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SECTION 1 – PURPOSES OF POLICIES AND PROCEDURES

M Network has developed the following guidelines to assist in the success of the Company and its Members. These Policies and Procedures will help provide the following benefits:

- 1) Protect the rights of all Members by providing a framework within which each Member may work in an ethical, effective and secure manner.
- 2) Provide an equal and level playing field of opportunity to all M Network Members.
- 3) Define the contractual relationship between M Network and its Members.
- 4) Inform Members regarding compliance issues and regulatory requirements M Network requires that all Members understand and abide by these Policies and Procedures as we work together in promoting the M Network products and opportunity.

SECTION 2 – INTRODUCTION

2.1 – Policies and Procedures Incorporated into Member Agreement

These Policies and Procedures in their present form and as amended from time to time at the sole discretion of M Network (“M Network” or the “Company”) are incorporated into, and form an integral part of, the M Network Member Agreement. Throughout these Policies and Procedures, when the term “Agreement” is used, it collectively refers to the M Network Member Application and Agreement, the Terms and Conditions, these Policies and Procedures and the M Network Compensation Plan. These documents are incorporated by reference into the M Network Member Agreement. It is the responsibility of each Member to read, understand, adhere to and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When enrolling a new Member, it is the responsibility of the Enroller to provide the most current version of these Policies and Procedures and the M Network Compensation Plan to the applicant prior to his or her execution of this Member Application and Agreement.

2.2 – Purpose of Policies

M Network is a direct sales company that markets products through Members. It is important that all Members understand that their success is Independent upon the integrity of all who market M Network products. To clearly define the relationship that exists between Members and M Network, and to explicitly set standards for acceptable business conduct. M Network has established the Agreement. M Network Members are required to comply with all the terms and conditions set forth in the Agreement, as well as all federal, state and local laws governing their business and their conduct. It is very important that all Members read and abide by the Agreement. Please review the information in this document carefully. It explains and governs the relationship between Members and the Company. Any questions regarding any policy or rule should be directed to M Network.

2.3 – Changes to the Agreement

Because federal, state and local laws, as well as the business environment periodically change, M Network reserves the right to amend the Agreement (including, without limitation, the Member Application and Agreement, Terms and Conditions, and Policies and Procedures) and its prices and product offering in its sole and absolute discretion. The Company shall provide or make available to all Members a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official website, (2) electronic mail (e-mail), (3) fax-on-demand, (4) voice mail system broadcast, (5) inclusion in Company periodicals, (6) inclusion in product orders or bonus checks, or (7) special mailings from the Company. The most current and controlling version will be located at www.m.network. It is the responsibility of all Members to regularly review www.m.network for the most recently published amendment(s). Once the amendment(s) are published, the Member(s) may elect to accept the amendment(s) or reject them. If the Member rejects them, their Agreement will terminate and will not be renewed. If the Member continues to purchase or sell Company products, enroll and/or accepts rebates, commissions or bonuses from M Network, such actions shall be deemed acceptance of any amendments.

2.4 – Delays

M Network shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

2.5 – Severability

If any provision of the Agreement in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.

2.6 – Waiver

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

Network's rights as to that or any subsequent breach. The allegation or existence of any claim or cause of action of a Member against M. Network shall not constitute a defense to M. Network's enforcement of any term or provision of the Agreement.

SECTION 3 – BECOMING A MEMBER

RULES OF CONDUCT

Members promise to:

1. Handle themselves and their operations and conduct as a Member honestly, morally and legally.
2. Keep their activities honorable to reflect well on themselves and on M. Network.
3. Speak well of M. Network, as well as competitors.
4. Honestly present the product in keeping with what is set forth in the M. Network literature, including references to health claims and benefits.
5. Explain the Compensation Plan honestly and completely as set forth in the M. Network corporate materials.
6. Respect the privacy of others and keep their personal earnings and the earnings of others private.
7. Take their Enroller and Upline responsibilities seriously, including, without limitation, readily training, aiding and supporting those in their Downline.
8. Abide by the product guarantee and return policies for themselves and to their customers
9. Respect the professional relationships between M. Network and any of its advisors, endorsers or affiliates by speaking of them appropriately as set forth in the M. Network policies and refraining from making contact with them.
10. Direct all media inquiries to M. Network.
11. Maintain professional business relationship and avoid conflicts of interest with other Members and their Enrollees.
12. Adhere to the Agreement.
13. Conduct their M. Network business center professionally in order to help protect the M. Network opportunity for all.

3.1 - Requirements to Become a Member

To become a M. Network Member, each applicant must:

1. Be a minimum of eighteen (18) years of age;
2. Have a valid Social Security or Federal Tax ID number;
3. Pay your M. Network Membership Fee;
4. Submit a properly completed and signed M. Network Member Application and Agreement to M. Network.

The Company reserves the right to reject any applications for a new Member or applications for renewal in its sole and absolute discretion. The Agreement is effective upon acceptance of the Member Application and Agreement by the Company.

3.2 – New Member Applications

An Applicant is authorized by the Company to operate a Business Center when he or she (i) returns to the Company a completed and signed original or electronic (faxed or scanned) Member Agreement or signs through the Company's on-line application process; and (ii) the Company accepts the Agreement.

3.3 – Renewal of an M. Network Member Business Center

The term of the Agreement is one (1) year from the date of its acceptance by M. Network. A renewal fee will be required and billed each successive year on the yearly anniversary date of the Agreement. Once the annual renewal fee has been collected, the Agreement will be renewed provided the Member is in good standing and the Agreement has not been cancelled as provided herein.

SECTION 4 – OPERATING AN M. NETWORK MEMBER BUSINESS CENTER

4.1 – Adherence to the M. Network Compensation Plan

Members must adhere to the terms of the M. Network Compensation Plan as set forth in official M. Network literature. Members shall not offer the M. Network opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official M. Network literature. Members shall not require or encourage other current or prospective Members to participate in M. Network in any manner that varies from the program as set forth in official M. Network materials. Members shall not require or encourage other current or prospective Members to execute any agreement or contract other than official M. Network agreements and contracts in order to become an M. Network Member. Similarly, Members shall not require or encourage other current or prospective Members to make any purchase from, or payment to, any individual or other entity to participate in the M. Network Compensation Plan other than those purchases or payments identified as recommended or required in official M. Network literature.

4.2 – Business Entities

A corporation, limited liability company, partnership, trust, or local equivalent may apply to be an M. Network Member by submitting a Business Entity form to M. Network. If a Member has enrolled online, such form must be submitted to M. Network within thirty (30) days of the online Enrollment. (If not received within the 30-day period, the Member Application and Agreement shall automatically terminate.) An M. Network Member Business Center may

change its status under the same Enroller from an individual to a partnership, corporation, trust or local equivalent or from one type of entity to another by requesting a Name Change Request Form and a Business Entity Form from the M. Network Member Education Department. The Business Entity form must be signed by all of the shareholders, partners, trustees, members or owners of the relevant Business Entity. Members of the relevant Business Entity are jointly and severally liable for any indebtedness, liability or other obligation to M. Network. A Business Entity may have a second and third position only as they are earned as “multiple Business Centers” as described in the M. Network Compensation Plan.

4.3 – Minors

A person who is recognized as a minor in his or her state of residence may not be an M. Network Member. Members shall not enroll or recruit minors into the M. Network program.

4.4 – Enrolling/Placing or Sponsoring

All active Members in good standing may enroll and place (sponsor) others into the M. Network program. Each prospective Direct Retail Customer or Member has the ultimate right to choose this or her own Enroller and Placement Sponsor. If two Members claim to be the Enroller and/or Placement Sponsor of the same new member or Direct Retail Customer, the Company shall presume that the first application received by the Company is controlling.

4.5 – Independent Contractor Status

Members are independent contractors, not employees of the Company. Members are not purchasers of a franchise or business opportunity. The Agreement between M. Network and its Members does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Member. A Member is responsible for paying all applicable local, state and federal taxes due from all compensation earned as a Member of the Company. A member has no authority (expressed or implied) to bind the Company to any obligation. Each Member shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Agreement and all applicable laws.

4.6 – Changes to an M. Network Member Business Center

4.6.1 – General

Each Member must immediately notify M. Network of all changes to the information contained on his or her Member Application and Agreement. Members may modify their existing Member Application and Agreement (i.e., change Social security number to Federal I.D. number, or change the form of ownership from an individual proprietorship to a Business Entity owned by the Member by submitting a written request for a Name Change Request Form, a properly executed Member Application and Agreement, and appropriate supporting documentation. M. Network may, at its discretion, require notarized documents before

implementing any changes to an M. Network Business Center. Please allow thirty (30) days after the receipt of the request by M. Network for processing.

4.6.2 – Addition of Co-Applicant

When adding a co-applicant (either an Individual or a Business Entity) to an existing M. Network Member Application, the Company requires a written request, as well as a properly completed Member Application and Agreement containing the applicant and co-applicant's Social Security Numbers and signatures. To prevent the circumvention of Section 4.7 (regarding transfers and assignments of an M. Network Business Center), the original applicant must remain as the main party to the original Member Application and Agreement. If the original member wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her Business Center in accordance with Section 4.7. If this process is not followed, the Business Center may be cancelled by M. Network upon the withdrawal of the original Member. All bonus and commission checks will be sent to the address of record of the original Member. Please note that the modifications permitted within the scope of this Section 4.5.2 do not include a change of Enroller or Placement Sponsor. Changes of Enroller or Placement Sponsor are addressed in Section 4.5.3 and 4.5.4 below. There is a processing fee for each change requested, which must be included with the written request and the completed Member Application and Agreement.

