

e-ntrepreneur

STATEMENT OF POLICIES and PROCEDURES

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SECTION 1 - INTRODUCTION

1.1 - Policies and Compensation Plan Incorporated into Business Associate Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of E-NTREPRENEUR (hereafter “E-ntrepreneur” or the “Company”), are incorporated into, and form an integral part of, the E-ntrepreneur Independent Business Associate. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the E-ntrepreneur Independent Business Associate, these Policies and Procedures, the E-ntrepreneur Marketing and Compensation Plan, and the E-ntrepreneur Business Entity Application (if applicable). These documents are incorporated by reference into the E-ntrepreneur Business Associate Agreement (all in their current form and as amended by E-ntrepreneur). It is the responsibility of each Independent Business Associate (hereinafter “Business Associate” or “BA”) to read, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new BA, it is the responsibility of the sponsoring BA to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the E-ntrepreneur Marketing and Compensation Plan prior to his or her execution of the Agreement.

1.2 - Purpose of Policies

E-ntrepreneur is a social marketing company affiliated with the direct sales field that markets products through BAs. It is important to understand that your success and the success of your fellow Business Associates depends on the integrity of the men and women who market our products and services. To clearly define the relationship that exists between Business Associates and E-ntrepreneur, and to explicitly set a standard for acceptable business conduct, E-ntrepreneur has established the Agreement.

E-ntrepreneur Business Associates are required to comply with all of the Terms and Conditions set forth in the Agreement, as well as all federal, state, and local laws governing their E-ntrepreneur business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an independent contractor and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from E-ntrepreneur.

1.3 - Changes to the Agreement

Because federal, state, and local laws, as well as the business environment, periodically change, E-ntrepreneur reserves the right to amend the Agreement, its products and services, the Marketing and Compensation plan and its prices in its sole and absolute discretion. By signing the Business Associate Agreement, a Business Associate agrees to abide by all amendments or modifications that E-ntrepreneur elects to make. The Business Associate needs to inform himself or herself about modifications and amendments at regular intervals. The continuation of a Business Associate’s E-ntrepreneur business or a Business Associate’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

1.4 - Delays

E-ntrepreneur shall not be responsible for delays or failures in performance of its

obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, government decrees or orders, software and/or system errors.

1.5 - Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed, and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

1.6 - Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of E-ntrepreneur to exercise any right or power under the Agreement or to insist upon strict compliance by a Business Associate with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of E-ntrepreneur's right to demand exact compliance with the Agreement. Waiver by E-ntrepreneur can be effectuated only in writing by an authorized officer of the Company. E-ntrepreneur's waiver of any particular breach by a Business Associate shall not affect or impair E-ntrepreneur's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Business Associate. Nor shall any delay or omission by E-ntrepreneur to exercise any right arising from a breach affect or impair E-ntrepreneur's rights as to that or any subsequent breach.

The existence of any claim or cause of action of a Business Associate against E-ntrepreneur shall not constitute a defense to E-ntrepreneur's enforcement of any term or provision of the Agreement.

SECTION 2 - BECOMING A BUSINESS ASSOCIATE

2.1 - Requirements to Become a Business Associate

To become a E-ntrepreneur Business Associate, each applicant must:

- Be of the age of majority in his or her state of residence;
- Reside in the United States or U.S. Territories or country that E-ntrepreneur has officially announced is open for business;
- Have a valid Social Security, Federal Tax ID number, Social Insurance Number, or other tax identification number recognized by the government of the country in which the BA resides;

- Purchase a E-ntrepreneur Business Package (optional in North Dakota);
- Submit a properly completed Business Associate Application and Agreement to E-ntrepreneur.

2.2 - No Product Purchase Required

No person is required to purchase E-ntrepreneur products or services to become a Business Associate. In order to familiarize new Business Associates with E-ntrepreneur products, services, sales techniques, sales aids, and other matters, the Company requires that they purchase a Business Package.

2.3 - Enrollment Process

New Business Associates must complete the enrollment process on the E-ntrepreneur website at www.e-ntrepreneur.com. A BA's "start date" is the date on which BA's enrollment is completed. The enrollment process is completed when E-ntrepreneur enters an applicant's application information and payment for the applicant's Business Package is received. All BA's will be assigned a unique number that identifies them as a Business Associate of E-ntrepreneur. This number is referred to as their Team ID Number. It is the Business Associate's responsibility to provide this number on all forms and on the Business Associates Agreement when sponsoring a new Business Associate.

2.4 – Monthly VIP Qualification Voucher

In order to stay qualified for your rank and organizational commissions, any party who has purchased a STM, TM or PPA package must also purchase a monthly auto ship VIP Voucher for USD 39 per month ("Monthly VIP Qualification Voucher"). We will charge the monthly VIP qualification voucher according to the sign-up date, for example, if you sign up on dates 29, 30 and 31, you will be charged on the 1st of every month. You will have 1 month to purchase each respective Monthly VIP Voucher. Then a further 2 months grace period ("Grace Period") will apply during which you can purchase any Monthly VIP qualification vouchers that are not been purchased as applicable to any previous months. In the event you have accrued any commission in your account, you agree that such amounts shall be deducted as payment for any Monthly VIP Qualification Voucher in the event you have not paid by another available payment method. At the expiry of the Grace Period, your account will be disqualified and frozen for 9 months ("Disqualification Period"), and if you wish to restore your account to active good standing, you will need to buy a new STM, TM or PPA package. At the expiry of the Disqualification Period, your account will be permanently forfeited and closed and removed from the system.

