, method of payment, and any other data on their file;
- i) Abide by all of Club BizSmart Policies and Procedures now and as they may be changed in the future under any circumstances short of the written confirmation alluded to above.

Club BizSmart 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) Willfully manipulate the Club BizSmart Marketing Plan at any time without exception;
- f) Sponsor or enroll minors or persons who are not capable of making an informed decision;
- g) Conduct business activities in countries other than those approved by Club BizSmart;
- h) Shall not, by their actions, bring Club BizSmart or the image of the MLM industry into disrepute;
- i) Purchase Commissionable Volume on another Member or Customer’s account to qualify for any bonus or commission; or seek in any way to violate or circumvent Club BizSmart policies;
- j) If outside of the United States, they will not undercut or discount prices on any Club BizSmart products or sales aids;
- k) Hold a position as an Independent Distributor, Director, Employee, Consultant, or Spokesperson for a direct- selling; networking-marketing company, that provides similar-like products as Club BizSmart.

Section 1: Becoming an Independent Business Consultant (IBC)

- A. **Age of Majority.** In order to become an Independent Business Consultant, all Applicants must have reached the age of majority, usually eighteen (18) years of age, in the jurisdiction in which they reside.
- B. A new Independent Business Consultant is authorized by Club BizSmart to exercise Independent Business Consultant Rights and operate an Independent Business Consultantship when he or she joins as an Independent Business Consultant by submitting the required fields of information on any of the join pages of the website or upgrades membership from Preferred Customer to Independent Business Consultant on the website, and agrees to these Policies and Procedures.
- C. The right to accept or renew any Independent Business Consultant Agreement remains solely with Club BizSmart.

- D. An Independent Business Consultant may be required to provide Club BizSmart with proof of residency, work authorizations, and ability to legally conduct business in the country in which they are conducting business.
- E. **Required Purchase.** In order to maintain an active Membership, Independent Business Consultants are required to pay an annual website activation fee of \$99.00 (USD). Independent Business Consultants are not required to purchase product themselves, however, in order to remain active and qualify to earn commissions, must maintain a Smartship production of a minimum of 30CV in personal volume each calendar month, depending on what commissions have been earned upon qualification. This can be achieved either by electing to purchase Club BizSmart products using the optional auto-delivery program or by retailing the product through the promotion of the IBC's retail website to prospective customers.
- F. **Business Entities.** If the Independent Business Consultant is a Business Entity, the Applicant may also be required to provide an Identification Number for the Business Entity, and a Statement of Beneficial Interest, which must include the signature and Identification Number or other personal identification number of every Person having a Beneficial Interest in the Business Entity. To verify the form of the Business Entity, Beneficial Interest holders, and authorized signatories, Club BizSmart may require, at any time, the Applicant to submit a copy of its articles of organization, articles of incorporation or other charter documentation.
- G. **Identification Number.** For tax reporting (where required) and identification purposes (where permitted by law), Club BizSmart requires Applicants to provide the 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.** If Club BizSmart determines that the Independent Business Consultant Agreement or the Statement of Beneficial Interest contains inaccurate or false information, it may immediately terminate an IBC Position or declare the Independent Business Consultant Agreement null and void from its beginning. Further, it is the obligation of the Independent Business Consultant to report to Club BizSmart on an ongoing basis any changes that affect the accuracy of the Contract.
- I. **Term.** The Contract is valid for the period of one (1) year from the Date of Sign-up. Each year after that, the Contract will be automatically renewed by maintaining an active smartship of no less than one order (minimum 30CV) once every six (6) months of the calendar year.
- J. **Non-Exclusive Territory.** The authorization of an Independent Business Consultant to exercise Independent Business Consultant Rights and operate an IBC Position hereunder does not include a grant of an exclusive franchise or territory to an Independent Business Consultant, nor is an Independent Business Consultant allowed to make such claims.

Section 2: Obligations of an Independent Business Consultant and Managing an Independent Business Consultant Position

- A. **Compliance.** An Independent Business Consultant shall comply at all times with each of the terms and conditions of the Contract.
- B. **Independent Contractor.** An Independent Business Consultant is an independent contractor and is responsible for his or her own business expenses, decisions, and actions.
 - 1. An Independent Business Consultant shall not represent himself or herself as an agent, employee, partner, or joint venture with Club BizSmart. An Independent Business Consultant shall not make purchases or enter into any transactions in Club BizSmart's name.
 - 2. An Independent Business Consultant's work hours, business expenditures, and business plans are not dictated by Club BizSmart. An Independent Business Consultant shall make no printed or verbal representations, which state or imply otherwise.

3. An Independent Business Consultant is fully responsible for all of his or her verbal and/or written statements made regarding Club BizSmart' products, services, and the marketing plan which are not expressly contained in official Company materials. The Independent Business Consultant agrees to indemnify Club BizSmart against any claims, damages, or other expenses, including attorneys' fees, arising from any representations or actions made by the Independent Business Consultant that are outside the scope of the Contract. The provisions of this Section survive the termination of the Contract.

- C. **Compliance with Laws.** In conducting its Independent Business Consultant Business, an Independent Business Consultant must comply with all applicable national and local laws, regulations, and ordinances. An Independent Business Consultant 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.** An Independent Business Consultant may not offer or promote any non-approved non-Company plans, incentives, opportunities, or non-approved Sales Tools in conjunction with the promotion of Club BizSmart Products.
- E. **Retail Sales.** Achieving success as an Independent Business Consultant requires time, effort and commitment. There are no guarantees of Commissions, only rewards based upon productivity. A successful Independent Business Consultant Business requires regular and repeated Retail Sales of Products by an Independent Business Consultant. Retail Sales by an Independent Business Consultant's Downline Organization also contributes to the success of an Independent Business Consultant Business.

Club BizSmart encourages Retail Sales to at least two Customers on a monthly basis. An Independent Business Consultant is required to keep all records of Retail Sales for at least four (4) years and Club BizSmart randomly monitors compliance with Retail Sales requirements of its Independent Business Consultants. Each Product purchased by non-Independent Business Consultants or Retail Customers (not Preferred Customers) is automatically counted on a monthly basis towards Retail Sales requirements.

- F. **Negative Statements.** An Independent Business Consultant will make no disparaging, misleading, inaccurate, or unfair statements, representations, claims, or comparisons with regard to:
 - 1. Club BizSmart, its Products, its commercial activities, or its Independent Business Consultants; or
 - 2. Other companies, including competitors, their services, products or commercial activities.
- G. **Unethical Activity.** An Independent Business Consultant must be ethical and professional at all times when conducting Independent Business Consultant Business. An Independent Business Consultant will not, nor will the Independent Business Consultant permit Independent Business Consultants in his or her Downline Organization to engage in unethical activity. Examples of unethical activities include, but are not limited to, the following:
 - 1. Use of another Independent Business Consultant's credit card without express written permission;
 - 2. Unauthorized use of any Company Confidential Information;
 - 3. Cross-Company Recruiting (including aiding and abetting another to Cross-Company Recruit);
 - 4. Making unapproved claims about the Product;
 - 5. Making income claims about the Independent Business Consultant Business, which are not compliant with the provisions of the Policies and Procedures;
 - 6. Making false statements or misrepresentation of any kind, including but not limited to: untruthful or misleading representations or sales offers relating to the quality, availability, grade, price, terms of payment, refund rights, guarantees, or performance of Products;
 - 7. Personal conduct that discredits Club BizSmart and/or its Independent Business Consultants;
 - 8. Violating the laws and regulations pertaining to the Independent Business Consultant Business;
 - 9. Failing to meet Independent Business Consultant responsibilities;

- 10. Violating the Code of Ethics; or
- 11. Violating the Policies and Procedures.

