

## **Team National POLICIES AND PROCEDURES**

The Policies and Procedures are incorporated into and are an integral part of the Independent Marketing Director (hereafter “IMD”) Agreement. These policies apply to Team National, Inc. (hereafter “TN”) and related companies. Together with the terms and conditions contained in the IMD Agreement, these policies constitute the entire agreement between TN and the IMD. IMDs in violation of these policies may be subject to immediate discipline, up to and including, termination of the IMD Agreement, IMD privileges, sales organizations, and compensation.

TN reserves the right to amend these policies and TN’s Compensation Plan, as necessary, to assure proper operations and comply with a change in applicable laws. Such amendment or modification will be binding and in effect immediately after posting to the TN website.

### **1. IMD QUALIFICATIONS**

- A. IMD must be of legal age in his/her state of residence.
- B. Social Security Number is required with IMD Agreements for state and federal tax purposes.
  - a. Corporations, partnerships, and joint ventures must supply a Federal Tax ID number, in lieu of Social Security Number.
  - b. Applications for corporations, partnerships, or joint ventures must be signed by an officer, partner or venture who thereby becomes individually responsible for the acts and omissions of the company and its performance under the IMD Agreement. Only the person signing the IMD Agreement may conduct the IMD business of a corporation, partnership, or joint venture.

### **2. HOSTING OF OTHER IMDs**

- A. Applicant and host are responsible for the complete and accurate submission of each IMD Agreement.
- B. In hosting other IMDs, no IMD shall state or infer that any state or federal regulatory authority has reviewed, endorsed, or approved Team National, its products and services, or TN Compensation Plan.
- C. IMD shall not provide any personal claims of projected or anticipated income earnings.
- D. No compensation in any form is paid for the act of hosting or sponsoring another IMD.
- E. Married persons and other persons residing in the same household shall have the same host. Married persons may have separate IMD identities, but may not be in each other’s organization.
- F. IMDs shall not have simultaneous beneficial interests in a separate line of sponsorship.
- G. A shareholder, partner or member in a TN entity may not become an IMD.

### **3. INDEPENDENT CONTRACTOR STATUS**

- A. An IMD is an independent contractor and not an employee, servant, co-partner, or joint venture of TN.
  - a. IMDs will not be treated as an employee for federal or state income tax purposes, nor will IMDs be employees for purpose of the Federal Unemployment Tax Act, Federal Insurance Contributions Act, the Social Security Act, or any other state or federal unemployment or employment security act.
  - b. IMDs shall be responsible for the reporting and payment of all applicable federal and state income and self-employment taxes, sales taxes, local taxes, and local business and license fees that may be incurred as a result of the IMD’s activities under the IMD Agreement.
  - c. IMDs are solely responsible for all acts and omissions while performing obligations under the IMD Agreement and indemnify and hold TN harmless. TN does not provide liability insurance.

- B. IMDs shall be solely responsible for determining their activities and hours in fulfilling their responsibilities.
- C. An IMD in good standing who does not renew his/her IMD status on the yearly renewal anniversary date, is eligible to become an IMD under a new host.
- D. TN reserves the right to reject IMD transfer and reinstatement requests.
- E. If an IMD resigns or is terminated, the IMD will not have access to the TN personal website and other IMD-related information and tools. Within five (5) days of the voluntary or involuntary cancellation of the IMD Agreement, the person must discontinue using the TN name, trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any manner, including postings and social networking sites. A social networking site which previously identified the person as a TN IMD, must conspicuously disclose that s/he is no longer a TN IMD.
- F. An IMD is forbidden to reproduce or utilize TN names, logos, trademarks acronyms, or any imitation thereof, and may not contract nor commit TN to any obligation whatsoever. However, IMDs are allowed to utilize the TN IMD logo according to the policies herein.
- G. No purchase nor investment is necessary to become a Company IMD other than the purchase of, or payment fee for a sales kit which is sold "at Company cost." (Purchase is optional in North Dakota). This "at cost" sales kit fee covers basic and ongoing sales and marketing materials, and support, in both written and electronic and online media formats; including product and service updates. Similar support is available to IMDs if they renew as an IMD for an additional term.
- H. IMDs are charged a \$55.00 IMD starter kit fee. The fee includes getting started marketing materials, DVDs and CDs. Additionally, per the terms of the IMD Agreement, there is an option to renew as an IMD by paying a \$25.00 annual renewal fee. This option can be exercised by the IMD logging in to bign.com, selecting IMD Resources>Special Forms>IMD Renewal and paying the \$25.00 renewal fee. IMDs that do not renew within 35 days of their anniversary date will forfeit all Team National Big N Bucks they may have earned as an active IMD and will not be able to recover them if they reactivate their IMD status. Big N Bucks that were purchased as gift certificates will expire according to current rules and regulations that govern gift certificates per federal and state level regulations.
- I. As an extension to the initial "at cost" sales kit, a modest monthly fee will be charged for expanded "at cost" ongoing sales and marketing materials support, including back office accounting review, training updates, replicated website and communication tools to support the sales and marketing process. By submitting this IMD Agreement, IMDs specifically authorize this TN All Access (hereafter "TNAA") monthly fee to be charged to the IMD's on-file debit or credit card (or other form of payment acceptable to the Company) each month for as long as s/he remains an IMD.