2.5 - Minimum Customer Point Requirement

In Order to maintain your rank and the benefits associated with it, you need to comply with the minimum customer point requirements according to the E-ntrepreneur Compensation Plan. If you fail to maintain or regain the required amount of Customer Points within the time limits as defined in the Compensation Plan, you will be downgraded to a lower rank.

2.6 - Business Associate Benefits

Once a Business Associate Application and Agreement has been accepted by E-ntrepreneur, the benefits of the Marketing and Compensation Plan and the Business Associate Agreement are available to the new Business Associate. These benefits include the right to:

- Sell E-ntrepreneur products and services and recruit new customers;
- Participate in the E-ntrepreneur Marketing and Compensation Plan, if eligible;
- Sponsor other individuals as Business Associates into the E-ntrepreneur business and thereby build a marketing organization and progress through the E-ntrepreneur Marketing and Compensation Plan;
- Receive periodic E-ntrepreneur online literature and other E-ntrepreneur communications;
- Participate in E-ntrepreneur-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by E-ntrepreneur for its Business Associates.

2.7 - Term of Your E-ntrepreneur Business

The term of the Business Associate Agreement is unlimited. Business Associates must, however, comply at all times with these Policies and Procedures as well as meet further requirements in order to maintain an active account. The Company will communicate such requirements through its Terms and Conditions or by other means of communication from time to time as determined and deemed appropriate by the Company in its sole and absolute discretion. If the Business Associates fails to maintain an active account, the Business Associate Agreement will be canceled automatically.

2.8 - Access Licenses to VIP Services and Privileges

E-ntrepreneur sells access licenses (“Vouchers”) as part of its VIP Membership Packages. These Vouchers allow a BA’s Personal Retail Customer to access the privileges of, and the services offered to, VIP Members on www.savemate.com. The Vouchers are licenses that:

- do not have any cash value and do not represent a property interest;
- allow a BA’s Personal Retail Customer to access the privileges of, and services offered to VIP Members (as applicable) on www.savemate.com for the shorter of (a) a period of three months from the date of activation of the access license and (b) a period beginning with activation of the access license through the expiration of the access license;
- expire, with no residual value, on a date that is six months from the date of purchase; and
- may be distributed by a BA up to two times prior to expiration; however a BA’s Personal Retail Customer is prohibited from distributing the access licenses or sublicensing access to the privileges of, and services offered to VIP Members on www.savemate.com

SECTION 3 - OPERATING A E-NTREPRENEUR BUSINESS

3.1 - Adherence to the E-ntrepreneur Marketing and Compensation Plan

Business Associates must adhere to the terms of the E-ntrepreneur Marketing and Compensation Plan as set forth in official E-ntrepreneur literature. Business Associates shall not offer the E-ntrepreneur opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official E-ntrepreneur literature. Business Associates shall not require or encourage other current or prospective Business Associates to participate in E-ntrepreneur in any manner that varies from the program as set forth in official E-ntrepreneur literature. Business Associates shall not require or encourage other current or prospective Business Associates to execute any agreement or contract other than official E-ntrepreneur agreements and contracts in order to become a E-ntrepreneur Business Associate. Similarly, Business Associates shall not require or encourage other current or prospective Business Associates to make any purchase from, or payment to, any individual or other entity to participate in the E-ntrepreneur Marketing and Compensation Plan other than those purchases or payments identified as recommended or required in official E-ntrepreneur literature. BA’s shall not make false or misleading representations of any kind including, but not limited to, misrepresentations about E-ntrepreneur’s services or the E-ntrepreneur Compensation Plan.

3.2 - Advertising

3.2.1 - General

All Business Associates shall safeguard and promote the good reputation of SaveMate/ E-ntrepreneur and SaveMate/E-ntrepreneur products. The marketing and promotion of E-ntrepreneur, the E-ntrepreneur opportunity, the Marketing and Compensation Plan, and E-ntrepreneur products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices.

Only Business Associates who have achieved the rank of Sales Director or higher may create and publish their own marketing materials, advertising materials, and/or other sales aids, (collectively “sales tools”). This policy does not apply to web sites, which all BA’s are allowed to operate. However, all materials, including websites, must be submitted to E-ntrepreneur’s Compliance Department and receive written pre-approval before they can be used or made public. If written approval is not issued within ten days from the date it is submitted to the Compliance Department, the request is denied, and the BA shall not use the material.

Business Associates may not sell sales tools to other E-ntrepreneur Business Associates. Therefore, Business Associates who receive authorization from E-ntrepreneur to produce their own sales tools may not sell such material to any other Business Associate. BAs may make approved sales tools available to other Business Associates free of charge if they wish, but may not charge other E-ntrepreneur Business Associates for the sales tools.

E-ntrepreneur further reserves the right to rescind approval for any sales tools at any time, and Business Associates waive all claims for damages or remuneration arising from or relating to such rescission.

E-ntrepreneur further reserves the right to prohibit any marketing activities that, in the Company’s sole discretion, cast negative aspersions on the integrity, truthfulness, and/or reputation of E-ntrepreneur.

3.2.2 - Marks and Names

E-ntrepreneur Business Associates shall not use SaveMate and/or E-ntrepreneur’s trade names, trademarks, service marks, logos, artwork, copyrights, or other intellectual property without E-ntrepreneur’s prior written permission. Business Associates may not produce for sale or distribution any recorded Company events and speeches without written permission from E-ntrepreneur nor may Business Associates reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

Business Associates may not use or attempt to register any of E-ntrepreneur’s trade names, trademarks, service names, service marks, product names, the Company’s name, or any derivative thereof, for any Internet domain name or email address, or use such

marks in connection with any blog site, chat room, or online forum of any other nature.

