



5LINX[®] Statement of Policies and Procedures

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General Guidelines

SECTION 1

CORPORATE MISSION STATEMENT

The 5LINX Mission is to create value for our customers, partners, and Company by providing competitive consumer and commercial products and related services (collectively, the “Products”).

5LINX was built upon five fundamental principles.

1. *Vision.* To see the importance of your role and future within 5LINX.
2. *Integrity.* To do what you say you will do.
3. *Opportunity.* To be the best you can and to create one of the most successful companies in history.
4. *Freedom.* To be innovative and offer ideas for improvement.
5. *Success.* The result of everyone working together to provide quality service.

Together we can lead the way and create an environment where anyone can succeed, achieving their goals and dreams. 5LINX offers you the opportunity to improve the quality of those around you.

SECTION 2

INTRODUCTION

2.1 Policies and Compensation Plan Incorporated into Representative Agreement

These Policies and Procedures and the appendices hereto (the “Policies”), in their present form and as they may be amended at the sole discretion of 5LINX, Inc. (hereafter “5LINX” or the “Company”), are incorporated into, and form an integral part of, the 5LINX Representative Agreement. Throughout these Policies, when the terms “Agreement” and the “Agreements” are used, each collectively refers to the 5LINX Representative Application and Agreement, these Policies, the 5LINX Marketing and Compensation Plan of the specific Jurisdiction the Representative is enrolled in (hereafter “Compensation Plan”), the 5LINX Business Entity Application (if applicable), the 5LINX Code of Conduct and any other policy, agreement, or directive designated or intended by 5LINX as being applicable to a Representative and/or a Representative’ Downline. Each of the foregoing are incorporated by reference into these Policies and are part of the terms and conditions to which the 5LINX Representative Agreement is subject (all in their current form and as they may be amended by 5LINX in the future). It is the responsibility of each Representative to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies. When sponsoring or enrolling a new Representative, it is the responsibility of the sponsoring Representative to provide the most current version of these Policies, the 5LINX Marketing and Compensation Plan, and all other Agreements to the applicant prior to his or her execution of the Representative Agreement.

2.2 Purpose of Policies

5LINX is a direct sales company that markets Products through Independent Representatives (“Representatives”). It is important to understand that your success and the success of your fellow Representatives is dependent on the integrity of the men and women who market our products and services. To clearly define the relationship that exists between Representatives and 5LINX, and to explicitly set a standard for acceptable business conduct, 5LINX has established the Agreements.

5LINX Representatives are required to comply with: (a) all of the provisions set forth in the Agreements, which 5LINX may amend at its sole discretion from time to time; and (b) all federal, state, provincial and local laws governing the activities of Representatives. It is your responsibility to be familiar with these requirements. As part of your efforts to ensure compliance with these requirements, it is very important that you read the Agreements carefully and abide by all terms and conditions contained in the Agreements. Therefore, we urge you to review the information in the Agreements carefully. The Agreements explain and govern 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 your Sponsor or 5LINX.

2.3 Changes to the Agreements; Changes in Laws

5LINX reserves the right to amend the Agreements, 5LINX’s prices and compensation policy, and 5LINX’s other business policies in its sole and absolute discretion. By signing the 5LINX Representative Agreement, a Representative agrees to abide by all amendments or modifications that 5LINX elects to make. Amendments shall be effective upon notice to all Representatives that the Agreement has been modified. Notification of amendments shall be published in official 5LINX materials. The Company shall provide or make available to all Representatives a complete copy of the amended provisions by one or more of the following methods: (a) posting on the Company’s official website; (b) electronic mail (e-mail); (c) voice mail system broadcast; (d) inclusion in Company periodicals; (e) inclusion in product orders; or (f) special mailings. The continuation of a Representative’s 5LINX business or a Representative’s acceptance of bonuses or commissions constitutes

acceptance of any and all amendments. Additionally, federal, state, provincial and local laws change from time to time, and it is your responsibility to keep abreast of these changes and modify your activities to ensure continued compliance with all applicable laws.

2.4 Delays

5LINX 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, acts of God, curtailment of a party's source of supply, or government decrees or orders.

2.5 Policies and Provisions Severable

If any provision of the Agreements, in their 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 and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreements.

2.6 Waiver

The Company never gives up its right to insist on compliance with the Agreements and with the applicable laws governing your conduct as a Representative. No failure of 5LINX to exercise any right or power under the Agreements or to insist upon strict compliance by a Representative with any obligation or provision of the Agreements, and no custom or practice of the parties at variance with the terms of the Agreements, shall constitute a waiver of 5LINX's right to demand exact compliance with the Agreements. Waiver by 5LINX can be affected only in writing by an authorized officer of the Company. 5LINX's waiver of any particular breach or failure by a Representative shall not affect or impair 5LINX's rights with respect to any subsequent breach or failure, nor shall it affect in any way the rights or obligations of any other Representative. Nor shall any delay or omission by 5LINX to exercise any right arising from a breach or failure affect or impair 5LINX's rights as to that or any subsequent breach or failure.

The existence of any claim or cause of action of a Representative against 5LINX shall not constitute a defense to 5LINX's enforcement of any term or provision of the Agreements.

SECTION 3

BECOMING A REPRESENTATIVE

3.1 Requirements to Become a Representative

To become a 5LINX Representative, each applicant must:

- a) Be of the age of majority in his or her State, Territory, or Province of residence;
- b) Reside in any of the following: (i) the United States, excluding those States as described in §5.15 Restricted States; (ii) the Territory of Puerto Rico (as defined and described in these Policies as "5LINX Approved Jurisdictions");
- c) Have a valid Social Security (SSN), Federal Tax ID (FTID) number, or Social Identification Number (SIN); and provide this information to 5LINX in a properly completed Form W-9 (or other applicable form);
- d) Submit a properly completed (originals only—no copies) and signed Representative Application and Agreement to 5LINX by ink signature or submit a properly completed application pursuant to Section 3.2 below;
- e) Provide a valid home address within the 5LINX Approved Jurisdictions;
- f) Provide a valid, unique email address; and

The Company reserves the right to reject any applications for a new Representative or applications for renewal, in its sole discretion, based on the above criteria or any other lawful basis, including any evidence of unlawful or unethical conduct. Additionally, 5LINX will not permit more than two Representatives with different surnames to enter the same home address on any application to become a 5LINX Representative.

3.2 New Representative Registration by Online Enrollment or Fax

New Representatives may also enroll online or by fax. Such enrollment, either online or by fax, will constitute a legal and binding agreement enforceable in accordance with these Policies and the other Agreements. All such enrollments must satisfy the requirements contained in Section 3.1 above.

3.3 Identification

All Representatives are required to include their SSN, FTID or a SIN number in the completed Representative Application and Agreement. Upon enrollment, the Company will provide a unique Representative Identification Number (RIN) to the Representative by which he or she will be identified. This number will be used to place orders, and track commissions and bonuses. In the event that a SSN, FTID, or a SIN number cannot be provided, 5LINX may either reject your application as

incomplete, or, at 5LINX's option, 5LINX may place the account in a "hold" status until the missing information is provided. If the account is placed on "hold" status, the account will remain in this status until a valid SSN, FTID, or SIN is submitted. During this hold period, no commissions or bonuses will be disbursed to the Representative.

- a) Based on Internal Revenue Service (IRS) guidelines and 5LINX's own internal guidelines, 5LINX will submit the SSN or FTID number to the IRS for validation after the Representative has earned in excess of \$250 in one calendar year.
- b) In the event that a Representative earns \$600 in a calendar year and 5LINX has not been able to verify the Representative's SSN or FTID number, his or her position will be placed in a hold status. The position will remain in this status and no commissions or bonuses would be released until such time as: (i) the discrepancy can be resolved and the Representative's SSN can be properly linked to the Representative in accordance with IRS guidelines and 5LINX's own internal guidelines; or (ii) 5LINX is provided with a new identification number and is able to verify its accuracy with the IRS.

3.4 Representative Benefits

Once a Representative Application and Agreement has been accepted by 5LINX, the benefits of the Marketing and Compensation Plan and the Representative Agreement are available to the new Representative. These benefits include the right to:

- a) Purchase 5LINX Products and services at the Representative price;
- b) Sell 5LINX Products at retail or resell services, which are described in the 5LINX Product catalog;
- c) Participate in the 5LINX Marketing and Compensation Plan (receive bonuses and commissions, if eligible);
- d) Sponsor other individuals as Customers or Representatives into the 5LINX business and thereby, build a marketing organization and progress through the 5LINX Marketing and Compensation Plan;
- e) Receive periodic 5LINX literature and other 5LINX communications;
- f) Participate in 5LINX-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- g) Participate in promotional and incentive contests and programs sponsored by 5LINX for its Representatives.

3.5 Independent Contractor Status and 5LINX Trademarks

Representatives are independent contractors, and are not purchasers of a franchise or a business opportunity. The Agreement between 5LINX and its Representatives does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Representative. Representatives shall not be treated as an employee for his or her services or for Federal, State or Provincial tax purposes. All Representatives are responsible for paying local, state, provincial, and federal taxes due from all compensation earned as a Representative of the Company. The Representative has no authority (expressed or implied), to bind the Company to any obligation. Each Representative shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Agreements and applicable laws. Other than as set forth in the Agreements, 5LINX exercises no control or authority over the business conduct of any Representatives.

The name of 5LINX and other names as may be adopted by 5LINX are proprietary trade names, trademarks and service marks of 5LINX. As such, these marks are of great value to 5LINX and are supplied to Representatives for their use only in an expressly authorized manner. Use of 5LINX name on any item not produced by the Company is prohibited except as follows:

Representative's Name

5LINX Independent Marketing Representative

All Representatives may list themselves as an "Independent 5LINX Marketing Representative" in advertisements under their own name (e.g., the white or yellow pages of the telephone directory). No Representative may place any advertisements or make any statements or representations using 5LINX's name or logo in any manner other than as expressly permitted by the previous sentence. This policy shall also apply to all websites maintained by any Representative. For example, Representatives may not answer the telephone by saying "5LINX", "5LINX Incorporated", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of 5LINX. Representatives may not register any trademark, service mark, or domain name that includes the name 5LINX.

3.6 Business Entities

A corporation, partnership or trust (collectively referred to in this Section as a "Business Entity") may apply to be a 5LINX Representative by submitting its Certificate of Incorporation, Partnership Agreement or trust documents (these documents are collectively referred to as the "Entity Documents") to 5LINX, along with a properly completed Business Entity Registration form. 5LINX may approve or deny such an application in its sole discretion. For each Business Entity that is

accepted as a 5LINX Representative or becomes a 5LINX Representative, the Business Entity shall be associated and under the name of only one 5LINX Representative, and all additional persons with authority as it relates to the Business Entity's account must be added as authorized users. A 5LINX Representative may change his or her Representative status from an individual to a Business Entity, or from one type of entity to another, as long as the New Business Entity is in the same line of Sponsorship as the individual Representative and subject to the same conditions and requirements set forth in this Section. There is a fee, as set by 5LINX, for each change requested, which must be paid with the written request. The Business Entity Registration form must be properly completed and signed. 5LINX reserves the right to request, as a condition to acceptance of a Business Entity Registration form, that all members and shareholders of the Business Entity jointly and severally be liable for and guaranty any indebtedness or other obligations of the entity to 5LINX. All such guarantees must be in a form acceptable to 5LINX.

3.7 Multiple Representative Entities

A Representative may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in more than one 5LINX Representative Account. Each Representative however, may only maintain one personal representative position. 5LINX does allow an individual to have interest in additional Business Entities so long as each of these positions are under a different Business Entity name and ID number. These additional entities will be required to comply with the requirements of Section 3.6. Any position in which an individual maintains an interest through a Business Entity as described above must be maintained under the same line of Sponsorship as the Representative's individual Representative position unless the Representative complies with the provisions of Section 6.4 of these Policies. 5LINX will allow up to a total of two 5LINX Representatives (whether individuals or Business Entities) with different surnames to utilize the same home address. Should the surnames of the Representatives be the same, 5LINX will allow up to a total of five 5LINX Representatives (whether individuals or Business Entities) to utilize the same home address.

In order to maintain the integrity of the 5LINX Marketing and Compensation Plan, married couples, civil union couples, or common-law couples (collectively "spouses") may occupy separate 5LINX Representatives positions, however they must either: (a) be sponsored by the same Sponsor; or (b) one spouse must personally sponsor the other spouse. In the event two Representatives in different lines of sponsorship become spouses after the time of their Representative enrollment(s), 5LINX, in its sole discretion, will determine a reasonable course of action in line with these Policies and Procedures, in order to avoid disrupting the integrity of existing sponsorship, and any established downline marketing organization.

3.8 Sponsoring

All active Representatives in good standing have the right to sponsor and enroll others into 5LINX as Representatives or Customers (each a "Sponsor" and such action herein referred to as "Sponsoring"). Each prospective Customer or Representative has the right to choose his or her own Sponsor. If two Representatives claim to be the Sponsor of the same new Representative or Customer, the Company may, at its option, investigate and make its own determination as to which Representative will be recognized by the Company as the Sponsor. The Company's determination of a Sponsor in these instances will be final and binding of the parties, and the Company shall not be liable or responsible to any Representative or third party for any decisions made by the Company relating to Sponsor disputes.

3.9 Renewal of Your 5LINX Business

The term of the Representative's Agreement shall be from the date on which it is accepted by 5LINX to the same date of the following year. Thereafter, the annual term shall be from the acceptance date for each subsequent year. If you fail to annually renew your registration as a Representative (which registration must be renewed by paying the appropriate renewal fee, as set by 5LINX), or if it is cancelled or terminated for any reason, you understand that you will permanently lose all rights as a Representative. You shall not be eligible to sell 5LINX Products nor shall you be eligible to receive commissions, bonuses, or other income resulting from the activities of your former Downline. In the event of cancellation, termination or non-renewal, you agree to waive all rights you have, including but not limited to compensation rights regarding your former Downline (as defined below) and to any bonuses, commissions or other remuneration derived through the sales and other activities of your former Downline as set forth in the 5LINX Marketing and Compensation Plan.

If the renewal fee is not paid within 120 days after the expiration of the current term of the Representative Agreement, the Representative's Agreement will be moved into an expired status, and the Representative will no longer be considered a current 5LINX Representative. If your account is placed into an expired status and you choose to renew at any time after the expiration date, you will be responsible for a reactivation fee, as well as the renewal fee, as set by 5LINX.

SECTION 4

RESPONSIBILITIES OF REPRESENTATIVES

4.1 Change of Address, Email, or Telephone

To ensure timely delivery of Products, support materials, and Pay Cards it is critically important that 5LINX's Representative contact information records are current. Street addresses are required for shipping because package delivery cannot be made to a post office box. Representatives planning to move should either: (a) send their new address, email, and telephone numbers to 5LINX's Corporate Offices to the attention of the Representative Services Department; or (b) update their account information online. To guarantee proper delivery, two weeks advance notice must be provided to 5LINX on all address changes. Additionally, address changes may not be affected within a Representative's initial thirty (30) calendar days as a Representative.

4.2 Continuing Development Obligations

4.2.1 *Ongoing Training*

Any Representative who Sponsors another Representative into 5LINX must provide bona fide assistance and training function to ensure that his or her Sponsored Representative ("Sponsor's Downline") is properly operating as a 5LINX Representative. Representatives must have ongoing contact and communication with the Representatives in the Sponsor's Downline.

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 the accompaniment of Representatives in a Sponsor's Downline to 5LINX meetings, training sessions, and other functions. Sponsors are also responsible to motivate and train new Representatives in 5LINX Product knowledge, effective sales techniques, the 5LINX Marketing and Compensation Plan, and compliance with the Agreements. Communication with and the training of Sponsor's Downline must not, however, violate any Section of Appendix II (regarding the development of Representative-produced sales aids and promotional materials).

Representatives must monitor their Downline to ensure that Downline Representatives do not make improper Product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Representative should be able to provide documented evidence to 5LINX of his or her ongoing fulfillment of the responsibilities of a Sponsor. If a Representative violates any provision of the Agreements with the knowledge or assistance of his or her Sponsor, that shall also be deemed a breach of the Agreements by the Sponsor.

4.2.2 *Increased Training Responsibilities*

As Representatives gain experience within 5LINX regarding sales techniques, Product knowledge, and understanding of the 5LINX program, 5LINX may request that they share this knowledge with less experienced Representatives within their Downline.

4.2.3 *Ongoing Sales Responsibilities*

Representatives have an ongoing obligation to continue to personally promote sales through the generation of new Customers and through servicing their existing Customers.

4.3 Non-Disparagement

5LINX wants to provide its Representatives 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 our Representative Services Department. While 5LINX welcomes constructive input, negative comments and remarks made in the field by Representatives about the Company, its Products, or compensation plan serve no purpose other than to damage 5LINX and sour the enthusiasm of other 5LINX Representatives. For this reason, and to set the proper example for their Downline, Representatives must not disparage 5LINX, other 5LINX Representatives, 5LINX's Products, the Marketing and Compensation plan, or 5LINX's directors, officers, or employees. 5LINX reserves the right to limit or disallow any activities that cast negative aspersions on the integrity, truthfulness, and/or reputation of 5LINX. Such disparagement constitutes a material breach of these Policies. This obligation contained in Section 4.3 shall survive termination of a Representative's Agreement (regardless of the reasons for such termination).

4.4 Providing Documentation to Applicants

Representatives must provide access to the most current version of the Agreements, including, without limitation, the 5LINX Marketing and Compensation Plan to individuals whom they are Sponsoring to become Representatives before the applicant signs a Representative Agreement. Additional copies of the Agreements can be obtained from 5LINX.