4.6.3 – Change of Enroller

To protect the integrity of all Marketing Organizations and safeguard the hard work of all Members, M. Network strongly discourages changes in Enrollers or Placement Sponsors. Maintaining the integrity of placement is critical for the success of every Member and Marketing Organization. Accordingly, the transfer request of an M. Network Member from one Enroller to another is subject to review and any change will be at the sole discretion of the Company.

The Member seeking to transfer/change submits a properly completed and fully executed Enroller Change Request Form, which includes the written approval of his or her Enroller and immediate five (5) Enroller Upline Members. Photocopied or facsimile signatures are not acceptable. The Member who requests the transfer must submit a processing fee for administrative charges and data processing. If the transferring Member also wants to move any of the Members in his or her Marketing Organization, each Downline Member must obtain a properly complete Enroller Change Request Form and return it to M. Network with the processing fee (i.e. the transferring/changing Member and each Member in his or her marketing Organization multiplied by the processing fee is the cost to move an M. Network organization.) Downline Members will not be moved with the transferring/changing Member unless all of the requirements of this section are met.

Additionally, a change of Enroller will be considered in the following two (2) circumstances: In cases involving fraudulent inducement or unethical sponsoring, a Member may request that he

or she be transferred/changed to another organization with his or her entire Marketing Organization intact. All requests for transfer/change alleging fraudulent enrollment practices shall be evaluated on a case-by-case basis and will be made at the sole discretion of the Company.

Transferring/changing Members must allow thirty (30) days after the receipt of the Enroller Change Request Form by M. Network for processing while a decision is being made.

4.6.4 – Change of Placement Sponsor

New Enrollees that have not been placed under a particular Placement Sponsor at the time for enrollment will, by default, be placed Front Line (as further defined below) to their Enroller. If a Placement Sponsor has not been selected by the end of the first thirty (30) days of enrollment, then their Enroller becomes their Placement Sponsor and changes thereafter must be made in accordance with and through a properly completed and fully executed Placement Sponsor Change Request form, which includes the written approval of his or her immediate nine (9) Placement Sponsor Upline Members. The Member who request the change must submit a processing fee for administrative charges and data processing. Changing Members must allow thirty (30) days after the receipt of the Placement Sponsor Change Request form by M. Network for processing while a decision is being made.

4.6.5 – Cancellation and Reapplication

A Member may change marketing Organizations by voluntarily canceling his or her M. Network Business Center and remaining inactive (i.e., no purchases of M. Network products for resale, no sales of M. Network products, no enrolling, no attendance at any M. Network functions, participation in any other form of Business Center activity, or operation of any other M. Network Business Center) for six (6) full calendar months. Following the six (6) months period of inactivity, the former Member may reapply under a new Enroller. M. Network will consider waiving the six (6) month waiting period under exceptional circumstances. Such requests for waiver must be submitted to M. Network in writing.

4.7 – Roll-up of Marketing Organization

When a vacancy occurs in a Marketing Organization due to the termination of an M. Network Member, each member or Customer in the first level immediately below the terminated Member on the date of the Cancellation will be moved to the first level (“Front Line”) of the terminated Member’s Placement Sponsor (compresses up one level within the Placement Sponsor tree).

4.7.5 – Cancellation and Reapplication

A Member may change marketing Organizations by voluntarily cancelling his or her M. Network Business Center and remaining inactive (i.e., no purchases of M. Network products for resale,

no sales of M. Network products, no enrolling, no attendance at any M. Network functions, participation in any other form of Member activity, or operation of any other M. Network Business Centers) for six (6) full calendar months. Following the six (6) month period of inactivity, the former Member may reapply under a new Enroller. M. Network will consider waiving the six (6) month waiting period under exceptional circumstances. Such requests for waiver must be submitted to M. Network in writing.

4.8 – Sale, Transfer or Assignment of an M. Network Business Center

Although an M. Network Business Center is a privately owned, independently operated business centers, the sale, transfer or assignment of an M. Network Business Center is subject to certain limitations. If an M. Network Member wishes to sell his or her M. Network Business Center, the following criteria must be met:

1. If the buyer is an active M. Network Member, he or she must first terminate his or her M. Network Business Center and wait at least six (6) months before becoming eligible to purchase another Business Center.
2. The transaction must be approved by M. Network in its sole discretion.
3. The selling Member 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 an M. Network Business Center.
4. Prior to selling an M. Network Business Center, the selling Member must notify M. Network, in writing, of his or her intent to sell the M. Network Business Center. No changes in line of enrollment can result from the sale or transfer of an M. Network Business Center.
5. The selling member must wait a period of six (6) months from the date of the sale, transfer or assignment of their M. Network Business Center before he or she will be eligible to again enroll as an M. Network Member.

4.9 – Separation of an M. Network Member

M. Network Members sometimes operate their M. Network Business Centers as spouses through a Business Entity. At such time as a marriage ends, or a Business Entity dissolves, arrangements must be made to assure that any separation or division of the Business Entity is accomplished so as not to adversely affect the interests and income of other Members upline or downline of the Business Center. If the separating parties fail to provide for the best interest of other Members and the Company. M. Network may involuntarily and immediately terminate the Agreement and roll-up their Business Center and its entire Marketing Organization pursuant to Section 4.6.

Under no circumstances will the Downline of divorcing or legally separating spouses or a dissolving Business Entity be divided based on the requests or desires of the divorcing or legally separating parties. Similarly, under no circumstances will m. Network split commission and bonus checks between divorcing or legally separating spouse or members of dissolving Business

Entities. M. Network will recognize only one downline and will issue only one commission check per M. Network business Center per commission cycle. Commission checks shall be issued to the individual or Business Entity on the Business Center. 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 Center, commissions will continue to be paid to the primary member on the account. If a former spouse or a former Affiliated Individual has completely relinquished all rights in their original M. Network Business Center, they are thereafter free to Enroll under any Enroller of their choosing, so long as they meet the waiting period requirements set forth in Section 4.5.5. In such case, however, the former spouse or partner shall have no rights to any downline in their former Marketing Organization. The former spouse or partner must develop the new Marketing Organization in the same manner as would any other new Member.

4.10 – Succession

Upon the death or incapacitation of a Member, his or her Business Center may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, a Member should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an M. Network Business Center is transferred by a will or other testamentary process, the legal successor in interest acquires the right to collect all Financial Distributions as defined in Section 12) of the deceased Member's Marketing Organization provided the following qualifications are met. The successor(s) in interest must:

1. Execute a Member Application and Agreement
2. Comply with terms and provisions of the Agreement;
3. Meet all of the qualifications for the deceased Member's status;
4. Financial Distributions of an M. Network Business Center transferred pursuant to this Section 4.9 will be paid in a single check jointly to the legal successor(s) in interest. Such successor(s) must provide M. Network with an "address of record" to which all Financial Distributions checks will be sent.

4.11 – Transfer Upon Death of a Member

To effect a testamentary transfer of a M. Network Business Center, the successor in interest must provide the following to M. Network:

1. A certified copy of the death certificate;
2. A notarized copy of the will or other instrument establishing the successor's right to the M. Network Business Center; and
3. A completed and executed a Member Application and Agreement.

4.12 – Transfer Upon Incapacitation of a Member

To effect a transfer of a M. Network Business Center because of incapacity, a legally appointed representative must provide the following to M. Network: (1) a notarized copy of an appointment as trustee or other legally appointed representative, (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the M. Network Business Center; and (3) a completed Member Application and Agreement executed by the trustee.

If the representative in interest is already a M. Network Member, the Company may grant exception to the One Distributorship per Household rule upon written request from the representative in interest.

4.13 – Errors or Questions

If a Member has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports or credit card charges, the Member must notify M. Network in writing within sixty (60) days of the date of the purported error incident in question. M. Network will not be responsible for any errors, omissions or problems not reported to the Company within sixty (60) days of the purported error or incident in question.

SECTION 5 – RESPONSIBILITIES OF MEMBERS

5.1 – Change of Address, Telephone or E-mail

To ensure timely delivery of products, support materials and commission checks, it is critically important that M. Network's files are current. Street addresses are required for shipping since M. Network product will not be delivered to a post office box. Members planning to move should send any change of address, telephone or email to M. Network's Corporate Offices. If a Member is presently on the Autoship program, the Autoship will automatically be updated to the new address. If more than one change of address notice or Autoship Agreement has been submitted to M. Network, the most recent one will supersede previous notices or Agreements. Please allow thirty (30) days after the receipt of the notice or Agreement by M. Network for processing.

5.2 – Continuing Development Obligations

5.2.1 – Ongoing Training

Successful Members perform a bona fide assistance and training function to ensure that their downline is properly operating their M. Network Business Center. Successful Members have ongoing contact and communication with the Members in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail and the accompaniment of downline Members to M. Network meetings, training sessions and other functions. Successful upline Members also motivate and train new Members in M. Network product knowledge, effective sales techniques, the M. Network Compensation Plan and compliance with the Company Policies and Procedures. Communication with and the training of Downline Members must not, however, violate Section 8.1

(regarding the development of Members in their downline Organizations) to ensure that Downline Members do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request by M. Network, every Member should be able to provide documented evidence to M. Network of his or her ongoing efforts as a mentor and an Enroller.