3.2.3 - Business Cards, Stationery and Telephone Listings

Business Associates may use E-ntrepreneur's name on business cards, stationery and in telephone directories as follows:

Business Associate's Name
E-ntrepreneur Independent Business Associate

All Business Associates may list themselves as an "E-ntrepreneur Independent Business Associate" in the white or yellow pages of the telephone directory under their own name. No Business Associate may place telephone directory display ads using E-ntrepreneur's name or logo. Business Associates may not answer the telephone by saying "E-ntrepreneur "E-ntrepreneur Incorporated", "E-ntrepreneur DMCC", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of E-ntrepreneur.

3.2.4 - Media and Media Inquiries

Business Associates must not attempt to respond to media inquiries regarding E-ntrepreneur, its products or services, or their independent E-ntrepreneur business. All inquiries by any type of media must be immediately referred to E-ntrepreneur's Public Relations Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

Business Associates are strictly prohibited representing E-ntrepreneur in any public media arena and from using uncompensated media forms including, but not limited to, news releases, articles, editorials, unpaid advertising, infomercials/advertorials, and television, cable or radio program appearances to promote or publicize E-ntrepreneur or its products, except as approved in writing by E-ntrepreneur. Such requests must be submitted in writing to E-ntrepreneur's Marketing Department at least 30 days in advance of the media activity.

3.2.5 - Unsolicited Email

E-ntrepreneur does not permit Business Associates to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the U.S. CAN SPAM Act. Any email sent by a Business Associate that promotes E-ntrepreneur, the E-ntrepreneur opportunity, or E-ntrepreneur products and services must comply with the following:

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- The email must include the Business Associate's physical mailing address.
- The email must clearly and conspicuously disclose that the message is an adver-

- tisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
 - All opt-out requests, whether received by email or regular mail, must be honored. If a Business Associate receives an opt-out request from a recipient of an email, the Business Associate must forward the opt-out request to the Company.

E-ntrepreneur may periodically send commercial emails on behalf of Business Associates. By entering into the Business Associate Agreement, Business Associate agrees that the Company may send such emails and that the Business Associate's physical and email addresses will be included in such emails as outlined above. Business Associates shall honor opt-out requests generated as a result of such emails sent by the Company.

3.2.6 - Unsolicited Faxes

Except as provided in this section, Business Associates may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their E-ntrepreneur businesses. The term "automatic telephone dialing system" means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers. The terms "unsolicited faxes" means the transmission via telephone facsimile of any material or information advertising or promoting E-ntrepreneur, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Business Associate has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two-way communication between a Business Associate and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Business Associate; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.3 - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. "Bonus buying" includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Independent Business Associate Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Business Associate or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Business Associates or Customers ("phantoms"); (d) Purchasing E-ntrepreneur products or services on behalf of another Business Associate or Customer, or under another Business Associate's or Customer's I.D. number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers.

3.4 - Business Entities

A corporation, partnership, or trust (collectively referred to in this section as a "Busi-

ness Entity”) may apply to be a E-ntrepreneur Business Associate by submitting a properly completed Business Entity Registration form. An BA may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. There is a \$80.00 fee for North American residents and €60.00 for European residents for each change requested, which must be included with the written request and the completed Business Associate Application and Agreement. Members of the entity are jointly and severally liable for any indebtedness or other obligation to E-ntrepreneur, and for compliance with the Agreement.

To prevent the circumvention of Section 3.21 (regarding transfers and assignments of E-ntrepreneur business), if an additional partner, shareholder, member, or other business entity affiliate is added to a business entity, the original applicant must remain as a party to the original Business Associate Application and Agreement. If the original Business Associate wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with Section 3.21. If this process is not followed, the business shall be canceled upon the withdrawal of the original Business Associate. All bonus and commission checks will be sent to the address of record of the original Business Associate. Please note that the modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 3.5., below. There is a \$80.00 (€60.00) fee for each change requested, which must be included with the written request and the completed Business Associate Application and Agreement. E-ntrepreneur may, at its discretion, require notarized documents before implementing any changes to a E-ntrepreneur business. Please allow thirty (30) days after the receipt of the request by E-ntrepreneur for processing.

3.5 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Business Associates, E-ntrepreneur prohibits changes in sponsorship except as noted below.

3.5.1 - Misplacement

In cases in which the new Business Associate is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, a Business Associate may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this must be made within 48 hours from the time of enrollment. The Business Associate requesting the change has the burden of proving that he or she was placed beneath the wrong sponsor. It is up to E-ntrepreneur’s discretion whether the requested change will be implemented.

3.5.2 - Cancellation and Re-application

A Business Associate may legitimately change organizations by voluntarily canceling his or her E-ntrepreneur business and remaining inactive (*i.e.*, no purchases of E-ntrepreneur products for resale, no sales of E-ntrepreneur products, no sponsoring, no attendance at any E-ntrepreneur functions, participation in any other form of Business Associate activity, or operation of any other E-ntrepreneur business) for six (6) full cal-

endar months. Following the six month period of inactivity, the former Business Associate may reapply under a new sponsor, however, the former Business Associate's sales team will remain in their original line of sponsorship.

