



10 Institute, Inc.

STATEMENT OF POLICIES and PROCEDURES

Effective January 1, 2018

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SECTION 1 - CORPORATE MISSION STATEMENT

At 10 Institute, Inc., our mission is to empower professional Associates with the tools, support and technology needed to advance their training programs and their clients' results. Our unique products and services are designed, tested, and distributed through a network of committed, knowledgeable health enthusiasts allowing for a rewarding financial opportunity, and creating an enhanced mentor network for both Associates and clients.

SECTION 2 - INTRODUCTION

2.1 - Policies and Compensation Plan Incorporated into Associate Agreement

These Policies and Procedures and the Compensation Plan, in their present form and as amended by 10 Institute, Inc. (hereafter "10 Institute" or the "Company"), are incorporated into, and form an integral part of, the 10 Institute Associate Agreement. It is the responsibility of each Associate to read, understand, adhere to, and insure that he or she is aware of and operating under the most current version of these Policies and Procedures. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the 10 Institute Independent Associate Application and Agreement, these Policies and Procedures, the 10 Institute Compensation Plan, and the 10 Institute Business Entity Registration Form (if applicable). These documents are incorporated by reference into the 10 Institute Independent Associate Agreement (all in their current form and as amended by 10 Institute).

2.2 - Changes to the Agreement

10 Institute reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By executing the Associate Agreement, an Associate agrees to abide by all amendments or modifications that 10 Institute elects to make. Amendments shall be effective thirty (30) days after publication of notice that the Agreement has been modified. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Company's official web site; (2) electronic mail (e-mail); (3) posting in Associates' back-offices; (4) inclusion in Company periodicals; (5) inclusion in product orders or bonus checks; or (6) special mailings. The continuation of an Associate's 10 Institute business, the acceptance of any benefits under the Agreement, or an Associate's acceptance of bonuses or commissions constitutes acceptance of all amendments.

2.3 - Policies and Provisions Severable

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

2.4 - Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of 10 Institute to exercise any right or power under the Agreement or to insist upon strict compliance by an Associate with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of the Company's right to demand exact compliance with the Agreement. The existence of any claim or cause of action of an Associate against 10 Institute shall not constitute a defense to the Company's enforcement of any term or provision of the Agreement.

SECTION 3 - BECOMING AN ASSOCIATE

3.1 - Requirements to Become an Associate

To become a 10 Institute Associate, each applicant must:

- Be at least 18 years of age;
- Be a certified Personal Associate;
- Reside in the United States, a U.S. Territory, or any country that 10 Institute has officially announced is open for business;
- Provide 10 Institute with his or her valid Social Security or Federal Tax ID number;
- Pay the monthly Associate Membership Fee (optional for residents of Connecticut, North Carolina, and North Dakota); and
- Submit a properly completed Associate Application and Agreement to 10 Institute.

10 Institute reserves the right to accept or reject any Associate Application and Agreement for any reason or no reason.

3.2 - Product Purchases

Except for the monthly Associate Membership fee, no person is required to purchase 10 Institute products, services or sales aids, or to pay any charge or fee to become an Associate. In order to familiarize new Associates with 10 Institute products, sales techniques, sales aids, and other matters, the Company recommends that they purchase one of its Starter Kits. 10 Institute will repurchase resalable Starter Kits from any Associate who terminates his or her Associate Agreement pursuant to the terms of Section 8.3.

3.3 - Associate Benefits

Once an Associate Application and Agreement has been accepted by 10 Institute, the benefits of the Compensation Plan and the Associate Agreement are available to the new Associate. These benefits include the right to:

- Sell 10 Institute products;
- Participate in the 10 Institute Compensation Plan (receive bonuses and commissions, if eligible);
- Enroll other individuals as Customers, Preferred Customers, or Associates into the 10 Institute business and thereby, build a Marketing Organization and progress through the 10 Institute Compensation Plan;

- Receive periodic 10 Institute literature and other 10 Institute communications;
- Participate in 10 Institute-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by 10 Institute for its Associates.