5.2.2 – Increased Training Responsibilities

As Members progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the M. Network program. They may be called upon from time to time to share this knowledge with lesser experienced Members within their Marketing Organization.

5.2.3 – Ongoing Sales Responsibilities

Regardless of their level of achievement, successful Members are continually and personally promoting sales through the generation of new customers, through servicing their existing customers and through sales to Retail Customers.

5.3 – Non-Disparagement

M. Network wants to provide its Members with the best products, Compensation Plan and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Distributor Support Department. Members should not, however, disparage, demean or make negative remarks about M. Network, other M. Network Members, M. Network's products, the Compensation Plan, or M. Network's directors, officers or employees.

5.4 – Providing Documentation to Applicants

An Enroller must provide the most current version of the Policies and Procedures and the Compensation Plan to the individual(s) whom he or she is considering to enroll to become a Member before such applicant signs a Member Application and Agreement. Current copies of the Policies and Procedures and the Compensation Plan may be found on the official M. Network website.

5.5 – Reporting Policy Violations

Members who become aware of a policy violation by another member should submit a written report of the violation directly to the attention of the M. Network Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved and any supporting documentation should be included in the report.

5.6 – No Claims of Special Privileges

No claims may be made or implied that any Member has advantages with or special privileges with the Company or is in any way exempt from the same obligations and requirements of every other M. Network Member.

SECTION 6 – CONFLICTS OF INTEREST

Members may participate in other direct selling or network marketing or multilevel marketing ventures (collectively “Network Marketing Ventures”), and Members may engage in selling activities related to non-M. Network products and services if they desire to do so. If a Member elects to participate in another Network Marketing Venture, in order to avoid conflicts of interest and loyalties, Members must adhere to the following:

6.1 – Non-Solicitation

During the term of the Agreement, a Member shall not engage in any actual or attempted recruitment or enrollment of a M. Network Member for other Network Marketing Ventures, either directly or through a third party. This includes, but is not limited to, presenting or assisting in the presentation of another Network Marketing Venture to any M. Network Member or Customer, or implicitly or explicitly encouraging any M. Network Member or Customer to join another Network Marketing Venture.

- 1) For a period of one (1) year following the Cancellation of a Member’s Agreement, the former Member is strictly prohibited from recruiting any M. network Member; Customer or Direct Retail Customer for another Network Marketing Venture. By signing the Member Application and Agreement, each Member acknowledges and agrees that the Company is trying to protect legitimate business interests by this prohibition and such prohibition is reasonable in its scope and duration.
- 2) During the term of the Agreement, a Member may not:
 - a. Produce, offer or transfer any literature, tapes, CDs, DVDs, or other promotional material of any nature for another Network Marketing Venture which is used by the Member or any third person to recruit M. Network Members or Retail Customers for that Network Marketing Ventures.
 - b. Sell, offer to sell, or promote any competing non-M. Network products or services to M. Network Members or Retail Customers (any product in the same generic product category as an M. Network product is deemed to be competing (e.g., any nutritional supplement is in the same generic category as M. Network’s nutritional supplements, and is therefore a competing product, regardless of differences in cost, quality, ingredients or nutrient content);
 - c. Offer M. Network products or promote the M. Network Compensation Plan in conjunction with any non-M. Network products, services, business plan, opportunity or incentive; or
 - d. Offer any non-M. Network products, services, business plan, opportunity or incentive at any M. Network meeting, seminar, launch, convention or other M. Network function, or immediately following such event.

6.2 – Targeting Other Direct Sellers

M. Network does not encourage Members to target the sales force of another direct sales company to sell M. Network products to become Members for M. Network, nor does M. Network encourage Members to solicit or entice members of the sales force of another direct sales company to violate the terms of their contract with such other company.

6.3 – Cross-Sponsoring

Actual or attempted cross-sponsoring is strictly prohibited. "Cross-Sponsoring" is defined as the enrollment of an individual or entity that already has a current customer or Member Application and Agreement on file with M. Network, or that has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy or any other provision of the Agreement is strictly prohibited. Members shall not demean, discredit or defame other M. Network Members in an attempt to entice another Member to become part of the first Member's Marketing Organization. Notwithstanding the foregoing, this policy shall not prohibit the transfer of an M. Network Business Center in accordance with Section 4.9. If Cross-Sponsoring is discovered, it must be brought to the Company's attention immediately. M. Network may take action against the Member who changed Marketing Organizations and/or those Members who encouraged or participated in the Cross-Sponsoring. M. Network may also move all or part of the offending Member's downline to his or her original Downline organization if the Company deems it equitable and feasible to do so. However, M. Network is under no obligation to move the Cross-Sponsored Member's Downline Organization, and the ultimate disposition of the Marketing Organization remains within the sole discretion of M. Network. Members waive all claims and causes of action against M. Network arising from or relating to the disposition of the Cross-Sponsored Member's Downline Organization.

6.4 – Holding Applications or Orders

Members must not manipulate enrollments of new applicants and the purchase of products. All Member Applications and Agreements, and product orders must be sent to M. Network within forty-eight (48) hours from the time they are signed by a Member or placed by a Retail Customer, respectively (see Section 6.5 "Stacking").

6.5 – Stacking

"Stacking" is strictly prohibited. The term Stacking includes: (1) the failure to transmit to M. Network or the holding of a Member Application and Agreement in excess of two (2) business days after its execution (see Section 6.4); (2) enrolling fictitious individuals or Business Entities into the M. Network program (see Section 10.4 "Bonus Buying Prohibited").

SECTION 7 – COMMUNICATION AND CONFIDENTIALITY WITHIN AN M. NETWORK BUSINESS CENTER

7.1 – Downline Activity Report

Downline Activity Reports are available for Member access and viewing at M. Network's official website. Member access to their 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 and are owned exclusively by M. Network. Downline Activity Reports are provided to Members in strictest confidence and are made available to Members for the sole purpose of assisting Members in working with their respective Downline Organizations in the development of their M. Network Members. Members should use their Downline Activity Reports to assist, motivate and train their Downline Members and support their customers. The Members and M. Network acknowledge and agree that, but for this agreement of confidentiality and

nondisclosure, M. Network would provide Downline Activity Reports to the Member. A Member shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

1. Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
2. Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
3. Use the information to compete with M. Network or for any purpose other than promoting his or her M. Network Business Center;
4. Recruit or solicit any Member or Retail Customer of M. Network listed on any Downline Activity Report, or in any manner attempt to influence or induce any Member or Direct Retail Customer to alter their business relationship with M. Network; and
5. 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 Member will return the original and all copies of Downline Activity Reports to the Company.

7.2 – Communication Opt-in

Member agrees that M. Network or a party acting on its behalf may contact you by telephone using automated technology (e.g., an auto-dialer or pre-recorded messaging), text messaging or email. You consent and agree to M. Network contacting you in this manner at the telephone number(s) or email address that you provided or as updated. You understand that your carrier's standard rates may apply for calls and text messages. You understand that you may opt-out of receiving text messages at any time by replying "STOP". You understand that your consent is not a condition of purchase. You consent and agree to the M. Network privacy policy when you sign and submit the Member Agreement.

SECTION 8 – ADVERTISING

8.1 – General

In order to safeguard and promote the good reputation and established brands of M. Network and its products and ensure that the promotion of M. Network, the M. Network opportunity, the Compensation Plan, and M. Network products are consistent with the public interest and avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices, all Members, except those with significant experience and who have achieved the rank of _____ or higher, are encouraged to use the sales aids and support materials produced by M. Network. The Company has carefully designed its products, product labels, Compensation Plan and promotional materials to ensure that the presentation of each aspect of M. Network is fair, truthful, substantiated and complies with the vast and complex legal requirements of federal, state and other applicable local laws.

8.1.1 – Approval of Materials

In the event that an experienced Member, who has achieved the rank of _____ or higher, produces supplemental marketing material of any kind including, but not limited to, advertisements of any media type, flyers, brochures, CDs, audio recordings, posters, or banners, M. Network requires that such be

submitted to the Company's Compliance Department for approval before it may be used or made public. All such proposed materials may be mailed to M. Network Compliance Department, 81 Mountain Way Drive, Orem, Utah 84058. Unless the Member receives specific written approval to use such materials the request shall be deemed denied. Also, M. Network reserves the right, at its discretion, to edit or discontinue previously approved Member materials. All such material may not be sold and may not be offered free of charge.

8.1.2 – Right to Rescind

M. Network further reserves the right to rescind approval for any sales tools, promotional materials, advertisements or other literature, and Members waive all claims for damages or remuneration arising from or relating to such rescission.

8.1.3 – Strict Compliance Required

Members may not make any claims stating that documents or materials that they have written or produced have been given approval from the M. Network Compliance Department or that they are "compliance-approved" even if they have received approval through the Compliance Department for their marketing materials. As these compliance policies are vital to the long-term stability of M. Network and the preservation of the opportunity for all, violations of these policies will be strictly enforced. Failure to obtain approval for supplemental marketing materials of any kind and/or failure to implement the policies in any material may result in any of the actions set forth in Section 14.1 including, without limitation, the following:

1. Formal warning letter and/or probation;
2. Suspension of commissions;
3. Termination of the Member Agreement; and/or
4. Possible litigation.