**4. INDEPENDENT MARKETING DIRECTOR RESPONSIBILITIES**

- A. IMD presentations to prospective IMDs or customers shall be complete, truthful, and consistent with official TN literature and sales aids. In the conduct of its business, IMDs shall safeguard and promote the reputation of the products and services of TN and shall refrain from all conduct which might be harmful to such reputation which is inconsistent with the public interest. IMDs shall avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.
- B. An IMD shall be responsible for all expenses incurred in the pursuit of the IMD's activities, unless agreed to by TN, in writing, prior to incurring such expense.
- C. IMDs receive no exclusive territory and shall make no claim that an exclusive territory was granted.
- D. IMDs shall be responsible for monitoring the activities of their commissionable downline in regard to compliance with TN policies, and shall report all probable and actual violations to TN.
- E. IMD Agreement does not constitute the sale of a franchise nor distributorship, and no fees or purchases are required for the right to offer TN memberships, products and/or services.
- F. IMD compensation is based exclusively on sales of TN products and services to bona fide customers.

- G. An IMD can refer to himself or team by name (e.g., Whatever It Takes) when joining a business association like the Chamber of Commerce. IMDs are also allowed to utilize the TN IMD logo as part of the chamber listing, and IMDs can verbalize that they are Independent Marketing Directors or independent representatives of TN according to the policies herein.
- H. An IMD shall not (video or voice) record a meeting, event or any other TN venue without the express written consent of TN, and in accordance with the applicable state and federal laws governing such activities.
- I. IMDs are not permitted to promote membership sales nor pricing to TN vendors, customers, or employees.
- J. IMDs hosting a public overview must read the Income Earnings Disclaimer in full. Income Earnings Disclaimer: "This presentation is intended to illustrate the savings and earnings program offered by Team National. It is not intended to represent typical, actual or average savings of specific customers who may experience greater or lesser savings. Actual earnings results by an Independent Marketing Director (IMD) will depend on the time and effort devoted to building the business. Please mute or turn off your cell phone. No pictures, recordings nor live video of the presentation is permitted." Additionally, IMD overview presenters must announce they have a copy of the Income Earnings Disclosure chart available if a prospect wants to view it on site. Further, that the Income Earnings Disclosure is available for view online on bign.com under the Business Opportunity tab. Only IMDs, Presidential Director (hereafter "PD") and above, are approved to host public overviews.
- K. IMDs shall not solicit employees of Team National to do business with and/or enter into a business agreement.
- L. IMDs must offer consumers accurate information regarding price, credit terms, terms of payment, and cooling-off period. This information can be found in the Membership and IMD agreements.

5. **ADDITIONAL CONDITIONS**

- A. TN website information and online brochures may be printed and distributed, but not altered. DVDs and other copyrighted material may not be reproduced.
- B. IMDs who have reached the **PD** level may advertise **using pre-approved ads** found on TN's website. Ads must be placed verbatim, adding only the IMD name, phone number, and TN personal website address. No blind ads are allowed.
- C. The primary function of TN is to sell memberships, which include products and services to the general consuming public. TN realizes that IMDs may wish to purchase products for personal or family use in reasonable amounts, which are not made solely for purposes of qualification nor advancement. Notwithstanding this policy, TN has adopted a requirement that an IMD make at least two (2) membership sales per twelve (12) months to remain bonus qualified.
- D. As with other leading direct selling companies, TN has adopted a 70% rule. Under this rule, IMDs who purchase tangible products for resale, may not order additional product nor services unless they have sold or used (for personal or family use) at least 70% of previously purchased products.
- E. If IMD has purchased products, services, or sales aids for inventory purposes while the IMD Agreement was in effect, all unencumbered products or services in a resalable condition, in possession of the IMD, which have been purchased within twelve (12) months of cancellation, shall be repurchased by the Host or TN. This includes an unused IMD starter kit that may be returned for full refund for up to twelve (12) months from the date of purchase. The repurchase shall be at one-hundred percent (100%) of the original net cost to the participant returning such goods, considering sales made by or through such participant prior to notification to TN of the election to cancel. In addition, TN will honor statutory mandated buyback requirements of inventory type products, services, or sales aids in every jurisdiction. Any contrary provision herein notwithstanding, no previously referenced refund shall be made by TN regarding the purchase by an IMD made prior to any reorder of the same or identical merchandise. This includes purchases previously represented by the terminating IMD as having been either resold or utilized for personal or family use under TN's 70% Rule reference.
- F. TN shall have the right to direct the IMD to discontinue a sales practice which, in the sole opinion of TN, is unfair or not in the best interest of TN.