3.4 - Term and Renewal of Your Independent 10 Institute Business

The term of the Associate Agreement is month-to-month, and is automatically renewed upon the payment of the monthly fee associated with your Membership Level. Should an Associate fail to pay his or her monthly Membership fee, the Associate's business will be put on suspension and the Associate will not be eligible for commissions or bonuses until all past-due fees are paid. If the Associate fails to pay his or her monthly Associate Membership or Executive Membership Level fee for three consecutive months, the Associate will automatically be converted to the Basic Membership Level.

SECTION 4 - OPERATING A 10 INSTITUTE BUSINESS

4.1 - Associate Created Marketing Methods and Tools

Associates must adhere to the terms of the 10 Institute Compensation Plan as set forth in official 10 Institute literature. Associates shall not offer the 10 Institute opportunity through, or in combination with, any other system, program, sales tools, or method of marketing other than that specifically set forth in official 10 Institute literature. Associates shall not require or encourage other current or prospective Customers or Associates to execute any agreement or contract other than official 10 Institute agreements and contracts in order to become a 10 Institute Associate. Similarly, Associates shall not require or encourage other current or prospective Customers or Associates to make any purchase from, or payment to, any individual or other entity to participate in the 10 Institute Compensation Plan other than those purchases or payments identified as recommended or required in official 10 Institute literature.

4.2 - Advertising

4.2.1 - General

All Associates shall safeguard and promote the good reputation of 10 Institute and its products. The marketing and promotion of 10 Institute, the 10 Institute opportunity, the Compensation Plan, and 10 Institute products must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and the tremendous opportunity 10 Institute offers, Associates should use the sales aids, business tools and support materials produced by 10 Institute. The Company has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that they are promoted in a fair and truthful manner, that they are substantiated, and that the materials comply with the legal requirements of federal and state laws.

Accordingly, Associates may only advertise or promote their 10 Institute business using approved tools, templates or images acquired through 10 Institute. No approval is necessary to use these approved tools. If an Associate wishes to design his or her own online or offline marketing materials of any kind, the proposed designs must be submitted to the 10 Institute

advertising department (customerservice@10institute.com) for consideration and inclusion in the template/image library. Unless the Associate receives specific written approval from 10 Institute to use such tools, the request shall be deemed denied. Go to the *Template Library* tab in your back office for guidelines and to access the library.

Associates may not sell sales aids to other 10 Institute Associates. Therefore, Associates who receive authorization from 10 Institute to produce their own sales aids may not sell such material to any other 10 Institute Associate. Associates may make approved material available to other Associates free of charge if they wish, but may not charge other 10 Institute Associates for the material.

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

4.2.2 - Trademarks and Copyrights

The name of 10 Institute and other names as may be adopted by 10 Institute are proprietary trade names, trademarks and service marks of 10 Institute (collectively “marks”). As such, these marks are of great value to 10 Institute and are supplied to Associates for their use only in an expressly authorized manner. 10 Institute will not allow the use of its trade names, trademarks, designs, or symbols, or any derivatives of such marks, by any person, including 10 Institute Associates, in any unauthorized manner without its prior, written permission.

The content of all Company sponsored events is copyrighted material. Associates may not produce for sale or distribution any recorded Company events and speeches without written permission from 10 Institute. Nor may Associates reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

As an independent Associate, you may use the 10 Institute name in the following manner

Associate’s Name
Independent 10 Institute Associate

Example:
Alice Smith
Independent 10 Institute Associate

Associates may not use the name “10 Institute”, “TEN Institute” or “10 Institute” in any form in a team name, a tagline, an external website name, a personal website address or extension, in an e-mail address, as a personal name, or as a nickname. For example, an Associate may not secure the domain name www.buy10instituteonline.com, nor may an Associate create an email address such as AssociatesEliteNetworksales@hotmail.com, or 10institute@gmail.com. Additionally, an Associate may only use the phrase *Independent 10 Institute Associate* in telephone greetings or on an answering machine to clearly separate the Associate’s independent 10 Institute business from 10 Institute.