4.5 Reporting Policy Violations and Cooperation

Representatives observing a violation of the Agreement by another Representative should submit a written report of the violation directly to the attention of the 5LINX Field Operations Department. Details of the incidents such as dates, number

of occurrences, persons involved, and any supporting documentation should be included in the report. A 5LINX Representative is required to cooperate with any investigation by 5LINX into issues of compliance and alleged violations by 5LINX Representatives and 5LINX Representative's organizational network, including promptly responding to inquiries by 5LINX and providing requested documentation.

4.6 Errors or Questions

If a Representative has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Representative must notify 5LINX in writing within 60 days of the date of the purported error or incident in question. 5LINX will not be responsible for any errors or omissions not the result of acts by 5LINX or those not reported to it within 60 days. 5LINX shall not be responsible to correct any errors or omissions not reported to 5LINX within 60 days and such errors or omissions shall be binding on the Representative if not so reported.

4.7 Requests for Records

Any request from a Representative for copies of invoices, applications, Downline Activity Reports, or other records will require the payment of a document research and retrieval fee, which will be charged on a "per document" basis. This fee covers the expense of mailing and time required to research files and make copies of the records and shall be set by 5LINX in its sole discretion.

SECTION 5

RESTRICTIONS OF REPRESENTATIVES

5.1 Non-Competition

During the term of the Agreement, Representatives who have attained the position of Senior Vice President or above with 5LINX at any time may not participate in any other direct selling or network marketing or multilevel marketing ventures (collectively "network marketing") within any 5LINX Approved Jurisdictions.

5.2 Non-Solicitation

During the term of this Agreement and for a period of twelve (12) months following the expiration or termination of this Agreement for any reason, any current or former Representative may not recruit any 5LINX Representative or any Customer of Representative or any Customer in Representative's Downline for another network marketing program ("Unauthorized Recruiting"). Prohibited Unauthorized Recruiting includes, but is not limited to any of the following:

- a) any actual or attempted recruitment or enrollment of 5LINX Customers or Representatives for other network marketing business ventures, either directly or through a third party.
- b) presenting or assisting in the presentation of other network marketing business ventures to any 5LINX Customer or Representative, or implicitly or explicitly encouraging any 5LINX Customer or Representative to join other business ventures.
- c) Producing or offering any literature, tapes or promotional material of any nature for another network marketing business which is used by the Representative or any third party to recruit 5LINX Customers or Representatives for that business venture.
- d) Offering 5LINX Products, or promoting the 5LINX Marketing and Compensation Plan, in conjunction with any non-5LINX products, services, business plan, opportunity, or incentive
- e) Promotion of another network marketing business venture on any social media website, within view of 5LINX Customers or Representatives (ie. Facebook, Twitter, MySpace, Blogger).

5.3 Activities Relating to Other Network Marketing Programs

Representatives who have never at any time attained the status of Senior Vice President or above with 5LINX may engage in selling activities related to non-5LINX products through a non-5LINX network marketing program if they desire to do so. However, if any such eligible Representative elects to participate in another network marketing opportunity, in order to avoid conflicts of interest and loyalties, the Representative is prohibited from Unauthorized Recruiting, as set forth in Section 5.2. Since there is a likelihood that conflicts will arise if a Representative operates in two network marketing programs, it is the Representative's responsibility to first determine whether a prospect is a 5LINX Customer or Representative before recruiting or enrolling the prospect for another network business venture in order to ensure full compliance with the prohibition on Unauthorized Recruiting.

5.3.1 General Prohibition on Sale of Competing Products

Representatives are prohibited from:

- a) Selling, offering to sell, or promoting any non-5LINX products or services that compete with any 5LINX Products. Any product or services in the same generic category as a 5LINX Product, as determined by 5LINX in its sole discretion, is deemed to be competing ("Competing Products"). For example, any communication, energy, wellness, or nutritional product or service is in the same generic category as 5LINX's Products and is therefore a competing service.
- b) Offering 5LINX Products in conjunction with any non-5LINX products, services, business plan, opportunity, or incentive.
- c) Offering any non-5LINX products, services, business plan, opportunity, or incentive at any 5LINX meeting, seminar, launch, convention, or other 5LINX function, or immediately following such an event.

5.3.2. *Participation or Promotion of Network Marketing Programs that Sell Competing Products*

Representatives who are eligible to participate in another network marketing program or opportunity are prohibited from:

- a) Participating in any network marketing program or opportunity that sells any Competing Products;
- b) Selling, offering to sell, or promoting any network marketing program or opportunity that offers or sells Competing Products to 5LINX Representatives;
- c) Offering the 5LINX Marketing and Compensation Plan in conjunction with any non-5LINX network marketing programs or opportunities.
- d) any actual or attempted recruitment or enrollment of 5LINX Customers or Representatives for other network marketing business ventures, either directly or through a third party.

5.4 Cross-Sponsoring

Actual or attempted cross sponsoring constitutes a material breach of the Agreement and is strictly prohibited. Cross sponsoring is defined as one or both of the following:

- a) the enrollment of an individual or entity that already has a current Customer or Representative Agreement on file with 5LINX, or who has had such an agreement within the preceding twelve calendar months in a different line of Sponsorship; or
- b) the enrollment of an individual or entity that has a known existing relationship with a different Representative.

The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal identification numbers, or fictitious identification numbers to circumvent this policy is prohibited. It shall be a breach of these Policies if a Representative demeans, discredits or otherwise defames other 5LINX Representatives in an attempt to entice or coerce another Representative or Customer to become part of the Representative's marketing organization or customer base. This policy shall not prohibit the transfer of a 5LINX business in accordance with Section 6.6. In the event that 5LINX is made aware of an instance of cross sponsoring, the Customer and/or Representative that was cross-sponsored will be immediately moved to the Downline of his or her original Sponsor.

5.5 Solicitation of Vendors and/or Partners

Solicitations relating to 5LINX Products directed to 5LINX vendors/partners, their employees, agents or affiliates with knowledge of their affiliation with the 5LINX vendor/partner is strictly prohibited and a violation will result in the immediate termination of the offending Representative's Agreement.

5.6 Confidential Information and Nondisclosure Agreement

- a) A Representative acknowledges that, from time to time during the term of the Agreements, 5LINX may disclose or make available to the Representative and anyone in the Representative's Downline, information about 5LINX's business affairs, Products, confidential intellectual property, trade secrets, third-party confidential information and other sensitive or proprietary information (including, without limitation, Downline Activity Reports, marketing strategies, Product development, personal Representative information, and compensation information), whether orally or in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" (collectively, "Confidential Information"). As a condition to 5LINX's acceptance of a person or entity as a Representative, and by virtue of signing the Representative Agreement, a Representative agrees: (i) to keep all Confidential Information in the strictest of confidence and agrees not to disclose any Confidential Information to any person other than 5LINX employees and other Representatives in the Representative's Downline who are also bound by the same confidentiality obligations; and (ii) to use Confidential Information solely and exclusively in connection with the Representative's conduct and activities as a Representative, in furtherance of sales of 5LINX Products, and in building, maintaining and supporting the Representative's Downline.
- b) A Representative's obligations with respect to Confidential Information shall continue in perpetuity and shall survive

any termination or expiration of: (i) a person or entity's term and/or status as a Representative; and (ii) any of the Agreements.

- c) Any violation or failure to comply with the confidentiality obligations contained in this Agreement is strictly prohibited and will result in the immediate termination of the offending Representative's Agreement. The Representative acknowledges that any and all such violations or failures shall result in irreparable harm to 5LINX and shall entitle 5LINX to seek equitable or other injunctive relief.
- d) Upon termination of a person or entity's status as a Representative, the former Representative shall discontinue the use of all Confidential Information and shall promptly destroy or return to 5LINX any Confidential Information in the former Representative's possession.

5.7 Position and Bonus Buying

Position and Bonus Buying constitutes a material breach of the Agreement and is strictly and absolutely prohibited (see Appendix II - Detailed Position and Bonus Rules). Position and Bonus buying includes:

- a) the enrollment of individuals or entities without the knowledge of and/or execution of an Independent Representative Application and Agreement by such individuals or entities;
- b) the fraudulent enrollment of an individual or entity as a Representative or Customer;
- c) the enrollment or attempted enrolment of non-existent individuals or entities as Representatives or Customers (phantoms);
- d) the use of a credit card by or on behalf of a Representative or Customer when the Representative or Customer is not the account holder of such credit card;
- e) the use of a credit card by or on behalf of a Representative or Customer without their express permission;
- f) the purchasing of Products for parties other than the credit card owner or responsible billing party;
- g) the purchasing of Products with the sole intent of qualifying for a monetary bonus or incentive award;
- h) the purchasing of recurring Products without intent to continue said purchases; or
- i) the submission of an unauthorized request for service of an individual or entity's telephone or energy service provider ("slamming").

5.8 Slamming

Slamming constitutes a material breach of the Agreement and is strictly and absolutely prohibited (see Appendix III – Energy Program Compliance). Slamming is defined as the switching or transfer of a third party's telecom or energy service to another telecom or energy carrier without authorization. If a Representative "slams" any third party, he or she shall be liable to, and shall indemnify, 5LINX for any losses and fines 5LINX incurs as a result of any complaint or claim by the third party (including fees imposed by any governmental agencies), any fee or charges associated with returning the third party to its energy, telecom carrier, reimbursement of the outstanding charges of the slammed third party, any attorney's fees incurred by 5LINX.

5.9 Holding Applications

Representatives must not manipulate enrollments of new applicants. For electronic application submissions, applications should be submitted by the applicants and not the Representatives, and Representatives must not encourage applicants to delay submissions of applications in any manner. For Representative Applications submitted in paper or hardcopy format, those must be sent to 5LINX within 72 hours from the time they are signed by an applicant.

5.10 Unauthorized Claims

5.10.1 Indemnification

A Representative is fully responsible for all of his or her verbal and written statements made regarding 5LINX Products and the Marketing and Compensation Plan which are not expressly contained in official 5LINX materials. A Representative shall only make truthful and accurate statements about 5LINX Products consistent with 5LINX descriptions of such Products. Representatives agree to indemnify 5LINX and 5LINX's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney's fees, court costs, or lost business incurred by 5LINX as a result of the Representative's unauthorized representations or actions. This provision shall survive the termination of the Representative Agreement.

5.10.2 Income Claims

In connection with Sponsoring activities and recruitment of prospective Representatives, Representatives shall not make any representations as to the income, profits, or revenues a prospective Representative could earn as a Representative with 5LINX (income claims) except for those representations and examples contained in the "Income Disclosure Statement" provided by 5LINX to Representatives expressly for this purpose. Since 5LINX Representatives do not have the data necessary to comply with the legal requirements for making income claims, a Representative, when presenting or discussing the 5LINX opportunity or Marketing and Compensation Plan to a prospective Representative, may not make any other claims, income or otherwise, including, without limitation, disclosing his or her 5LINX income (including the showing of checks, copies of checks, bank statements, or tax records).

5.10.3 *Product Claims*

In connection with the sale of any 5LINX Products, Representatives shall not make any claims about 5LINX Products ("Product Claims") other than those explicitly provided in written Product descriptions provided by 5LINX directly to Representatives. Without in any way limiting the foregoing, Representatives are expressly prohibited from making any claims about the health or wellness benefits, health or wellness characteristics, dietary attributes, or any other health and wellness aspect or attributes of any 5LINX Products ("Health Claims") other than Health Claims expressly provided in writing by the product manufacturer, as supplied by 5LINX in writing directly to Representatives. All Product Claims, including, without limitation, Health Claims not expressly permitted by this Section are prohibited.

5.11 *Actions of Individuals or Entities*

5.11.1 *Representatives May Only be Customers of Themselves*

Each Representative has the ability to consume and utilize the 5LINX Products. If a Representative wishes to purchase and/or use any 5LINX Product, he or she will be required to place the credit for such service under their Representative position directly. Under no circumstances will any Representative be allowed to give credit to another Representative for their purchase. In the event that an individual elects to become a Representative after he or she has purchased any 5LINX Product from another 5LINX Representative, credit for that Product will be given to the new Representative if the original order for the Product was less than thirty (30) days prior to the submission of the Independent Representative Application and Agreement or if the new Representative requests credit for that Product (see Appendix II - Detailed Position and Bonus Rules).

5.11.2 *Each Customer Must Purchase Services from One Representative Only*

Each Customer has the ability to consume and utilize the 5LINX Products. If a Customer wishes to purchase and/or use any 5LINX Product, the Customer will be required to place the credit for such Product purchase under a single "active" Representative's account. Under no circumstances will any Customer be allowed to give credit to multiple active Representatives. Under this policy, members of any Household (as defined below), who are living at the same address, are required to give credit for all Products purchased within their Household to one Representative. In the event that a Customer wishes to purchase Products and has previously purchased a Product from a Representative who has not been active with 5LINX for more than twelve (12) calendar months, the Customer is permitted to assign credit for their new purchases to a different Representative (see Appendix II - Detailed Position and Bonus Rules). Notwithstanding the foregoing, in cases where there are multiple Representatives at different addresses, the rules in Section 5.11.1 will govern (i.e., Representatives can only be customers of themselves).

5.11.3 *Acting on the Behalf of Another*

In their attempt to assist other Representatives or Customers, some Representatives will contact service providers, other individuals, or the Company on the other's behalf. Regardless of motivation, this conduct is prohibited. Should a Customer or Representative desire to allow another individual access to their account(s), they must contact the Representative Services Department and give the name and identification information for the individual to be enabled as an authorized user on the account. 5LINX is not responsible for any actions taken by an authorized user on an account. The Representative is the sole party responsible for any and all actions taken by an authorized user on the Representative's account (as referenced in Section 5.11.4).

5.11.4 *Actions of Household Members, Authorized Users, or Affiliated Entities*

If any member of a Representative's Household (which includes spouses, parents, and children, step children, or foster children of a Representative) (a "Household") engages in any activity which, if performed by the Representative, would violate any provision of the Agreement, such activity will be deemed a violation by the Representative and 5LINX may take disciplinary action pursuant to this Agreement. Similarly, if an authorized user on any Representative's account, or any individual associated in any way with a corporation, partnership, trust or other entity (collectively "affiliated entities") violates the Agreement, such action(s) will be deemed a violation by the entity, and 5LINX may take disciplinary action

against any or all of the affiliated entities. If a Business Entity violates the Agreements, that will be deemed a breach by all persons with an interest in the Business Entity.

5.12 Downline Activity Reports

Downline Activity Reports are available for Representative access and viewing at 5LINX's official website. Access to online Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to 5LINX and are "Confidential Information" (as defined and described in these Policies). Downline Activity Reports are provided to Representatives in strictest confidence and are made available to Representatives for the sole purpose of assisting Representatives in working with their respective Downlines. Representatives should use their Downline Activity Reports only to assist, motivate, and train their Downline Representatives. The Representative and 5LINX agree that, but for this agreement of confidentiality and nondisclosure, 5LINX would not provide Downline Activity Reports to the Representative. A Representative shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- a) Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- b) Directly or indirectly disclose his or her password or other user access code to his or her Downline Activity Report;
- c) Use the information to compete with 5LINX or for any purpose other than promoting his or her 5LINX business;
- d) Recruit or solicit any Representative or Customer of 5LINX listed on any report, or in any manner attempt to influence or induce any Representative or Preferred Customer of 5LINX, to alter their business relationship with 5LINX; or
- e) Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report.

Upon demand by the Company, any current or former Representative will return the original and all copies of Downline Activity Reports to the Company.

5.13 Online Reports

All information provided by 5LINX in online Downline reports, including but not limited to personal and group sales volume (or any part thereof), Downline Sponsoring activity, and customer information is believed to be accurate and reliable. Nevertheless, due to various factors including the inherent possibility of human 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 accuracy of the information is not guaranteed by 5LINX or any persons creating or transmitting the information.

ALL REPORT INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR, BUT WITHOUT LIMITATION, 5LINX EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, 5LINX AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY REPRESENTATIVE OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO ONLINE DOWNLINE REPORTS, REPORTING SERVICES, AND ALL OTHER RELATED REPORTS OR 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 5LINX 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, 5LINX OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY 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 5LINX's online Downline reporting services and the report information is at your own risk. All report information is provided "as is." If a Representative is dissatisfied with the report information, the sole and exclusive remedy is to discontinue use of and access to 5LINX's online Downline reporting services and the report information.

5.14 Marketing Outside of 5LINX Approved Jurisdictions

Because of critical legal and tax considerations, including: compliance with foreign laws regarding the approval, registration or licensure of products or services; protection of intellectual property; compliance with customs, tax, and immigration laws; compliance with direct selling laws; product and income representations; and literature content and language requirements, a Representative may offer 5LINX Products and recruit prospective Customers and Representatives only in those jurisdictions where 5LINX has approved sales of those Products.

Accordingly, Representatives are authorized to sell 5LINX Products and enroll Customers or Representatives only in the jurisdictions in which 5LINX is authorized to conduct business, as described in Section 3.1, and as announced in official company literature. 5LINX Product aids cannot be shipped into or sold in any jurisdiction not expressly approved by 5LINX. Representatives may sell, give, transfer, or distribute 5LINX Product aids only in the approved jurisdictions. In addition, no Representative may, in any unauthorized jurisdiction: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential Customers or Representatives; or (c) conduct any other activity for the purpose of selling 5LINX Products, establishing a marketing organization, or promoting the 5LINX opportunity.