8.2 – Trademarks and Copyrights

No Member shall use M. Network's trade names, trademarks, designs, or symbols without M. Network's prior, written permission. For example, except in limited circumstances specifically addressed herein, Members may not use or attempt to register "M. Network" or any of M. Network's trademarks, other product names or any derivatives thereof connected with the Company for use in any Internet domain name, Internet search engine adwords (see Section 8.5.17 "Search Engines"), social pages or blogs, e-mail address, user name, team names, telephone numbers or any other address or title or online aliases that could cause confusion or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from or is the property of M. Network. Members may not produce for sale or distribution any recorded Company events or speeches without the prior written permission from M. Network. Members may not reproduce for sale or other use any recording of Company produced audio or digital media presentations.

8.3 – Unauthorized Claims and Actions

8.3.1 – Indemnification

A Member is full responsible for all of his or her verbal and written statements made regarding M. Network products and the Compensation Plan which are not expressly contained in official M. Network materials. Members agree to indemnify M. Network and its directors, officers, employees and agents and hold them harmless from any and all liability including, but not limited to, judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by M. Network as a result of the Member's unauthorized representation or actions. This provision shall survive the termination of the Agreement.

8.3.2 – Product Claims

No claims, which include personal testimonials, as to therapeutic, curative or beneficial properties of any products offered by M. Network may be made except those contained in official M. Network materials. In particular, no Member may make any claim that M. Network products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases or signs or symptoms of disease. Not only are such claims violations of M. Network policies, but they potentially violate applicable laws, including, but not limited to, federal and state laws and regulations, such as the Federal Food, Drug and Cosmetic Act and Federal Trade Commission Act.

8.3.3 – Income Claims

In their enthusiasm to enroll prospective Members, some Members are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing and M. Network in particular. This is counterproductive because new Members may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At M. Network, we firmly believe that the M. Network income potential is great enough to be highly attractive, without reporting the earnings of others. Moreover, there are laws and regulations that regulate, or even prohibit, certain types of income claims and testimonials made by persons engaged in network marketing. While Members may believe it beneficial to provide copies of checks or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact M. Network as well as the Member making the claim, unless appropriate disclosures required by law are also made contemporaneously with the income claim, unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because M. Network Members do not have the data necessary to comply with the legal requirements for making income claims, a Member, when presenting or discussing the M. Network opportunity or Compensation Plan to a prospective Member, may not make income projections, income claims or disclose his or her M. Network income (including the showing of checks, copies of checks, bank statements or tax records). Hypothetical income examples that are used to explain the operation of the Compensation Plan and which are based solely on mathematical projections, may be made to prospective Members, so long as the Member who uses such hypothetical examples makes clear to the prospective Member(s) that such earnings are hypothetical and the Member provides the prospect with a copy of the most current income disclosure chart prepared by the Company.

8.3.4 – Use of Celebrity Names and Likeness

No names or likeness of a celebrity may be published by Members in association with M. Network without prior written approval of M. Network.

8.3.5 – Governmental Approval or Endorsement

Government regulatory agencies do not approve or endorse any direct selling or network marketing companies or programs. Therefore, Members shall not represent or imply that M. Network or its Compensation Plan has been “approved,” “endorsed” or otherwise sanctioned by any government agency.

8.4 – Mass Media

8.4.1 – Promotions Utilizing Mass Media Prohibited

Except as otherwise specifically authorized herein, Members may not use any form of media or other mass communication advertising to promote the products or opportunity. This includes news stories or promotional pieces on TV shows, newscasts, entertainment shows, Internet ads, etc. Members may place generic opportunity advertisements in jurisdictions allowing that type of advertisement, but only in accordance with the Policies and Procedures of the Company and in compliance with applicable law.

8.4.2 – Media Interviews

Members may not promote the Products or opportunity through interviews with the media, articles in publications, news reports, press releases or any other public information, trade or industry information source, unless specifically authorized in writing, by the Company. This includes private, paid membership or “closed group” publications. Members may not speak to the media on the Company’s behalf and may not represent that they have been authorized by the Company to speak on its behalf. All media contacts or inquiries should be immediately referred to the Company.

8.5 – Internet

8.5.1 – General

Regardless of compliance with the Policies and Procedures set forth herein, all M. Network Members are personally responsible for their online postings and all other online activity that relates to M. Network. Therefore, even if an M. Network Member does not own or operate a blog or social media site, if an M. Network Member posts to any such site that relates to M. Network or which can be traced to M. Network, the M. Network Member is responsible for the posting and must act in a way that builds, strengthens and enhances M. Network’s reputation, image and standing in the community. M. Network Members are also responsible for postings which occur on any external website that the M. Network Member owns, operates or controls.

M. Network Members must disclose their full names on all relevant social media profiles that relate to M. Network and its products or business, and each must conspicuously identify himself or herself as an “M. Network Member.” Anonymous postings or use of an alias is prohibited.

M. Network Members must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. Determination of what is inappropriate is at M. Network’s sole discretion, and offending M. Network Members will be subject to disciplinary action.

M. Network Members may not use blog spam, spam-dexing or any other mass-replicate methods to leave comments on any website, blog or message board. Comments Members create or leave online must be useful, unique, relevant and specific to the blog's article.

As a general rule, M. Network Members may not use any geographic references in the page names/titles or URLs of their M. Network-related social media or external websites. For purposes of clarification and the avoidance of doubt, other than for a Default URL or an approved amendment to a Default URL, M. Network Members may not use the term "M. Network" or any derivation thereof, in any external website address or related URL.

Any External website which contains "M. Network" or other M. Network product and program names, or any derivation thereof in the URL, must be transferred to M. Network or closed/terminated upon demand by M. Network. In no event may the M. Network Member sell such domain name to any third party without the prior express written consent of M. Network.

8.5.2 – Member Websites

If a Member desires to utilize an Internet web page to promote his or her Business Center, he or she may do so only through the Company's replicated website program, using the official M. Network template. This program permits Members to advertise on the Internet and to use a home page design that can be personalized with the Member's contact information. These websites give the Member a professional and Company approved presence on the Internet. Online sales may only be generated from a Member's M. Network replicated website.

A Member shall not use "blind" ads on the Internet that make product or income claims which are ultimately associated with M. Network products, the M. Network opportunity or the M. Network Compensation Plan.

8.5.3 – Social Media and Other Internet Use

Members may use the Internet, social networking sites, blogs, social media and applications, and other sites that have content that is based on user participation and user-generated content, forums, wikis and podcasts to do the following:

1. Communicate preliminary information about M. Network or their involvement with M. Network;
2. Direct users to their M. Network replicated website; and
3. Post M. Network-produced business support materials from M. Network corporate sources.

Such use is permitted provided that it (1) is incidental to the primary use of the website or forum, (2) does not contain any false or misleading information about M. Network, its products or business opportunities, and (3) conforms to the other policies set forth herein, including, without limitation, the policies related to the use of M. Network's trademarks, trade names and other intellectual property.

8.5.3.1 – The Official M. Network Public Facebook (or similar) Pages

M. Network has an official public Facebook page which it uses to invite potential customers and investors to investigate the Company. It is not intended to be used by M. Network Members to sell product or promote their business or to interact with other Members or consumers. As such, M.

Network Members may not place linking information on the public M. Network Facebook page, nor may they post any pricing, promotions, marketing material, sales, advertisements, or announcements relating to their businesses. M. Network reserves the right to remove any messages posted on the official Company Facebook page as determined in its sole discretion.

8.5.3.2 – Closed Member Facebook (or similar) Pages

M. Network will also create a closed corporate Facebook community for company and Member use. Members may also create a closed group and may utilize such group to educate, discuss and disseminate information about M. Network, its products, science and business opportunity amongst themselves. Members may join these groups only with the consent of M. Network, and all content and discussions will be password protected and closed to the public. No Member shall allow access to or disseminate information from such groups.

8.5.4 - Use of Third-Party Intellectual Property

If M. Network Members use the trademarks, trade names, service marks, copyrights or intellectual property of any third party in any online posting, it is their responsibility to ensure that they have received the proper license to use such intellectual property and pay the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third party, and the Member must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

8.5.5 – Respecting Privacy

M. Network Members must always respect the privacy of others in their postings. They must not engage in gossip or advance rumors about any individual, company or competitive products or services. M. Network Members may not list the names of other individuals or entities on their postings unless they have written permission of the individual or entity that is the subject of their posting.

8.5.6 – Professionalism

M. Network Members may not make any postings or link to any postings or other material that:

1. Is sexually explicit, obscene or pornographic;
2. Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
3. Is graphically violent, including any violent video game images;
4. Is solicitous of any unlawful behavior;
5. Engages in personal attacks on any individual, group or entity; or
6. Is in violation of any intellectual property rights of the Company or any third party.

8.5.8 – Responding to Negative Online Posts

M. Network Members should not converse with one who places a negative post against them, other M. Network Members or M. Network. They should report negative posts to the Company at compliance@mnetwork.com. Responding to such negative posts simply fuels a discussion with persons

carrying a grudge that does not hold themselves to the same high standards as M. Network, and therefore damages the reputation and goodwill of M. Network.