- G. TN reserves the right to terminate an IMD Agreement at any time for cause, when it is determined the IMD has violated the provisions of the IMD Agreement, including the provisions of these policies and procedures as they may be amended, or the provision of applicable laws and standards of fair dealing. Upon termination, access to the TN personal website and related IMD tools, as well as future commissions, bonuses, or other payments shall end.
- H. Applicant IMD represents that in making application to TN, s/he has not received or relied upon, from TN or any other person, any of the following representations:
- a. The IMD business may, can or will be profitable;
  - b. An initial investment in product, services and/or sales aids, or any portion thereof, may be earned back to the IMD through the operation of the business;
  - c. A guaranteed market exists for the TN products or services;
  - d. TN will make up financial losses which the IMD may incur;
  - e. TN or any person acting on behalf of TN has outlets or sales for TN products or services, or will assist the IMD in obtaining outlets or sales for TN products or services;
  - f. TN or any person acting on behalf of TN will provide marketing programs or systems for use in the marketing of TN products and services by the IMD;
  - g. The IMD, or the IMD Agreement, has been filed with, registered with, or otherwise accepted or approved by a state or federal office, department or authority, or that the market demand will enable the IMD to earn a profit from the business opportunity;
  - h. Locations will be provided, or assistance given in finding locations for IMD's use or operation.
- I. IMDs authorize TN to use their name, testimonials, and/or likeness in TN advertising and promotional materials. IMDs consent to and authorize the use and reproduction of all photographs and videos taken by or supplied to TN. IMDs further consent to the use and reproduction of quotes, testimonials, stories, conversations for print, electronic publicity, marketing, and promotional purposes, without permission and remuneration.
- J. It is strictly forbidden to market a membership package to a family member who is already covered by the previous purchase of a membership package. The exceptions to this rule are as follows: (1) If the parents of an adult child purchase a Premium Membership and the adult child owns a business, the adult child may purchase a Premium Membership to cover his/her business and employees, (2) If the parents of an adult child purchase a Premium Membership, the membership will cover the adult child's spouse, but not his/her in-laws. A membership may be purchased by either the in-laws or by the adult child's spouse to cover his/her parents.
- K. TN shall not be responsible for acts beyond TN's control, including but not limited to fire, flood, storms, power outages, labor disputes, earthquake, equipment failures, supplier failures, or other difficulties that may prevent TN from performing the obligations under this agreement.
- L. Tax Reporting Applicable to Non-U.S. Residents/Citizens. If the IMD is a non-U.S. resident or citizen, then s/he hereby confirms that s/he is not a resident nor a citizen of the United States of America (hereafter "U.S."), and is obliged to inform the Company of this status. The IMD agrees that, if s/he engages in any activity related to the Company while physically present in the U.S., the IMD will (1) inform the Company about such activities, (2) submit a completed IRS Form 8233\* to the Company, if requested by the Company, completed as directed by the Company, for the year in which such activities occur and for each year thereafter, and (3) inform the Company of the aggregate dollar amount of the sales of the IMD or the IMD's down line that, as reasonably determined by the IMD, are attributable to activities that the IMD performed while physically present in the U.S.; including an explanation of how the IMD calculated the amount.

**\*IRS Form 8233 is applicable for distributors in certain countries that are parties to a U.S. tax treaty.**

The IMD understands that, if s/he engages in any such activities in any year, the Company may be required to (1) withhold a portion of each payment to the IMD in that year and each subsequent year and (2) report a portion of each payment to the IMD, to the IRS on IRS Form 1042, and report same to the IMD on IRS Form 1042-S.

- M. Electronic Signatures. The Company recognizes and accepts electronic signatures in compliance, which follow the federal Electronic Signatures in Global and National Commerce Act (E-Sign Act).
- N. Judgment and Tax Liens. The Company will comply fully with any court order or instruction/demand by any government taxing authorities within the U.S. and Canada, that order, instruct or demand the withholding of an IMD's earnings from his/her IMD position with the Company.
- O. Subpoenas Duces Tecum (Demands for Records). Assuming proper jurisdiction, the Company will comply with all subpoenas duces tecum demanding financial compensation records of an IMD in his/her capacity as an independent contractor with the Company.
- P. Requests for Records. The Company will comply fully with all requests for records accompanied by a properly prepared and signed authorization by the person whose records are being sought. The Company will comply fully with all requests for records by government agencies with the authority to request such records and accompanied by the requisite legal documentation.