5.15 Restricted States

Due to current legislative restrictions individuals in North Dakota and South Dakota (each a "Restricted State" and, collectively, the "Restricted States") may not enroll or participate as 5LINX Representatives. Products may be shipped into Restricted States provided that active solicitations within the Restricted States were not made to secure sales of Products shipped into Restricted States.

SECTION 6 CHANGES TO THE 5LINX BUSINESS

6.1 In General

Each Representative must immediately notify 5LINX of all changes to the information contained on his or her Representative Application and Agreement. Representatives may modify their existing Representative Agreement (i.e., change SSN or FTID number, or change the form of ownership from an individual proprietorship to a Business Entity owned by the Representative) by submitting a written request, a properly executed Representative Application and Agreement, and appropriate supporting documentation as required in this Agreement. Changes shall be processed only once per year. All changes must be submitted by November 30 to become effective on January 1 of the following year.

6.2 Addition of Co-Applicants to Individual Representative Accounts

For Representatives who have attained the position of Senior Vice President or above, a co-applicant may be added to the existing 5LINX Representative's account. In order to effect this, the Company requires both a written request as well as a properly completed Representative Application and Agreement containing all required information for the applicant and co-applicant. To prevent the circumvention of Section 6.6 (regarding transfers and assignments of 5LINX Representative positions), the original applicant must remain as a party to the original Representative Application and Agreement, and all bonuses and commissions will be paid to the Pay Card of the original applicant. The process set forth in this Section 6.2 cannot be used if the original Representative wants to terminate his or her relationship with the Company. In that instance, the Representative must transfer or assign his or her business in accordance with Section 6.6. Please note that the modifications permitted within the scope of this Section do not include a change of Sponsorship. Changes of Sponsorship are addressed in Section 6.3 below.

6.3 Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Representatives, a Representative may only change his or her Sponsor by following the provisions set forth in Section 6.4. 5LINX reserves the right to approve or disapprove any changes in Sponsoring person or entity for a Representative (referred to as "Sponsorship"). Any request for change in Sponsorship must be made in writing.

6.4 Cancellation and Re-application

A Representative may legitimately change Sponsorship by:

- a) voluntarily canceling his or her 5LINX Representative position and remaining inactive (including but not limited to not engaging in the purchase of 5LINX Products for resale, sale of 5LINX Products, Sponsoring, Recruiting, attendance at any 5LINX functions, participation in any other form of Representative activity, or operation of any other 5LINX business) for twelve (12) full calendar months; or
- b) In the event that the position was not formally cancelled, the Representative must remain inactive (including but not limited to not engaging in the purchase of 5LINX Products for resale, sale of 5LINX Products, Sponsoring, Recruiting, attendance at any 5LINX functions, participation in any other form of Representative activity, or operation of any other 5LINX business) for twelve (12) full calendar months after the 5LINX Representative positions membership expiration.

In each instance, following the twelve (12) month period of cancellation, or membership expiration; the former Representative may reapply under a new Sponsor with 5LINX's express written approval, which 5LINX may withhold in its sole discretion.

6.5 Roll-up of Marketing Organization

When a vacancy occurs in a Downline due to the termination or expiration of a 5LINX Representative, the residual income stream of the vacant position will be forfeited.

5LINX may however, in its sole discretion, approve or deny any proposed assignment of the position to a new or existing Representative.

6.6 Sale, Transfer, or Assignment of 5LINX Representative Position

6.6.1 *Sale, Transfer, or Assignment of 5LINX Representative Position to a Non-Representative*

Although a Representative's status as a 5LINX Representative is personal to the Representative, the sale, transfer or assignment of a Representative's rights and obligations as a 5LINX Representative to a person or entity that is not currently a 5LINX Representative is allowed subject to certain limitations and the proposed transaction must be authorized by the Company. If a Representative wishes to sell, transfer, or assign his or her 5LINX Representative rights and obligations, all of the following criteria must be met:

- a) The selling Representative 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 5LINX Representative position.
- b) Before the sale, transfer or assignment will be approved by 5LINX, any debt obligations that the selling Representative has with 5LINX must be satisfied.
- c) The integrity of Sponsorship must be maintained so that the seller's 5LINX Representative position continues to operate in the existing line of Sponsorship.
- d) The selling Representative must receive the prior written authorization of 5LINX
- e) The buyer must become a qualified 5LINX Representative.
- f) Both the buyer and seller must adhere to the conditions set forth in Section 6.6.3

6.6.2 *Sale, Transfer, or Assignment of 5LINX Representative Position to an Existing or Previous 5LINX Representative*

Although a Representative's status as a 5LINX Representative is personal to the Representative, the sale, transfer or assignment of a Representative's rights and obligations as a 5LINX Representative to a person or entity that is currently a 5LINX Representative is allowed subject to certain limitations and the proposed transaction must be authorized by the Company. If a Representative wishes to sell, transfer, or assign his or her 5LINX Representative rights and obligations, all of the following criteria must be met:

- a) The selling Representative 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 5LINX Representative position.
- b) The buying Representative must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to purchase or take assignment of a 5LINX Representative position.
- c) Before the sale, transfer or assignment will be approved by 5LINX, any debt obligations that the buying or selling Representative has with 5LINX must be satisfied.
- d) The integrity of Sponsorship must be maintained so that the seller's 5LINX Representative position continues to operate in the existing line of Sponsorship.
- e) If the buyer is or was a 5LINX Representative at one time or another in a different line of Sponsorship, he or she must first follow the provisions set forth in Section 6.4, prior to assuming any interest in the rights and obligations of another 5LINX Representative position.
- f) If the buyer is currently a 5LINX Representative in the same line of Sponsorship as the seller, he or she may assume interest in the rights and obligations of the seller's 5LINX Representative position by complying with the requirements of Section 3.7 and assigning the purchased position as a Business Entity.
- g) The selling Representative must receive the prior written authorization of 5LINX.
- h) Both the buyer and seller must adhere to the conditions set forth in Section 6.6.3

6.6.3 *Conditions Relating to Any Sale, Transfer, or Assignment of 5LINX Representative Position*

Prior to selling, transferring, or assigning the rights and obligations of the original Representative, the selling Representative must notify 5LINX Representative Services Department of his or her intent to sell, transfer, or assign all of his or her rights and obligations as a 5LINX Representative. 5LINX, in its sole discretion, may approve, deny, or require modifications to the proposed sale, transfer, or assignment, as a condition to 5LINX acceptance of the sale, transfer, or assignment. Should the

requirements of Section 6.6 be met, and the proposed sale, transfer, or assignment be authorized by 5LINX, the buying Representative must submit a Distributorship Sales Processing Fee as set by the Company, payable to 5LINX. In addition, with respect to any sale, transfer, or assignment, the prior performance of a 5LINX Representative is personal to the particular 5LINX Representative and, as such, if an assignment or transfer should be authorized, the status and benefits achieved by the selling, transferring, or assigning 5LINX Representative are not automatically transferred with the sale, transfer, or assignment. The buyer, transferee, or assignee may be required to complete trainings, and achieve all qualifications for status and earning requirements after the purchase, transfer, or assignment is effected.

6.7 Separation of a 5LINX Business

5LINX Representatives sometimes operate their 5LINX businesses as husband-wife partnerships, regular partnerships, corporations, or trusts (each a "Partnership"). At such time as a marriage may end in divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to ensure that any separation or division of the Partnership is accomplished so as not to adversely affect the interests and income of Sponsor or the Downline. In such circumstances, if the separating parties fail, in the assessment of 5LINX in its sole discretion, to act in the best interests of other Representatives and the Company, 5LINX may, at its option, involuntarily terminate the Representative's Agreement.

During the pendency of a divorce or entity dissolution, the involved Partnership and all involved parties must adopt one of the following methods of operation:

- a) One of the parties may, with consent of the other(s), operate as the 5LINX Representative position pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize 5LINX to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- b) The parties may continue to operate as a 5LINX Representative jointly on a "business-as-usual" basis, whereupon all compensation paid by 5LINX will be paid in the joint names of the Representatives or in the name of the entity to be divided as the parties may independently agree between themselves.

Under no circumstances will the Downline of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will 5LINX split commissions and/or bonuses between divorcing spouses or members of dissolving entities. 5LINX will recognize only one Downline and will issue only one commission payment per 5LINX Representative per commission cycle. Commissions 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, 5LINX may cancel the Partnership's Agreement.

If a former spouse or a person who had an interest in a former Business Entity has completely relinquished all rights in the original 5LINX Representative position, that person is thereafter free to enroll under any Sponsor of their choosing, so long as they meet the waiting period requirements set forth in Section 6.4. In such case, however, the former spouse or partner shall have no rights to any compensation regarding their former Customers or former Downline.

6.8 Succession

Upon the death or incapacitation of a Representative, his or her Representative position may be passed to one of his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure and substantiate the basis for transfer. Accordingly, a Representative should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a Representatives' rights and obligations as a 5LINX Representative are transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Representative's Customer and Downline provided the following qualifications are met. The successor(s) must:

- a) Execute a new Representative Agreement;
- b) Comply with terms and provisions of the Agreement; and
- c) Meet all of the qualifications for the deceased Representative's status.

Bonus and commission payments of a 5LINX Representative position transferred pursuant to this Section will be paid in a single payment jointly to the devisees. The devisees must provide 5LINX with an "address of record" to which a new Pay Card will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer Identification number. 5LINX will issue all bonus and commission payments and one IRS Form 1099 to the business entity.

6.8.1 *Transfer upon Death of a Representative*

To effect a testamentary transfer of a 5LINX business, the successor must provide the following to 5LINX:

- a) an original death certificate;

- b) a notarized copy of the will or other instrument establishing the successor's right to the 5LINX position; and
- c) a completed and executed Representative Agreement.

6.8.2 *Transfer upon Incapacitation of a Representative*

To affect a transfer of a 5LINX business because of incapacity, the successor must provide the following to 5LINX:

- a) a notarized copy of an appointment as trustee or guardian;
- b) a notarized copy of the trust document or other documentation establishing the trustee or guardian's right to administer the 5LINX position; and
- c) a completed Representative Agreement executed by the trustee or guardian.

SECTION 7

LEGAL REQUIREMENTS

7.1 Income Taxes

Every year, 5LINX will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who falls into one of the following categories:

- a) Had earnings of over \$600 in the previous calendar year; or
- b) Made purchases during the previous calendar year in excess of \$5,000.

Based on their residence, each Representative is responsible for paying local, state or provincial, and federal taxes on any income generated as a Representative. If a 5LINX business is tax exempt, the Federal tax identification number must be provided to 5LINX.

7.2 Insurance

7.2.1 *Business Pursuits Coverage*

You may wish to arrange insurance coverage for any activities that you conduct as a 5LINX Representative. It is likely that neither your homeowner's insurance policy nor your automobile insurance policy covers business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your property is protected.

7.3 Governmental Approval or Endorsement

Neither federal nor state or provincial regulatory agencies nor officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Representatives shall not represent or imply that 5LINX or its Marketing and Compensation Plan have been "approved", "endorsed" or otherwise sanctioned by any government agency.

7.4 Minors

A person who is recognized as a minor in his/her state or province of residence may not be a 5LINX Representative. Representatives shall not enroll or recruit minors into the 5LINX program.

7.5 Adherence to Laws and Ordinances

7.5.1 *Local Ordinances*

Many cities counties and provinces have laws regulating certain home-based businesses. Representatives must obey those laws that apply to them. If a city or county official tells a Representative that an ordinance applies to him or her, the Representative shall be polite and cooperative, and immediately send a copy of the ordinance to the Field Operations Department of 5LINX. Although the Representative will retain the obligation to comply with these laws, the Field Operations Department of 5LINX will work with the Representative to provide limited guidance and assistance based upon 5LINX's prior experiences and knowledge.

7.5.2 *Compliance with Federal, State, Provincial and Local Laws*

Representatives shall comply with all federal, state, provincial and local laws and regulations in the conduct of their businesses.

SECTION 8

SALES REQUIREMENTS

8.1 Service Sales

The 5LINX Marketing and Compensation Plan is based upon the sale of 5LINX Products to end Customers. Representatives must fulfill personal and Downline retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales

requirements must be satisfied for Representatives to be eligible for commissions:

- a) Representatives must qualify their position as a Representative by meeting the current qualification rules.
- b) Representatives must satisfy and maintain the Customer qualification and earned position level requirements to fulfill the requirements associated with their rank as specified in the 5LINX Marketing and Compensation Plan.
- c) Representatives must complete the applicable training curriculum as set forth by 5LINX

8.2 No Territory Restrictions

There are no exclusive territories granted to any individual Representative within any 5LINX Approved Jurisdictions.

SECTION 9

BONUSES AND COMMISSIONS

9.1 Bonus and Commission Qualifications

A Representative must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Representative complies with the terms of the Agreement, 5LINX shall pay commissions to such Representative in accordance with the Marketing and Compensation Plan. Any and all bonuses, qualifications, or promotions are subject to final review by 5LINX. 5LINX reserves the right to hold commissions, and/or impose disciplinary sanctions set forth in Section 13.1 based on any actions or violations perpetrated by an individual or entity while a Representative of the Company.

9.2 5LINX Pay Cards

Representatives' bonuses and commissions will be distributed via 5LINX Pay Cards. This 5LINX Pay Card (here after known as "Pay Card") will be issued to a Representative once their accrued commissions and bonuses reach the \$25.00 threshold. If a Representative's bonuses and commissions do not equal or exceed \$25.00, the Company will accrue the commissions and bonuses until they total \$25.00. A payment will be issued once \$25.00 has been accrued. The Pay Card will be mailed to the Representative via mail to the address provided to 5LINX on the Independent Representative Application and Agreement.

- a) In the event the Pay Card is deemed undeliverable, the Representative will incur an address change fee as set by 5LINX or the Pay Card provider in their sole discretion and must provide a correct address within thirty (30) days in order to prevent destruction of the Pay Card. Should a Pay Card be destroyed the Representative will be required to pay a re-issuance fee as set by 5LINX or the Pay Card provider in their sole discretion.
- b) If 5LINX is unable to create a Pay Card for a Representative due to missing or invalid information the Representative will be notified via email, phone or mail. The Representative will be required to update the missing or incorrect information within sixty (60) days of first contact attempt. During this sixty (60) day timeframe any commissions or bonuses in excess of \$25.00 will be issued in the form of a paper check. After the sixty (60) day period has lapsed 5LINX will accrue but not release any commissions or bonuses until such time as sufficient information is present to allow for the creation of a Pay Card.
- c) Should a Representative require a replacement card, once issued, the Representative will be required to contact the Pay Card provider for a replacement. The replacement fee as set by 5LINX or the Pay Card provider in their sole discretion will be deducted from the Pay Card's balance.
- d) Should a Representative require an additional card for an authorized user, the representative will be required to contact the Pay Card provider for such a Pay Card. The cost of such a card will be provided by the Pay Card provider and will be deducted from the Pay Card's balance.

9.3 Adjustment to Bonuses and Commissions

Representatives receive bonuses and commissions based on the actual sales of Products to end Customers. If a service is canceled and the purchaser is entitled to a refund, the bonuses and commissions attributable to the canceled service(s) will be deducted in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered from the Representatives who received bonuses and commissions on the sales of the canceled Product(s). If a Representative is also a Customer, any balance due for the Product may be withheld from any bonuses and commissions due.

9.3.1 Other Deductions

5LINX will deduct from all bonus and commission payments a data processing fee of \$3.00 or as set by 5LINX in its sole discretion.

9.4 Unclaimed Commissions and Credits

Representatives must deposit or cash commission and bonus checks or withdraw funds within six months from their date of issuance. A check that remains un-cashed after six months will be void. There is a charge as set by 5LINX in its sole discretion for reissuing or putting a stop-payment on any check. There is a charge as set by 5LINX in its sole discretion for any funds that go unclaimed for six months or more. This charge shall be deducted from the balance owed to the Representative.

SECTION 10

RETURNS AND INVENTORY REPURCHASE

10.1 Returns by Retail Customers

Product returns are subject to the returns policies for the applicable Products. Accordingly, a Product may be returned only if the return complies with the return policy in effect for the particular Product for which a return is being sought.

10.2 Returned Inventory and Sales Aids by Representatives

Upon cancellation or expiration of a Representative's Agreement, the Representative may return Products and sales aids for a refund if he or she is unable to sell or use the items. A Representative may only return Products and sales aids purchased by him or her that are in resalable condition and purchased in the prior twelve (12) months. Upon 5LINX receipt of the Products and sales aids, the Representative will be reimbursed 90% of the net cost of the original purchase price(s), less shipping charges, and direct sales compensation paid on the items. If the purchases were made through a credit card, the refund will be credited back to the same account.

SECTION 11

PAYMENT AND SHIPPING

11.1 Insufficient Funds

It is the responsibility of each Representative to ensure that there are sufficient funds or credit available in his or her account to cover any payments to the Company. 5LINX will not contact Representatives in regard to service or orders canceled due to insufficient funds or credit. Should a Representative or Customer submit check payment with knowledge of insufficient funds or using a non-active or closed account, the Representative or Customer agreement may be cancelled immediately in 5LINX sole discretion.

11.2 Returned Checks

All checks returned by a Representative's bank for insufficient funds will be re-submitted for payment. A fee may be set by 5LINX in its sole discretion for a returned check and will be charged to the account of the Representative. After receiving a returned check from a customer or a Representative, all future orders must be paid by money order or cashier/certified check. Any outstanding balance owed to 5LINX by a Representative for NSF checks and returned check fees will be withheld from subsequent bonuses and commissions.

11.3 Restrictions on Third Party Use of Credit Cards and Checking Account Access

Representatives shall not permit other Representatives or Customers to use his or her credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Company.