3.5.3 - Waiver of Claims Against E-ntrepreneur for Improper Organization Changes

In cases wherein the appropriate sponsorship change procedures have not been followed, and a sales team has been developed in the second business developed by a Business Associate, E-ntrepreneur reserves the sole and exclusive right to determine the final disposition of the sales team. Resolving conflicts over the proper placement of a sales team that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **BUSINESS ASSOCIATES WAIVE ANY AND ALL CLAIMS AGAINST E-NTREPRENEUR THAT RELATE TO OR ARISE FROM E-NTREPRENEUR'S DECISION REGARDING THE DISPOSITION OF ANY SALES TEAM THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

3.6 - Unauthorized Claims and Actions

3.6.1 - Indemnification

A Business Associate is fully responsible for all of his or her verbal and written statements made regarding E-ntrepreneur products, services, and the Marketing and Compensation Plan which are not expressly contained in official E-ntrepreneur materials. Business Associates agree to indemnify E-ntrepreneur and E-ntrepreneur's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by E-ntrepreneur as a result of the Business Associate's unauthorized representations or actions. This provision shall survive the termination of the Business Associate Agreement.

3.6.2 - Income Claims

In their enthusiasm to enroll prospective Business Associates, some Business Associates are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Business Associates may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At E-ntrepreneur, we firmly believe that the E-ntrepreneur income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Business Associates may believe it beneficial to disclose their earnings or that of others, such approaches have legal consequences that can negatively impact E-ntrepreneur as well as the Business Associate making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because E-ntrepreneur Business Associates do not have the data necessary to comply with the legal requirements for making income claims, a Business Associate, when presenting or discussing the E-ntrepreneur opportunity or Marketing and Compensation Plan to a prospective Business Associate, may not make income projections, income claims, or disclose his or her E-ntrepreneur income or that of any other E-ntrepreneur BA.

3.7 - Conflicts of Interest

3.7.1 - Non solicitation

E-ntrepreneur Business Associates are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “network marketing”). However, during the term of this Agreement, Business Associates may not directly or indirectly Recruit other E-ntrepreneur Business Associates for any other network marketing business.

Following the cancellation of a Business Associate’s Agreement, and for a period of one year thereafter, a former Business Associate may not Recruit any E-ntrepreneur Business Associate or Customer for another network marketing business. Business Associates and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Business Associates and E-ntrepreneur agree that this non-solicitation provision shall apply to all markets in which E-ntrepreneur conducts business.

The term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another E-ntrepreneur Business Associate to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

3.7.2 - Sale of Competing Goods or Services

Business Associates must not sell, or attempt to sell, any competing non-E-ntrepreneur programs, products or services to E-ntrepreneur Business Associates. Any program, product or services in the same generic categories as E-ntrepreneur products or services are deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

3.7.3 - Business Associate Participation in Other Direct Selling Programs

If a Business Associate is engaged in other non-E-ntrepreneur direct selling programs, it is the responsibility of the Business Associate to ensure that his or her E-ntrepreneur business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- Business Associates shall not display E-ntrepreneur promotional material, sales aids, products or services with or in the same location as, any non-E-ntrepreneur promotional material or sales aids, products or services.

- Business Associates shall not offer the E-ntrepreneur opportunity, or E-ntrepreneur.com products or services to prospective or existing Business Associates in conjunction with any non-E-ntrepreneur program, opportunity, product or service.

3.7.4 - Marketing Organization Activity (Genealogy) Reports

Marketing Organization Activity Reports are available for Business Associate access and viewing at the BA's password protected E-ntrepreneur back office. **All Marketing Organization Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to E-ntrepreneur.** Marketing Organization Activity Reports are provided to Business Associates in strictest confidence and are made available to Business Associates for the sole purpose of assisting Business Associates in working with their respective Marketing Organizations in the development of their E-ntrepreneur business. Business Associates should use their Marketing Organization Activity Reports to assist, motivate, and train their sales team. The Business Associate and E-ntrepreneur agree that, but for this agreement of confidentiality and nondisclosure, E-ntrepreneur would not provide Marketing Organization Activity Reports to the Business Associate. A Business Associate shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation, or other entity:

- Directly or indirectly disclose any information contained in any Marketing Organization Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Marketing Organization Activity Report;
- Use the information to compete with E-ntrepreneur or for any purpose other than promoting his or her E-ntrepreneur business;
- Recruit or solicit any Business Associate listed on any report, or in any manner attempt to influence or induce any Business Associate to alter their business relationship with E-ntrepreneur; or
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Marketing Organization Activity Report.

Upon demand by the Company, any current or former Business Associate will return the original and all copies of Marketing Organization Activity Reports to the Company.

3.8 - Back Office Access

E-ntrepreneur makes online back offices available to its Business Associates. Back offices provide Business Associates access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Business Associate's E-ntrepreneur business and to increase sales of E-ntrepreneur products. However, access to a back office is a privilege, and not a right. E-ntrepreneur reserves the right to deny Business Associates' access to the back office, or any part of the back office, at its sole discretion.

3.9 - Targeting Other Direct Sellers

E-ntrepreneur does not condone Business Associates specifically or consciously targeting the sales force of another direct sales company to sell E-ntrepreneur products or to become Business Associates for E-ntrepreneur, nor does E-ntrepreneur condone Business Associates solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Business Associates engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Business Associate alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, E-ntrepreneur will not pay any of Business Associate's defense costs or legal fees, nor will E-ntrepreneur indemnify the Business Associate for any judgment, award, or settlement.