#### 6. **TRADEMARK, LOGO, AND INTERNET USAGE**

TN maintains an official corporate website. TN IMDs are allowed to promote their business on the internet through an approved company program which allows IMDs to purchase custom TN websites which are personalized with the IMD's name, message, and contact information. These websites give the IMD a professional and company-approved presence on the internet. Only websites developed by TN may be used by IMDs. Websites purchased or developed about TN without permission or registration is strictly prohibited. No IMD may independently design a website that uses the name, logos, nor product descriptions of the company, TN copyrighted material and video, nor may an IMD use "blind" ads which are ultimately associated with company membership, products or the compensation plan as follows:

- A. **Trademarks and Copyrights**. IMDs may not use TN trade names, trademarks, designs, images nor symbols without prior written permission, except as outlined in this section. Video or audio records of company events, training and/or speeches are also copyrighted, and may not be distributed without written permission. The name *Team National* is registered to TN, is of great value to the company, and is supplied for us only in an authorized manner. Use of the TN name on an item not produced nor authorized by the company is prohibited.
- B. **TN IMD Logo**. IMDs may use the specifically designed TN IMD logo as applicable. Using other TN logos requires written approval. Please see the following logo examples:

Logo Approved for IMD Use



Corporate Logo NOT Approved for IMD Use



- a. Applicable uses of the TN IMD logo include registered TN blogs, TN personal websites, Platinum websites, email signature lines, approved promotional items, chamber of commerce type listings, car magnets and signage, and approved advertising listings according to the advertising policies. Other uses of the IMD logo on items not produced nor authorized by TN are prohibited. For example, IMDs are not allowed to use the IMD logo to create marketing materials which includes, but is not limited to, business cards, flyers, apparel, products and training materials. IMDs are also restricted from using the TN IMD logo as a profile picture or avatar, or in a way associated with inappropriate products, services or competing businesses.
  - b. Increasing the logo size and changing the logo file name is prohibited. IMDs may not remove, distort nor alter any element of the TN IMD logo. IMDs may decrease the size for formatting purposes without decreasing the legality of any components of the TN IMD logo.
  - c. IMDs are not allowed to display TN IMD logo in a manner that in TN's sole opinion is misleading, unfair, defamatory, obscene or otherwise objectionable. Placement that suggests preferential treatment or affiliation with, partnership, sponsorship, or endorsement by TN is strictly prohibited.
  - d. TN will periodically conduct internet audits for appropriate use of TN IMD logo use. TN reserves the right to request changes, edit IMD created content and/or discontinue service for activities that violate TN policies.
- C. **Photos or Graphics.** Photos or graphics uploaded to a TN IMD website and social networking sites must be in good taste and of high quality. IMDs must have TN's permission to use any photography representing products, logos, and/or trademarks, etc.
- D. **Content.** Only TN memberships, products and/or opportunities may be promoted on TN approved websites. Only TN sponsored or TN related events may be promoted on TN calendars. Promotion of, or recruiting for companies other than TN on a TN IMD website is prohibited.
- E. **Internet SPAM Standards.** Reports of spamming may be sent to [tncompliance@bign.com](mailto:tncompliance@bign.com). Unsolicited broadcast distribution of email, like "bulk mail" or "SPAM," is strictly prohibited.
- a. IMDs may send general mailings to their downline organizations and their direct upline sponsors.
  - b. IMDs may send communication to individuals who are "opt-in" subscribers, who have initiated a request to be included in bulk emailing, newsletter or other standardized communications.
    - i. The email address of the opt-in subscriber, must be verified at the time of subscription, either with a welcome email confirming subscription and opt-out procedures, or with a confirmation email describing the required action to receive further emails.
    - ii. Opt-in communications must contain an opt-out link on every mailing, and opt-out requests must be removed from the mailing list within ten (10) days of the request.
  - c. Email communications to subscribers must adhere to guidelines outlined by TN and internet bulk email laws. Prohibited emails include, but are not limited to the following:
    - i. *Unsolicited Email Spamming.* IMDs are not allowed to transmit mass, unsolicited emails to promote TN, its membership, products or opportunity to people they do not know, or who have not given permission to contact them. IMDs may use lists specifically approved by TN, compiled from a legitimate genealogical listing of the IMD's downline organization, or created through the collection of verified subscribers.
    - ii. *Spam Linking.* Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Comments IMDs make on blogs, forums, guest books, etc., must be useful, unique, informative and relevant.