- H. **Cross-line Recruiting.** The Independent Business Consultant is prohibited from engaging in Cross-line Recruiting either into Club BizSmart or any other network marketing or direct sales company.
- I. **Cross-Company Recruiting.** If an Independent Business Consultant did not personally sponsor another Club BizSmart Independent Business Consultant, he or she is prohibited, during the term of their Contract and for one (1) year following the date of termination of the Contract from Recruiting the Independent Business Consultant to sell or purchase products or services other than those offered by Club BizSmart. The Independent Business Consultant stipulates and agrees that recruiting constitutes an unreasonable and unwarranted interference with the contractual relationship between Club BizSmart and its Independent Business Consultants, conversion of Club BizSmart's property, and misappropriation of Club BizSmart's trade secrets. The Independent Business Consultant further stipulates and agrees that any violation of this rule will inflict immediate and irreparable harm on Club BizSmart, and that Club BizSmart shall be entitled, in addition to any other remedies that may be available, to immediate, temporary, preliminary, and permanent injunctive relief without bond; and that such injunctive relief may extend the post termination period of this restriction for up to one (1) year from the date of the last violation of this provision. The provisions of this Section survive the termination of the Contract. Nothing herein waives any other rights and remedies Club BizSmart may have in relation to the use of its Confidential Information or any other violations of the Contract.
- J. **Resolving Disputes.** An Independent Business Consultant must conduct all activity in the best interests of Club BizSmart. Upline leaders shall use their best efforts to resolve disputes in their Downline Organizations. Any personal disputes between Independent Business Consultants must be resolved quickly, privately, and in the best interests of Club BizSmart.
- K. **No Claims of Unique Relationship.** An Independent Business Consultant may not allege or imply that he or she has a unique relationship with, advantage with, or access to Club BizSmart executives or employees that other Independent Business Consultants do not have.
- L. **Detrimental Conduct.** If any conduct by an Independent Business Consultant or any participant in the Membership is determined by Club BizSmart to be injurious, disruptive, or harmful to Club BizSmart or to other Independent Business Consultants, Club BizSmart may take appropriate action against an Independent Business Consultant, as the company deems necessary.
- M. **No Reliance.** An Independent Business Consultant may not rely on Club BizSmart to provide legal, tax, financial, or other professional advice, nor may it rely on any such advice if given.
- N. **Insurance.** Club BizSmart carries a commercially reasonable amount of product liability insurance. Since laws differ according to jurisdiction, Club BizSmart encourages its Independent Business Consultants to consult with an attorney regarding the extent of their personal legal liability with respect to their independent businesses.
- O. **Privacy of Independent Business Consultant Information.** An Independent Business Consultant authorizes Club BizSmart to disclose its contact information to the Independent Business Consultant's Upline, and to the Independent Business Consultant's Downline Organization three (3) enroller generations below or to those Independent Business Consultants for whom the Independent Business Consultant is the closest Upline. The contact information may be used only for the Independent Business Consultant Business.
- P. **Notification of Adverse Action.** An Independent Business Consultant shall immediately notify Club BizSmart in writing of any potential or actual legal claims from third parties against the Independent Business Consultant arising from, or associated with, the Independent Business Consultant Business or the Downline Organization that may adversely affect Club BizSmart. After notifying the Independent Business Consultant, Club BizSmart may take any action necessary to protect itself, including

controlling any litigation or settlement of the legal claims. If Club BizSmart takes action in the matter, the Independent Business Consultant shall not interfere or participate in the matter.

- Q. Release for use of Photo, Audio, or Video Image, and/or testimonial Endorsement.** Club BizSmart may take photos, audio or video recordings, or written or verbal statements of an Independent Business Consultant at Company events or may request the same directly from an Independent Business Consultant. The Independent Business Consultant agrees to and hereby grants Club BizSmart the absolute and irrevocable right and permission, to use, re-use, broadcast, rebroadcast, publish, or republish any such photo, audio, video, or endorsement, in all or in part, individually or in conjunction with any other photograph or video, or any other endorsement, in any current or future medium and for any purpose whatsoever, including (but not by way of limitation) marketing, advertising, promotion, and/or publicity; and to copyright such photograph and/or video, in the original or as republished, in the name of Club BizSmart, or in any other name. Regardless of any other agreements or contracts the Independent Business Consultant may have with any other entity, the Independent Business Consultant agrees that any use by Club BizSmart as set forth in this Section shall be royalty free, is a work made for hire, and is not subject to any other claim. The Independent Business Consultant agrees to defend and indemnify Club BizSmart against any claims by any other party arising out of Club BizSmart's use of the rights granted herein. The Independent Business Consultant confirms that the information he or she may give as a testimonial endorsement, or as represented in a photograph, video or audio is true and accurate to the best of his or her knowledge. The Independent Business Consultant waives any right he or she may have to inspect or approve the finished or unfinished product(s), the advertising copy, printed, recorded, photographic or video matter, which may be used in connection with it or any use that may be made of it.
- R. Conducting the Independent Business Consultant Business Internationally.** An Independent Business Consultant has the right to operate in any Authorized Country where the Independent Business Consultant may lawfully conduct the Independent Business Consultant Business. It is an Independent Business Consultant's responsibility to comply with all national and local laws, ordinances, and regulations when conducting Independent Business Consultant Business in any Authorized Country.
1. Only with Club BizSmart's approval, an Independent Business Consultant may attempt to secure approval, licensing, distribution and/or registration for products or business practices, trademarks, trade names, or Internet domain names; or establish any kind of business in international countries and markets on behalf of Club BizSmart.
 2. An Independent Business Consultant may not sell, distribute, license, or register products or business practices, use trademarks, trade names or Internet domain names in any country without approval of the company.
- S.** A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Club BizSmart and its IRs and would inflict irreparable harm on Club BizSmart. In such event, Club BizSmart may, at its sole discretion, impose any sanction it deems necessary and appropriate against such IBC including termination, or seek immediate injunctive relief without the necessity of posting a bond.

Section 3: Consultant Eligibility and Restrictions

You must be of legal age and legally competent in the jurisdiction in which you reside in order to be a Consultant. For example, legal age in the United States is eighteen years old.

- A. Spouses are encouraged to be joint Consultants in one position but are allowed to each have their own Consultant position with Club BizSmart. Spouses must join the same line of sponsorship as his or her spouse and be directly sponsored by them. Change of the original sponsor is not permitted. The actions of one spouse will be attributed to both spouses. Once enrolled a spouse may not be moved.
- B. You may have a financial interest in No More Than One (1) Consultant position.

- C. **A Corporation, Partnership or Trust may become a Consultant.** Legal entities must submit certified copies of their formation documents and attest to the management and ownership of the entity or, in the case of a trust, the name of the Trustee and the Beneficiaries. The entity must also submit a certificate of good standing from the jurisdiction in which it was formed if such a certificate is provided by that jurisdiction. All of these documents must be submitted within five (5) business days of the acceptance of the entity's Consultant Application and Agreement. The authorized officer, agent or trustee must sign the Consultant Application and Agreement form. The actions of corporate shareholders, officers, directors, agents or employees and the actions of partnership partners, agents or employees, which do not conform to Club BizSmart's policies shall be attributable to the entire corporate or partnership entity.
- D. Unincorporated Businesses (Proprietorships) with unique IRS issued taxpayer identification numbers (not the social security number of the proprietor,) where applicable, may become a n Consultant. Proof of the issuance of the taxpayer identification number must be submitted to Club BizSmart.
- E. Club BizSmart, while allowing the above identified business entities to be Consultants, will tie recognition to the primary applicant (electronic signature on agreement) as the authorized representative of said entity.
- F. Club BizSmart reserves the right to approve or disapprove any change you propose to make to your business name or structure, the formation of partnerships, corporations, and trusts for tax, estate planning, and limited liability purposes. Before Club BizSmart can approve such a change, you must complete a new Consultant Application and Agreement and file it with us outlining the Club BizSmart proposed change and the reasons for the proposed change.
- G. If you are considering selling your Consultant Position, there is a legal procedure you must follow to gain approval of the request. A Club BizSmart Position may be sold only after Club BizSmart has approved the request in writing. Club BizSmart will not allow a Consultant Position to be sold if it has not been actively engaged in retail selling of Club BizSmart products or the Sponsoring of new Consultant and has been an active "paid - as" Executive for the previous six (6) consecutive months. Club BizSmart will only approve a proposed sale/transfer of the Consultant Position if you have first given us at least thirty (30) days written notice of the proposed terms of the sale to a bona fide purchaser and allowed Club BizSmart to exercise a First Right of Refusal. You can request these forms through the Compliance Department at the Club BizSmart Home Office. No Customer Position may be sold or assigned.
- H. A First Right of Refusal simply means that Club BizSmart has the right to purchase a Consultant position for the same amount as contained in an offer that the owner has received (and wants to accept) from another buyer. In this situation, the owner is first obligated to offer their downline for sale to Club BizSmart at the same price contained in the offer they've received. Club BizSmart can then either agree to purchase the position for the same price, within thirty (30) days or decline and allow the other buyer to move forward and complete the purchase.