8.5.9 – Cancellation of Your M. Network Business Center

If an M. Network's Business Center is cancelled for any reason, he or she must discontinue using the M. Network name, and all of M. Network's trademarks, trade names, service marks and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all external websites that he or she utilize. If an M. Network Member's post on any social media site on which they have previously identified themselves as an M. Network Member representative, they must conspicuously disclose that they are no longer an M. Network Member.

8.5.10 – Use of "M. Network Member" in Advertising

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

8.5.11 – Method of Advertising

Members may advertise using the following means:

1. Newspaper: A Member may place a generic business opportunity advertisement in the classified section of a local newspaper, provide the advertisement conforms to all applicable laws and regulations.
2. Phone Directory: Any Member may place a text listing of its name in the white or yellow pages of a telephone directory followed by "M. Network Member." Graphical and display ads in telephone directories are prohibited.
3. Electronic Mail Advertisements: All advertisements sent via e-mail, telephone, or facsimile must comply with all anti-spamming laws for the state or country where the intended recipient resides. The Member is under obligation to research and comply with all laws concerning unsolicited commercial e-mail.
4. Television and Radio: Television and radio advertising requires prior written approval from the Company's Marketing, Public Relations, and Legal departments. Requests should be submitted through the Compliance department.
5. Celebrity Endorsement: A Member may use a celebrity endorsement with written approval from the Company and the specific, prior, written approval of the endorsing celebrity for each use of the celebrity's name.
6. Fairs, Swap Meets, Etc.: A Member may not sell or promote products at bazaars, flea markets, fairs, swap meets, or other similar gatherings. A Member may promote and sell products at tradeshow, except those where the Company announces on its website (www.m.network) it will have an exclusive presence.

7. Internet Auction Sites: A Member may not sell or facilitate the sale of product on Internet websites where an auction is the mode of selling or buying (e.g., eBay). A Member may not use a third-party to place product on auction websites or sell product to a third party if the Member knows, or has reason to know, that such product will be sold on auction websites. The provisions of this Section survive the termination of the Contract.

8.5.12 – Advertising at Company Sponsored Events

At Company sponsored events, Members may not, unless specifically authorized in writing by the Company, advertise, sell, or promote non-Company products or services, including, but not limited to: (i) the promotion of non-Company events, systems or materials, (ii) organized person to person solicitations, (iii) distribution of flyers, DVDs, or other materials, or (iv) the use of any other form of promotion deemed inappropriate by the Company.

8.5.13 – Internet Advertising

Subject to the provisions of Section 8.5.13(7) herein, Members may use only a Company Licensed Website to promote products or the business opportunity over the Internet. Promoting products or the business opportunity through an unlicensed Internet website is strictly prohibited. Members that wish to operate a Company Licensed Website must meet the following criteria:

1. A Member must enter into a website licensing agreement with the Company.
2. All licensed websites are subject to a one-time initial fee and yearly maintenance fees, regardless of the date the website was created. The fees are described in the Internet licensing agreement, which is available upon request. These fees are necessary for the Company to provide training and personnel to monitor Member Internet websites for compliance with these Policies and Procedures.
3. All licensed websites must first be reviewed and approved by the Company as Sales Tools, in accordance with these policies. Licensed websites must be Company-specific and may not advertise, promote, or link to any other product or opportunity. However, all such sites, and any changes thereto, must first be reviewed and approved by the Company as Sales Tools. In accordance with these policies. If approved, the Member must enter into a licensing agreement with the Company and the site must display a Company-generated “licensed” designation. Changes made to the site after obtaining the initial license require written authorization from a representative of the Company’s Compliance department.
4. Members may not use any key words or meta tags to advertise any licensed website on the Internet if the search words or meta tags explicitly or implicitly present illegal or unsubstantiated health or income claims.
5. Members must obtain written approval from the Company before initiating any sponsored links on Internet search engines to direct Internet traffic to a Company Licensed Website.
6. The Company may revoke the license for any previously approved website at any time and for any reason, including changes to federal and local laws and regulations.

7. Members may promote the business opportunity and products on social networking sites, such as “Facebook” and “Twitter,” video sites such as “YouTube” and “Google Video,” and blogging sites such as “Wordpress” and “Blogger” without complying with Sections 8.5.13(1) through Sections 8.5.13(7), provided the following conditions are met.
 - a. All text, audio and video postings do not contain product or income claims. For product information, Members may refer viewers to their M. Network replicated website, the Company website, or a Company Licensed Website;
 - b. Videos posted to social media sites show the text “M. Network Member” for the entirety of the video;
 - c. Completion of the Company’s website training course; and
 - d. The Company may monitor the social media sites for compliance with these Policies & Procedures and the Member agrees to immediately remove or modify the social media sites upon the Company’s request to comply with these policies.

8.5.14 – Advertising and Selling Price of Products on the Internet

Member acknowledges and agrees that the advertising and selling of all products on the Internet may only be done on a Company Licensed Website and the advertising and selling price of all products on such website must not be lower than the Company’s Suggested Retail price plus reasonable shipping and the amount the Company charges for, taxes and handling of the products. In connection with this Section, the Member also agrees that all advertising regarding the price of products will be truthful and will not contain misleading statements (e.g. “lowest price available” which infers that a Member is able to sell the products at a price lower than other Member, etc.) Member acknowledges and agrees that he or she shall not advertise or sell any products on the Internet which were purchased from another Member. Any violation of this Section by a Member shall constitute a breach of the Agreement.

8.5.15 – Mass Communications

For purposes of this Section, “Mass Communications” are defined as communications intended to reach fifty (50) or more Members in the sender’s Downline Organization or at least three Members who are cross-line, within a seven (7) day period. The following rules apply to all Mass Communications issued by a Member:

1. Members targeted to receive the Mass Communications must have knowingly “opted in” to hear or receive the Mass Communication
 - a. Through registration (if the Mass Communication will be received at an event or webinar); and/or
 - b. Through an affirmative request if the Mass Communication is delivered through an email or on a website.
2. If by e-mail, there must be an “opt out” feature prominently displayed in the Mass Communication.

3. The Mass Communication must comply with the terms of this Section.
4. The following disclaimer shall be prominently positioned in all Mass Communications that promote any particular building method:
 - a. "There are many methods and techniques used successfully for building your M. Network business. The building method promoted [in/at] this [website/webinar/email/meeting] may be different from that which is taught by your upline. Please consult with your upline if they have taught you a different building method or if you have any questions.
5. Member acknowledges that allowing the Member to create databases of Member information for Mass Communications, the sale of tools, and for any other purposes constitutes the use of Company Confidential Information, which information is the Company's trade secrets, and such use can be substantial financial benefit to the Member. Distributor acknowledges that he or she is subject to the cross-company recruiting obligations. This Section shall survive the termination of the Contract.

8.5.16 – Lead Distribution

Persons who are outside the Company network often make inquiries to the Company about its products. If the Company is able to determine and the inquiring person received the information from a specific Member or that there is a particular Member that the person is acquainted with, every attempt will be made to refer the person to that Member. If an association with a particular Member cannot be determined, the Member will be randomly positioned under an existing _____ - level Member. Final judgment with respect to the positioning of leads remains the right of the Company.

8.5.17 – Telemarketing

The Federal Trade Commission and the Federal Communication Commission, as well as other applicable local authorities, each have regulations that restrict telemarketing practices. Many authorities have "do not call" regulations as part of their telemarketing laws. Although M. Network does not consider M. Network Members to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that a Member's inadvertent action of calling someone whose telephone number is listed on a "do not call" registry could cause them to violate the law. Moreover, these regulations must not be taken lightly, as they can carry significant penalties and fines, per violation.

Therefore, Members must not engage in telemarketing in the operation of their M. Network Business Center. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of an M. Network product or service, or to recruit them for the M. Network opportunity. "Cold calls" made to prospective customers or Members that promote either M. Network's products or services or the M. Network opportunity constitute telemarketing and are prohibited. In addition, Members shall not use automatic telephone dialing systems or random phone lists relative to the operation of their m. Network Business Centers. The term "automatic telephone dialing system" means equipment which as the capacity to: (1) store or produce telephone numbers to be called using a random or sequential number generator; and (2) to dial such numbers. In addition, Members acknowledge and agree to abide by telemarketing guidelines.

8.5.18 – Retail Establishments – WHAT HERE?

SECTION 9 – RULES AND REGULATIONS

9.1 – Identification

All Members are required to provide their Social Security Number, Federal Employer Identification Number, or equivalent government issued identification number, to M. Network on the Member Application and Agreement. Upon enrollment, the Company will provide a unique Member Identification Number (MIN) to the Member by which he or she will be identified. This number will be used to place orders and track financial distributions.

9.2 – Income Taxes

Each Member is responsible for paying all applicable local, state, and federal taxes on any income generated as a Member. If a Member Business Center is tax exempt, the Federal tax identification number must be provided to Me. Network. Every year, M. Network will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. Member who: (1) had earnings of over \$600 in the previous calendar year; (2) made purchases during the previous calendar year in excess of \$5,000; or (3) earned an incentive award trip.

9.3 – Insurance

9.3.1 – Business Pursuits Coverage

M. Network Members may wish to arrange insurance coverage for their Business Centers. Often a homeowner's insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment. Members should contact their insurance agent to make certain that their relevant property is protected. In the U.S., this can often be accomplished with a simple "Business Pursuit" endorsement attached to their present homeowner's policy.