11.4 Sales/VAT Taxes

5LINX is required to charge sales or VAT taxes on all tangible Product purchases made by Representatives, and remit the taxes charged to the respective states or provinces. Accordingly, 5LINX will collect and remit the appropriate taxes on behalf of Representatives, based on the suggested retail price of any tangible Products, according to applicable tax rules in applicable states or provinces.

SECTION 12

INACTIVITY AND CANCELLATION

12.1 Effect of Cancellation

So long as a Representative remains active and complies with the terms of the Agreements, 5LINX shall pay commissions to such Representative in accordance with the Marketing and Compensation Plan. A Representative's bonuses and commissions constitute the entire consideration for the Representative's efforts in generating sales and all activities related to generating sales (including, without limitation, the Representative's efforts in building a Downline). Following a Representative's non-renewal of his or her Representative Agreement or voluntary or involuntary cancellation of his or her Agreement (all of these methods are collectively referred to as "cancellation"), the former Representative shall have no right, title, claim or interest to the marketing organization (Downline and Sponsor) in which he or she operated, or any

commission or bonus from the sales generated. A Representative whose status as a Representative is canceled will permanently lose all rights as a Representative. This includes the right to sell 5LINX Products and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Representative's former Downline. In the event of cancellation, Representatives agree to waive all rights they may have, including but not limited to property rights, to their former Downline and to any bonuses, commissions, or other remuneration derived from the sales and other activities from his or her former Downline.

A former Representative shall not hold himself or herself out as a 5LINX Representative and shall not have the right to sell 5LINX Products. A Representative whose Agreement is canceled or has expired shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation). As set forth in Section 3.9, Representatives who fail to renew their Agreement by the anniversary date may renew their Agreements within 120 days of that date. Such renewing Representatives shall retain their positions and their respective Downline.

12.2 Involuntary Cancellation

A Representative's violation of any of the terms of the Agreement, including any amendments that may be made by 5LINX in its sole discretion, may result in any of the sanctions listed in Section 13.1, including the involuntary cancellation of his or her Agreement. Cancellation shall be effective on the date on which written notice is mailed to the Representative's last known address, or when the Representative receives actual notice of cancellation, whichever occurs first.

12.3 Voluntary Cancellation

A Representative has a right to cancel his or her position as a Representative at any time, regardless of reason. Cancellation must be submitted in writing to the company at its principal business address. The written notice must include the Representative's signature, printed name, address, and Representative I.D. Number, and must state that the Representative is voluntarily cancelling his or her position with 5LINX. If a Representative is also a Customer, the Representative's Customer Agreement shall continue in force unless the Representative also specifically requests that his or her Customer Agreement also be canceled.

SECTION 13

DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

13.1 Disciplinary Sanctions

Violation of the Agreement, including, without limitation, these Policies, any addition to these Policies, any other 5LINX written policy, or any illegal, unethical, fraudulent, deceptive or unethical personal or business conduct by a Representative may result, at 5LINX's discretion, in one or more of the following corrective measures:

- a) Issuance of a written warning or admonition;
- b) A requirement that the Representative take immediate corrective measures;
- c) Imposition of a fine, which may be withheld from bonuses and commissions;
- d) Loss of rights to one or more bonuses, commissions, and/or earned position promotions;
- e) Withholding from a Representative all or part of the Representative's bonuses and commissions during the period that 5LINX is investigating any conduct allegedly violative of the Agreement. If a Representative's status as a Representative is canceled for disciplinary reasons, the Representative will not be entitled to recover any commissions withheld during the investigation period;
- f) Permanently withholding any bonuses and commissions due to conduct in violation of the Agreement without the termination of the Representative;
- g) Suspension of the Representative's Agreement (and corresponding status as a Representative) for one or more pay periods;
- h) Involuntary termination of the Representative's Agreement (and status as a Representative); Under no circumstances will an 5LINX Representative who is terminated for unethical or illegal activity be entitled to any refund of their original application fee, nor are they entitled to sell or transfer their position (unless otherwise approved by 5LINX).
- i) Any other measure expressly allowed within any provision of the Agreement or which 5LINX deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Representative's policy violation or contractual breach or failure;
- j) In situations deemed appropriate by 5LINX, the Company may institute legal proceedings for monetary and/or equitable relief.

5LINX reserves the right to impose these disciplinary sanctions based on both actions perpetrated by an individual or Business Entity while an independent Representative of the Company and on actions prior to entering any agreements with

5LINX.

13.2 Grievances and Complaints

When a Representative has a grievance or complaint with another Representative regarding any practice or conduct in relationship to their respective 5LINX Representative positions, the complaining Representative 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 Sponsor. If the matter cannot be resolved, it must be reported in writing to the Representative Services Department at the Company. The Representative Services Department will review the facts and attempt to resolve the issue. Any complaint provided to 5LINX under this Section shall not be entitled to any confidentiality. 5LINX may disclose that complaint and the identity of the complaining party in its discretion in connection with 5LINX's review and evaluation of the complaint, including, without limitation, provision of the complaint and the identity of the complainant to the accused party.

13.3 Arbitration

- a) Any dispute, controversy or claim by a Representative arising out of or relating to the parties relationship as independent contractors, this Agreement or the breach thereof, including but not limited to, any torts, misrepresentations, federal and state or provincial statutory claims and other non-contractual claims shall be settled by binding arbitration. The Representative agrees that any dispute controversy or claim brought against individual 5LINX employees, agents, directors, officers, or affiliates fall within this Section 13.3 and must be arbitrated. For purposes of Section 13.3 the use of the term "5LINX" shall include such employees, agents, directors, officers, or affiliates. 5LINX may bring any dispute, controversy or claim against a Representative arising out of or relating to the parties' relationship as independent contractors, the Agreement or the breach thereof, including but not limited to, any torts, misrepresentations, federal and state or provincial statutory claims and other non-contractual claims in arbitration or in court in its discretion.
- b) The arbitration shall be administered by a single neutral arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), and under the Expedited Procedures or Complex Case Procedures of such rules, if they apply (collectively the "Rules"). The arbitrator shall be an attorney at law, who shall have expertise in business law litigation, with a strong preference for an attorney knowledgeable in the direct selling industry. 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. The arbitrator may make interim decisions and may grant equitable and declaratory relief.
- c) No arbitration may be commenced, however, until the complaining party has given the other party fifteen (15) days written notice, describing the dispute to be arbitrated. During the foregoing fifteen (15) day period, the parties shall attempt to resolve the dispute amicably by negotiation.
- d) Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees, except that, in accordance with the AAA Rules, the parties shall split the cost associated with the arbitrator. In the event the failure of either party to pay costs or fees results in a suspension of the arbitration by the AAA or arbitrator, any party that has continued to pay such costs or fees may bring the dispute, controversy or claim anew in a court of law, and is entitled to recover all costs and fees that party had previously paid in connection with the suspended arbitration, including, without limitation, attorney's fees incurred in seeking recovery of the same. Once an action has been brought in court as a result of such a suspension, the party whose failure to pay caused the suspension may not invoke the arbitration agreement in the subsequent court action.
- e) For US 5LINX Representatives, all arbitration proceedings shall be held in Monroe County, New York.. The arbitration shall be conducted in private and, to the extent permitted by applicable law, the evidence presented and results of the arbitration shall be confidential. Nothing herein shall preclude or limit the right of either party to make or report to an appropriate government agency or commission.
- f) If a Representative files a claim or counterclaim against 5LINX, he or she may only do so on an individual basis and not with any other Representative or as part of a class or consolidated action.
- g) No punitive or exemplary damages shall be awarded in any arbitration, or any other proceeding, against either 5LINX or a Representative, and such damages are expressly waived by the parties.
- h) Notwithstanding the arbitration clause in this Section, any party may bring an action for temporary, preliminary or permanent injunctive relief in any court having jurisdiction to enforce trademark or proprietary rights, covenants not to compete, to preserve the health and safety of the public, to restrict the disclosure of confidential information, or to avoid irreparable harm to the parties or their affiliates. Further, 5LINX may in its discretion bring any dispute, controversy or claim against a Representative arising out of or relating to the parties' relationship as independent

contractors, this Agreement or the breach thereof, including but not limited to, any torts, misrepresentations, federal and state statutory claims and other non-contractual claims in arbitration or in court in its discretion.

- i) Any disputes concerning the enforceability or scope of this arbitration provision or any part of it shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. § *et seq.* ("FAA"), and the parties agree that the FAA preempts any state law restrictions (including the site of the arbitration) on the enforcement of the arbitration clause in these Policies.
- j) This agreement to arbitrate shall survive any termination or expiration of the Agreement.

13.4 Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter or claim for US Representatives not brought in arbitration shall reside in Monroe County, State of New York unless the laws of the state or province in which a Representative resides expressly require the application of its laws, in which case that state's law shall govern all issues related to jurisdiction and venue.. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of the State of New York shall govern all other matters relating to or arising from the Agreement unless the laws of the state in which a Representative resides expressly require the application of its laws.

13.4.1 Louisiana Residents

Notwithstanding the foregoing, and the arbitration provision in Section 13.3, residents of the State of Louisiana shall be entitled to bring an action against 5LINX in Louisiana and pursuant to Louisiana law.

SECTION 14

LINX2FUNDS PARTICIPANTS

14.1 General LINX2Funds Program Overview

LINX2Funds is a charitable fundraising and revenue generation program that offers non-profit entities and charitable-oriented institutions and individuals the potential to raise funds for their approved charitable purposes through sales of 5LINX Products (the "LINX2Funds Program"). Specific information about this program can be found at linx2funds.com. You should refer to the Marketing and Compensation Plan for the schedule and description of the commissions applicable to LINX2Funds Participants.

14.2 General Terms and Conditions are Applicable to Participants

As a participant (each a "Participant" and, collectively, "Participants") in the LINX2Funds Program:

- a) all terms and conditions applicable to 5LINX Representatives apply to your participation in the LINX2Funds Program;
- b) certain additional terms and conditions apply to your participation in the LINX2Funds Program due to the special features of the LINX2Funds Program; and
- c) it is your responsibility to review and understand these additional terms and conditions.

14.3 Special Terms Applicable to Non-Profit Participants

An entity may apply for initial or continued consideration as a Participant on the basis of the entity's status as a non-profit entity (each a "Non-Profit Participant" and, collectively, "Non-Profit Participants"). In order to be considered a Non-Profit Participant, an entity must be qualified as an organization exempt from taxation under I.R.C. § 501(a) by virtue of being described in I.R.C. § 501(c)(3) (a "501(c)(3) Organization") and the entity's status as a 501(c)(3) Organization must not have been suspended or revoked. As a Non-Profit Participant, you have a continuing obligation to notify 5LINX of any change in your continued qualification as a 501(c)(3) Organization. In addition, 100% of the proceeds received by Non-Profit Participants through the LINX2Funds Program must be utilized in accord with the requirements for a 501(c)(3) Organization, including for the charitable purpose or purposes for which the Non-Profit Participant is organized.

14.4 Special Terms Applicable to For Profit Participants

A person or entity may apply for initial or continued consideration as a Participant even though the person or entity intends to keep a portion of the profits generated for non-charitable purposes (a "For Profit Participant"). As an condition to 5LINX's acceptance of a person or entity as a For Profit Participant, a For Profit Participant must agree to remit to a 501(c)(3) charitable organization or utilize for a 5LINX approved charitable purpose (an "Approved Purpose") at least 15% of commissions earned as a Participant in the LINX2Funds Program. Funds for any Approved Purpose must be paid not less than quarterly to the recipient of those funds. As a For Profit Participant you have a continuing obligation to notify 5LINX immediately if you fail to satisfy the requirements in this paragraph for any reason. Each For Profit Participant must also submit an annual certificate no later than 30 days after the end of each calendar year from an authorized officer of the For Profit Participant acknowledging the For Profit Participant's compliance with the terms and conditions of the LINX2Funds

Program that certifies as follows:

- a) the officer has examined and is familiar with the For Profit Participant's books, records, and business operations as it relates to the For Profit Participant's compliance with the terms and conditions of the LINX2Funds Program;
- b) the officer has reviewed and is familiar with the terms and conditions applicable to LINX2Funds Participants; and
- c) the For Profit Participant is in compliance with all program terms and conditions, including, without limitation, the requirement that the For Profit Participant must contribute at least 15% of its commissions earned in the LINX2Funds Program to a 501(c)(3) charitable organization or utilize them for an Approved Purpose.

14.5 Irreparable Harm to 5LINX; Liquidated Damages

By registering as a Participant and by continuing to operate as a Participant, you understand and acknowledge that:

- a) 5LINX will be irreparably harmed if you violate any of the terms and conditions applicable to Participants in the LINX2Funds Program;
- b) if you fail to comply with the terms and conditions applicable to the LINX2Funds Program you shall: (i) repay 5LINX for all funds that were either improperly retained by you or used by you for a purpose other than as permitted under the LINX2Funds Program or paid to a party other than the charitable or non-profit entity to whom the funds should have been paid; (ii) pay 5LINX liquidated damages of to compensate 5LINX for the harm suffered to the reputation and integrity of the LINX2Funds Program in an amount equal to any compensation paid to Participant under the compensation plan for the LINX2Funds Program that exceeded the compensation that you would have earned under the standard 5LINX compensation plan applicable to Representatives who do not participate in the LINX2Funds Program, acknowledging that actual damages for the harm suffered would be difficult to estimate or determine; (iii) pay 5LINX any attorney's fees, audit fees or expenses incurred by 5LINX related to any violation by Participant and as provided in the Policies; and (iv) be subject to immediate termination as a Participant in the LINX2Funds Program; and
- c) 5LINX reserves the right to revoke or terminate your continued participation in the LINX2Funds Program and status as a Participant or as a 5LINX Representative immediately, without notice, if 5LINX determines that there is a reasonable basis to believe that you have violated any of the terms and conditions applicable to the LINX2Funds Program.

14.6 Audit Rights

As a condition to 5LINX's acceptance of you as a Participant and as a condition to your continued participation in the LINX2Funds Program (and your receipt of the benefits under the LINX2Funds Program), you hereby grant to 5LINX the right to audit the books and records of you individually and your organization to confirm your compliance with the terms and conditions applicable to the LINX2Funds Program. Any failure or refusal by a Participant to submit to, or completely respond to, 5LINX requests for audit information shall be considered a default by the Participant of the Participant's obligations as a Participant. If any audit conducted by 5LINX reveals any material failures by the Participant to account for, pay, or remit amounts, as required of a Participant in the LINX2Funds Program, the Participant shall reimburse 5LINX for all costs and expenses incurred by 5LINX in connection with the audit.

14.7 Setoff Rights

By registering as a Participant and by continuing to operate as a Participant, Participant agrees that 5LINX shall have the right to set off against any amounts payable to Participant any amounts Participant owes to 5LINX.

14.8 Conflicts

To the extent of any conflict or inconsistency between these Additional Terms and Conditions Applicable to LINX2Funds and any other terms and conditions contained in the Policies, the terms and conditions of the these Additional Terms and Conditions Applicable to LINX2Funds shall apply.



Marketing Guidelines

SECTION 1 ADVERTISING

Any and all “personalized marketing efforts” (marketing efforts, materials, or items not produced by 5LINX Corporate) must be submitted to 5LINX for approval prior to use.

1.1 In General

All Representatives shall safeguard and promote the good reputation of 5LINX and its Products. The marketing and promotion of 5LINX, the 5LINX opportunity, the Marketing and Compensation Plan, and 5LINX Products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the Products and the opportunity 5LINX offers, Representatives must use the sales aids and support materials produced or approved by 5LINX. In some cases, a certification training is also required to market certain 5LINX Products. The rationale behind this requirement is simple. 5LINX has carefully designed its Products, product labels, Marketing and Compensation Plan, and promotional materials to ensure that each aspect of 5LINX is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If 5LINX Representatives were allowed to develop their own sales aids and promotional materials (including, without limitation, Internet advertising) without Company review and approval, notwithstanding their integrity and good intentions, they could unintentionally violate one or more statutes or regulations relating to sales of 5LINX Products. Such violations, would jeopardize the 5LINX opportunity for all Representatives. Accordingly, Representatives must submit all written sales aids, promotional materials, advertisements, and other literature (including, without limitation, proposed Internet advertising) to the Company for approval. Unless the Representative receives specific written approval to use the requested materials, the request shall be deemed denied. All approval for Representative marketing and advertising remains at the sole discretion of 5LINX.

1.2 Trademarks and Copyrights

5LINX’s brand and reputation is one of its most valuable assets and, therefore, must be protected at all times. 5LINX will not allow the use of its trade names, trademarks, designs, symbols, other identifying information, or any derivative thereof, by any person, including, without limitation, a 5LINX Representative, without its prior written permission. This provision is also extended to all vendor/partner names, trademarks, designs and symbols. The Company does not reimburse or otherwise compensate for reclamation of infringing domain names as detailed in Section 1.7.

1.3 Vendor/Partner Name, Trademark Use

5LINX maintains relationships with several different service providers (e.g., cellular, satellite, internet, energy, wellness, etc.). Because of contractual considerations between 5LINX and its service providers, Representatives may not advertise, publicize, or otherwise use the names, trademarks, service marks, or other identifying information regarding the Company’s service providers. This includes but is not limited to any and all printed materials, online posts, paid search ads, sponsored links, meta-tags, tag linking (i.e., using the “@” sign to tag to a carrier’s Social Media profile page), etc.

1.4 Business Cards

5LINX Representatives are able to order business cards through their 5LINX Virtual Office. Only business cards ordered through 5LINX are authorized to include the logo, and other proprietary information belonging to 5LINX. If Representatives wish to create their own business cards they are not permitted to use any logos, names, trademarks and other proprietary information pertaining to 5LINX. They may however, refer to themselves as a "5LINX Independent Marketing Representative”.