Section 4: Change of Sponsorship

As a Consultant, you are the Enrolling Sponsor of any Consultant that you directly Retail and sponsored into Club BizSmart. A Placement Sponsor is the sponsor that will be directly upline of the new Consultant. You can be both the Enrolling Sponsor and Placement Sponsor. Club BizSmart will recognize the sponsorship positions as listed on the Consultant Application submitted by a new Consultant. If Club BizSmart receives more than one application, the one we accept first will be recognized as the enrolling sponsor. If your Consultant Position is terminated for any reason whether voluntarily or involuntarily, you may not rejoin Club BizSmart for a minimum of six (6) months from the date of termination. If you allow your Consultant position to lapse by way of failure to renew and you continue to order, you must still wait a minimum of six (6) months from the date of your last order before you may sign up in a new position.

Section 5: Compensation

Club BizSmart distributors may participate in our marketing plan as outlined on the Marketing Plan page of the website.

Commissions are paid as outlined on the Pay Plan page of the website. All Independent Business Consultants understand BEFORE become joining or purchasing any product that there are NO GUARANTEED EARNINGS. Independent Business Consultants 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.

Independent Business Consultants should not participate in Club BizSmart under the expectation of earning income without referring new Independent Business Consultants and Customers. Neither Club BizSmart, nor its Independent Business Consultants can guarantee "spill over" or earnings simply by becoming an Independent Business Consultant. Club BizSmart Independent Business Consultants should not participate in the Club BizSmart opportunity if they are not planning on sharing the products with others.

Most Independent Business Consultants earn less money each month in the marketing plan than they are paying for their products. Although it is possible, Club BizSmart Independent Business Consultants should NOT expect to make a profit simply by becoming an Independent Business Consultant, as it is very possible that will not occur.

Club BizSmart cannot guarantee that Independent Business Consultants earn a profit by implementing the training materials provided. The products are for educational purposes only.

No Independent Business Consultant should spend money that they cannot afford to lose to purchase products, advertising materials, or anything else related to Club BizSmart. It is possible that you will NOT earn any income as an Independent Business Consultant of Club BizSmart.

- A. **Earnings.** Commissions are paid to Independent Business Consultants who qualify pursuant to the Marketing Plan and who are in compliance with the Contract. An Independent Business Consultant's success is only achieved through the regular and repeated qualification of a set minimum of sales of products using the Smartship Purchase program. The regular and repeated qualification of smartship amounts by its Downline Organization will constitute qualification and subsequent profitability within the marketing plan. As the success of any Independent Business Consultant depends largely on the personal efforts of that Independent Business Consultant, Club BizSmart does not guarantee any level of profit or success, nor does it guarantee an Independent Business Consultant a specific income. An Independent Business Consultant does not receive compensation for sponsoring or recruiting other Independent Business Consultants. The only way to earn Commissions is through the sale of Products.
- B. **Payment.** Club BizSmart will pay Commissions to qualified Independent Business Consultants on Product orders which:
- (i) Are received by Club BizSmart before the end of the Commission period, and
 - (ii) have been fully paid with appropriate payment.
1. Commissions are paid in the name of the Person or Business Entity listed in Payment Option link on the My Earnings section of the website. When no payment option is selected, commissions will be held until selected.
 2. Retail Bonus, Fast Start Bonus, Coded Bonus, Matching Bonuses and Dual Team Binary Commissions are paid each Friday for the previous week's new commissionable volume ending the previous Thursday at midnight central time. For an order to be included in a weekly qualifying period, it must be placed between midnight (12:00 a.m.) central time on Friday and midnight (12:00 a.m.) central time on Thursday.
- C. **Commission Checks.** In the event that a Commission check does not arrive to an Independent Business Consultant by mail within twenty one (21) days of being issued, the company will resend the check at no additional charge. Commission checks are valid for 90 days from the date paid. If an Independent Business Consultant does not deposit the check within the 90-day period, the check will

become invalid and will not be replaced. If a commission check expires, that commission will be permanently forfeited by the Independent Business Consultant.

- D. **Minimum Payment Amount.** Independent Business Consultants will select how they choose to get paid on the Payment Options page of the website. The minimum amount for payment of commission checks is eight dollars (\$8.00 USD) and the minimum amount for payment for all other payment options is twenty dollars (\$20.00 USD). 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.
- E. **Returned or Unpaid Payments.** Club BizSmart makes every effort to ensure that an Independent Business Consultant receives its commission payments. However, if a commission payment is unpaid due to insufficient information or other reasons beyond the control of Club BizSmart, the payment will be held for the benefit of the Independent Business Consultant for 90 days. After such 90 days, a monthly maintenance charge of ten dollars (\$10.00 USD or equivalent local currency) will be deducted from the Independent Business Consultant's payment.
- F. **No Manipulation.** Manipulation of the Marketing Plan is not permitted and may result in disciplinary action. Manipulation of the Marketing Plan includes, but is not limited to, an Independent Business Consultant purchasing, to qualify for various Ranks or Commissions, large quantities of Product that are not sold through the direct marketing channel, placing orders in his/her Downline Organization, and any other actions that may violate state, federal or foreign anti-pyramid scheme laws. Such manipulations may, in the discretion of Club BizSmart, result in the suspension of Commissions and termination of the Membership.
- G. **Deductions and Offsets.** The Independent Business Consultant authorizes Club BizSmart to deduct fees from its Commissions as outlined on the Payment Option page and/or as deemed appropriate at the sole discretion of Club BizSmart.
- H. **Commissions Clawback.** The Independent Business Consultant understands and agrees that bonuses or commissions paid within the preceding one hundred and eighty (180) days from the date of return of Products and Services returned by members in his/her downline per the refund policy and/or any merchant dispute, may be deducted from his/her account with Club BizSmart. This amount will be itemized on the monthly statement.

Section 6: Retail Customers

A Customer is a person who wishes to purchase Club BizSmart products at Retail prices but does not want to participate in the income opportunity. You become a Customer when your Customer Application and Agreement is received and accepted by Club BizSmart through electronic Sign Up.

- A. As a Customer you will be able to occupy a position in the Club BizSmart organization structure. As a Customer, you are permitted to purchase As a Retail Customer, and you may refer Consultant s to your website who wish to order products or enroll as a Consultant. However, you will not participate in the Club BizSmart Rewards plan available only to Independent Club BizSmart Consultant. As a Customer, you are not required to provide Club BizSmart with your date of birth, Social Security or Tax ID Number.
- B. A Customer may, within the first 12 months of original signup, elect to become a Consultant and have their Customer position converted into a Consultant Position by completing and submitting a n Consultant Application and Agreement. Customers converting to Consultant status will have their placement position converted to that of Consultant and will become eligible to accumulate volume and earn future compensation based upon the Club BizSmart Rewards Plan. No bonus will be paid before the conversion to Consultant position.
- C. The Consultant who is the enrolling sponsor of a Customer, is eligible to earn Commissions on purchases made by their personally enrolled Club Customers as defined in the Club BizSmart Rewards Plan. Active consultants may also earn Business Volume on purchases made by Customers or Consultants through their personally enrolled websites.