9.3.2 – Product Liability Coverage

M. Network maintains insurance to protect the Company and Members against product liability claims. M. Network's insurance policy extends coverage to Members so long as they are marketing M. Network products in the regular course of conduct and in accordance with Company policies and applicable laws and regulations. M. Network's product liability policy may not extend coverage to claims or actions that arise as a result of a Member's misconduct in marketing the products.

9.4 – International Marketing

Members are authorized to sell M. Network products, and enroll Customers or Members only in countries in which M. Network is authorized to conduct business as announced in Official M. Network Materials or on the Company website. However, before initiating any M. Network related activities in any authorized country, a M. Network must first complete and submit the M. Network International Enrollment Application. Once such application has been received, the M. Network may begin activities

in any authorized country in accordance with the applicable terms and conditions of that country. Permissible conduct and activity in unauthorized and/or Not-For-Resale markets is described in Section 9.4.1 below.

9.4.1 – International Marketing Definitions

9.4.1.1 – Un-Authorized Markets (Pre-Market) – Prior to the official opening of a country, permissible Member activity is limited to providing business cards and conducting, organizing or participating in meetings with no more than five (5) attendees, including the Member. Other attendees must be personal acquaintances or acquaintances of personal acquaintances. These meetings must be held in a home or a public establishment but may not be held in a private hotel room.

Member Pre-Market opening conduct prohibited in all markets includes but is not limited to:

9.4.1.1.1 – All cold-calling techniques (soliciting persons who are not prior personal acquaintances of the contacting Member) are strictly prohibited in unauthorized markets;

9.4.1.1.2 – Importing or facilitating the importation of, selling, gifting or distributing in any manner, Company products, services or product sample(s);

9.4.1.1.3 – Placing any type of advertisement or distributing any promotional materials regarding the Company, its products or the opportunity, except for official M. Network material specifically authorized for distribution in unopened markets as designated by the Company;

9.4.1.1.4 – Soliciting or negotiating any agreement for the purpose of committing a citizen or resident of an un-opened market to the opportunity, a specific Enroller or specific line of sponsorship. Furthermore, Members may not sign up a citizen or resident of unopened markets in an Authorized Country or by using the member agreement forms from an Authorized Country, unless the citizen or resident of the unopened market has, at the time of sign-up, permanent residence and the legal authorization to work in the Authorized Country. It is the enrolling Member's responsibility to ensure compliance with residency and work authorization requirements. Membership or participation in, or ownership of a corporation, partnership or other legal entity in an Authorized Country does not by itself fulfill the residence or legal authorization to work requirements. If a participant to a Member Business Center fails to provide verification of residency and work authorization when requested by the Company, the Company may, at its election, declare the Member Agreement void from its inception;

9.4.1.1.5 – Accepting money or other consideration, or being involved in any financial transaction with any potential Member either personally or through an agent, for purposes relating to Company products or the opportunity, including renting, leasing or purchasing facilities for the purpose of promoting or conducting Company-related business;

9.4.1.1.6 – Promoting, facilitating or conducting any type of activity which exceeds the limitations set forth in the Company's Policies and Procedures or which the Company, in its sole discretion, deems to be contradictory to the Company's business or ethical interest in international expansion.

9.4.1.2 – Not-For-Resale ("NFR")

Countries where residents of the country are allowed to import products for personal use only on a “not-for-resale” basis, but where the reselling of those products is prohibited.

9.5 – Compliance with Applicable Laws & Ordinances

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

9.5.1 – Anti-Corruption Laws

Members must comply with all anti-corruption laws, including the Foreign Corrupt Practices Act (“FCPA”), in the markets in which the Company does business.

SECTION 10 – SALES AND SALES REQUIREMENTS

10.1 – Earnings Through Sales

Commissions are paid to Members who qualify pursuant to the Compensation Plan and who are in compliance with the Contract. A Member’s success is only achieved through the regular and repeated Retail Sale of Products and the regular and repeated Retail Sales by its Downline Organization. As the success of any Member depends largely on the personal efforts of that Member, the Company does not guarantee any level of profit or success, nor does it guarantee a Member a specific income. A Member does not receive commissions for Sponsoring or recruiting other Members. The only way to earn Commissions is through the sale of products.

10.2 – Seventy Percent Rule

A Member certifies with each new product order that he or she has sold or consumed at least 70% of all product purchased in prior orders. Each Member that receives Commissions and orders additional product agrees to retain documentation that demonstrates compliance with this policy, including evidence of Retail Sales, for a period of at least four (4) years. A Member agrees to make this documentation available to the Company at the Company’s request. Failure to comply with this requirement or falsely representing the amount of product sold or consumed in order to advance in the Compensation Plan constitute a breach of the Contract and is grounds for termination. Furthermore, a breach of this requirement entitles the Company to recover any Commissions paid to the Member for any period of time during which such documentation is not maintained or for which this provision has been breached.

10.3 – Sales Tax, GST, VAT

1. U.S. sales tax is collected on the product’s suggested retail price and is calculated using the applicable rates for the location to where the product is shipped. The Company will collect and remit sales tax to the proper taxing authority. In those jurisdictions where a Member may and has registered as a withholding agent through a local sales tax agency and submitted a “Sales and Use Tax Exemption Certificate” or equivalent document to the Company, the collection of

sales tax will be the responsibility of the Distributor. It is the responsibility of the Distributor to provide an updated copy of its certification for exemption from sales tax each year.

2. In all other jurisdictions, GST, VAT, or other applicable transaction tax is based on the purchase price. The Company will provide its GST or VAT number and proper invoicing, which may include electronic invoicing, where permitted by law. The Company does not include GST or VAT in commission payments. Distributors who are GST or VAT registered and are required to collect and remit GST or VAT on their services may send a valid GST or VAT invoice to the Company to charge them for GST or VAT on commission income.

10.4 – No Manipulations

Manipulation of the Compensation Plan is not permitted and may result in disciplinary action. Manipulation of the Compensation Plan includes, but is not limited to, a Member purchasing to qualify for various ranks or Commissions, large quantities of product that are not sold through the direct marketing channel, placing orders in his/her Downline Organization, and any other actions that may violate state, federal or foreign anti-pyramid scheme laws. Such manipulations may, in the discretion of the Company result in the suspension of Commissions and termination of the Business Center.

10.5 – Inventory

As the Company imposes no specific minimum inventory requirement on its Members, a Member must use its own judgment to determine the amount of inventory it will need to sustain its projected Retail Sales and personal use.

SECTION 11 – REBATES, BONUSES AND COMMISSIONS

11.1 – Rebates, Bonuses and Commissions Qualifications

A Member must be active and in compliance with the Agreement to qualify for rebates, bonuses and commissions (“Financial Distributions”). So long as a Member complies with the terms of the Agreement, the Company shall pay Financial Distributions to such Member in accordance with the Compensation Plan. The minimum amount for which the Company will issue a check is \$10.00. If a Member’s Financial Distributions do not equal or exceed \$13.00, the Company will accrue the Financial Distributions until they total \$13.00. a check will be issued after \$13.00 has been accrued.

11.1.1 – Check Processing Fee

M. Network will charge a \$3.00 check processing fee for all mailed checks.

11.1.2 – Replacement Check Fee

If it becomes necessary for M. Network to reissue a bonus or commission check because it has been lost. M. Network will charge a \$15.00 fee for each replacement check provided.

11.2 – Adjustment to Rebates, Bonuses, and Commissions

When a product is returned to M. Network for a refund, the Financial Distributions attributable to the returned product(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 Member who received the Financial Distributions on the sales or purchase of the refunded products.

11.2.1 – Cancellation Within the First 30 Days

If a Member chooses to cancel the Agreement within the first thirty (30) days of enrollment and also chooses to return the product that he or she has ordered, a refund will be issued for the full amount paid less any shipping and handling charges, and rebates, bonuses or commissions that were issued and in accordance to Section 11.2 “Adjustment to Rebates, Bonuses and Commissions.”

11.3 – Unclaimed Commissions and Credits

Members must deposit or cash rebate, commission and bonus checks within six months from their date of issuance. A check that remains uncashed after six (6) months will be void. After a check has been voided, M. Network will attempt to notify a Member who has an uncashed check by sending a monthly written notice to his or her last known address identifying the amount of the check and advising that the Member can request that the check be reissued. There shall be a \$25.00 charge for reissuing a check. This charge shall be deducted from the balance owed to the Member. Customers and Members who have a credit on account must use their credit within six (6) months from the date on which the credit was issued. If credits have not been used within six (6) months, M. Network shall attempt to notify the Member or Customer on a monthly basis by sending written notice to the last known address, advising the Member or Customer of the credit. There shall be a \$10.00 charge for each attempted notification. This charge shall be deducted from the Member’s or Customer’s credit on account.

11.4 – Incentive Trips and Awards

From time to time, the Company may provide incentive trips and other awards to qualified Members. These awards or trips are provided only to the person(s) listed on a qualifying Member Agreement. Notwithstanding anything to the contrary herein, and although the Company may pay some or all of the costs of such incentive trips, the Member agrees to indemnify and hold harmless the Company from any claim, injury, loss or other damage sustained in association with the trip by the Member and/or its guests. The Member cannot make claim upon, or rely upon, any insurance policy of the Company to cover the costs and expenses of any injury, loss or other damage to the Member and/or the Member/s guests.