3.10 - Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment or attempted enrollment of an individual who or entity that already has a current Business Associate Agreement on file with E-ntrepreneur, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, any straw-man or other artifice to circumvent this policy is prohibited. Business Associates shall not demean, discredit or defame other E-ntrepreneur Business Associates in an attempt to entice another Business Associate to become part of the first Business Associate's marketing organization. This policy shall not prohibit the transfer of a E-ntrepreneur business in accordance with Section 3.5.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. E-ntrepreneur may take disciplinary action against the Business Associate that changed organizations and/or those Business Associates who encouraged or participated in the Cross Sponsoring. E-ntrepreneur may also move all or part of the of- fending Business Associate's Marketing Organization to his or her original Marketing Organization if the Company deems it equitable and feasible to do so. However, E-ntrepreneur is under no obligation to move the Cross Sponsored Business Associate's Marketing Organization, and the ultimate disposition of the organization remains within the sole discretion of E-ntrepreneur. **Business Associates waive all claims and causes of action against E-ntrepreneur arising from or relating to the disposition of the Cross Sponsored Business Associate's Marketing Organization.**

3.11 - Errors or Questions

If a Business Associate has questions about or believes any errors have been made regarding commissions, bonuses, Marketing Organization Activity Reports, or charges, the Business Associate must notify E-ntrepreneur in writing within 60 days of the date of the purported error or incident in question (erroneous sponsorship cases must be reported within 48 hours of enrollment). E-ntrepreneur will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

3.12 - Governmental Approval or Endorsement

Regulatory agencies or officials do not approve or endorse any direct selling or network marketing companies or programs. Therefore, Business Associates shall not represent or imply that E-ntrepreneur or its Marketing and Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.13 - Collecting Applicant Information

A sponsoring Business Associate may assist a new Business Associate applicant to enroll online. However, Business Associates may not collect enrollment information from the applicant and then input the information at a later time. Each applicant must personally submit his or her enrollment information and agree to the E-ntrepreneur Terms and Conditions and Policies and Procedures at the time of enrollment.

3.14 - Income Taxes

Each Business Associate must provide E-ntrepreneur with a social security number or Federal Tax Identification Number, and is responsible for paying local, state/provincial, and federal taxes on any income generated as an Independent Business Associate.

3.15 - Independent Contractor Status

Business Associates are independent contractors. The validity of consumer protection regulations is expressly excluded. Business Associates are not purchasers of a franchise or a business opportunity. The agreement between E-ntrepreneur and its Business Associates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Business Associate. Business Associates shall not be treated as an employee for their services or for Federal or State tax purposes. All Business Associates are responsible for paying local, state, and federal taxes due from all compensation earned as a Business Associate of the Company. The Business Associate has no authority (expressed or implied), to bind the Company to any obligation. Each Business Associate shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Business Associate Agreement, these Policies and Procedures, and applicable laws.

All Business Associates are responsible for all expenses relating to their business operation. Miscellaneous expenses include, but are not limited to, license or permits required to operate a business, legal fees connected with the use of a business name, telephone expenses, product advertising, etc. Business Associates shall not involve E-ntrepreneur in any contractual relationships relative to their businesses. Business cannot and shall not sign contracts, rent or lease office space or equipment, open bank accounts, secure credit, cash negotiable instruments, make purchases or enter into agreements of any kind in the name of E-ntrepreneur. Such action is prohibited and causes the termination of the Business Associate status. Each Business Associate shall hold E-ntrepreneur, its shareholders, partners, members, directors, officers and employees harmless from any claims, damages or liabilities arising out of such action.

3.16 - International Marketing

Because of critical legal and tax considerations, E-ntrepreneur must limit the sale of

products and services, and the presentation of the E-ntrepreneur business to prospective customers and Business Associates located within the United States and U.S. Territories and those other countries that the Company has announced are officially opened for business. Moreover, allowing a few Business Associates to conduct business in markets not yet opened by E-ntrepreneur would violate the concept of affording every Business Associate the equal opportunity to expand internationally. Accordingly, Business Associates are authorized to sell E-ntrepreneur.com products, enroll Business Associates, and engage in business building activities, only in countries that E-ntrepreneur is authorized to conduct business, as announced in official Company literature.

3.17 - Inventory Loading

Business Associates must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other Business Associate to buy more products than they can reasonably use or sell to retail customers in a month.

3.18 - Adherence to Laws and Ordinances

Business Associates shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Business Associates because of the nature of their business. However, Business Associates must obey those laws that do apply to them. If a city or county official tells a Business Associate that an ordinance applies to him or her, the Business Associate shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of E-ntrepreneur.

3.19 - Minors

A person who is recognized as a minor in his/her state of residence may not be a E-ntrepreneur Business Associate. Business Associates shall not enroll or recruit minors into the E-ntrepreneur program.