Section 7: Ordering Company Products

- A. **Inventory.** As Club BizSmart imposes no specific minimum inventory requirement on its Independent Business Consultants, an Independent Business Consultant must use its own judgment to determine the amount of inventory it will need to sustain its projected Retail Sales and personal use.
- B. **Ordering.** Products can be ordered online via the Independent Business Consultants Replicated Website.
1. The prices of Club BizSmart's Products are subject to change at the discretion of Club BizSmart.
 2. Unauthorized use of another Person's credit card is prohibited.
- C. **Payment.** All orders must be accompanied by proper payment including all applicable shipping/handling fees and sales tax. Club BizSmart will not process orders that are not accompanied by full and proper payment. If paying by electronic check, please allow 10 business days for the check to process. Although appropriate Rewards will be earned at the time the order is accepted, your order will only ship once the check clears our bank.
- D. **Back Orders.** If Club BizSmart is temporarily out of stock on ordered Product, an Independent Business Consultant will receive a "back order" notice with his or her shipment. Back orders are filled first as new inventory arrives. Volume on back orders is credited to the month in which payment for the original order was received by Club BizSmart.
- E. **Inventory Purchases.** The Club BizSmart program is built on retail sales to the end consumer, and encourages its Consultants to only purchase inventory that they and their family will personally consume, or which will be resold to others for their ultimate consumption or resale. Club BizSmart reserves the right to limit the amount of purchases you may make, if, in our sole judgment, we believe those purchases are being made solely for qualification or recognition purposes instead of for consumption or resale. Customers are permitted to purchase products for their personal use only, and not for resale.
- F. **70% Resale Rule.** To be eligible for bonuses, a Consultant must meet Club BizSmart's qualification requirements and comply with the 70% Resale Rule. Under this rule, you may not order additional product unless you have sold or used for personal or family use at least 70% of the product that you have previously purchased. The verification section on Club BizSmart's order form is designed to support the 70% Resale Rule. However, you make the certification that you have used or resold at least 70% of your prior orders regardless of the method that you use for placing the order.
- G. **Resale of Product.** Only authorized Consultants of Club BizSmart may purchase Club BizSmart products for resale. Consultants are not permitted to resell products.
1. Club BizSmart products may not be sold through catalogues or other mass retail sales medium, infomercials or television, without the prior written approval of Club BizSmart.
 2. Internet product sales may be made only on Club BizSmart approved Consultant Websites. Club BizSmart products may not be sold or displayed on any online auctions, including but not limited to, eBay, UBid, eBay stores, etc.
 3. Club BizSmart products may not be displayed and sold in retail establishments where the primary source of income is the resale of products unless such locations are approved and duly appointed by Club BizSmart.
 4. Only Club BizSmart produced, or pre-approved literature, banners, or signage may be displayed on a shelf, counter, or wall.

5. Resale of Club BizSmart products in any jurisdiction where such re-sales are not recognized or permitted is strictly prohibited.

H. Smartship Orders.

- a. You can ensure that you receive a shipment of our products every 30 days by enrolling in our Smartship Program. It also eliminates the inconvenience of placing monthly orders.
- b. Recurring Smartship gives you the ability to opt-in/opt-out for a single purchase.
 1. Your Smartship order will typically be placed every thirty (30) days from the date you originally establish your order, or on the date of your choosing. If the processing date falls on a weekend or holiday, the Smartship Order will be processed and shipped the following business day. If payment has not been received and processed by the due date, the Smartship order will not be sent, and your qualifications for active status and bonus pay may not be met.
 2. You may change an Smartship order. You can make your Smartship Order changes online directly in your replicated Website office.
 3. You may terminate your Smartship order at any time, but you will not be eligible to earn a commission check, and if you do not have an Smartship or wholesale order within 60 days after joining and every 60 days thereafter, you will lose your accumulated volume points.
 4. Smartship Orders may only be established or amended by the Consultant responsible for receipt and payment of these orders – without exception.
 5. Sponsoring Consultants may not set up these types of ongoing orders on behalf of their new Consultant.
 6. Any Consultant that fraudulently signs up a person unknowingly as a Consultant will have their Membership terminated. In addition, Club BizSmart may pursue fraudulent behavior, for any misrepresentation of the Club BizSmart Opportunity, using all legal means available.

I. Sales Tax, GST, VAT.

Where applicable, if you are a resident in a state or jurisdiction where Club BizSmart collects taxes, Club BizSmart will collect and remit sales taxes on your behalf. The sales tax is based upon the tax rate in the jurisdiction that the product is shipped to. Generally, it is assessed on the retail price paid by the end consumer. Club BizSmart allows Consultants to declare whether an item is for personal consumption or sold at the suggested retail price.

1. You hereby agree to indemnify and hold Club BizSmart harmless regarding any liability, including financial that we may incur as a result of your failure to properly declare that the products are for personal or retail use.
2. Under the terms of these agreements, Club BizSmart is required to collect the applicable tax at the time of sale. The jurisdiction is determined by the ship to address of the order. The tax collected will be based on one of four categories:
3. The tax will be on the wholesale cost for those orders placed by a Consultant for their own personal or family consumption. This will include all Smartship orders unless you specified that they are being purchased for retail sale.
4. The tax will be on the suggested retail price of any orders placed by a Consultant for resale.
5. The price subject to sales tax will include the shipping charge if the state where the products are shipped requires sales tax be charged on this cost.

6. As a Consultant, when you sell the products, you should collect the sales tax based on your selling price. The taxes you collect will be a reimbursement for the taxes pre-collected by Club BizSmart. You will not have any additional reporting to do.
7. Your Club BizSmart order will be charged the appropriate tax.
8. In all other jurisdictions, GST, VAT, or other applicable transaction tax is based on which may include electronic invoicing, where permitted by law. Club BizSmart does not include GST or VAT in commission payments. Independent Business Consultants who are GST or VAT registered and are required to collect and remit GST or VAT on their services may send a valid GST or VAT invoice to Club BizSmart to charge them for GST or VAT on commission income.

J. **Returns, Refunds, and Exchanges.** Club BizSmart will refund the purchase price of Product or exchange it pursuant to the following.

When you as an IBC, sell products at retail, you are the primary party responsible for Consultant satisfaction. The Customer must come to you for either a replacement product or for a refund. You must make the product exchange or refund, and then you must obtain replacement product from Club BizSmart for the returned product. When you, as an IBC, make an authorized product replacement or refund under the Customer Guarantee, Club BizSmart will provide you with the replacement product. You may then either provide the replacement product to your Customer, or if a refund was made, you can sell the replacement product.