- F. **Use of Third-Party Intellectual Property.** If IMDs use the trademarks, trade names, service marks, copyrights, or intellectual property of a third party in a posting, it is their responsibility to ensure they receive the proper license to use such intellectual property, and paid the appropriate license fee. IMDs must properly reference third-party intellectual property and adhere to restrictions and conditions that the owner of the intellectual property places on the use of its property.
- G. **Domain Names, Email Addresses and Online Aliases.** IMDs are not allowed to use nor register Team National, nor any of TN's trademarks, product names or any derivatives, for any Internet domain name, email address, social networking profiles, or online aliases. Additionally, IMDs cannot use nor register domain names, email addresses, display names and/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 TN. Examples of the improper use of TN are: [TeamNationalgal@msn.com](mailto:TeamNationalgal@msn.com); [www.TeamNationalisgreat.com](http://www.TeamNationalisgreat.com); facebook.com/TeamNationalfan; [www.TeamNational.com/official](http://www.TeamNational.com/official) or Team National showing up as the sender of an email.
- H. **Redirecting Domain Name.** IMDs are permitted to use personalized domain names only when the display and destination URL are redirected to a registered external website or TN Platinum website (see Internet and Website Policy, 8. A., B.). Redirecting from a custom URL to a Team National personal website, a TN corporate website, or any website that is maintained by Team National is prohibited. IMDs are not allowed to use nor register any domain name that utilizes Team National or any of TN trademarks, including product names. IMDs must not portray a URL that could lead users to assume they are being directed to a TN corporate site, violate a policy herein, or be considered inappropriate or misleading.
- I. **Linking.** Links may not be made from an IMD website unless the content is provided, maintained or authorized by TN. Authorized usage include links to bign.com, an IMD's TN Personal Website, TN Platinum Site or authorized external websites, blogs and forums, and for related TN communication. The communication cannot violate the terms and conditions of TN policies. Unauthorized linking includes, but is not limited to, links that in TN's sole opinion are misleading, unfair, defamatory, obscene or otherwise objectionable. Link placement that suggests preferential treatment, affiliation with, sponsorship, or endorsement by TN is strictly prohibited. TN will periodically conduct internet audits for appropriate use of TN related websites. TN reserves the right to request changes, edit IMD created content and/or to discontinue service for activities that violate TN policies.
- J. **Edits of Websites.** IMD personal websites and Platinum websites may be edited by TN to conform to TN's policies and other standards of technical correctness (punctuation, grammar, etc.) and compliance, and for any other reason deemed necessary by TN. Any contest of edits must be reported by the IMD not more than thirty (30) days from the edit date. All notification must be delivered by email to [webmaster@bign.com](mailto:webmaster@bign.com). The decisions of TN are final.
- K. **Lawful use of the Internet.** TN supports all laws and regulations regarding use of the Internet and all other applicable communication medium. Any person associated with a TN program found in violation of said policies, shall be immediately terminated from TN.
7. **SOCIAL NETWORKING SITES (FACEBOOK/TWITTER/LINKEDIN)**  
IMDs may use social networking sites; i.e., Facebook, Twitter, LinkedIn, blogs, etc., to share information about TN memberships and business opportunity. However, these sites may not be to sell TN memberships and products. Profiles in social communities where TN is referenced, must clearly identify the IMD as an Independent Marketing Director and include a personal photo of the IMD as the main profile picture. When participating in those communities, IMDs must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at TN's sole discretion.
- A. **Online Advertising, Templates and Approval.** IMDs who have reached the PD level or above, may advertise or promote the TN business using approved tools, templates, ads, or images in accordance with the policies in this document.

- B. **IMDs Posting Responsibilities.** IMDs are personally responsible for their postings, all other online activity conducted on behalf of their business, and activities that can be traced back to the company. This applies even if an IMD does not own nor operate a blog, website, or social network site.
- C. **Identification as a TN IMD.** IMDs must disclose their full name on all social media postings, and conspicuously identify themselves as a TN IMD. Anonymous postings or use of alias is prohibited.
- D. **Truthfulness in Online Postings.** It is the IMDs' obligation to ensure their postings and other online marketing activities are truthful, are not deceptive and do not mislead customers nor potential IMDs. This includes, but is not limited to, false or deceptive postings relating to the TN membership, products, income opportunity, services, and/or biographical information and credentials. This may also include spam linking (or blog spam), unethical Search Engine Optimization (SEO) tactics, misleading click-through ads; i.e., having the display URL of a PPC campaign appear to direct to a TN corporate site when it goes elsewhere, unapproved banner ads, and unauthorized press releases. This requires that IMDs fact-check material before posting online. IMDs should also check their postings for spelling, punctuation, and grammatical accuracies. Use of offensive language is prohibited. TN will be the sole determinant as to whether specific activities are misleading or deceptive.
- E. **Respecting Privacy.** IMDs must not engage in gossip or advance rumors about individuals, companies, or competitive products or services. IMDs may not list the names of individuals or entities on their postings, unless they have the written permission from the applicable parties.
- F. **Prohibited Postings.** IMDs may not make postings, nor link to any postings or other material that:
  - a. Is sexually explicit, obscene, or pornographic;
  - b. Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, discriminatory, or harassing; i.e., based on race, ethnicity, religion, gender, physical disability, or otherwise;
  - c. Is graphically violent, including any violent video game images;
  - d. Is solicitous of any unlawful behavior;
  - e. Engages in personal attacks on an individual, group, or entity;
  - f. Is in violation of any intellectual property rights of the Company or a third party.
- G. **Responding to Negative Posts.** Do not respond to negative posts, instead report negative posts to the Company at [tnsocialmedia@bign.com](mailto:tnsocialmedia@bign.com). Responding to such negative posts simply fuels a discussion with someone carrying a grudge that does not hold himself to the same high standards as TN, and therefore damages the reputation and good will of TN. Additionally, replying to negative posts makes the posts appear more relevant to search engines and can raise its position in search results.
- H. **Online Classifieds.** IMDs may not use online classifieds (including Craigslist) to list, sell or retail TN memberships or products. IMDs who have reached PD level or above may use online classifieds (including Craigslist) for prospecting, recruiting, and informing the public about TN and the TN business opportunity, provided TN approved templates and images are used. If a link or URL is provided, it must link to the IMD's TN personal website or registered external website.
- I. **EBay/Online Auctions/Online Retailing.** IMDs may not list nor sell TN memberships or products on eBay, other online auctions, or online retailing, nor may IMDs enlist or knowingly allow a third party (customer) to sell TN memberships or products on eBay.