1.5 Development and Use of Independent Marketing Materials

Marketing materials are defined as any printed, broadcast or online communications including, but not limited to, advertisements, brochures, videotapes, audiotapes, flyers, banners, flags, websites, telephone recordings, emails, presentation materials, apparel, building signage, etc. 5LINX strictly prohibits Representative-created marketing materials that:

- a) do not adhere to 5LINX's policy on use of logos, names, trademarks, and proprietary information;
- b) make any specific references to 5LINX's Products, plans, rates or any component of the 5LINX Compensation Plan;
- c) make any claims or guarantees related to savings, rates or pricing, either expressed or implied;
- d) make any earnings claims or provide any hypothetical earnings calculations, either expressed or implied; or
- e) represent 5LINX as an employment opportunity, either expressed or implied unless approved in writing by 5LINX.

1.5.1 Prohibited Marketing Techniques

Due to the nature of the 5LINX business as well as restrictions of regulatory bodies, vendors and partners; some marketing techniques and/or methods are strictly prohibited. Breach of this policy can result in negative consequences potentially impacting all 5LINX Representatives and will result in the imposition of disciplinary sanctions set forth in Section 13.1 of any offending Representative. 5LINX strictly prohibits:

- a) marketing 5LINX Proprietary Products or 5LINX Vendor/Partner Products on the Craigslist.com website;
- b) marketing Vendor/Partner Products on any online consumer or classified type website (including but not limited to eBay, Amazon, etc.);
- c) marketing 5LINX Proprietary Products on any approved online consumer or classified type website (including but not limited to eBay, Amazon, etc.) at prices lower than retail;
- d) tag linking to any Vendors/Partners Social Media profiles (i.e., using the "@" sign to tag to a carrier's Social Media profile page);
- e) "door knocking", door-to-door sales, "cold calling" (except for Products specifically designated by 5LINX as "cold call eligible" Products), or direct mail campaigns; and
- f) pay-per-click, lead generation and any other unauthorized internet marketing campaigns for any 5LINX Products, unless expressly authorized by 5LINX in writing.

1.6 Sale of Marketing Materials

Except for Advisory Council members and Platinum Senior Vice Presidents ("Members"), under no circumstances should a Representative offer for sale or sell any non-5LINX produced materials, even if the materials were approved by 5LINX. These approved materials should only be offered and used on a no cost basis. Member must have previously gained approval from 5LINX to sell such marketing materials at retail cost for profit. Under no circumstances should such materials be sold at any event where the Member is not present. If 5LINX produced materials or supplies are sold or resold, they should never be sold at a higher price than available online to 5LINX Representatives. Representatives may not produce for sale or distribution any recorded Company events and speeches without written permission from 5LINX nor may Representatives reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

1.7 Domain Names and E-Mail Addresses

Representatives may not use or attempt to register any of 5LINX's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Nor may Representatives incorporate or attempt to incorporate any of 5LINX's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any electronic mail address. The Company does not reimburse or otherwise compensate for reclamation of infringing domain names.

1.8 Personal Websites

If a Representative desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's official website, using official 5LINX templates (5LINX Personal Website). Alternatively, Representatives may develop their own personally created website, however, any Representative who does so:

- a) must use the text of the Company's official website;
- b) may not supplement the content of his or her website with text from any source other than the Company;
- c) may not market or promote any 5LINX Product intended solely for promotion to their "warm market" (as defined below)
- d) must use 5LINX approved Representative logos found in the representative 5LINX Virtual Office;
- e) may not use or make available any 5LINX video material, online presentations, or the 5LINX compensation plan on any websites other than those created or authorized by 5LINX, Representatives may however link to 5LINX's Company websites or their 5LINX Personal Website to view these videos and presentations;
- f) must put the words "5LINX Independent Marketing Representative" on the home page, along with the representative's name; and
- g) must follow all guidelines and policies set forth in these Marketing Guidelines. Representatives who develop or publish their own websites must register their site(s) with the Company and receive written approval from the Company prior to the site(s) public availability. The failure to register constitutes a material breach of these Policies.

1.9 Outside Incentives, Promotions

5LINX, including its wholly owned subsidiaries, strictly prohibits 5LINX Independent Representatives from offering cash or monetary incentives, promotions, prizes or bonuses to members of their Downline or to Sponsors or to Customers for influencing Customer acquisition or for purposes of recruiting new Representatives except as expressly permitted by 5LINX

in writing. 5LINX encourages its Representatives to promote customer acquisition and recruiting by adhering to 5LINX's Policies. At any time, the Company may revoke any prior approval and thereby cease a Representative's ability to offer any type of incentive, promotion, prize or bonus and/or take action for violations of these Policies in its sole discretion.

1.10 Media and Media Inquiries

Representatives must not attempt to respond to media inquiries regarding 5LINX, its Products, their status as Representatives, or their activities as Representatives. All inquiries by any type of media must be immediately referred to 5LINX'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.

1.11 Speaker and Celebrity Likeness

Representatives are strictly prohibited from recording, filming, taping or otherwise capturing or broadcasting in any form whatsoever any speaker or celebrity presentations or appearances at any 5LINX event without 5LINX's prior written approval. 5LINX Representatives are prohibited from using, broadcasting, displaying, reproducing, distributing, and reprinting in any form and through any media, the image or likeness in a photograph, videotape, film digital medium, illustration or artwork, the name, the voice, or the biographical information of any 5LINX speaker, spokesperson, or celebrity endorser in any manner that may be construed as an endorsement or advertisement unless specifically approved in writing by 5LINX. Any recordings permitted at 5LINX events or meetings, or of any speech or presentation made by 5LINX's or 5LINX Related Companies' employees or representatives, is only permitted for private use and may not be posted, distributed, copied, or broadcast in any format or media or shown to 5LINX customers or other current or prospective 5LINX Representatives.

1.12 Commercial Outlets

5LINX strongly encourages the retailing and selling of its products and services through person to person contact. However, Representatives may sell 5LINX Products in an approved retail or service establishment so long as they comply with the guidelines set forth in this Agreement. In an effort to reinforce this method of marketing and to help provide a standard of fairness for its Representative base, Representatives may not display or sell 5LINX products, services, or literature in any retail or service establishment without the prior written authorization of 5LINX.

1.13 Trade Shows, Job Fairs, Kiosks, Expositions and Other Sales Forums

Representatives may not display and/or sell 5LINX Products at trade shows and professional expositions, without written approval from the Company. Before submitting a deposit to the event promoter, Representatives must contact the Field Operations Department in writing for conditional approval. Representatives are advised that 5LINX's policy is to authorize no more than one 5LINX Representative per event. Final approval, if any, will be granted to the first Representative who submits an official advertisement of the event, a copy of the contract signed by both the Representative and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Field Operations Department. 5LINX further reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its Products or the opportunity to become a 5LINX Representative. Approval will not be given for job fairs mall kiosks, swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image 5LINX wishes to portray.

1.14 Spamming

Except as expressly provided in this Section (i.e., relating specifically to "commercial e-mail solicitations"), Representatives may not use or transmit a fax solicitation or communication, mass e-mail distribution, a commercial e-mail solicitation, or "spamming" including, without limitation, sales and solicitations of 5LINX Products via any of the foregoing methods. The term "fax solicitation" means the transmission via telephone facsimile of any material or information advertising or promoting 5LINX, its Products, its compensation plan or any other aspect of the Company in any way or manner. The term "commercial e-mail solicitation" means the transmission via electronic mail of any material or information where the primary purpose of the e-mail advertises or promotes a commercial product or service. Notwithstanding the foregoing, each of the following types of commercial e-mail solicitations are permitted: an e-mail to any person or entity:

- a) with that person or entity's prior express written invitation or written permission provided that any such e-mail contains an appropriate opt-out mechanism allowing the recipient to opt out of future e-mail solicitations or communications and all opt-out requests are complied with; and
- b) where the content of the e-mail is transactional or relationship based. For purposes of the foregoing, the content of an e-mail is transactional or relationship based if the e-mail does one of the following: (i) facilitates or confirms a

commercial transaction that the recipient already has agreed to; (ii) gives warranty, recall, safety, or security information about a product or service; (iii) gives information about a change in terms or features or account balance information regarding a membership, subscription, account, loan or other ongoing commercial relationship; (iv) provides information about an employment relationship or employee benefits; or (v) delivers goods or services as part of a transaction to which the recipient already has agreed.

1.15 Telemarketing Techniques

The use of any automated telephone solicitation equipment or "boiler-room" telemarketing operations in connection with the marketing or promotion of 5LINX or its Products is strictly prohibited. This includes but is not limited to "speed dial" (random or auto dialing) for recruiting purposes.

1.16 Recorded Messages

5LINX Representatives may not have a voicemail message or answer his or her telephone in a manner that would lead the caller to believe that they have reached any official or corporate office of 5LINX. When using the 5LINX name, representatives must say "5LINX Independent Representative".

1.17 Cold Marketing in Customer Acquisition and Recruiting

5LINX is a network marketing company that is focused solely on personal relationship, or "warm marketing" techniques geared to individuals with whom the Representative is acquainted. Cold marketing is defined as any promotional activity that is geared toward random individuals who have no personal, business, social or acquaintance relationship(s) with the Representative. Examples of cold marketing include, but are not limited to, mass advertising, purchased leads, door-to-door selling, telemarketing, etc. 5LINX prohibits cold marketing techniques to sell 5LINX Products except for Products specifically designated by 5LINX as "cold marketing eligible" Products. 5LINX also prohibits the purchase or sale of Customers and Customer leads.

5LINX does not prohibit, yet highly discourages, cold marketing techniques for purposes of recruiting other Representatives, as these can be costly, ineffective, and highly distracting to a Representative's network marketing efforts.

If a 5LINX Representative disregards 5LINX's recommendation and uses cold marketing techniques to recruit prospective Representatives, then that representative is responsible for adhering to any applicable laws, limitations or regulations that govern such techniques, including the accuracy of all information presented. In addition, any materials, scripts, advertisements, literature, videos, audios, etc., used in conjunction with a cold marketing effort must strictly adhere to 5LINX's guidelines and policies set forth in these Marketing Guidelines.

The use of cold marketing techniques to promote 5LINX Products will result in disciplinary sanctions as described in Section 13.1 up to and including the involuntary cancellation of any offending Representative (see also Appendix III – Energy Program Compliance).

SECTION 2

INTERNET, WEBSITES & SOCIAL MEDIA

The absence of, or lack of explicit reference to a specific site does not limit the extent or the application of this policy. Where no policy or guidelines exist, Representatives should use their professional judgment and take the most prudent action possible.

2.1 Advertising on Social Media Websites

Provided that the 5LINX Representative complies with the Policies, 5LINX's general marketing guidelines, and any social media policies adopted by 5LINX (both general and Product specific), 5LINX Representatives may promote 5LINX Products and 5LINX on social networking sites such as "Facebook" and "Twitter;" video sites such as "YouTube" and "Google Video;" and blogging sites such as "Wordpress" and "Blogger" (collectively "Social Media Sites"). 5LINX Representatives may also use a 5LINX corporate social media site to promote their own business, however only a link to a Representative's 5LINX personal website may be posted. Posting Representative names, phone numbers, personal addresses, photos, video, and/or advertisements is prohibited on any 5LINX corporate social media website. Representatives are advised that Social Media Sites each have terms and conditions that govern their use, especially in a commercial context. Representatives are responsible for informing themselves as to all such terms and conditions that are applicable to their uses and abiding by such terms and conditions. Although Representatives retain primary responsibility for all such Social Media Sites and content maintained and/or created by such Representatives, all content and/or statements relating to the promotion of Products or any opportunity to become a 5LINX Representative on any Social Media Site must be submitted to 5LINX for its prior written approval.

2.2 Audio and Video

Audio and video taping of any kind (using video cameras, computers, cell phones, etc.) is prohibited at any 5LINX event. This includes weekly meetings, Super Saturdays, PBRs, National Training Events, meetings with other Representatives, etc. Any audio or video content posted on any website including any social media website, for any purpose including, without limitation, advertising of the opportunity to become a 5LINX Representative, must be created by 5LINX corporate unless otherwise approved by 5LINX. If a Representative wishes to use audio or video content that is not created by 5LINX, that content needs to be approved by 5LINX in writing. Audio and video posted by 5LINX Representatives to any Social Media Sites must show the text "5LINX Independent Marketing Representative" at both the beginning and end of the video. The Company will monitor the Social Media Sites for compliance with 5LINX requirements and all Representatives agree to immediately remove or modify the Social Media Sites upon the Company's request to do so.

2.3 Pricing Specifics

Absolutely no prices may be listed by a Representative on any website. This includes, but is not limited to: a Representative's own personally created website and any Social Media site. Phrases with any specific prices attached to a Product are prohibited because prices and Product offerings may change at any time without notice. A phrase such as "One low monthly fee" is acceptable.

2.4 5LINX Logos, Trademarks & Proprietary Information

5LINX Representatives are strictly prohibited from representing themselves as having any other affiliation with 5LINX other than as a "5LINX Independent Marketing Representative" at any time or in any manner. Additionally, it is prohibited for 5LINX Representatives to display their name, personal website, avatar, website URL, social media group, or presence on any Social Media site in any way that could imply that the content is from 5LINX. This includes but is not limited to alternate spellings of the 5LINX name such as "5links", "FIVElinx", "fiveLINKS", "5lnks", "5lynx", etc. Also, Representatives are strictly prohibited from using 5LINX logos, names, trademarks, or other proprietary information belonging to 5LINX, its partners, vendors or wholly owned subsidiaries, unless approved in writing by 5LINX. This includes, but is not limited to, website URLs, webpage titles, online content, marketing materials, photography, signage, avatar, etc. Only 5LINX, its partners, vendors and wholly owned subsidiaries are authorized to use such logos, names, trademarks, and other proprietary information. The production of any material containing logos, names, trademarks and other proprietary information of 5LINX is strictly prohibited without prior written authorization from 5LINX. Specific 5LINX Representative Logos have been created by 5LINX for Representative use and are available through their 5LINX Virtual Office. Use of any other logo referring to, acting as, or falsely presenting an Independent Marketing Representative as a 5LINX corporate figure is prohibited.

2.5 Contribution to Social Media Websites

You must be 18 years or older to post any content regarding 5LINX on any Social Media site (i.e. Facebook, Twitter, MySpace, Blogger, YouTube, etc) by or on behalf of any 5LINX Representative.

2.5.1 *Social Media Accounts*

Any social media account created by a Representative intending to market 5LINX or 5LINX Products through that website, must include the text "5LINX Independent Marketing Representative" on the page as well as their name.

2.5.2 *Transmission of Damaging Material*

As a guest posting content to any Social Media Site, you agree that you will not: violate any local, state, federal or international laws and regulations, including but not limited to copyright and intellectual property rights laws; transmit any material (by uploading, posting, email or otherwise) that is unlawful, disruptive, threatening, profane, abusive, harassing, embarrassing, tortuous, defamatory, obscene, libelous, an invasion of another's privacy; is hateful, racially, ethnically or otherwise objectionable. The determination of this violation is at 5LINX sole discretion.

You agree that you will not: impersonate any person or entity or falsely state or otherwise misrepresent your affiliation with a person or entity; transmit any material (by uploading, posting, email or otherwise) that you do not have a right to make available under any law or under contractual or fiduciary relationships; transmit any material that infringes any patent, trademark, trade secret, copyright or other proprietary rights of any party; transmit any unsolicited or unauthorized advertising (including advertising of non-5LINX services or products), promotional materials, "junk mail," "spam," "chain letters," or any other form of solicitation; transmit any material that contains software viruses, worms, disabling code, or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment; harass another; or collect or store, or attempt to collect or store, personal data about third parties without their knowledge or consent.

2.5.3 *Political Campaigning*

You may not provide any content to a Social Media Site that contains any product or service endorsements or any content that may be construed as political lobbying, solicitations or contributions. You may not use the Social Media Site to link to any sites or political candidates or parties or use the Social Media Site to discuss political campaigns, issues or for taking a position on any legislation or law.

2.5.4 *Product or Income Claims*

All text, audio and video postings must not contain Product Claims, Health Claims, or Income Claims. For Product information, Representatives may refer viewers to their 5LINX approved website, the Company website, or a Company licensed Website. The use of any key words or meta-tags to advertise any licensed social media website on the Internet, if the search words or meta tags explicitly or implicitly present illegal or unsubstantiated income claims, is prohibited.

All copy downloaded from 5LINX company websites or taken from printed 5LINX literature must be used exactly as printed or written. Changing a word or definition may change the real meaning or definition which could then be misunderstood en masse.

2.6 Responsibility for Posted Content

You shall defend, indemnify, and hold 5LINX and its corporate affiliates and their respective officers, directors, employees, contractors, agents, successors and assigns harmless from and against, and shall promptly reimburse them for, any and all losses, claims, damages, settlements, costs, and liabilities of any nature whatsoever (including reasonable attorneys' fees) to which any of them may become subject arising out of, based upon, as a result of, or in any way connected with your posting of any content to a Social Media Site, any third party claims of infringement or any breach of the Agreement.

It is the sole responsibility of each 5LINX Representative to ensure that its online material fully complies with the guidelines in the Agreements, as well as with all applicable federal or state rules and regulations. Representatives are also responsible for ensuring that their Downline comply with these policies.