1. **RETURN:** Any order refund for an Independent Business Consultant (IBC) (and/or his or her Preferred Customer (PC) who ordered directly from the Club BizSmart website) is subject to a 15% restock fee on the products returned.
2. Shipping costs for returned physical products is at the IBC/PC's own expense, and must be received unopened, sealed, and in a non-damaged condition. Refunds on the "Enrollment Order" are applicable within thirty (30) days of that purchase date, only. Product that is opened, or packaging that is not intact (damaged or otherwise) will not qualify for refund. If the "Enrollment Order" is returned after the thirty (30) day period, no refund or exchange applies.
 - a) Products that are determined to be defective will be promptly replaced without charge.
 - b) Club BizSmart reserves the right to recoup any commissions or other compensation paid when the product that generated that compensation is returned. In order to do so, we may deduct the outstanding amount prior to paying you any further commissions. If your bonus check is insufficient to allow us to recover the compensation through a deduction, you agree to repay Club BizSmart the amount due.
 - c) Club BizSmart will not repurchase products or issue refunds on products certified as having been consumed or sold under the 70% Resale Rule. Falsely representing the amount of product sold or consumed in order to advance in the marketing plan will be grounds for termination.
 - d) Product(s) returned, not covered by our Return, Refund, Exchange Policy will not be reshipped to the IBC/PC.
 - e) You must notify Consultant support and A Return Merchandise Authorization (RMA) Number will be issued.
 - f) Subsequent order(s) placed on physical products (following the "Enrollment Order") may carry a rolling thirty (30) day refund, from purchase date, minus restock fee, of the product purchase price for any returned box(es) in an unopened, sealed and re-saleable condition.
 - g) Club BizSmart reserves the right to reject repetitive returns or replacements.

- h) Digital downloadable products do not include a refund, and all sales are final.
- i) **EXCHANGE:** Exchanges may be subject to a 15% restock fee on the products being exchanged. Reshipping fees will apply.

In Massachusetts and Wyoming: Club BizSmart will repurchase all unencumbered products in a resalable condition then in the possession of the participant. The repurchase shall be at a price of not less than ninety percent (90%) of the original net cost to the participant returning such goods, taking into account any sales made by or through such participant prior to notification to Club BizSmart of the election to cancel.

In Louisiana: Club BizSmart will repurchase all or part of any product that are in a resalable condition at 85% of the original net cost to you and repay 85% of the original net cost of any services provided to you, and refund ninety percent (90) of any other consideration you paid to us in order to participate in the marketing program.

In Montana: Montana residents who cancel their membership within 15 days are entitled to a 100% refund of any consideration given to participate.

3. **Retail Sales.** Any product sales that are transacted person-to-person (without the use of any electronic or e-commerce portal) by any registered Independent Business Consultant or Preferred Customer member, where permitted by governing Laws, will be subject to Club BizSmart' "retail sales customer buy- back policy". This policy makes provision for the return of any retail product sales made by the registered Club BizSmart member, person to person, should a refund not be provided directly by the Club BizSmart member who transacted the retail sale. Provision for a product return back to Club BizSmart, Inc. (USA) for up to thirty (30) days from the original date of sale, with proof of a retail receipt provided by the registered Club BizSmart member, will be permitted. Product returned must be in an unopened, sealed and re-saleable condition, and will be subject to a 15% restocking fee. Product that is opened, or packaging that is not intact (damaged or otherwise) will not qualify for refund.
4. Any Commissions paid to the Independent Business Consultant and his or her Upline for the Product returned (or refunded) by the Independent Business Consultant or Customer will be deducted from the respective Upline Independent Business Consultants' accounts or withheld from present or future Commission payments. An Independent Business Consultant agrees that he or she will not rely on existing Downline Organization Volume at the close of a Commissions period, as returns may cause changes to his or her Rank and/or Commissions payout.
5. All shipping or courier costs for the return of Product will be borne solely by the Independent Business Consultant (and/or his or her Preferred Customer who ordered directly from Club BizSmart) unless otherwise prohibited by law. Any damage or loss that occurs to returned Product during shipping will be the responsibility of the Independent Business Consultant/Preferred Customer.

For all registered Independent Business Consultants, registered Preferred Customers or registered Retail Customers (all of whom have agreed electronically to Club BizSmart' terms of use and governing Policies and Procedures), returns will be accepted at the following locations:

USA and International registrants:

Club BizSmart, 4325 W Commercial Way, Suite G, Salt Lake City, UT USA 84104

Return procedure:

- i. Write Independent Business Consultant or Preferred Customer ID in the return address on the box
- ii. Provide Full Name and Independent Business Consultant or Preferred Customer ID inside the box and the reason for return
- iii. Obtain a tracking number to ensure package is received in a timely manner.

Club BizSmart will exchange Product if the Product is damaged in shipment, incorrectly sent due to a Company error, or of substandard quality. However, when an exchange is not feasible, Club BizSmart will refund the amount of the returned Product. If Product is damaged or defective, an Independent Business Consultant should contact Club BizSmart within ten (10) days of receipt of the order.

Section 8: Marketing the Product and Opportunity

- A. **Use of Sales Tools.** An Independent Business Consultant may use only Sales Tools approved by Club BizSmart for an Authorized Country. The Independent Business Consultant agrees that if it uses a fulfillment house or other third party to sell or distribute Sales Tools, the Independent Business Consultant will enter into a non-disclosure agreement (to be provided by Club BizSmart) with the fulfillment house or third party to ensure that all Independent Business Consultant and Customer information is protected from disclosure and remains the sole property of Club BizSmart.
- B. **Approval of Sales Tools.** An Independent Business Consultant must submit all Sales Tools to Club BizSmart for approval prior to use. Club BizSmart 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, Club BizSmart may rescind its prior approval of a Sales Tool and may require the Independent Business Consultant to remove from the market at its own cost and obligation a previously approved Sales Tool. If approved, Club BizSmart will issue an email to the Independent Business Consultant confirming approval of said Sales Tools.
- C. **Product Claims.** The only claims and representations Independent Business Consultants may make regarding Products are those found in the literature distributed by Club BizSmart. Any third-party material used for Independent Business Consultant Business must comply with all federal and local laws. Medical claims of any kind relating to any Product except for those claims, if any, that are published in Company literature approved for the country in which the claims are presented. Under no circumstances may an Independent Business Consultant prescribe any Product as suitable for a particular ailment. No claims may be made as to therapeutic or curative properties of any Product offered by Club BizSmart.
- D. **No Altering.** Independent Business Consultants shall not re-label, alter or repackage any Products.
- E. **No Endorsement Claims.** No Independent Business Consultant may imply that the promotion, operation, or organization of Club BizSmart has been approved, sanctioned, or endorsed by any governmental regulatory authority unless noted on company website.
- F. **Income Claims Prohibition.** An Independent Business Consultant is prohibited from making false, misleading, or unapproved claims regarding earning potential. If an Independent Business Consultant does make an income claim, it must be based on actual earnings and Club BizSmart's current Annual Average Income Disclosure, posted on Club BizSmart's website, must be presented concurrent with the income claim.
- G. **Use of Trademarks and Copyrights.**
 - 1. Club BizSmart may license the use of its trademarks to Independent Business Consultants, subject to the limitations herein and subject to the limitations in any licensing agreement. A licensing agreement may be obtained by emailing customer support.
 - 2. Independent Business Consultants may not use any of Club BizSmart'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, an Independent Business Consultant may not use Club BizSmart's trademarks or any confusingly similar variation of its trademarks (e.g., Club BizSmart, Club BizSmart Inc., etc.), in a business name, e- mail address, Internet domain name or sub- domain

name, URL, telephone number, or in any other address or title. An Independent Business Consultant may use Club BizSmart's trademarks in a URL, Internet domain or sub-domain name provided that the Independent Business Consultant has entered into a licensing agreement for a Company Licensed Website. The Independent Business Consultant agrees to comply with the terms of such licensing agreement and hereby acknowledges that the Company owns, and shall continue to own, all rights in and to Club BizSmart's trademarks in such URL, Internet domain or sub-domain name and that Club BizSmart has the right to revoke such use of Club BizSmart's trademarks for any reason and at any time. The Independent Business Consultant further agrees that Club BizSmart has the right to acquire such URL at any time by paying the nominal registration fee to the Independent Business Consultant and Independent Business Consultant agrees to transfer such URL to Club BizSmart and take any other necessary steps requested by Club BizSmart to effectuate such transfer.