- J. **Banner Advertising.** IMDs, having reached PD level and above, in accordance with our advertising policy, may place banner advertisements on a website provided TN approved templates and images are used. Banner advertisements must link to IMD personal websites. Blind ads or web pages that make membership, product, or income claims that are ultimately associated with TN are prohibited.
- K. **Digital Media Submission (YouTube, iTunes, PhotoBucket, etc.).** An IMD may upload, submit or publish TN related audio or photo content as long as it aligns with TN values and is in compliance with TN policies. These submissions must clearly identify the person as a TN IMD (either in the content itself and/or in the content description tag), must comply with all copyright and legal requirements, and must state that the IMD is solely responsible for the content.
  - a. *Approved Advertisements.* IMDs, PD level and above, may advertise on social media using the TN approved content found under IMD Resources>Compliance Resources>Social Media Presence>Quick Guide to Social Media for Your Business>Advertising....>Click here for advertising resources.
    - i. Videos created by an IMD that mention TN, must have the following elements prominently displayed in the video:
      1. IMD name
      2. Status as an IMD
      3. TN Disclaimer (whether a disclaimer must be added to your video content is at TN’s sole discretion).
    - ii. TN will periodically conduct Internet audits for appropriate use of TN-related videos. TN reserves the right to request changes, edit IMD-created content and/or discontinue service for activities that violate TN policies.
  - b. *Audio Postings.* Platinum and Double Platinum Presidential Directors are allowed to request approved audio postings to their Platinum sites.
- L. **Sponsored Links/Pay-Per-Click (PPC) Ads.** Sponsored links or PPC ads are acceptable according to TN policies. The display and destination URL must be linked to the IMD personal website or a registered external website (see Internet and Website Policy, 8. A., B.) and must not portray a URL that could lead the user to assume they are being directed to a TN corporate site, nor be inappropriate or misleading.

## 8. INTERNET AND WEBSITE POLICY

IMDs are permitted to advertise on the Internet through an approved Company program, TNAA, which allows IMDs to purchase a personal website. These personal websites link directly to the Company website giving the IMDs a professional and Company-approved presence on the Internet. Only these approved websites may be used by IMDs. No IMD may independently design a website that uses the names, logos, product or service descriptions of the Company, nor may an IMD use “blind” ads on the Internet, making product or income claims which are ultimately associated with Company products, services or the company’s compensation plan. Any person using Company names, logos, trademarks, etc. on the Internet or any other advertising medium, except as permitted by Company Rules and Regulations, shall be subject to immediate discipline, including termination of IMD status.

- A. **TN Personal Websites.** IMDs have the option of subscribing to a TN Personal Website. IMDs are solely responsible and liable for the content they add to their TN Personal Website and must regularly review the content, every thirty (30) days, to ensure it is accurate and relevant. IMDs may not alter the branding of the TN Personal Website, and may not use the TN Personal Website to promote, market, or sell non-TN products,

services or business opportunities. Specifically, IMDs may not alter the look (placement, sizing, etc.) or functionality of the following:

- a. The TN IMD logo
- b. The IMD's name

Since TN Personal Websites reside on the TN domain, TN reserves the right to receive and disseminate analytics and information regarding the usage of applicable IMD websites. TN will terminate an IMD's access to the TN Personal Website upon an IMD's resignation or termination of the IMD Agreement. If applicable, TN will remove the Team National Business Exchange (TNBE) listing upon website termination since a TN Personal Website is a requirement of the TNBE. Upon IMD resignation or termination, an IMD is no longer in good standing, since the term applies to an IMD who has completed and signed the IMD Agreement and has not resigned or been terminated.

- B. **TN Platinum Sites.** IMDs who reach Platinum Presidential status have the option to create a Platinum website or leader's team site. IMDs are solely responsible and liable for the content they add to the TN Platinum website and must review the content every thirty (30) days for accuracy. TN will terminate access to the TN Platinum site upon IMD's resignation or termination of the IMD Agreement.

## 9. **TESTIMONIAL ACTIVITIES**

One of the most powerful stories an IMD has to tell, is the story of personal experience with the TN opportunity. However, not all the income and lifestyle advantages IMDs believe they have experienced are appropriate for posting on the Internet. Government agencies establish guidelines of what can and cannot be said, and even a true experience may not conform to regulatory guidelines. Appropriate testimonials can be placed on social media websites according to the above regulations, and following guidelines:

### A. **IMDs can:**

- a. Reference a better home and family life.
- b. Discuss whatever lifestyle advantages they enjoy because of their TN home-based business.
- c. Ensure separation of the opportunity from the retail sale.  
In other words, make clear that a person does not have to be an IMD to purchase a membership package, nor purchase a membership package to be an IMD; savings testimonials are separate from the IMD opportunity.