2.7 Linking

Linking to your Personal Website from another Website can be a great way to direct Customers to you and generate additional interest in the opportunity. However, the span of social media websites is vast and one simple mistake can travel promptly all over the world. If you choose to link to your 5LINX personal website from any Social Media Site, you must adhere to the following policies:

- a) Any link posted by a 5LINX Representative must be company-specific and may not advertise, promote, or link to any other product or opportunity. This includes any link on any 5LINX corporate social media website, personal or any other person's social media website such as Twitter, Facebook, YouTube, and the like;
- b) No link on any Social Media Site should imply, either directly or indirectly, that 5LINX or its partners are endorsing its contents. No link should use any Company trademarks, trade names or any trademark or trade name confusingly similar to 5LINX (i.e. "5links", "FIVElinx", "fiveLINKS", "5lnks", etc.) or its partners;
- c) Social media websites host users of many different groups and thus should not contain content or material that could be construed as offensive, controversial, or distasteful and should only contain content that is appropriate for all.
- d) Links should not disparage 5LINX or its Products in any way or otherwise negatively affect or harm the reputation and goodwill of 5LINX;
- e) You are prohibited from presenting false or misleading information about 5LINX or the opportunity to act as a 5LINX Representative;
- f) You must comply with all applicable federal, state or local laws, rules or regulations;
- g) You cannot create, post, or utilize any content that violates or infringes upon the copyright, trademark, trade name, patent, literary, intellectual, artistic or dramatic right, right of publicity or privacy or any other right of any entity or person or contain material that is libelous or slanderous;
- h) You may not replicate in any manner any content in your 5LINX Personal Website; and
- i) You may not create a browser or border environment around your 5LINX Personal Website material.

In the event your 5LINX Personal Website is no longer displayed on the Internet (cancelled or terminated subscription), you must remove the link to your Personal Website from all pages where a link was inserted.

The Company may revoke the use for any previously approved website at any time and for any reason, including changes to federal and local laws and regulations, as well as misuse of any 5LINX approved website or social media website.



5LINX[®] Code of Conduct

5LINX CODE OF CONDUCT

Purpose And Scope

5LINX and its affiliates (referred to herein as “5LINX” or “Company”) is committed to providing a professional work environment built on a foundation of trust and respect for all of its Representatives. We are proud to operate in an environment where each person conducts him/herself in a professional, respectful and appropriate manner. Each individual is responsible for ensuring that all Representatives uphold the Code of Conduct.

This Code of Conduct acts as a guide to sound business practice, reflecting the business principles we use to conduct our business activities and, ultimately, create the kind of service our Customers, suppliers, business partners and colleagues expect from us. This Code of Conduct is designed to help you understand our operating values and the standards expected of you. It will also provide a useful reference point if you ever find yourself in a difficult situation or dilemma during the course of offering 5LINX Products. Read this carefully and make sure you are aware of its contents.

Taking Responsibility for Yourself. At 5LINX we expect high standards of performance and behavior.

Being Successful. We want our Representatives to be successful and motivated. We want to know that you are using your talents and making a valued and valuable contribution. We want you to constantly develop and update your skills so that together we can provide the best customer solutions and service.

On a Personal Level. 5LINX will not accept any behavior that brings the Company into disrepute.

Possession, use, selling or distributing alcoholic beverages, drugs or illegal substances on the while conducting Company business is strictly forbidden (except for proper medical use).

You must not make inappropriate, false, malicious, or unnecessary negative or derogatory comments about colleagues, customers, suppliers, partners or competitors. Careless remarks or actions can damage our reputation or even lead to legal action.

Equal Opportunities. 5LINX’s policy is to recruit and manage solely on the basis of merit, ability and performance. We do not allow discrimination against any individual or group on the basis of race, gender, age, religion, disability, marital status, sexual orientation, background, political beliefs or any other basis prohibited by law.

Harassment and Bullying. Harassment and bullying can take many forms, from overt bullying to threatening behavior, to inappropriate sexual advances. At its most subtle, individuals can be victimized by being subjected to unnecessary pressure or stress. Such behavior is not tolerated at 5LINX and should be reported to the Company.

Giving Financial Advice. Unless you are licensed to provide financial advice, you are not permitted to provide nor should you be seen to provide financial advice to others.

Whistleblowing. If you believe there has been a violation of this Code of Conduct, then you should report the conduct at issue through the Company reporting or grievance procedure as set forth in the Policies.

Dealing with Customers. In our highly competitive markets, a key factor that differentiates one company from another is Customer service. We all have a responsibility to:

- understand the individual needs of our customers and be helpful, friendly and polite;
- try to resolve queries and complaints to their satisfaction; and
- deliver on anything we undertake to do for a customer.

Not only do we aim to deliver excellent Customer service, but we also aim to deliver it profitably, recognizing our commitment to our shareholders.

Putting this Guide into Practice

You must behave ethically, honestly and professionally in all your actions while you are working as a Representative for 5LINX. We have given you this Code of Conduct as a guide, it is now up to you to put it into practice.



Appendix I Definitions

DEFINITIONS

“Active Rank”

The term “active rank” refers the current rank of a Representative, as determined by the 5LINX Marketing and Compensation Plan, for any calendar month. To be considered “active” relative to a particular rank, a Representative must meet the criteria set forth in the 5LINX Marketing and Compensation Plan for his or her respective rank. (See the definition of “Rank” below.)

“Agreement”

The contract between the Company and each Representative includes the Representative Application and Agreement, the 5LINX Policies and Procedures (and the appendices thereto), the 5LINX Marketing and Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by 5LINX in its sole discretion, and any other policy, agreement, or directive designated or intended by 5LINX as being applicable to a Representative and/or a Representative’s Downline. These documents are collectively referred to as the “Agreement.”

“Cancel”

The termination of a Representative’s status as a 5LINX Representative. Cancellation may be either voluntary or involuntary.

“Commissionable Products/Services”

All 5LINX Products and services on which commissions and bonuses are paid as set forth in 5LINX Document 715. Starter Kits and sales aids are not commissionable products.

“Company”

The term “Company” as it is used throughout the Agreement means 5LINX Enterprises, Inc.

“Customer Acquisition Bonus (CAB)”

The bonus paid to a Representative for enrolling another Representative and assisting them in qualification.

“Downline”

See “Marketing Organization” below.

“Downline Activity Report”

A monthly report generated by 5LINX that provides critical data relating to the identities of Representatives, sales information, and enrollment activity of each Representative’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to 5LINX.

“Downline Leg”

Each one of the individuals enrolled immediately underneath you and their respective Marketing Organization represents one “leg” in your marketing organization.

“End Consumer/End User”

A person who purchases 5LINX Products for the purpose of personally consuming them rather than for resale to someone else.

“Enroller”

A Representative who enrolls a Customer or another Representative into the Company, and is listed as the Enroller on the Representative Application and Agreement. An Enroller is eligible to sponsor place the new Representative anywhere into their direct downline organization, so long as the Sponsor is in the open line of said Enroller.

“Frontline Representative”

A business partner who is both personally enrolled and sponsored by a single Representative, directly under that Representative’s RIN.

“Marketing Organization”

The Customers and Representatives sponsored below a particular Representative.

“Official 5LINX Material”

Literature, audio or video tapes, files, and other materials developed, printed, published and distributed by 5LINX to Representatives.

“Pay Card”

The 5LINX Visa Pay Card where funds are deposited after bonuses or compensation is earned.

“Personally Created Website”

Website created by the Representative after review and approval given by the 5LINX® Marketing Department.

“Personal Production”

Moving product to an end consumer for personal use.

“Personal Sales Volume”

The total revenues generated by a Representative and his or her personally enrolled Select or Residual Customers.

“Proprietary Products”

Products or Services made available to 5LINX Representatives or Customers that are exclusive to, produced or registered by, or are wholly owned subsidiaries of the Company

“Qualified Representative”

A Representative who satisfies the minimum Customer qualification requirements, as set forth in the 5LINX Marketing and Compensation Plan, to ensure that he or she is eligible to receive bonuses and commissions.

“Quick Start Bonus”

Three separate bonuses paid to a new Representative when they achieve the required qualifications within their first thirty (30) calendar days.

“Rank”

The “title” or “earned position” that a Representative has achieved pursuant to the 5LINX Marketing and Compensation Plan.

“Recruit”

Interest, encouragement, or effort to motivate an individual to become a 5LINX Representative or Customer. For purposes of 5LINX’s Non-Solicitation Policy (Policies Section 5.2), the term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly or through a third party, another 5LINX Representative or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This type of conduct constitutes recruiting even if the Representative’s actions are in response to an inquiry made by another Representative, or Customer.

“Resalable”

Products and sales aids shall be deemed “resalable” if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) the Product and packaging are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) the Product expiration date, the Product “best buy” date, or any similar date has not elapsed; and 5) the Product contains current 5LINX labeling. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be resalable.

“Residual Customer”

An individual or entity who subscribes to 5LINX’s Products or Services as defined in 5LINX Document 715.

“Retail Customer”

An individual who purchases 5LINX products from a Representative.

“Retail Profit”

The difference between the wholesale price of products and the retail price a Representative receives for products when they are resold.

“Select/Bounty Customer”

Select/Bounty Customer has the meaning set forth in 5LINX Document 715.

“Sponsor”

A Representative who enrolls a Customer or another Representative into the Company, and is listed as the Sponsor on the

Representative Application and Agreement. The act of enrolling others and training them to become Representatives is called "Sponsoring."

"Starter Kit"

A selection of 5LINX training materials and business support literature provided to each new Independent Marketing Representative at sign-up.

"Suggested Retail Price (SRP)"

The price at which 5LINX suggests Representatives sell a particular Product to retail Customers. Notwithstanding the SRP, Representatives are always free to sell 5LINX Products at any price they choose.

"Upline"

This term refers to the Representative or Representatives above a particular Representative in a Sponsorship line up to the Company. Conversely stated, it is the line of Sponsors that links any particular Representative to the Company.

"Vendor/Partner Products"

Products or Services made available to 5LINX Representatives or Customers through a partnership with the Company; that are exclusive to, produced or registered by, or are wholly owned subsidiaries of the Company's Affiliated Vendors or Partners

"Wholesale Price (Wholesale)"

The price of the Products that is paid to the Company by Representatives. The wholesale price is also called Representative Cost.

"5LINX Corporate Social Media Websites"

Social Media Websites controlled by 5LINX® Corporate. This includes the 5LINX® Corporate Facebook, Twitter, You Tube, or Blogger profiles.

"5LINX Personal Website"

Personal websites provided to 5LINX® Representatives at time of sign-up and with the purchase of monthly services.
(www.5LINX.net/____)



Appendix II

Detailed Position and Bonus Rules

DETAILED POSITION AND BONUS RULES

I. Order Location

- Representatives may only be Customers of themselves. 5LINX requires that should a Representative purchase or use any 5LINX Product that they be given personal credit for that sale
- Customers may only purchase Products from a single Representative. In order to ensure proper credit and safeguard both Representatives and the Company, any Customer may only purchase Products from one active Representative

II. Business Restrictions

- The enrollment of individuals or entities without the knowledge of and/or completion of an Independent Representative Application and Agreement (paper or online) by the individual is prohibited
- The same address cannot be used by more than two (2) Representatives with different last names for enrollment. If the last name is the same, the address can be used up to five (5) times
- The fraudulent enrollment of an individual or entity as a Representative or Customer is prohibited
- Representatives must use their credit card for their Platinum or Standard Services. Credit Cards of non-related parties cannot be used for other individuals 5LINX Services
- Purchasing Products for parties other than the credit card owner or responsible billing party is prohibited
- Purchasing recurring Products without intent to continue said purchases is prohibited

III. Product Restrictions

- The Customer must process his or her own order or enrollment. Product orders cannot be placed by individuals other than those consuming the Product
- The credit card used for the Product order must belong to Customer
- No more than two (2) Business Elite Services or TextAlertz orders can be placed by a Customer. If an order for Business Elite Services or TextAlertz is placed within 6 months of a previously cancelled order, the new order will receive the same order date and point value of the original
- Multiple Wellness Products are allowed on a single order. However, no more than three(3) items of each of the unique Products (SKU) will be allowed per order
- No more than eight (8) active Wellness orders (retail or monthly subscription) can be placed on the same credit card

DETAILED POSITION AND BONUS RULES Cont'd

IV. Bonus Rules

• Existing Independent Marketing Representatives past their first 60 days, can acquire new Customers, from the classes below respectively, to be eligible for a new Quick Start Bonus Program. The order must be for a first time customer for that unique Product

• 4 Order Bonus Rule: Per Representative, no more than four (4) orders will be counted toward bonuses for the following unique Products:

Home Security	Commercial Home Security
Residential Energy Program	Commercial Energy Program
Internet, Fiber Video & Cable TV	Payment Solutions

• 2 Order Bonus Rule: Per Representative, no more than two (2) orders will be counted toward bonuses for the following unique Products:

Platinum Discount Network	Business Elite Services
SafeGaurd	TextAlertz
5LINX Telemed	5LINX Telemed Family+

• Wellness Product Bonus Rules: Retail Wellness Products do not count towards bonuses (except the Customer Club count). Per Representative, no more than two (2) items will be counted towards bonuses for the following unique Products:

MontaVida Coffee Bag/Brew Cup - Monthly Subscriptions	MontaVida Tea - Monthly Subscriptions
Hi5 Lean Monthly Subscription	Hi5 Fuel Monthly Subscription
Hi5 Boost Monthly Subscription	Hi5 Edge Monthly Subscription
Hi5 Challenge Kit Monthly Subscription	

Example 1 – Of Wellness orders for an individual Representative consisting of two (2) MontaVida® Coffee Brew Cup Monthly Subscriptions, and four (4) MontaVida® Coffee Bag Monthly Subscriptions, only the first two (2) items will count towards an applicable bonus. (i.e. For this Representative; 2 of the 6 total Coffee items will count towards an applicable bonus)

Example 2 - Of Wellness orders for an individual Representative consisting of four (4) Hi5 Boost Monthly Subscriptions, as well as three (3) Hi5 Lean Monthly Subscriptions, only the first two (2) items of each unique product will count towards an applicable bonus. (i.e. For this Representative; 2 of the 4 Hi5 Boost, and 2 of the 3 Hi5 Lean will count towards an applicable bonus)

Please remember that these are just some of the Position and Bonus rules. We highly recommend that you familiarize yourself with all of the 5LINX® Statement of Policies and Procedures. 5LINX Representatives are required to comply with all of the requirements in the Agreement which 5LINX may amend at its sole discretion from time to time. Any and all bonuses, qualifications, or promotions are subject to final review by 5LINX®. 5LINX reserves the right to withhold commissions, and/or impose disciplinary sanctions set forth in §13.1 of the Policies based on any actions or violations perpetrated by an individual or entity while a Representative of the Company.



Appendix III Energy Program Compliance

5LINX® ENERGY PROGRAM COMPLIANCE

I. Warm Market Requirements

Representatives may not promote the 5LINX Energy Program outside of their own “warm market”. Any Representative found marketing to Customers who are not in their own network of family, friends, neighbors, and coworkers will be in violation of energy practices and subject to disciplinary sanctions set forth in Section 13.1 of the Policies.

“Cold Marketing” techniques may include but are not limited to:

- Accepting customers from other business partners (Customer Sharing)
- Door to door sales or soliciting
- Conducting direct mailings
- Creating sign-up forms
- Selling or purchasing leads or referrals
- Soliciting strangers at public places; e.g., gas stations, supermarkets, daycares, apartment buildings, recreational parks, conventions, etc.
- Telemarketing, internet marketing
- Cold-calling techniques
- Advertising on websites; e.g., Craigslist, eBay, Classifieds, etc.

II. Advertising Procedures

Due to the sensitivity of the Energy market, including the high level of government regulation, it is required that all Representatives use only corporate-produced marketing material when promoting the 5LINX Energy Program.

Using non-Corporate produced, or unapproved personally created marketing materials is prohibited. For example, the following are expressly prohibited in connection with a Representative’s promotion of the 5LINX Energy Program:

- Advertisements on websites; e.g., Craigslist, eBay, Classifieds, sell.com, etc.;
- Flyers (personally created marketing material);
- Newspaper postings (online or printed); and
- Any marketing materials containing rates, plans, price points or logos of our affiliated vendors/partners.

Any Representative who creates any marketing materials, included but not limited to advertisements, flyers, postings; either on-line or printed, etc. which contains any unapproved, false, or misleading statements, as well as any such material created for the intention of Customer gathering outside of their warm market, will be subject to disciplinary sanctions set forth in Section 13.1 of the Policies.

Corporate approved marketing materials can be found in your 5LINX® Virtual Office.

III. Enrollment Procedures

The individual whose name is on the utility bill is the only person who can enroll their order. The actual Customer must be the one who is selecting the offer of his or her choice, agreeing to the terms and conditions of enrollment, and signing the electronic Letter of Authorization (LOA).

- The Representative is allowed to assist the Customer, however, it must be the Customer who selects the offer and signs the electronic Letter of Authorization (LOA).

- Any entry of the Customer information without the Customer viewing the enrollment website is prohibited. This is a violation even if the Customer provides permission and/or has knowledge of the enrollment. The actual Customer must view the rates, terms and conditions, and order information in order to authorize their enrollment.
- Enrolling a Customer while on the phone with them is prohibited. The Customer must be present and viewing the information displayed on the enrollment website.

Only the Customer's valid contact information should be used during enrollment. All Customer contact information must be entered into the enrollment forms using complete and accurate contact information unique to that Customer.