4. The Independent Business Consultant agrees to immediately re-assign to Club BizSmart any registration of Club BizSmart names, trade names, trademarks, or Internet domain names registered or reserved in violation of this policy. The provisions of this Section survive the termination of the Contract.
 5. Independent Business Consultants may not use Club BizSmart's trademarks on non-approved Sales Tools.
 6. Club BizSmart, in its sole discretion, will determine whether a variation of its trademark is confusingly similar. Use of such marks is prohibited.
 7. An Independent Business Consultant must not use the name, logos, trademarks or other references to Club BizSmart's business or manufacturing partners in any Sales Tool, correspondence, or any form of advertising.
 8. Club BizSmart's literature and media are copyrighted by Club BizSmart and may not be duplicated.
- H. **Use of "Independent Business Consultant" in Advertising.** If an Independent Business Consultant selects a business title, the title must clearly state that the Independent Business Consultant is a "Club BizSmart Independent Business Consultant." An Independent Business Consultant's title may not imply that the Independent Business Consultant is an employee or agent of Club BizSmart. Each time Club BizSmart's logo or name is used in writing and in relation to the Independent Business Consultant, the Independent Business Consultant must identify itself as a "Club BizSmart Independent Business Consultant."
- I. **Methods of Advertising.** Independent Business Consultants may advertise using the following means:
1. **Newspaper:** An Independent Business Consultant 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 Independent Business Consultant may place a text listing of its name in the white or yellow pages of a telephone directory followed by "Club BizSmart Independent Business Consultant." Graphical and display ads in telephone directories are prohibited.
 3. **Electronic Mail Advertisements:** All advertisements sent via e-mail, telephone, or facsimile must comply with all anti-spamming laws for the state or country where the intended recipient resides. The Independent Business Consultant is under obligation to research and comply with all laws concerning unsolicited commercial e-mail.
 4. **Television and Radio:** Television and radio advertising is only allowed by Club BizSmart.
 5. **Celebrity Endorsement:** Celebrity Endorsements are only allowed by Club BizSmart.

6. **Fairs, Swap Meets, Etc.:** An Independent Business Consultant 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 Independent Business Consultant price of the products listed on the website.
 7. **Internet Auction Sites:** All Internet Auction Sites are prohibited as a means to sell or promote our products.
- J. **Advertising at Company Sponsored Events.** At Company-sponsored events, Independent Business Consultants may not, unless specifically authorized in writing by Club BizSmart, advertise, sell, or promote on-Company products or services, including, but not limited to the promotion of distribution of flyers, DVDs or other materials, or the use of any other form of promotion deemed inappropriate by Club BizSmart.
- K. **Internet Advertising.** Independent Business Consultants may use only a Company Licensed Website to promote Products or the business opportunity over the Internet. Promoting Products or the business opportunity through an unlicensed Internet website is strictly prohibited. Independent Business Consultants that wish to operate a Company Licensed Website must meet the following criteria:
1. An Independent Business Consultant may not enter into a website licensing agreement until it has completed a website training course given by Club BizSmart.
 2. All licensed websites must first be reviewed and approved by Club BizSmart as Sales Tools. Licensed websites must be Company-specific and may not advertise, promote, or link to any other product or opportunity
 3. Independent Business Consultants may not use any key words 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 health or income claims.
 4. Club BizSmart 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. Independent Business Consultants 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 "Word press" 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, Independent Business Consultants may refer viewers to their Club BizSmart replicated website, or a Club BizSmart licensed website;
 - b. Videos posted to Social Media Sites must show the text "Club BizSmart Independent Business Consultant" for the entirety of the video;
 - c. Club BizSmart may monitor the Social Media Sites for compliance with the Contract and Independent Business Consultant agrees to immediately remove or modify the Social Media Sites upon Club BizSmart's request to comply with the Contract.
- L. **Advertising and Selling Price of Products on the Internet.** Independent Business Consultant 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 \$79.95 plus reasonable shipping and the amount Club BizSmart charges for taxes, handling. In connection with this Section, the Independent Business Consultant 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 an Independent Business Consultant is able to sell the Products at a price lower than other Independent Business Consultants, etc.). Independent Business Consultant acknowledges and agrees that he or she shall not advertise or sell any Products on the Internet, which were purchased from another Independent Business Consultant. Any violation of this Section by an Independent Business Consultant shall constitute a breach of the Contract and will be subject to termination of Membership.

M. Mass Communications. For purposes of this Section, “Mass Communications” are defined as communications intended to reach twenty (20) or more Independent Business Consultants in the sender’s Downline Organization or at least three Independent Business Consultants who are cross-line by an Independent Business Consultant:

1. Independent Business Consultants 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 e-mail, there must be an “opt out” feature prominently displayed in the Mass Communication.
3. The 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 Club BizSmart 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. Independent Business Consultant acknowledges that all owing the Independent Business Consultant to create databases of Independent Business Consultant information for Mass Communications, the sale of tools, and for any other purposes constitutes the use of Company Confidential Information, which information is Club BizSmart’s trade secrets, and such use can be a substantial financial benefit to the Independent Business Consultant. Independent Business Consultant 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.

N. Lead Distribution. Persons who are outside Club BizSmart’s network often make inquiries to Club BizSmart about its Products. If Club BizSmart is able to determine that the inquiring Person received the information from a specific Independent Business Consultant or that there is a particular Independent Business Consultant that the Person is acquainted with, every attempt will be made to refer the Person to that Independent Business Consultant. If an association with a particular Independent Business Consultant cannot be determined, final judgment with respect to the positioning of leads remains the right of Club BizSmart.

O. Public Relations Matters. Club BizSmart encourages Independent Business Consultants to use personal media coverage to expand and build their business; however, certain situations require the Independent Business Consultant to contact Club BizSmart. These would include:

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 Independent Business Consultant is questioned about Company sales figures and/or business strategies.

P. Retail or Service Establishments: An Independent Business Consultant may sell Products or promote the business opportunity through Retail or Service Establishments in Countries where Club BizSmart is

licensed to conduct such business as long as i) the display of Independent Business Consultant 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 of \$79.95 as shown on the website.

Section 9: Breach of Contract Procedures

- A. **Conditional Obligations.** Club BizSmart's obligations to an Independent Business Consultant are conditioned upon the Independent Business Consultant's faithful performance of the terms and conditions of the Contract. Club BizSmart, in its sole discretion, will determine if an Independent Business Consultant is in breach of the Contract and may elect any or all-available remedies.
- B. **Remedies.** In the event of breach, Club BizSmart 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 Independent Business Consultant either in writing or verbally of the breach and providing a notice to cure the breach;
 2. Require from the Independent Business Consultant additional assurances of future compliance;
 3. Withhold or deny recognition and attendant perks;
 4. Assess damages and withhold them from commission payments;
 5. Suspend Independent Business Consultant Rights temporarily or permanently;
 6. Seek injunctive relief;
 7. Terminate the Contract; and
 8. Seek damages and associated costs.
- C. **Reporting Contract Breaches.** If an Independent Business Consultant observes or is aware of another Independent Business Consultant's violation of any term or condition of the Contract, the observing Independent Business Consultant shall submit a written complaint to Club BizSmart'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 Club BizSmart's attention for review within eighteen (18) months of the start of the alleged violation; Cross-Company Recruiting violations must be brought to Club BizSmart's attention within six (6) months of the alleged violation. Failure to report a violation within that time period may result in Club BizSmart not pursuing the allegations in order to prevent the Independent Business Consultant Business from being disrupted due to stale claims. However, this policy does not waive Club BizSmart's right to investigate and discipline Independent Business Consultants found guilty of the stale claims.
- D. **Circumvention of the Contract.** The Contract is designed to protect Independent Business Consultants and Club BizSmart from the adverse consequences of their violation. Independent Business Consultants 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 Club BizSmart. The Contract is not intended to give an Independent Business Consultant the right to enforce the Contract against another Independent Business Consultant directly, or to take any legal action against another Independent Business Consultant.