### B. **IMDs cannot:**

- a. Specify income claims nor commitments to income.
- b. State that success is guaranteed.
- c. Mention that a specific amount of inventory must be purchased, nor that an investment be made.
- d. Claim nor imply that a product can diagnose, cure, treat, or prevent a disease or medical condition.
- e. Circumvent rules by saying, "I'm not allowed to tell you, but my weekly checks are for...."

## 10. **PROHIBITION OF LOANS TO PURCHASERS OF MEMBERSHIPS**

- A. In response to conflicts arising from IMD loans to purchasers of memberships, IMDs are prohibited from loaning funds to prospective customers or IMD recruit candidates, for purposes of purchasing TN consumer memberships. This policy arises from instances of past confusion, in which an IMD accelerates prospective consumer purchases by advancing funds to consumers for membership purchases. In general, the primary intent of the lending IMD is to achieve immediate full sales volume points in the

marketing plan, rather than an award of points in phased approach as the new purchaser makes payments to TN under TN's financing program. In multiple instances, consumers, who have chosen to terminate loan payments to lending IMD, simultaneously seek refunds from TN, causing conflicting positions between TN, the consumer, and the IMD who has advanced the loan. This scenario is damaging to the good will of TN and marketing organization. Since TN offers financing to customers, such conflicts are unnecessary and unwelcomed. Therefore, such IMD loans are expressly prohibited and a violation of this policy will subject the breaching IMD to immediate termination.

- B. TN offers financing for consumer purchases. Other than TN's standard three-business day right of rescission, or cancellation on membership contracts, no TN refund will be offered, under any circumstance, to a customer who chooses to borrow money for a membership and subsequently defaults on his/her agreement with a third-party lender.

## 11. **CONFLICTS OF INTEREST**

- A. TN allows IMDs to conduct their business as a corporation, LLC, trust, or partnership. It is agreed that since the entity is under the control of its owners or principals, the actions of individual owners or beneficiaries as they may affect TN and the IMD, are critical to TN's business. Therefore, it is agreed that actions of the ownership entity shareholders, officers, directors, trustees, beneficiaries, agents, employees or other related or interested parties, and the actions of such parties, which are in contravention to TN's policies, shall be attributable to the corporate, LLC, trust, or partnership entity.
  - a. In the event that any of the ownership entity shareholders, officers, directors, trustees, beneficiaries, agents, employees or other related parties shall terminate ownership interests as an IMD, any breaching actions by such parties that continue to have a beneficial financial interest, directly or indirectly, in the IMD status, shall be attributable to the IMD.
- B. Members of IMD's household may operate together as one entity. Household is defined as husband, wife, parties to a statutory recognized domestic partnership, and dependents. Note: Children of legal age to contract, and at least eighteen (18) years of age, are not considered a part of their parents' household.
  - a. TN recognizes that members of the same household may belong to competing direct selling opportunities. Although the actions of the parties are normally in good faith, in some circumstances, there is an abuse of relationships in which the non-TN household member is engaged in recruitment, solicitation or raiding of the IMD sales organization. The IMD is responsible to prevent raiding or recruiting activity by their co-household member. The recruiting activity of the non-TN household member shall be attributed to the IMD, subjecting the IMD to disciplinary action up to and including termination of the IMD Agreement and all commission payments.
- C. For the term of the IMD Agreement and for three (3) years thereafter, an IMD agrees that s/he shall not disrupt, damage impair nor impede the business of TN, whether by way of interfering with, or raiding its IMDs, customers, employees, suppliers, vendors, manufacturers or otherwise. "Disrupting" or "interfering" shall include, but not be limited to, direct or indirect solicitation, sponsorship, or recruitment of TN IMDs for other direct selling business opportunities, products, or services. A violation of this provision shall result in the termination of the IMD Agreement and all commission payments.

- D. If you are an IMD who resigns and/or are terminated, and engage in raiding or proselytizing of TN IMDs, you will also become ineligible as a member to advertise your business on the TNBE (Team National Business Exchange).
- E. Violation of the items above cannot be remedied by damages alone; therefore TN, at its discretion, may obtain additional injunctive relief in a court of competent jurisdiction.

**12. SALE OR TRANSFER OF BUSINESS**

An IMD business may be sold or transferred with written approval from TN. Team National reserves the right to approve or disapprove IMDs' change of business names, formation of partnerships, corporations, and trusts, for tax, estate planning, and limited liability purposes. If TN approves such a change, the organization's name and the names of the principals of the organization must appear on the distributorship, along with a Social Security Number or Federal Identification Number. It is prohibited to make changes to, circumvent, or violate TN rules, including as it rates to raiding, soliciting, targeting, cross-sponsoring, or interfering. If it is subsequently determined that changes were made to circumvent or violate TN rules, TN shall be entitled to reverse and void the sale or transfer, terminate the IMD status, and reposition the entire downline accordingly.