3.20 - Actions of Household Members or Affiliated Individuals

If any member of a Business Associate's immediate household engages in any activity which, if performed by the Business Associate, would violate any provision of the Agreement, such activity will be deemed a violation by the Business Associate and E-ntrepreneur may take disciplinary action pursuant to the Statement of Policies against the Business Associate. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and E-ntrepreneur may take disciplinary action against the Business Entity. Likewise, if a Business Associate enrolls in E-ntrepreneur as a Business Entity, each shareholder, officer, member, partner, or other individual or entity with an ownership interest or management responsibility in the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

3.21 - Sale, Transfer or Assignment of E-ntrepreneur Business

Although a E-ntrepreneur business is a privately owned, independently operated business, the sale, transfer or assignment of a E-ntrepreneur business is subject to certain limitations. If a Business Associate wishes to sell his or her E-ntrepreneur business, the following criteria must be met:

- Protection of the existing line of sponsorship must always be maintained so that the E-ntrepreneur business continues to be operated in that line of sponsorship.
- The buyer or transferee must become a qualified E-ntrepreneur Business Associate. If the buyer is an active E-ntrepreneur Business Associate, he or she must first terminate his or her E-ntrepreneur business and wait six calendar months before acquiring any interest in a different E-ntrepreneur business.
- Before the sale, transfer or assignment can be finalized and approved by E-ntrepreneur, any debt obligations the selling Business Associate has with E-ntrepreneur must be satisfied.
- The selling Business Associate must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a E-ntrepreneur business.
- The seller must submit a Business Sales Transfer Form along with a \$80.00 (€60.00) transfer fee.
- The selling Business Associate must notify E-ntrepreneur's Compliance Department of his or her intent to sell the E-ntrepreneur business.

3.22 - Separation of a E-ntrepreneur Business

E-ntrepreneur Business Associates sometimes operate their E-ntrepreneur businesses as husband-wife partnerships, regular partnerships, LLCs, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, LLC, partnership, trust or other Business Entity may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the E-ntrepreneur business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize E-ntrepreneur to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- The parties may continue to operate the E-ntrepreneur business jointly on a "business-as-usual" basis, whereupon all compensation paid by E-ntrepreneur will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Downline Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will E-ntrepreneur split commission and bonus checks between divorcing spouses or members of dissolving entities. E-ntrepreneur will recognize only one Downline Organization and will issue only one commission check per E-ntrepreneur business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Business Associate Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original E-ntrepreneur business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Business Associate. In either case, the former spouse or business affiliate shall have no rights to any Business Associates in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Business Associate.

3.23 - Succession

Upon the death or incapacitation of a Business Associate, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Business Associate should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an E-ntrepreneur business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Business Associate's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute a Business Associate Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Business Associate's status;
- The devisee must provide E-ntrepreneur with an "address of record" to which all bonus and commission checks will be sent;
- If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. E-ntrepreneur will issue all bonus and commission checks and one 1099 to the business entity.

3.23.1 - Transfer Upon Death of a Business Associate

To affect a testamentary transfer of an E-ntrepreneur business, the executor of the estate must provide the following to E-ntrepreneur: (1) an original death certificate; (2) a notarized copy of the will or other instrument establishing the successor's right to the E-ntrepreneur business; (3) certified letters testamentary or a letter of administration

appointing an executor; and (4) written instructions from the authorized executor to E-ntrepreneur specifying to whom the business and income should be transferred.

3.23.2 - Transfer Upon Incapacitation of a Business Associate

To transfer a E-ntrepreneur business because of incapacity, the successor must provide the following to E-ntrepreneur: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the E-ntrepreneur business; (3) a completed Business Associate Agreement executed by the trustee; and (4) written instructions from the trustee advising on the proper disposition of the business and its income.

3.24 - Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although E-ntrepreneur does not consider Business Associates to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

Therefore, Business Associates must not engage in telemarketing in the operation of their E-ntrepreneur businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a E-ntrepreneur product or service, or to recruit them for the E-ntrepreneur opportunity. "Cold calls" made to prospective customers or Business Associates that promote either E-ntrepreneur's products or services or the E-ntrepreneur opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Business Associate (a "prospect") is permissible under the following situations:

- If the Business Associate has an established business relationship with the prospect. An "established business relationship" is a relationship between a Business Associate and a prospect based on the prospect's purchase, rental, or lease of goods or services from the Business Associate, or a financial transaction between the prospect and the Business Associate, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- The prospect's personal inquiry or application regarding a product or service offered by the Business Associate, within the three (3) months immediately preceding the date of such a call.
- If the Business Associate receives written and signed permission from the prospect authorizing the Business Associate to call. The authorization must specify the telephone number(s) which the Business Associate is authorized to call.

- You may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.
- In addition, Business Associates shall not use automatic telephone dialing systems relative to the operation of their E-ntrepreneur businesses. The term “automatic telephone dialing system” means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

SECTION 4 - RESPONSIBILITIES OF BUSINESS ASSOCIATES

4.1 - Change of Address, Telephone, and E-Mail Addresses

To ensure timely delivery of products, support materials, and commission checks, it is critically important that the E-ntrepreneur’s files are current. Business Associates planning to change their e-mail address or move must update their new contact information in their BA Back Office.

4.2 - Continuing Development Obligations

4.2.1 - Ongoing Training

Any Business Associate who sponsors another Business Associate into E-ntrepreneur must perform a bona fide assistance and training function to ensure that his or her Marketing Organization is properly operating his or her E-ntrepreneur business. Business Associates must have ongoing contact and communication with the Business Associates in their Marketing Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and accompanying Marketing Organization members to E-ntrepreneur meetings, training sessions, and other functions. Support Team Business Associates are also responsible to motivate and train new Business Associates in E-ntrepreneur product knowledge, effective sales techniques, the E-ntrepreneur Marketing and Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of Marketing Organization members must not, however, violate Section 3.2 (regarding the development of Business Associate-produced sales tools).

Business Associates should monitor the Business Associates in their Marketing Organizations to guard against Business Associates making improper product or business claims, or engaging in any illegal or inappropriate conduct.