Section 10: General Operational Policies

A. Out-of-Market Sales.

You may not sell Club BizSmart products, sign up new Consultant or promote the income opportunity in countries or territories that have not been officially opened by Club BizSmart. Nor may you export or sell directly or indirectly to others who may export Club BizSmart products, literature, sales aids or promotional material relating to Club BizSmart, its products or the Club BizSmart program from, the United States or its possessions or territories to any other country. Any violation of this rule constitutes a material breach of this contract and is grounds for immediate termination of your Consultant status. The reason for this rule is that

those who violate this provision could seriously jeopardize or compromise the ability of Club BizSmart to obtain governmental approval in countries where approval is pending or planned.

B. Confidential Information.

1. In order to assist you in the conduct of your Club BizSmart business, we may supply you with reports and information. That information includes, but is not limited to, marketing plans and strategies, products, purchases, pricing and information concerning your down and upline sales organization. (All or any part of that information may be Retail to in these Policies and Procedures as the "Lists.") You acknowledge and agree that all such information is Club BizSmart property and must be held confidential. You agree that you will not directly or indirectly disclose any of the confidential information on the Lists to any third party or use any of the information to compete directly or indirectly with Club BizSmart. You also recognize that Club BizSmart marketplace is the network marketing industry, and that competition with Club BizSmart includes using the Lists in other network marketing companies regardless of the type of product they might sell.
2. Club BizSmart business relationship with its vendors, manufacturers and suppliers is confidential. You may not contact, directly or indirectly, or speak to or communicate with any representative of any of our suppliers or manufacturers except at a Club BizSmart sponsored event at which such a supplier/representative is present at our request. Violation of this regulation may result in termination and possible claims for damages if the vendor/manufacturer's association with Club BizSmart is compromised by your contact or actions.

C. Cross Sponsoring/Other Business Opportunities.

1. A Consultant shall not sell to other Club BizSmart Consultants, non - Club BizSmart products or in any way promote to such Club BizSmart Consultant 's the opportunities in marketing programs of other companies.
2. You cannot sponsor or attempt to sponsor anyone from another Club BizSmart sales group (down line or up line) into any other multilevel marketing (MLM) or network marketing organization. Nor may you introduce other business opportunities to any Club BizSmart Consultant, except those you have personally enrolled. Violation of these policies is grounds for termination of the Consultant. It may also give rise to other claims for unauthorized use of our confidential information.
3. You may not use Club BizSmart's Consultant network, or assist others, in using the Lists to sell other products or services. Use of Lists for anything other than marketing operations we have pre-approved is limited to those Consultants that you have personally sponsored. Misuse of a List is grounds for, but is not limited to, termination of a Consultant Position. The Lists are the exclusive property of Club BizSmart. Club BizSmart may, at its' sole discretion, reclaim and take possession of the Lists. You also recognize and agree that misuse of the Lists cannot be fully compensated through monetary damages and, therefore, you agree that we may seek and obtain a temporary restraining order, preliminary and permanent injunctive relief prohibiting you from misusing the Lists. You also understand and agree that we may seek compensatory damages if you misuse the Lists. You also agree that the obligations under this section will survive the termination of your Consultant Position.

D. Ghost Consultants

The practice of signing 'Ghost' Consultants is strictly prohibited. Any instances of this practice will result in mediate termination of the Business(s) involved. 'Ghost' Consultants are individuals or entities that are not aware of or have not given their express written agreement by knowingly signing a Club BizSmart Consultant Application and Agreement for their enrollment into Club BizSmart as a Consultant. In the case where there is no evidence or means to verify that the information on a Club BizSmart Consultant Application and Agreement is valid the application will be deemed to be a Ghost Consultant.

Income Claims

1. Consultants may not make any revenue or income claims, projections or misrepresentations. "Check flashing", false, deceptive or misleading claims regarding the opportunity or products are prohibited. We firmly believe that the Club BizSmart opportunity is great. Neither Club BizSmart nor any of the Consultant s need to resort to artificial and unrealistic projections.
2. Consultant earning claims should not be construed as representative of a fixed, or standard earnings from any Club BizSmart business. The income levels achieved by Club BizSmart Consultants are not intended to imply that another Consultant will achieve the same level of income. The income levels achieved will be dependent upon the individual Consultant business skills, personal ambition, time, commitment, activity and demographic factors.

E. Product Claims

You may not make any product claims at all.

F. Disciplinary Actions

If you violate any of the Policies and Procedures OR engage in any illegal, fraudulent, deceptive, or unethical business conduct, we may, at our sole discretion, invoke any disciplinary action that we deem appropriate. Among the potential disciplinary actions are:

1. Issuance of a written warning or ad monition.
2. Imposition of a fine, which may be imposed immediately or withheld from future bonus or commission checks.
3. Reassignment of all or part of your down line organization.
4. Suspension, which may result in termination or reinstatement with conditions and/or restrictions.
5. Termination of your Consultant.

We will use our best efforts to first give you notice of the alleged violation and allow you to present facts that show that there has been no violation. However, if we believe that the violation is of a serious nature, we reserve the right to make our determination and take action without prior notice.

- G. If you attempt to circumvent the Policies and Procedures to accomplish something indirectly that has been directly prohibited, you will be disciplined as if the applicable policy had been directly violated.

H. Suspension or Termination

You are not required to make any purchase in order to become Consultant other than a one-time administrative fee. You are not required to maintain an inventory of any kind in order to become an Independent Consultant. You may terminate your Position at any time for any reason by giving Club BizSmart written notice of your termination.

- I. We may suspend or terminate your Consultant status as a corrective action for any violation or alleged violation of the Consultant Application and Agreement, or any violation of the Policies and Procedures. Whenever there is a complaint or evidence of a prohibited activity, generally, we will contact you to let you know that we suspect a violation of a Company Policy or Procedure. We will generally offer you an opportunity to present facts that would show that you have not violated the Policy or Procedure. We reserve the right to make the final determination as to whether the Policy or Procedure has been violated and our decision is final and may not be appealed.
- J. If we determine that suspension is an appropriate remedy, it could include any or all of the following:
 1. All bonuses, commissions, prizes or recognition could be withheld. You could be restricted from participating in any Club BizSmart activity, event or contest. You could be excluded from

participating in any Club BizSmart meetings, training or corporate sponsored events even if the qualification period for such events was prior to the suspension.

2. If we determine that termination is the appropriate remedy, you must immediately quit representing yourself as a Club BizSmart Consultant.
3. If your Consultant Position is terminated for any reason, you will lose your down line and any Consultant compensation. If you decide to reapply for Club BizSmart Consultant, you will have to wait at least six (6) months from your termination date to submit the application.
4. After termination, you will still be liable for any compensation or bonus deductions that you would have had to pay as the result of returns that occur in your down line. If we have to file a lawsuit to collect those amounts, you agree to pay any collection and legal costs that we incur. We may also notify credit-reporting agencies of any delinquency.

K. Dispute Resolution and Governing Law

1. If a controversy or claim arising out of or relating to the Consultant relationship or to Club BizSmart membership or products cannot be resolved by negotiations, you and Club BizSmart agree to submit the dispute to the American Arbitration Association (AAA) for binding arbitration in Maricopa County, Arizona. Maricopa County, Arizona shall be deemed the sole and exclusive jurisdiction and venue of any dispute between you and Club BizSmart. The Consultant Application and Agreement shall each be governed in all respects by the laws of the State of Arizona, without reference to its choice of law provisions.
2. If the laws of any jurisdiction impose any requirement that is different from or in addition to those set forth in these Policies and Procedures, then the Policies and Procedures shall be deemed amended in conformance with those laws as to that jurisdiction only.
3. 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.