- A Representative's contact information should not appear on any energy enrollment except their own personal enrollment for that Product (i.e. email address, phone number).
- The Customer must have a valid email address of their own to sign up for the 5LINX® Energy Program. If the Customer does not have an email address of their own, he or she should create one using one of the many free online services.
- The Customer must have a valid phone number of their own to sign up for the 5LINX® Energy Program. If the Customer does not have a valid phone number of their own, he or she is not eligible to sign up for the 5LINX Energy Program.

IV. Slamming Violations

Switching a Customer's service without consent or knowledge is slamming and is prohibited. All forms of slamming are a violation of the 5LINX Energy Program policies and procedures.

Slamming is defined as:

- Processing a Customer's energy order without the Customer being present during their enrollment.
- Purchasing or obtaining customer leads or lists
- Data gathering in the form of stealing bill statements, Customer lists, account listings or random number generation.

The Customer must be the one who is selecting the rate of his or her choice, agreeing to the terms and conditions of enrollment, and signing the electronic authorization.

Representatives are required to complete the 5LINX® Energy Certification Training prior to marketing or promoting the 5LINX® Energy Program. Any and all terms defined in that certification are incorporated herein and vice versa. This listing is not complete and disciplinary actions may arise and result in a Representative termination for actions proven or suspected involve any behaviors that are in violation of policies, against the Customer's knowledge, misleading, or against any other legal, regulatory, or ethical practices



Appendix IV DSA Code of Ethics

Code of Ethics

Explanatory provisions in italics.

Preamble

The Direct Selling Association, recognizing that companies engaged in direct selling assume certain responsibilities toward customers arising out of the personal-contact method of distribution of their products and services, hereby sets forth the basic fair and ethical principles and practices to which member companies of the association will continue to adhere in the conduct of their business.

A. Code of Conduct

1. Deceptive or Unlawful Consumer or Recruiting Practices

a. No member company of the Association or independent salesperson for a member company shall engage in any deceptive, false, unethical or unlawful consumer or recruiting practice. Member companies shall ensure that no statements, promises or testimonials are made that are likely to mislead consumers or prospective salespeople.

b. Member companies and their independent salespeople must comply with all requirements of law. While this Code does not restate all legal obligations, compliance with all pertinent laws by member companies and their independent salespeople is a condition of acceptance by and continuing membership in DSA.

c. Member companies shall conduct their activities toward other members in compliance with this Code and all pertinent laws.

d. Information provided by member companies and their independent salespeople to prospective or current independent salespeople concerning the opportunity and related rights and obligations shall be accurate and complete. Member companies and their independent salespeople shall not make any factual representation to prospective independent salespeople that cannot be verified or make any promise that cannot be fulfilled. Member companies and their independent salespeople shall not present any selling opportunity to any prospective independent salesperson in a false, deceptive or misleading manner.

e. Member companies and their independent salespeople shall not induce a person to purchase products or services based upon the representation that a consumer can recover all or part of the purchase price by referring prospective consumers, if such reductions or recovery are violative of applicable referral sales laws.

f. Member companies shall provide to their independent salespeople either a written agreement to be signed by both the member company and the independent salesperson, or a written statement containing the essential details of the relationship between the independent salesperson and the member company. Member companies shall inform their independent salespeople of their legal obligations, including their responsibility to handle any applicable licenses, registrations and taxes.

g. Member companies shall provide their independent salespeople with periodic accounts including, as applicable, sales, purchases, details of earnings, commissions, bonuses, discounts, deliveries, cancellations and other relevant data, in accordance with the member company's arrangement with the independent salesperson. All monies due shall be paid and any withholdings made in a commercially reasonable manner.

h. Independent salespeople shall respect any lack of commercial experience of consumers. Independent salespeople shall not abuse the trust of individual consumers, or exploit a consumer's age, illness, handicap, lack of understanding or unfamiliarity with a language.

1a. This section does not bring "proselytizing" or "salesforce raiding" disputes under the Code's jurisdiction, unless such disputes involve allegations of deceptive, unethical or unlawful recruiting practices or behaviors aimed at potential salespeople. In those cases, the section applies. As used in this section, "unethical" means violative of the U.S. DSA Code of Ethics.

The DSA Code Administrator has the authority to make a determination of what is a deceptive, unlawful or unethical consumer or recruiting practice under the Code using prevailing legal standards as a guide. Compliance with any particular law, regulation or DSA Code of Ethics provision is not a defense to such a determination by the DSA Code Administrator that a practice is deceptive, unlawful or unethical. For example, in a sale to a consumer, compliance with the Federal Trade Commission Cooling-Off Rule does not bar the DSA Code Administrator from making a determination that a particular sales practice is deceptive, unlawful or unethical and that a refund or compensation is required.

1. and 2. These sections cover communications about your own company or another company. For example, a distributor for company A makes misleading statements about company B and/or its products to consumers or prospective salespeople.

2. Products, Services and Promotional Materials

a. The offer of products or services for sale by member companies of the Association shall be accurate and truthful as to price, grade, quality, make, value, performance, quantity, currency of model and availability. A consumer's order for products and services shall be fulfilled in a timely manner.

b. Member companies shall not make misleading comparisons of another company's direct selling opportunity, products or services. Any comparison must be based on facts that can be objectively substantiated. Member companies shall not denigrate any other member company, business, product or service – directly or by implication – in a false or misleading manner and shall not take unfair advantage of the goodwill attached to the trade name and symbol of any company, business, product or service.

c. Promotional literature, advertisements and mailings shall not contain product descriptions, claims, photos or illustrations that are false, deceptive or misleading. (Promotional literature shall contain the name and address or telephone number of the member company and may include the telephone number of the individual independent salesperson).

d. Independent salespeople shall offer consumers accurate information regarding: price, credit terms; terms of payment; a cooling-off period, including return policies; terms of guarantee; after-sales service; and delivery dates. Independent salespeople shall give understandable and accurate answers to questions from consumers. To the extent claims are made with respect to products, independent salespeople shall make only those product claims authorized by the member company.

3. Terms of Sale

a. A written order or receipt shall be delivered to the customer at or prior to the time of the initial sale. In the case of a sale made through the mail, telephone, Internet, or other non face-to-face means, a copy of the order form shall have been previously provided, be included in the initial order, or be provided in printable or downloadable form through the Internet. The order form must set forth clearly, legibly and unambiguously:

1. Terms and conditions of sale, including the total amount the consumer will be required to pay, including all interest, service charges and fees, and other costs and expenses as required by federal and state law;
2. Identity of the member company and the independent salesperson, and contain the full name, permanent address and telephone number of the member company or the independent salesperson, and all material terms of the sale; and
3. Terms of a guarantee or a warranty, details and any limitations of after-sales service, the name and address of the guarantor, the length of the guarantee, and the remedial action available to the consumer. Alternatively, this information may be provided with other accompanying literature provided with the product or service.

b. Member companies and their salespeople shall offer a written, clearly stated cooling off period permitting the consumer to withdraw from a purchase order within a minimum of three days from the date of the purchase transaction and receive a full refund of the purchase price.

c. Member companies and their independent salespeople offering a right of return, whether or not conditioned upon certain events, shall provide it in writing.

4. Warranties and Guarantees

The terms of any warranty or guarantee offered by the seller in connection with the sale shall be furnished to the buyer in a manner that fully conforms to federal and state warranty and guarantee laws and regulations. The manufacturer, distributor and/or seller shall fully and promptly perform in accordance with the terms of all warranties and guarantees offered to consumers.

5. Identification and Privacy

a. At the beginning of sales presentations independent salespeople shall truthfully and clearly identify themselves, their company, the nature of their company's products or services, and the reason for the solicitation. Contact with the consumer shall be made in a polite manner and during reasonable hours. A demonstration or sales presentation shall stop upon the consumer's request.

b. Member companies and independent salespeople shall take appropriate steps to safeguard the protection of all private information provided by a consumer, a prospective consumer, or other independent salespeople.

6. Pyramid Schemes

For the purpose of this Code, pyramid or endless chain schemes shall be considered consumer transactions actionable under this Code. The Code Administrator shall determine whether such pyramid or endless chain schemes constitute a violation of this Code in accordance with applicable federal, state and/or local law or regulation.

6. The definition of an "illegal pyramid" is based upon existing standards of law as reflected in In the matter of Amway, 93 FTC 618 (1979) and the anti-pyramid statutes of various states. In accordance with these laws, member companies shall remunerate direct sellers primarily on the basis of sales of products, including services, purchased by any person for actual use or consumption. Such remuneration may include compensation based on sales to individual direct sellers for their own actual use or consumption, sometimes referred to as "internal consumption." See Section 9 for further clarification.

7. Inventory Purchases

a. Any member company with a marketing plan that involves selling products directly or indirectly to independent salespeople shall adopt and communicate a policy, in its recruiting literature, sales manual, or contract with the independent salespeople, that the company will repurchase on reasonable commercial terms currently marketable inventory, in the possession of that salesperson and purchased by that salesperson for resale prior to the date of termination of the salesperson's business relationship with the company or its independent salespeople. For purposes of this Code, "reasonable commercial terms" shall include the repurchase of marketable inventory within twelve (12) months from the salesperson's date of purchase at not less than 90 percent of the salesperson's original net cost less appropriate set offs and legal claims, if any. For purposes of this Code, products shall not be considered "currently marketable" if returned for repurchase after the products' commercially reasonable usable or shelf life period has passed; nor shall products be considered "currently marketable" if the company clearly discloses to salespeople prior to purchase that the products are seasonal, discontinued, or special promotion products and are not subject to the repurchase obligation.

7a. The purpose of the buyback is to eliminate the potential harm of "inventory loading;" i.e., the practice of loading up salespeople with inventory they are unable or unlikely to be able to sell or use within a reasonable time period. Inventory loading has historically been accomplished by giving sellers financial incentives for sales without regard to ultimate sales to or use by actual consumers. The repurchase provisions of the Code are meant to deter inventory loading and to protect distributors from financial harm which might result from inventory loading.

"Inventory" is considered to include both tangible and intangible product; i.e., both goods and services. "Current marketability" of inventory shall be determined on the basis of the specific condition of the product. Factors to be considered by the Code Administrator when determining "current marketability" are condition of the goods and whether or not the products have been used or opened.

Changes in marketplace demand, product formulation, or labeling are not sufficient grounds for a claim by the company that a product is no longer "marketable." Nor does the ingestible nature of certain products limit per se the current marketability of those products. Government regulation which may arguably restrict or limit the ultimate resalability of a product does not limit its "current marketability" for purposes of the Code.

State statutes mandate that certain buyback provisions required by law must be described in a direct seller's contract. While acknowledging that the contract is probably the most effective place for such information, the DSA Code allows for placement of the provision in either "recruiting literature or contract." The DSA Code is meant to emphasize that the disclosure must be in writing and be clearly stated. Wherever disclosed, the buyback requirement shall be construed as a contractual obligation of the company.

A company shall not place any unreasonable (e.g., procedural) impediments in the way of salespeople seeking to sell back products to the company.

The buyback process should be as efficient as possible and designed to facilitate buyback of products. The buyback provisions apply to all terminating distributors who otherwise qualify for such repurchase, including distributors who are not new to a particular company, or those who have left a company to sell for another company.

The buyback policy should be published in multiple locations and formats, and stated in a manner understood easily by a typical independent salesperson. It should be the goal of each member to ensure that the typical independent salesperson is aware of a company's buyback policy. Therefore, each member should undertake its best efforts to ensure the effective communication of the policy.

b. Any member company with a marketing plan which requires independent salespeople to purchase company-produced promotional materials, sales aids or kits shall adopt and communicate a policy, in its recruiting literature, sales manual or contract with the independent salespeople, that the company will repurchase these items on reasonable commercial terms.

Any member company with a marketing plan which provides its independent salespeople with any financial benefit related to the sales of company-produced promotional materials, sales aids or kits shall prominently state and communicate, in its recruiting literature, sales manual or contract with the independent salespeople, that the company will repurchase, on reasonable commercial terms, currently marketable company-produced promotional materials, sales aids or kits.

A member company shall clearly state in its recruiting literature, sales manual or contract with the independent salespeople if any items not otherwise covered by this Section are ineligible for repurchase by the company.

7b. 1998 amendments made it clear that sales aids, kits and promotional materials, while not inventory or necessarily intended for resale, are subject to the repurchase requirement if a company requires their purchase or if there is a financial incentive associated with their sale. It was recognized that "loading" of these items can cause the same harm to plan participants as loading of "inventory."

With respect to the final paragraph of Section 7b., disclosure of an item's eligibility or ineligibility for the buyback is key. Provided that repurchase is not required by this Code provision, for those items a company chooses not to repurchase, the company should clearly and conspicuously disclose to the buyer that the items are not subject to the repurchase requirement. Under such disclosure, a refusal to take an item back will not constitute a violation providing the member is acting in good faith and not attempting to evade the repurchase requirement.

This Code provision is not intended to endorse marketing plans that provide financial benefits to independent salespeople for the sale of company-produced promotional materials, sales aids or kits ("tools"). While these materials can be important to individual sellers, the Code requires that member companies remunerate direct sellers primarily on the basis of sales of products, including services, purchased by any person for actual use and consumption (See Code § 6 and accompanying explanatory provision) and not on the sale of tools. In instances when some financial benefit is provided to individual direct sellers based on the sale of company-produced promotional materials, sales aids or kits, and is not otherwise in violation of the Code, this Section requires that the tools be repurchased under commercially reasonable terms.

8. Earnings Representations

No member company shall misrepresent the actual or potential sales or earnings of its independent salespeople. Any earnings or sales representations that are made by member companies shall be based on documented facts.

8. There is ample legal precedent in the form of FTC decisions to afford guidance on the subject of earnings representations. While not controlling, these precedents should be used by the Code Administrator in making determinations as to the substantiation of company earnings claims.

The Code's simple prohibition of misrepresentations was intended, in part, to avoid unduly encumbering start-up companies that have little or no actual earnings history with their compensation plan or established companies that are testing or launching new compensation plans. The prohibition approach is meant to require that companies in these circumstances need only ensure that their promotional literature and public statements clearly indicate that the compensation plan is new and that any charts, illustrations and stated examples of income under the plan are potential in nature and not based upon the actual performance of any individual(s).

9. Inventory Loading

A member company shall not require or encourage an independent salesperson to purchase inventory in an amount which unreasonably exceeds that which can be expected to be resold and/or consumed by the independent salesperson within a reasonable period of time.

Member companies shall take clear and reasonable steps to ensure that independent salespeople are consuming, using or reselling the products and services purchased.

9. See, Code Explanatory §7a. regarding inventory loading.

This provision should be construed in light of the regulatory admonition that commissions be generated by purchases that are not simply incidental to the purchase of the right to participate in the program (see Federal Trade Commission 2004 Advisory Opinion Letter to DSA.) Direct selling companies that implement procedures demonstrating that salespeople are purchasing the product for resale, for their own use/consumption (i.e., "self-consumption," "personal consumption" or internal consumption") or for other legitimate purposes will be better able to meet the requirements of Code § 9. The Code recognizes this as a long-standing and accepted practice in direct selling and does not prohibit compensation based on the purchases of salespeople for personal use.

Further, the Code does not set forth specific standards or requirements that a minimum level of sales take place outside of the salesforce.

10. Payment of Fees

Neither member companies nor their independent salespeople shall ask individuals to assume unreasonably high entrance fees, training fees, franchise fees, fees for promotional materials or other fees related solely to the right to participate in the direct selling business. Any fees charged to become an independent salesperson shall relate directly to the value of materials, products or services provided in return.

10. High entrance fees can be an element of pyramid schemes, in which individuals are encouraged to expend large upfront costs, without receiving product of like value. These fees then become the mechanism driving the pyramid and placing participants at risk of financial harm. Some state laws have requirements that fees be returned similar to the repurchase provisions delineated in Code §7a. The Code eliminates the harm of large fees by prohibiting unreasonably high fees. The Code Administrator is empowered to determine when a fee is "unreasonably high."

For example, if a refund is offered for only a portion of an entrance fee, to cover what could be described as inventory, and there is nothing else given or received for the balance of the entrance fee, such as a training program, that portion of the entrance fee may be deemed to be unreasonably high by the Code Administrator. This Code section reinforces the provision in Code Part B. Responsibilities and Duties requiring companies to address the Code violations of their independent contractor salesforce.

11. Training and Materials

a. Member companies shall provide adequate training to enable independent salespeople to operate ethically.

b. Member companies shall prohibit their independent salespeople from marketing or requiring the purchase by others of any materials that are inconsistent with the member company's policies and procedures.

c. Independent salespeople selling member company-approved promotional or training materials, whether in hard copy or electronic form, shall:

1. Use only materials that comply with the same standards used by the member company,
2. Not make the purchase of such materials a requirement of other independent salespeople,
3. Provide such materials at not more than the price at which similar material is available generally in the marketplace, and
4. Offer a written return policy that is the same as the return policy of the member company the independent salesperson represents.

d. Member companies shall take diligent, reasonable steps to ensure that promotional or training materials produced by their independent salespeople comply with the provisions of this Code and are not false, misleading or deceptive.