4.2.2 - Increased Training Responsibilities

As Business Associates progress through the various levels of leadership, they will

become more experienced in sales techniques, product knowledge, and understanding of the E-ntrepreneur program. They will be called upon to share this knowledge with lesser experienced Business Associates within their organization.

4.2.3 - Ongoing Sales Responsibilities

Regardless of their level of achievement, Business Associates have an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing their existing customers.

4.3 - Nondisparagement

E-ntrepreneur wants to provide its independent Business Associates with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Business Associate Support Department. Remember, to best serve you, we must hear from you! While E-ntrepreneur welcomes constructive input, negative comments and remarks made in the field by Business Associates about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other E-ntrepreneur Business Associates. For this reason, and to set the proper example for their downline, Business Associates must not disparage, demean, or make negative remarks about E-ntrepreneur, other E-ntrepreneur Business Associates, E-ntrepreneur's products, the Marketing and Compensation plan, or E-ntrepreneur's directors, officers, or employees.

4.4 - Reporting Policy Violations

Business Associates observing a Policy violation by another Business Associate should submit a written report of the violation directly to the attention of the E-ntrepreneur Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

SECTION 5 - SALES REQUIREMENTS

5.1 - Product Sales

The E-ntrepreneur Marketing and Compensation Plan is based on the sale of E-ntrepreneur.com products and services to end consumers. Therefore, a Business Associates must have at least three Active Retail Customers each year. As a Business Associate climbs to a higher rank, his or her minimum Active Retail Customer requirement shall also increase.

5.2 - No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

SECTION 6 - BONUSSES AND COMMISSIONS

6.1 - Bonus and Commission Qualifications

A Business Associate must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Business Associate complies with the terms of the Agreement, E-ntrepreneur shall pay commissions to such Business Associate in accordance with the Marketing and Compensation plan. The minimum amount for which E-ntrepreneur will issue a commission payment is \$50.00. If a Business Associate's bonuses and commissions do not equal or exceed \$50.00, the Company will accrue the commissions and bonuses until they total \$50.00, and payment will be issued once \$50.00 has been accrued.

6.2 - Adjustment to Bonuses and Commissions

Business Associates receive bonuses and commissions based on the actual sales of products and services to end consumers. When products are returned to E-ntrepreneur for a refund or are repurchased by the Company, either of the following may occur at the Company's discretion: (1) the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter from the Support Team Business Associates who received the commission or bonus until it is recovered; or (2) the Business Associates who earned commissions based on the sale of the returned products will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until it is completely recovered.

6.3 - Reports

All information provided by E-ntrepreneur in online or telephonic sales team activity reports, including but not limited to personal and Organization Sales Volume (or any part thereof), and Sales Organization sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, software, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge backs; the information is not guaranteed by E-ntrepreneur or any persons creating or transmitting the information.

ALL PERSONAL AND ORGANIZATION SALES VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, ENTREPRENEUR AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY BUSINESS ASSOCIATE OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF

OR ACCESS TO PERSONAL AND/OR ORGANIZATION SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF E-NTREPRENEUR OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, E-NTREPRENEUR OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of E-ntrepreneur's online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is." If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to E-ntrepreneur's online and telephone reporting services and your reliance upon the information.

SECTION 7 - PRODUCT GUARANTEES, RETURNS AND INVENTORY RE-PURCHASE

7.1 - Returns by Retail Customers

A retail customer who makes a purchase of \$25.00 or more via a face-to-face meeting with a Business Associate has three business days (72 hours, excluding Sundays and legal holidays) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the receipt (five days for Alaska residents). Similarly, a new Business Associate has three business days (5 days for Alaska residents) to cancel his or her Business Package and/or product purchase and receive a full refund. Business Associates must orally inform customers and new Business Associates of their right to rescind a purchase or an order within 72 hours (5 days for Alaska residents).

7.2 - Montana Residents

A Montana resident may cancel his or her Business Associate Agreement within 15 days from the date of enrollment and may return all materials purchased from the Company for a full refund within such time period.

SECTION 8 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Business Associate that, in the sole discretion of the Company may damage its reputation or

goodwill (such damaging act or omission need not be related to the Business Associate's E-ntrepreneur business), may result, at E-ntrepreneur's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Business Associate to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- E-ntrepreneur may withhold from a Business Associate all or part of the Business Associate's bonuses and commissions during the period that E-ntrepreneur is investigating any conduct allegedly violative of the Agreement. If a Business Associate's business is canceled for disciplinary reasons, the Business Associate will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Business Associate Agreement for one or more pay periods;
- Involuntary termination of the offender's Business Associate Agreement;
- Suspension and/or termination of the offending Business Associate's SaveMate and/or E-ntrepreneur website or website access;
- Any other measure expressly allowed within any provision of the Agreement or which E-ntrepreneur deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Business Associate's policy violation or contractual breach;
- In situations deemed appropriate by E-ntrepreneur, the Company may institute legal proceedings for monetary and/or equitable relief.

8.2 - Grievances and Complaints

When a Business Associate has a grievance or complaint with another Business Associate regarding any practice or conduct in relationship to their respective E-ntrepreneur businesses, the complaining Business Associate should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's Support Team sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Business Associate Services Department at the Company. The Business Associate Services Department will review the facts and attempt to resolve it.

8.3 - Mediation

Prior to instituting an arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the City of Boca

Raton, Florida and shall last no more than one business day.