Section 11: Termination

A. Termination.

1. An Independent Business Consultant may terminate the Contract by writing a request to support to office of the website.
2. Club BizSmart may terminate the Contract if the Independent Business Consultant violates the terms of the Contract and any amendments thereto.
3. An Independent Business Consultant who voluntarily terminates Membership and is not in breach of the Contract may re-join under the same enroller at any time. However, to re-sign under a New Enroller, a person must have six consecutive months of order inactivity, which follows their voluntary termination.

B. Return of Confidential Information. An Independent Business Consultant must return all Confidential Information, including any information derived therefrom, over which he or she has direct or indirect control to Club BizSmart upon termination or upon demand of Club BizSmart. If any such Confidential Information cannot be returned because it is in electronic format, the Independent Business Consultant shall permanently delete and erase the Confidential Information upon termination or upon demand.

C. Buyback. If an Independent Business Consultant is in breach, Club BizSmart reserves the right to stop or delay the buy-back process set forth in this Contract.

D. Effects of Termination for Breach of Contract.

1. An Independent Business Consultant whose Contract is terminated by Club BizSmart must wait six (6) months before applying for a new Membership. During that time, the Independent Business Consultant can have no Beneficial Interest in any other Membership.
2. Upon termination of the Contract, all of the Independent Business Consultant's rights in and to the Membership and the Independent Consultant Business are revoked and terminated. In acknowledgement of the damages Club BizSmart has likely suffered and/or will suffer as a result of Independent Business Consultant's breach, including but not limited to, all or any of the following: (i) loss of good will and loss in the value of Club BizSmart's confidential and proprietary information and trade secrets; (ii) loss of a portion of the value of Club BizSmart's business; and (iii) loss of future profits; Independent Business Consultant consents that any unpaid Commissions may be forfeited to Club BizSmart to offset a portion of the damages.
3. Club BizSmart may elect to reorganize the Downline Organization of an Independent Business Consultantship terminated for breach in a manner that serves the best interests of Club BizSmart, Downline Organization and Upline.
4. Where Club BizSmart elects to terminate an Independent Business Consultantship 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) Club BizSmart may not divide or reassign any of the Downline Organization; and c) Club BizSmart may not split Commissions between the prior or current Beneficial Interest holders of the Membership.

E. Effects of Voluntary Termination by the Independent Business Consultant.

1. The Contract can be voluntarily terminated by an Independent Business Consultant who is not in breach of the Contract for any reason, at any time, by providing written notice to Club BizSmart signed by all Person(s) listed on the Independent Business Consultant Agreement. The termination is effective on the date Club BizSmart receives the written notice. If an Independent Business Consultant 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 Independent Business Consultant's rights in and to the Membership and the Independent Business Consultant Business are revoked and terminated.
3. An Independent Business Consultant who voluntarily terminates Membership and is not in breach of the Contract may re-join under a new Membership under the same or a new enroller at any time.
4. An Independent Business Consultant may not terminate voluntarily if the Membership is not in good standing with Club BizSmart, as may be evidenced by, but not limited to, any of the following conditions: (i) a temporary Membership; (ii) an Independent Business Consultantship 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 12: Miscellaneous

- A. **Entire Agreement.** The Contract contains the entire understanding concerning the subject matter hereof between Club BizSmart and the Independent Business Consultant, 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 Independent Business Consultant by any employee or agent of Club BizSmart and the terms of the Contract, the express written terms and requirements of the Contract will prevail.

- B. **Headings.** 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. **Modifications by Club BizSmart.** Club BizSmart reserves the right to make any modifications to the Contract, provided that the modifications are communicated by Club BizSmart to the Independent Business Consultant at least thirty (30) days prior to taking effect. Club BizSmart may communicate these modifications by posting any portion of the modified Contract on Club BizSmart's website, or by any other method of communication. The Independent Business Consultant is deemed to have accepted the modification to the Contract if the Independent Business Consultant engages in any Independent Business Consultant Business, renews its Membership, or accepts Commissions after the thirty (30) day period is ended. This provision does not apply to anything relative to the Dispute Resolution section, as those provisions can only be modified by way of mutual consent of the parties.
- D. **Warranties.** Club BizSmart extends no product warranties, either expressed or implied, beyond those specifically articulated in the Contract. Club BizSmart 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 Independent Business Consultant's operations. THE COMPANY HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANT ABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, ACCURACY AND NON-INFRINGEMENT. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT.
- E. **Waiver.** Any waiver by Club BizSmart of an Independent Business Consultant'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 Independent Business Consultant. The failure by Club BizSmart to exercise any right or privilege under the Contract will not constitute a waiver of that right or privilege.
- F. **Severability.** 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. Furthermore, any provision found unenforceable.
- G. **Amendments.** Club BizSmart reserves the right to amend the terms and conditions and Policies and Procedures, the Compensation Plan, and the Consultant Applications and Agreements at any time, as it deem necessary. Those channels of communication include, but are not limited to, posting of information to the Club BizSmart website, e-mail address to the Consultant, announcements in any official Club BizSmart newsletter or other publication or mail to the Consultant at the address listed on the Consultant Applications and Agreements.
- H. **Invalid Terms.** Should any portion of these Policies and Procedures, or the Consultant Applications and Agreements, or any other instruments Retail to herein or issued by Club BizSmart be declared invalid by a court of competent jurisdiction, the balance of any such document and any of Club BizSmart rules, applications, or instruments shall remain in full force and effect.
- I. **Waiver.** Club BizSmart never gives up its right to insist on compliance with these rules or with the applicable laws governing the conduct of a business. This is true in all cases, both specifically expressed and implied, unless an officer of Club BizSmart who is authorized to bind Club BizSmart in contracts or agreements specifies explicitly in writing that Club BizSmart waives any of these provisions. In addition, any time Club BizSmart gives permission for a breach of the rules, that permission is specific to the single occurrence, unless otherwise stated, and does not extend to future breaches. This provision deals with the concept of "waiver", and the parties agree that Club BizSmart does not waive any of its rights under any circumstances short of the written confirmation alluded to above.

- J. **Company Use of Applicant Information.** The Consultant applicant hereby consents to allow Club BizSmart, its Consultants to process and utilize the Applicant information as submitted in the signed Consultant Application and Agreement for business purposes related to the Club BizSmart business. The Consultant has the right of access to their personal Application information and to request updates and amendments. The Consultant hereby consents to Club BizSmart disclosing, now or in the future, such Application information to companies who Club BizSmart may, from time to time, deal with to deliver information to its Consultants to improve its marketing and promotional efforts.
- K. **Indemnification.** You agree to indemnify and hold Club BizSmart, its officers, agents, and directors harmless from any claim, damage, liability or loss arising out of your activities as a Consultant.
- L. **Force Majeure.** Independent Business Consultant acknowledges that Club BizSmart 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, or from any other causes that are beyond the control of Club BizSmart.
- M. **Successors and Assigns.** The Contract will be legal and binding upon and inure to the benefit of the heirs, devisees, executors, administrators, personal Consultants, successors, and assigns (as applicable) of the respective parties hereto.
- N. **Limitation of Liability.** To the extent permitted by law, Club BizSmart, its directors, officers, members, managers, shareholders, employees, assigns and agents (collectively referred to as "Responsible Parties") shall not be liable for, and the Independent Business Consultant releases Company and its Responsible Parties from and waive all claims, for any loss of profits, indirect, direct, special or consequential damages, and for any other losses incurred or suffered by Independent Business Consultants as a result of:
- (i) Independent Business Consultant's breach of the Contract,
 - (ii) the promotion or operation of the Membership and the Membership Business;
 - (iii) Independent Business Consultant's incorrect or wrong data or information provided to Club BizSmart or its Responsible Parties; or
 - (iv) the Independent Business Consultant's failure to provide any information or data necessary for Club BizSmart to operate its business.

EACH DISTRIBUTOR 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 DISTRIBUTOR HAS PURCHASED FROM THE COMPANY THAT ARE IN RESALABLE CONDITION.