The Company may be required by law to include the fair market value of any incentive awards, trips, etc., on the Member’s end of the year tax report. The Member is liable for all applicable taxes and agrees to hold the Company harmless from claims of tax liability relating to these incentive trips and awards.

If it is discovered that the member has made any misrepresentations or has violated the Agreement in becoming eligible for these incentive trips and awards, the Company may charge the Member for any costs incurred by the Company or for any benefits or awards received by the member. The Company reserves the right at its sole and absolute discretion to disallow participation for any reason it deems necessary.

11.5 – Reports

For the purposes of this Section 11.5, “M. Network” means the entity and all of its employees, officers, directors, independent contractors, Members, Customers and agents.

11.5.1 – Downline Reports

Members understand that M. Network regularly provides information to each of its Members. This includes, but is not limited to, reports of online or telephonic Downline activity, such as the personal and group sales volume, and downline sponsoring activity (the “Information”).

11.5.2 – Report Indemnification

Members agree never to assert any claim of any nature against M. Network, including its officers, directors, employees and independent contractors, that arises out of or which is in any way connected with the presentation, compilation, development, publication and dissemination by M. Network of the Information including, but not limited to, a claim for lost profits, bonuses, commissions and loss of opportunity. This Agreement on the part of each Member extends to any act or omission to act by M. Network such as, but not limited to, the inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the Information. However, this Section 11.5.2 does not apply to claims that may arise as a result of intentional misconduct or reckless disregard of the rights of Members on the part of M. Network.

SECTION 12 – PRODUCT GUARANTEE, RETURNS AND INVENTORY REPURCHASE

12.1 – Product Guarantee

Product and marketing materials returned within thirty (30) days after the purchase shall receive a 100% refund, less shipping and handling costs. Only unopened product shall be eligible for a refund, unless defective. Product must be in resalable and restockable condition in order to be eligible for a refund. Resalable is defined as product still in its original packaging, with seals and wrapping in place. All returns must have a Return Merchandise Authorization (“RMA”) issued through the Company. Members and Customers are responsible for returning product to the Company within ten (10) business days of receipt of the RMA or the product will not be eligible for return.

12.2 – Inventory Repurchase

A Member who resigns, which resignation must be in writing, may return product or marketing materials purchased within the last twelve (120) months prior to resignation, subject to the 70% Sales Rule and subject to the same provisions set forth in Section 12.1, above, regarding resalability and RMAs. Upon compliance with all applicable requirements, a full refund, less a 10% restocking fee and shipping and handling costs will be issued by the Company. Any product that is expired, or that is within three (3) months of expiration, will not be eligible for a refund. Please allow for up to twenty (20) days from the time that the product is received for the refund to be processed.

12.2.1 – If a shipment is refused whether it is an Autoship or an order that has just been placed, M. Network will charge a \$10.00 shipment refusal fee to the form of payment on file.

12.3 – Exceptions to the Refund Policies

Previously paid Financial Distributions may be reversed and future Financial Distributions may be adjusted as a result of product returns or inventory repurchases at the sole discretion of the Company. Any Commissions paid to the Member and his or her upline for the product returned by the Member or customer may be debited from the respective upline Member's account or withheld from present or future commission payments. A Member should not rely on existing downline volume at the close of a commission's period, as returns may cause changes to his or her title, rank and/or commissions payout.

SECTION 13 – DISPUTE RESOLUTION REMEDIES

13.1 – Breach and Remedies

Any breach of the Agreement, including these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by a Member may result, at M. Network's discretion, in one or more of the following actions:

1. Issuance of a written warning or admonition;
2. Issuance of a writing that directs the Member to take immediate corrective measures;
3. Loss of rights to one or more bonus and commission checks; in whole or in part;
4. The withholding of Financial Distributions during the period that M. Network is investigating any conduct that allegedly violates the Agreement.
5. Suspension of the Agreement for one or more pay periods'
6. Cancellation of the Agreement;
7. Cancellation of the Agreement of any other of the Member's Immediate Household or of an Affiliated Individual who is in association with the breaching Member.
8. Any other measure expressly allowed by the Agreement of which M. Network deems necessary to implement and appropriate in order to provide a remedy for injuries caused partially or exclusively by the Member's breach; or
9. The commencement of legal proceedings for monetary or equitable relief or both.

13.2 – Grievances and Complaints

When a Member has a grievance or complaint with another Member regarding any practice or conduct in relationship to his or her Marketing Organization, the complaining Member should first report the problem to his or her Enroller who should review the matter and try to resolve it with the other party's Enroller. If the matter cannot be resolved, it should be reported in writing to the Company's Member Support Department. The Member Support Department will review the facts and attempt to resolve the complaint.

13.3 – Governing Law and Resolution of Disputes

13.3.1 – The interpretation and enforcement of this Agreement is governed by and shall be construed and interpreted in accordance with the internal laws of the State of Utah, without giving effect to conflicts of interests principles.

13.3.2 – The parties agree that personal jurisdiction and venue for any dispute arising out of or relating to this Agreement are proper exclusively in the state and federal courts located in the State of Utah, County of Salt Lake, and both parties hereby submit to, and waive any objection to, personal jurisdiction or venue in such courts for such purpose.

13.3.3 – Each party shall bear its own attorneys’ fees and any other costs and expenses incurred in the resolution of any dispute without regard to the outcome.

13.4 – Injunctive Relief

The Member acknowledges that the covenants set forth in this Agreement relating to the protection of M. Network’s confidential and/or proprietary information are reasonable and necessary to protect the legitimate interests of M. Network. The member further acknowledges that his/her breach of such covenants would cause m. Network irreparable harm, the amount and extent of which would be very difficult to estimate or ascertain. Therefore, the member agrees that M. Network shall be entitled, without the necessity of posting a bond or other security, to the issuance of injunctive relief to enjoin the Member from breaching or threatening to breach such covenants. In any case, injunctive relief shall not be the exclusive remedy available to M. Network.

SECTION 14 – ORDERING

14.1 – Direct Retail Customers

Members are encouraged to promote M. Network’s customer programs to their customers. The direct retail customer program allow customers to purchase their products directly from M. Network. Customers simply call M. Network’s toll-free order number to place their orders, which they may charge to their credit card. M. Network will send the ordered products directly to the customer. To ensure that Members receive the appropriate commissions, Customers should use a Member’s Identification Number.

14.2 – Purchasing M. Network Products

Each Member should purchase his or her products directly from M. Network under his or her Member Number. If a Member purchases products from another Member or any other source, the purchasing Member will not receive the sales volume that is associated with that purchase.

14.3 – Shipping and Back Order Policy

M. Network will expeditiously ship any part of an order currently in stock. If, however, an ordered item is out of stock, it will be placed on back order and sent when M. Network receives additional inventory. Members will be charged and given personal sales volume on back ordered items unless notified on the invoice that the product has been discontinued. M. Network will notify Members and customers if items are backordered and are not expected to ship within thirty (30) days from the date of the order. An estimated shipping date will also be provided. Back ordered items may be cancelled upon a Member or Customer’s request. Members and Customers may request a refund, credit on account, or replacement merchandise for cancelled back orders. If a refund is requested, the Member’s personal sales volume will be decreased by the amount of the refund in the month in which the refund is issued.

14.4 – Confirmation of Order

A Member and/or recipient of an order must confirm that the product received matches the product listed on the shipping invoice and is free of damage. Failure to notify M. Network of any shipping

discrepancy or damage within thirty (30) days of shipment waives a Member's right to request a correction.

SECTION 15 – PAYMENT AND SHIPPING

15.1 – Deposits

No monies should be paid to or accepted by a Member for a sale to a personal customer except at the time of product delivery. Members should not accept monies from customers to be held for deposit in anticipation of future deliveries.

15.2 – Insufficient Funds

It is the responsibility of each Member to ensure that there are sufficient funds or credit available in his or her account to cover the monthly Autoship order. M. Network is not obligated to contact Members in regard to orders cancelled due to insufficient funds or credit. This type of order cancellation may result in a Member's failure to receive product or meet his or her personal sales volume requirements for the month.

15.3 – Restrictions on Third Party Use of Credit Cards

A Member shall not permit other Members or Customers to use his or her credit card for any purchases from the Company.

15.4 – Sales Tax

By virtue of its business operations, M. Network is required to charge sales taxes on all purchases made by Members and Customers and remit the taxes charged to the respective states. Accordingly, M. Network will collect and remit sales taxes on behalf of Members based on the suggested retail price of the products, according to applicable tax rates in the state or territory to which the shipment is destined. If a member has submitted, and M. Network has accepted, a current Sales Tax exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the member will have the responsibility to collect and remit sales taxes to the appropriate authorities. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by M. Network is not retroactive.

16 – INACTIVITY AND CANCELLATION

16.1 – Effect of Cancellation

So long as a Member remains Active and complies with the terms of the Agreement, including these Policies and Procedures, M. Network shall pay Financial Distributions to such Member in accordance with the Compensation Plan. A Member's Financial Distributions constitute the entire consideration for the Member's efforts and activities related to generating sales (including building a Downline Organization). Following a Member's non-renewal of his or her Agreement (are collectively referred to as "cancelled" or "cancellation"), the former Member shall have no right, title, claim or interest to the

marketing Organization which he or she operated, or any commission or bonus from the sales generated by the marketing organization. A Member whose Business Center is cancelled will permanently lose all rights as a Member.