8.4 - Arbitration

If mediation is unsuccessful, **any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled exclusively by arbitration administered by the American Arbitration Association and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Business Associates waive all rights to trial by jury or to any court. Further, to the fullest extent permitted by law, each BA and the Company agree that no class or collective actions can be asserted in arbitration or otherwise against the Company, its affiliates, successors, or assigns, whether at law or equity, regardless of which party brings suit. All claims, whether in arbitration or otherwise, must be brought solely in BA's or the Company's individual capacity, and not as a plaintiff or class member in any purported class or collective proceeding. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being former federal judge selected from the panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The U.S. Federal Rules of Evidence shall strictly apply, and the parties will have all discovery rights contained in the U.S. Federal Rules of Civil Procedure. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any the termination or expiration of the Agreement. All arbitration proceedings shall be held in the City of Boca Raton, Florida.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent E-ntrepreneur from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect E-ntrepreneur's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

8.5 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in the federal and state courts residing in Palm Beach County, Florida. The law of Delaware shall govern all matters relating to or arising from the Agreement.

SECTION 9 - NON-RENEWAL, RECLASSIFICATION, AND CANCELLATION

9.1 - Effect of Cancellation

So long as a Business Associate remains active and complies with the terms of the Business Associate Agreement and these Policies and Procedures, E-ntrepreneur shall pay commissions to such Business Associate in accordance with the Marketing and Compensation Plan. A Business Associate's bonuses and commissions constitute the entire consideration for the Business Associate's efforts in generating sales and all activities related to generating sales (including building a Marketing Organization). Following a Business Associate's non-renewal of his or her Business Associate Agreement, voluntary or involuntary cancellation of his or her Business Associate Agreement (all of these methods are collectively referred to as "cancellation"), the former Business Associate

shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **A Business Associate whose business is cancelled will lose all rights as a Business Associate. This includes the right to sell E-ntrepreneur products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Business Associate's former sales team. In the event of cancellation, Business Associates agree to waive all rights they may have, including but not limited to property rights, to their former Marketing Organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Marketing Organization.**

Following a Business Associate's cancellation of his or her Business Associate Agreement, the former Business Associate shall not hold himself or herself out as a E-ntrepreneur Business Associate and shall not have the right to sell E-ntrepreneur products or services.

9.2 - Involuntary Cancellation

A Business Associate's violation of any of the terms of the Agreement, including any amendments that may be made by E-ntrepreneur in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the involuntary cancellation of his or her Business Associate Agreement. Cancellation shall be effective on the date on which written notice is emailed, mailed, faxed, or delivered to an express courier, to the Business Associate's last known principal address, email address (or fax number), or to his/her attorney, or when the Business Associate receives actual notice of cancellation, whichever occurs first.

9.3 - Voluntary Cancellation

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted via email to the Business Associate Support Department using the online contact form at www.e-ntrepreneur.com following the link "FAQ and Contact" at the bottom of the welcome page. The written notice must include the Business Associate's name, address, and Business Associate I.D. Number.

9.4 - Non-renewal

A Business Associate may also voluntarily cancel his or her Business Associate Agreement by failing to comply with any of the requirements as per Section 2.6.

SECTION 10 - DEFINITIONS

Active Retail Customer — An individual or entity that has purchased E-ntrepreneur.com products within the preceding 12 calendar months, but who is not also an independent E-ntrepreneur Business Associate.

Active Independent Business Associate — A Business Associate who has enrolled within the preceding 12 calendar months, or who has received a commission during the preceding 12 calendar months or who is continuously paying the monthly license fee..

Agreement - The contract between the Company and each Business Associate includes the Business Associate Application and Agreement, the E-ntrepreneur Policies and Procedures, the E-ntrepreneur Marketing and Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by E-ntrepreneur in its sole discretion. These documents are collectively referred to as the “Agreement.”

Cancel — The termination of a Business Associate’s business. Cancellation may be either voluntary, involuntary, through non-renewal.

Genealogy Report — A monthly report generated by E-ntrepreneur that provides critical data relating to the identities of Business Associates, sales information, and enrollment activity of each Business Associate’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to E-ntrepreneur.

Marketing Organization — All of the Sales Teams beneath a Business Associate

Organizational Volume — The commissionable value of E-ntrepreneur products or services sold by a Business Associate’s Marketing Organization. Organizational Volume does not include the Personal Sales Volume of the subject Business Associate.

Immediate Household — Heads of household and dependent family members residing in the same house.

Official E-ntrepreneur Material — The E-ntrepreneur website and all literature, audio or video tapes, and other materials developed, printed, published and distributed by E-ntrepreneur to Business Associates.

Personal Production — Moving E-ntrepreneur products or services to an end consumer for personal use.

Recruit — For purposes of E-ntrepreneur’s Conflict of Interest Policy (Section 3.7), the term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another E-ntrepreneur Business Associate or Customer to enroll

or participate in another multilevel marketing, network marketing or direct sales opportunity.

Retail Customer – An individual or entity that purchases E-ntrepreneur.com products or services, but who is not a Business Associate.

Sales Team – Each front-line Business Associate whom an BA sponsors, and their respective Sales Organizations, constitute a Sales Team for the sponsoring BA.

Sponsor — A Business Associate who enrolls another Business Associate into the Company will be listed as the Sponsor. The act of enrolling others and training them to become Business Associates is called “sponsoring.”

Support Team — This term refers to the Business Associate or Business Associates above a particular Business Associate in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Business Associate to the Company.