- A. IMDs may not add a co-applicant to their IMD business, and thereafter, remove their name from the IMD business, to circumvent TN's sale, assign, delegate, or merger procedure. The primary IMD must wait twelve (12) months after adding a co-applicant to the IMD business before being allowed to remove his or her name from the IMD business.
- B. Current and former IMDs who desire to transfer their IMD business, or reactivate their IMD status respectively, are allowed to do so in a new location with no downline, not an existing location.
- C. IMDs who own multiple pay centers must sell or transfer all of the centers to the prospective buyer. No individual pay centers may be sold nor transferred unless that pay center constitutes the entire business of the selling IMD.
- D. A written offer to sell must be given to the IMD's host, as well as every hosting bonus-qualified upline host, past two (2) Platinum Presidential Directors.
  - a. Only after each of these hosts has declined the offer, may the IMD make the same offer to anyone who has never been an IMD, or to anyone who has or had an interest in an IMD business.
- E. If the IMD business is a partnership, joint venture, or corporation, the majority partner(s) of the partnership or joint venture, or the majority shareholder(s) of the corporation must sign the sale or release of the business.
- F. The sale of an IMD's business to an existing IMD cannot be combined with the purchasing IMD's business or pay centers. The business purchased will be a "stand alone" business, just as if it was purchased by someone who was not an existing IMD. Any level of achievement reached by the selling IMD will not be combined with the purchasing IMD's level of achievement, including Presidential levels.
- G. An IMD's business (in good standing), as well as an active membership are willable.

**13. PRIVACY POLICY**

Any names obtained from TN during the operation of the independent business with TN, is proprietary information and the exclusive property of TN, and are to be used only with specific written permission from TN. Any misuse, sale, sharing of, rental or lease of any such names or lists of names, during or after the term of this agreement, shall be considered a breach of the agreement and may result in the immediate termination of the IMD Agreement, and in the termination of all commissions and overrides to the IMD by TN. Further, the violation of this

regulation cannot be remedied by damages alone; therefore, TN can receive additional injunctive relief in a court of competent jurisdiction.

A. IMDs must take appropriate steps to safeguard the protection of all private information provided by a consumer, independent salesperson, or prospective salesperson.

14. **RESOLUTION OF DISPUTES**

In the event of a dispute between an IMD and TN as to respective rights, duties and obligations, the resolution process shall require that the IMD submit a written request for review by the Corporate Compliance Committee of TN. If no resolution has been achieved within sixty (60) days of submission of the written request for consideration, either party shall be entitled to submit the dispute to binding arbitration under the Commercial Rules of the American Arbitration Association, with arbitration to occur in Fort Lauderdale. The arbitrator shall award, in addition to declaratory relief and compensatory damages, reasonable attorneys' fees and costs to the prevailing party. The decision of the arbitrator shall be final and shall be entitled to enforcement in any court of competent jurisdiction. This provision shall not prohibit TN nor any IMD from seeking permanent or preliminary injunctive relief in any court of competent jurisdiction. This provision expressly preempts any filing or prosecution of any claims in any court, state or federal, to avoid mandatory binding arbitration, except for injunctive relief. This agreement is governed under the laws of the State of Florida. This provision shall survive the cancellation or expiration of the agreement. Any modification of this arbitration provision shall not apply retroactively to any dispute which arose or which TN had notice of before the date of modification.

15. **TRADE SECRETS**

The IMD may receive or learn of business secrets of TN. The term, "business secrets" shall mean, but not by way of limitation, the following: Personal or financial information regarding TN and its personnel; IMD names, addresses and phone numbers, including lists thereof, intended or prospective TN business, marketing and compensation programs. The IMD agrees neither to disclose nor to utilize, directly or indirectly, the business secrets of TN for any purpose whatsoever. A violation of this regulation shall result in immediate termination of the IMD Agreement and in the termination of all commissioned payments to the IMD. Further, the violation of this regulation cannot be remedied by damages alone; therefore, TN can receive additional injunctive relief in a court of competent jurisdiction.

16. **SHARING OF INFORMATION WITH THIRD PARTIES**

TN will only share IMD information with TN agents or business partners for the purposes of performing the services contracted. The agents and business partners are restricted from sharing TN personal information; i.e., name, address, telephone number, email address, etc., with third-party entities without the IMD's prior consent. TN will comply with court orders, subpoenas, or other such requests by authorities demanding information regarding an IMD's tax withholding and financial compensation records, assuming the request is accompanied by a properly prepared and signed authorization.

17. **TN CHARGEBACK POLICY**

If a customer cancels his or her membership package by charging back the Company, bonus points created by the chargeback will be removed from Binary, all the way up line. Similarly, any customer who paid in full and cancels with a refund will cause bonus points to be charged back up line. Correspondingly, if a customer with a finance plan cancels, any or all payments that are charged back will be removed from Binary. If a customer with a finance plan does not receive a refund, bonus points shall remain in Binary.