This includes the right to sell M. Network products and the right to receive future Financial Distributions resulting from the sales and other activities of the Member's former Marketing Organization. In the event of cancellation, Members agree to waive all rights they may have including, but not limited to, property rights, to their former marketing Organization and to any Financial Distributions derived from the sales and other activities of his or her former Marketing Organization.

Following a Member's cancellation of his or her Agreement, the former Member shall not hold himself or herself out as a M. Network Member and shall not have the right to sell M. Network products. A Member whose Agreement is cancelled shall receive commissions and bonuses only for the last full pay period her or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation). Members may reapply as a new Member in accordance with Section 4.7.5 "Cancellation and Reapplication."

16.3 – Involuntary Cancellation

A Member's breach of any of the terms of the Agreement may result in any of the sanctions actions in Section 13.1, including the involuntary cancellation of his or her Agreement. Unless otherwise provided for in the cancellation notice, cancellation shall be effective on the date on which written notice is mailed, faxed or delivered to an express courier to the member's last known address (or fax number), or his or her attorney, or when the Member receives actual notice of cancellation, whichever occurs first. Readmission, if ever granted, may be either prospective or retroactive and totally discretionary on the part of the Company.

16.4 – Voluntary Cancellation

A Member has the right to cancel the Agreement at any time. Cancellation must be submitted in writing to the Company at its principal business address: _____. The written notice must include the Member's signature, printed name, address and Member Identification Number. However, if a Member is not in good standing with the Company at the time M. Network receives notice of cancellation, the consequences of an involuntary cancellation may take effect (as per Section 13). Members may reapply as a new Member in accordance with Section 4.7.5 "Cancellation and Reapplication."

17.5 – Non-Renewal

A member may voluntarily cancel his or her Member Agreement by sending written notice within thirty (30) days of the anniversary date. The Company may also elect not to renew the Agreement upon the Agreement's anniversary date.

SECTION 17 – DEFINITIONS

Acceptance – means the acceptance by M. Network of a person's application to become a Member by completing a Member Application and Agreement and delivering it to M. Network. "Acceptance" shall

be deemed to occur when M. Network first receives a Member Application and Agreement from a person who has decided to become a Member.

Active – means the status of a member who has satisfied the minimum Personal Sales Volume requirements, as set forth in the M. Network Compensation Plan, to ensure that he or she is eligible to receive rebates, bonuses and commissions.

Active Rank – means the current rank of a Member, as determined by the M. Network Compensation Plan, for any calendar month. To be considered “Active” relative to a particular rank, a Member must meet the criteria set forth in the M. Network Compensation Plan for his or her respective rank. (See the definition of “Rank” below.)

Agreement – means the contract between the Company and each Member which includes the Member Application and Agreement, the M. Network Policies and Procedures, the M. Network Compensation Plan, Autoship Agreement and the Business Entity Form (where appropriate), all in their current form or as amended by M. Network from time to time in its sole discretion. These documents are collectively referred to as, and comprise the “Agreement.”

Authorized Country – means a country that the Company has officially sanctioned to be available to all Members for conducting the Member business.

BLUE BOX???? - Autoship, Autoship Agreement – means the optional M. Network program by which products are automatically shipped to Members and Customers. The Autoship Agreement is incorporated into the “Agreement” and can be found as part of the member Application and Agreement or Customer Application and Agreement.

Breach – “Breach,” “Default” and “Violation” mean an actual or alleged transgression or violation of any part of the Agreement.

Business Center(s) – means additional Member positions allowed under the original Membership. (IS THIS RIGHT?)

Cancellation – means the termination of a Business Center. Cancellation may be either voluntary or involuntary, through non-renewal or inactivity.

Commissionable Volume – means all M. Network products on which Financial Distributions are paid. Start Kits and sales aids do not contain Commissionable Volume (IS THIS RIGHT?)

Company – means M. Network, LLC.

Company Licensed Website – An Internet website approved by the Company in accordance with the provisions of Section 7.K of the Policies and Procedures.

Compensation Plan – means the plan offered by M. Network that sets forth the compensation provided to Members for the sales of M. Network products by their Marketing Organization.

Customer – means Customers who may purchase product for personal use only and may not resell product. A Member is not and may not act as a Customer. (IS THIS RIGHT?)

Distributor Identification Number – means a unique number assigned by M. Network to each Member to facilitate internal record keeping by M. Network with respect to that Member.

Downline or Downline Organization – means the network of Members and Customers who exist in a member’s Marketing Organization. Member understand that (1) Member does not have any ownership or possessory right, title or interest in any downline individual, entity, organization or in any materials generated by M. Network or created by member or any other individual or entity to the extent that it consists, in whole or in part, of any information about M. Network downlines or any part of the Agreement; (2) the sole property interest of a Member with respect to downlines is the contractual right to receive commissions as set forth in the Agreement; and (3) that M. Network is the sole owner of any and all downline rights, titles, interests and materials.

Downline Activity Report – means a monthly report generated by M. Network that provides critical data relating to the identities of Members, Customers, sales information and enrollment activity of each Member’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to M. Network. It is owned solely by M. Network.

Electronic Funds Transfer (EFT) – An optional program that authorizes the Company to electronically debit a Member’s bank account for the amount of an order and/or other fees.

End Consumer – means a person who purchases M. Network products for the purpose of personal consumption rather than that of a reselling them to someone else.

Enrollee – means Members and Customers who have been enrolled as M. Network Members or Customers by another Member or Customer, as the case may be.

Enroller – means the member who enrolls a new Member or Customer into M. Network. The Enroller may “place” the new Member or Customer under himself or herself, or may place the new Member or Customer under any eligible downline. The person whom the new Member or Customer is placed under is the new Member’s “Placement Sponsor.” The same Member may be a new Member’s “Enroller” and “Placement Sponsor.” See the definition of “Placement Sponsor” below.

Financial Distributions – means the rebates, commission, bonuses and other compensation paid by M. Network to Members pursuant to the Compensation Plan.

Group Sales Volume (GV) – means the commissionable value of the M. Network products generated by a Member’s Marketing Organization in a given month, not including the Personal Sales Volume (PV) of the subject Member, Start Kits, and non-product sales aids generate no Group Sales Volume.

Immediate Household – means a Member and his or her legal or common law spouse or partner and their dependent family members residing at the same address.

Level – means the layers of downline Members in a particular Member’s Marketing Organization. This term refers to the relationship of a Member relative to a particular upline Member, determined by the number of Members between them who are related by sponsorship. For example, if A is the sponsor of B, B is the sponsor of C. C is the sponsor of D, and D is the sponsor of E, then E is on A’s fourth level.

Marketing Organization – means the Members and Customers who are enrolled or sponsored in a particular Member’s Downline.

Member – means an independent contractor who has signed and completed the official M. Network Member Application and Agreement and whose Agreement has been accepted by M. Network. A Member is required to meet certain qualifications and is responsible for the training, motivation, support and development of the members in their respective Marketing Organization. Members are entitled to purchase M. Network products at wholesale prices, enroll Customers and new Members, and participate in the Compensation Plan, Customers are not Members.

Membership – means the contractual rights granted to the Member pursuant to the Agreement to create, maintain and receive compensation from M. Network relating to the operation of a Marketing Organization.

Official M. Network Material – means literature, audio or digital recordings and other materials developed, printed, published and distributed by M. Network to Members.

Organizational Sales Volume (OV) – means the commissionable value of M. Network products generated by a Member’s Marketing Organization in a given month, including the Member’s Personal Sales Volume (PV).

Person – means an individual human being or a Business Entity, as the context dictates.

Personal Production – means selling product to an end consumer for personal use.

Personal Sales Volume (PV) – means the commissionable value of products sold in a calendar month: (1) by the Company to a Member; and (2) by the Company to the Member’s personally enrolled Customers.

Placement Sponsor – means the Member or Customer under whom the Enroller places a new Member or Customer.

Policies and Procedures – The policies and procedures of the Company contained herein, including attachments and addenda, which are incorporated herein by this reference, as the same may be amended from time to time by the Company.

Pre-Launch Period – a period of time announced by the Company prior to a country becoming an Authorized Country during which a Member may begin preparation to commence the Member business within that country.

Rank – means the “title” that a Member has achieved pursuant to the M. Network Compensation Plan.

Recruit – means, for purposes of M. Network’s Conflict of Interest Policy, actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another M. Network Member or Customer, to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Member’s actions are in response to an inquiry made by another Member or Customer.

Restockable and Resalable – means products and sales aids 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) products are returned to M. Network within thirty (30) days from the date of purchase; (5) the product expiration date has not elapsed; and (6) the product contains M. Network labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued or as a seasonable item, shall not be resalable.

Retail Profit – means the difference between the wholesale price (as defined below) of products and the retail price a Member receives for products when they are resold.

Roll-Up – means the method by which a vacancy is filled in a marketing Organization left by a member or Customer whose respective Agreement has been cancelled.

Start Kit - means a selection of M. Network training materials and business support materials purchased by each new Member. The purchase of a Start Kit may be optional in some states. (DO YOU HAVE A KIT?)

Upline – means the Member(s) above a particular member in a sponsorship line or enrollment line up to the Company. Conversely stated, it is line of Sponsors or Enrollers that links any particular Member or Customer to the Company.

Wholesale or Wholesale Price – means the price of the products that is paid to the Company by Members or Customers. The wholesale price is also called the Member Cost.