B. Responsibilities and Duties

1. Prompt Investigation and No Independent Contractor Defense

a. Member companies shall establish, publicize and implement complaint handling procedures to ensure prompt resolution of all complaints.

b. In the event any consumer shall complain that the salesperson or representative offering for sale the products or services of a member company has engaged in any improper course of conduct pertaining to the sales presentation of its goods or services, the member company shall promptly investigate the complaint and shall take such steps as it may find appropriate and necessary under the circumstances to cause the redress of any wrongs which its investigation discloses to have been committed.

c. Member companies will be considered responsible for Code violations by their solicitors and representatives where the Administrator finds, after considering all the facts, that a violation of the Code has occurred. For the purposes of this Code, in the interest of fostering consumer protection, companies shall voluntarily not raise the independent contractor status of salespersons distributing their products or services under its trademark or trade name as a defense against Code violation allegations and such action shall not be construed to be a waiver of the companies' right to raise such defense under any other circumstance.

d. The members subscribing to this Code recognize that its success will require diligence in creating an awareness among their employees and/or the independent wholesalers and retailers marketing the member's products or services of the member's obligations under the Code. No subscribing party shall in any way attempt to persuade, induce or coerce another party to breach this Code, and the subscribers hereto agree that the inducing of the breach of this Code is considered a violation of the Code.

e. Individual salespeople are not bound directly by this Code, but as a condition of participation in a member company's distribution system, shall be required by the member company with whom they are affiliated to adhere to rules of conduct meeting the standards of this Code.

f. This Code is not law but its obligations require a level of ethical behavior from member companies and independent salespeople that is consistent with applicable legal requirements. Failure to comply with this Code does not create any civil law responsibility or liability. When a company leaves the DSA membership, a company is no longer bound by this Code. However, the provisions of this Code remain applicable to events or transactions that occurred during the time a company was a member of DSA.

2. Required Code Communication

a. All member companies are required to publicize DSA's Code of Ethics to its sales people and consumers. At a minimum, member companies must have one of the following:

1. an inclusion on the company's web site of DSA's Code of Ethics with a step-by-step explanation as to how to file a complaint; or
2. a prominent link from the company's web site to DSA's Code of Ethics web page; or
3. an inclusion of the company's Code of Ethics, or its complainant process, in its web site, or with an explanation of how a complainant may appeal to the DSA Code Administrator in the event the complainant is not satisfied with the resolution under the company code, or the company's complaint process, with a reference to the web site of DSA's Code of Ethics.

a. The link should be clear and conspicuous. The location of the link on the company's website should be prominent so as to be accessible and visible to sales people and the consumer; companies should place the link on a web page which is commonly accessed by salespeople and consumers. Inclusion of a statement, such as, "We are proud members of the Direct Selling Association. To view the Code of Ethics by which we abide please click here," is also ideal. Companies should specifically link to either www.dsa.org/ethics/ or www.dsa.org/ethics/code/.

b. All members, after submission of their program, are required to state annually, along with paying their dues, that the program remains effective or indicate any change.

3. Code Responsibility Officer

Each member company and pending member company is required to designate a DSA Code Responsibility Officer. The Code Responsibility Officer is responsible for facilitating compliance with the Code by their company and responding to inquiries by the DSA Code Administrator. He or she will also serve as the primary contact at the company for communicating the principles of the DSA Code of Ethics to their independent salespeople, company employees, customers and the general public.

4. Extraterritorial Effect

Each member company shall comply with the World Federation of Direct Selling Associations' Code of Conduct with regard to direct selling activities outside of the United States to the extent that the WFDSA Code is not inconsistent with U.S. law, unless those activities fall under the jurisdiction of the code of conduct of another country's DSA to which the member company also belongs.

C. Administration

1. Interpretation and Execution

The Board of Directors of the Direct Selling Association shall appoint a Code Administrator to serve for a fixed term to be set by the Board prior to appointment. The Board shall have the authority to discharge the Administrator for cause only. The Board shall provide sufficient authority to enable the Administrator to properly discharge the responsibilities entrusted to the Administrator under this Code. The Administrator will be responsible directly and solely to the Board. The Board of Directors will establish all regulations necessary to administer the provisions of this Code.

2. Code Administrator

a. The Administrator shall be a person of recognized integrity, knowledgeable in the industry, and of a stature that will command respect by the industry and from the public. He shall appoint a staff adequate and competent to assist him in the discharge of his duties. During his term of office, neither the Administrator nor any member of his staff shall be an officer, director, employee, or substantial stockholder in any member or affiliate of the DSA. The Administrator shall disclose all holdings of stock in any member company prior to appointment and shall also disclose any subsequent purchases of such stock to the Board of Directors. The Administrator shall also have the same rights of indemnification as the Directors and Officers have under the bylaws of the Direct Selling Association.

b. The Administrator shall establish, publish and implement transparent complaint handling procedures to ensure prompt resolution of all complaints.

c. The Administrator, in accordance with the regulations established by the Board of Directors as provided herein, shall hear and determine all charges against members subscribing hereto, affording such members or persons an opportunity to be heard fully. The Administrator shall have the power to originate any proceedings, and shall at all times have the full cooperation of all members.

3. Procedure

a. The Administrator shall determine whether a violation of the Code has occurred in accordance with the regulations promulgated hereunder. The Administrator shall answer as promptly as possible all queries posed by members relating to the Code and its application, and, when appropriate, may suggest, for consideration by the Board of Directors, new regulations, definitions, or other implementations to make the Code more effective.

b. If, in the judgment of the Code Administrator, a complaint is beyond the Administrator's scope of expertise or resources, the Code Administrator may decline to exercise jurisdiction in the matter and may, in his or her discretion, recommend to the complainant another forum in which the complaint can be addressed.

c. The Administrator shall undertake through his office to maintain and improve all relations with better business bureaus and other organizations, both private and public, with a view toward improving the industry's relations with the public and receiving information from such organizations relating to the industry's sales activities.

D. Regulations for enforcement of DSA Code of Ethics

1. Receipt of Complaint

Upon receipt of a complaint from a bona fide consumer or where the Administrator has reason to believe that a member has violated the Code of Ethics, the Administrator shall forward a copy of the complaint, if any, to the accused member together with a letter notifying the member that a preliminary investigation of a specified possible violation pursuant to Section 3 is being conducted and requesting the member's cooperation in supplying necessary information, documentation and explanatory comment. If a written complaint is not the basis of the Administrator's investigation, then the Administrator shall provide written notice as to the basis of his reason to believe that a violation has occurred. Further, the Code Administrator shall honor any requests for confidential treatment of the identity of the complaining party made by that party.

2. Cooperation with the Code Administrator

In the event a member refuses to cooperate with the Administrator and refuses to supply necessary information, documentation and explanatory comment, the Administrator shall serve upon the member, by registered mail, a notice affording the member an opportunity to appear before the Appeals Review Panel on a certain date to show cause why its membership in the Direct Selling Association should not be terminated. In the event the member refuses to cooperate with the Administrator or to request a review by the Appeals Review Panel, the DSA Board of Directors, or a designated part thereof, may vote to terminate the membership of the member.

3. Informal Investigation and Disposition Procedure

a. The Administrator shall conduct a preliminary investigation, making such investigative contacts as are necessary to reach an informed decision as to the alleged Code violation. If the Administrator determines, after the informal investigation, that there is no need for further action or that the Code violation allegation lacks merit, further investigation and administrative action on the matter shall terminate and the complaining party shall be so notified.

b. The Administrator may, at his discretion, remedy an alleged Code violation through informal, oral and written communication with the accused member company.

c. If the Administrator determines that the allegation has sufficient merit, in that the apparent violations are of such a nature, scope or frequency so as to require remedial action pursuant to Part E and that the best interests of consumers, the association and the direct selling industry require remedial action, he shall notify the member of his decision, the reasoning and facts which produced it, and the nature of the remedy he believes should be effected. The Administrator's notice shall offer the member an opportunity to voluntarily consent to accept the suggested remedies without the necessity of a Section 4 hearing. If the member desires to dispose of the matter in this informal manner it will, within 20 days, advise the Administrator, in writing, of its willingness to consent. The letter to the Administrator may state that the member's willingness to consent does not constitute an admission or belief that the Code has been violated.

4. Appeals Review Panel

An Appeals Review Panel consisting of five representatives from active member companies shall be selected by the Executive Committee of DSA's Board of Directors. Each member shall serve for a term of three years. The five members shall be selected in a manner that represents a cross-section of the industry. When an appeal is made by a member company, the Chairman of the DSA Board of Directors shall select three of the five members of the Appeals Review Panel to constitute a three-person panel to review the appeal, and shall name one of them Chairman of that panel. When possible, no company of the three shall sell a product that specifically competes with the Appellant, and every effort shall be made to avoid conflicts in selecting the panel. If for any reason, a member of the panel cannot fulfill his or her duties or fill out a term for any reason, the Chairman of the Board of DSA can replace that person with a new appointment for the remainder of the unfulfilled term with the concurrence of the Executive Committee.

5. Appeals Review Procedure

a. If a member company objects to the imposition of a remedial action by the Administrator, it shall have a right to request a review of the Administrator's decision by the Appeals Review Panel. A member company must make such a request in writing submitted to the Administrator within 14 days of being notified of the remedial action by the Administrator. Within 10 days of receiving such a request, the Administrator shall notify the Chairman of the Board of DSA who at that time shall select the three-person panel in accordance with Section 4 above. That selection shall take place within 30 days of the member's request for the review.

b. As soon as the panel has been selected, the Administrator shall inform the Appellant of the names of the panelists, including the name of the chairman of the panel. Within 14 days of that notification, the Administrator shall send a copy of the Complaint and all relevant documents, including an explanation of the basis of the decision to impose remedial action, to the panelists with copies to the Appellant. Upon receipt of such information, the Appellant shall have 14 days to file with the panel its reasons for arguing that remedial action should not be imposed along with any additional documents that are relevant. Copies of that information should also be sent to the Administrator.

c. Once the information has been received by the panelists from both the Administrator and the member company, the panel will complete its review within 30 days or as soon thereafter as practicable. The panel shall decide whether the Administrator's decision to impose remedial action was reasonable under all of the facts and circumstances involved and shall either confirm the Administrator's decision, overrule it, or impose a lesser sanction under Part E. The panel shall be free to contact the Administrator and the Appellant and any other persons who may be relevant witnesses to the Complaint, formally or informally as deemed appropriate. A decision by the panel shall be final and shall be promptly communicated both to the Administrator and the Appellant. The costs involved in the appeal such as costs of photocopying, telephone, fax, and mailing, shall be borne by the Appellant.

6. Codes of Ethics of Member Companies

a. Approval By Administrator

1. If a complaint is against a member company that has a code of ethics which has been registered with the DSA Code of Ethics Administrator, and the Administrator has issued an opinion that the company code is compatible with DSA's Code of Ethics, the Complainant must first exhaust all remedies under the company code of ethics before filing a complaint with DSA's Code Administrator. If the Complainant has exhausted those remedies and is of the opinion that the company's disposition of the Complaint was unsatisfactory, the Complainant can appeal the company's decision to the DSA Code Administrator. The Complainant must first notify the company of the intent to appeal to DSA. The Complainant must also forward all relevant documentation from the company code proceeding to DSA's Administrator.
2. After receiving such an appeal, the Administrator shall confer with the company to obtain any additional information concerning the matter as well as an explanation for the company's decision. The Administrator shall decide whether the company's resolution of the complaint was reasonable under all of the facts and circumstances involved. If the Administrator decides in the negative, the Administrator shall work with the company in an effort to resolve the matter satisfactorily to all parties. If the Administrator finds that the member company will not cooperate in that effort, the Administrator can impose remedial action in accordance with DSA's Code of Ethics. The Complainant shall bear all costs of an appeal from a decision under a company code, including such costs as photocopying, telephone, fax, and mailing charges.

b. Alternative Enforcement Process

In certain instances, a member company may provide a process whereby complaints can be addressed and which provide an equally acceptable vehicle for complaint resolution. In such instances – provided the process has been formally reviewed and approved by the DSA Code Administrator – the member company's process may be substituted for and the member company relieved of, adherence to the provision of Section D. Regulations for Enforcement of the DSA Code of Ethics.* In order for a member company's enforcement process to be approved as an alternative to Section D, the process must contain all the following elements:

1. The company has adopted an investigation and review process that substantially mirrors that presented in Section D and contains at more than one level the formal review of complaints regarding its salespersons or representatives;
2. The company has adopted an appeal process to the steps outlined in Paragraph 1 above that includes review by a neutral and competent third party, as approved by the DSA Code of Ethics Administrator;
3. The company offers a satisfaction guarantee or the equivalent on product sales to consumers who are not salespersons or representatives of the member company; and
4. The company advises its salespersons or representatives of the dispute resolution process in a sufficiently transparent manner including notices on its web site and in appropriate literature.
5. c. If a member company meets the above requirements of paragraph b., DSA will indicate on its web site that the member company's Code of Ethics is an approved Alternative taking precedence over the DSA's Code of Ethics Section D-Regulations for Enforcement of DSA Code of Ethics.

d. Those companies that are on the Company Code Alternative list will be exempt from the required publication provisions of Section B.2 of the Code and will not have to show on their web sites or in separate literature that complaints against the company should be filed with the DSA Code of Ethics Administrator. The DSA Code of Ethics web site will indicate, however, that all member companies are subject to all other provisions of the DSA Code of Ethics. Further, if the DSA Code of Ethics Administrator finds that any company on the Alternative list has failed to comply with the requirements for such a listing the Administrator may remove that company from the list.

E. Powers of the Administrator

1. Remedies

If, pursuant to the hearing provided for in Part D Section 3, the Administrator determines that the accused member has committed a Code of Ethics violation or violations, the Administrator is hereby empowered to impose the following remedies, either individually or concurrently, upon the accused member:

- a. **Require** complete restitution to the complainant of monies paid for the accused member's products which were the subject of the Code complaint;
- b. **Require** the replacement or repair of any accused member's product, the sale of which was the source of the Code complaint;
- c. **Require** the payment of a voluntary contribution to a special assessment fund which shall be used for purposes of publicizing and disseminating the Code and related information. The contribution may range up to \$1,000 per violation of the Code.
- d. **Require** the accused member to submit to the Administrator a written commitment to abide by the DSA Code of Ethics in future transactions and to exercise due diligence to assure there will be no recurrence of the practice leading to the subject Code complaint.
- e. **Require** the cancellation of orders, return of products purchased, cancellation or termination of the contractual relationship with the independent salesperson or other remedies.

2. Case Closed

If the Administrator determines that there has been compliance with all imposed remedies in a particular case, he shall close the matter.

3. Refusal to Comply

If a member refuses to voluntarily comply with any remedy imposed by the Administrator, and has not requested a review by the Appeals Review Panel, the DSA Board of Directors, or designated part thereof, may conclude that the member should be suspended or terminated from membership in the Association. In that event the Administrator shall notify the member of such a decision by registered mail and shall remind the member of its right to have the Administrator's original decision reviewed by the Appeals Review Panel in accordance with Part D Section 5 (Appeals Review Procedure) of this Code.

4. Appeal for Reinstatement After Suspension or Termination

If the suspension or termination is not appealed, or if it is confirmed by the Appeals Review Panel, a suspended member, after at least ninety days, and a terminated member, after at least one year, may request the opportunity to have its suspension or termination reviewed by the Appeals Review Panel which may in its discretion reinstate membership.

5. Referral to State or Federal Agency

In the event a member is suspended or terminated, and continues to refuse to comply with any remedy imposed by the Administrator within 30 days after suspension or termination, the Administrator may then consult with independent legal counsel to determine whether the facts that have been ascertained amount to a violation of state or federal law. If it is determined that such a violation may have occurred, the Administrator shall so notify the accused member by certified or registered mail, return receipt requested, and if appropriate action has not been taken by the accused member, and communicated to the Administrator after 15 days following such notice, the Administrator may submit the relevant data concerning the complaint to the appropriate federal or local agency.

F. Restrictions

1. Conferring with Others

At no time during an investigation or the hearing of charges against a member shall the Administrator or member of the Appeals Review Panel confer with anyone at any time concerning any alleged violation of the Code, except as provided herein and as may be necessary to conduct the investigation and hold a hearing. Any information ascertained during an investigation or hearing shall be treated as confidential, except in cases where the accused member has been determined to have violated federal, state or local statutes. At no time during the investigation or the hearing of charges shall the Administrator or a member of the Appeals Review Panel confer with a competitor of the member alleged to be in violation of the Code, except when it may be necessary to call a competitor concerning the facts, in which case the competitor shall be used only for the purpose of discussing the facts. At no time shall a competitor participate in the Administrator's or in the Appeals Review Panel's disposition of a complaint.

2. Documents

Upon request by the Administrator to any member, all documents directly relating to an alleged violation shall be delivered to the Administrator. Any such information obtained by the Administrator shall be held in confidence in accord with the terms of these regulations and the Code. Whenever the Administrator, either by his own determination or pursuant to a decision by the Appeals Review Panel, terminates an action which was begun under the Code, a record of the member accused shall be wiped clean and all documents, memoranda or other written material shall either be destroyed or returned, as may be deemed appropriate by the Administrator, except to the extent necessary for defending a legal challenge to the Administrator's or Appeals Review Panel's handling of a matter, or for submitting relevant data concerning a complaint to a local, state or federal agency. At no time during proceedings under this Code regulation or under the Code shall the Administrator or member of the Appeals Review Panel either unilaterally or through the DSA issue a press release concerning allegations or findings of a violation of the Code unless specifically authorized to do so by the Executive Committee of DSA's Board of Directors.

3. Pending Members of DSA

Nothing in Part F shall prevent the Administrator from notifying, at his discretion, DSA staff members of any alleged violations of the Code that have come to his attention and which may have a bearing on a DSA pending member's qualifications for active membership.

G. Resignation

Resignation from the Association by an accused company prior to completion of any proceedings constituted under this Code shall not be grounds for termination of said proceedings, and a determination as to the Code violation shall be rendered by the Administrator at his or her discretion, irrespective of the accused company's continued membership in the Association or participation in the complaint resolution proceedings.

H. Amendments

This Code may be amended by vote of two thirds of the Board of Directors.

As Adopted
June 15, 1970

As Amended
by Board of Directors through
June 1, 2014





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