4.2.3 - Media and Media Inquiries

Associates must not attempt to respond to media inquiries regarding 10 Institute, its products, the 10 Institute opportunity, or their independent 10 Institute business. All inquiries by any type of media must be immediately referred to the Compliance Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

4.2.4 - Unsolicited Email

10 Institute does not permit Associates to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by an Associate that promotes 10 Institute, the 10 Institute opportunity, or 10 Institute products must comply with the following:

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
- The email must include the Associate’s physical mailing address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honored. If an Associate receives an opt-out request from a recipient of an email, the Associate must forward the opt-out request to the Company.

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

4.2.5 - Unsolicited Faxes

Except as provided in this section, Associates may not use or transmit unsolicited faxes in connection with their 10 Institute businesses. The term “unsolicited faxes” means the transmission via telephone facsimile or computer of any material or information advertising or promoting 10 Institute, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Associate has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between an Associate and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Associate; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

4.2.6 - Telephone Directory Listings

Associates may list themselves as an “Independent 10 Institute Associate” in the white or yellow pages of the telephone directory, or with online directories, under their own name. No Associate may place telephone or online directory display ads using 10 Institute’s name or logo. Associates may not answer the telephone by saying “10 Institute”, “10 Institute, Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of 10 Institute. If an Associate wishes to post his or her name in a telephone or online directory, it must be listed in the following format:

Associate's Name
Independent 10 Institute Associate

4.2.7 - Television and Radio Advertising

Associates may not advertise on television or radio except with 10 Institute’s express written approval.

4.2.8 - Advertised Prices

Associates may not create their own marketing or advertising materials offering any 10 Institute products at a price less than the current Preferred Customer price plus shipping and applicable taxes.

4.3 - Online Conduct

4.3.1 - Associate Web Sites

Associates are provided with a Replicated Website by 10 Institute, from which they can take orders, enroll new Associates, and place customers on the Preferred Customer Autoship program, as well as manage their 10 Institute business. Associates may use only Replicated Websites provided by 10 Institute to promote their 10 Institute business, and may not create their own websites to directly or indirectly promote 10 Institute products or the 10 Institute opportunity. Associates are solely responsible and liable for the content they add to their Replicated Websites and must regularly review the content to ensure it is accurate and relevant.

Associates may not alter the branding, artwork, look, or feel of their Replicated Websites, and may not use their Replicated Websites to promote, market or sell non-10 Institute products, services or business opportunities. Specifically, an Associate may not alter the look (placement, sizing etc.) or functionality of the following:

- The 10 Institute Independent Associate Logo
- The Associate’s Name
- 10 Institute Corporate Website Redirect Button
- Artwork, logos, or graphics
- Original text.

Because Replicated Websites reside on the 10institute.com domain, 10 Institute reserves the right to receive analytics and information regarding the usage of your website.

By default, an Associate's 10 Institute Replicated Website URL is www.10institute.com/<Associate's Name>. The Associate must change this default ID and choose a uniquely identifiable website name that cannot:

- Be confused with other portions of the 10 Institute corporate website;
- Confuse a reasonable person into thinking they have landed on an 10 Institute corporate page;
- Be confused with any 10 Institute name;
- Contain any discourteous, misleading, or off-color words or phrases that may damage the image of 10 Institute.

4.3.2 - Domain Names, email Addresses and Online Aliases

Associates shall not use or register "10 Institute" or any of 10 Institute's trademarks, product names, or any derivative thereof, for any Internet domain name, email address, or online aliases. Additionally, an Associate cannot use or register domain names, email addresses, 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 10 Institute. Examples of the improper use of 10 Institute, include, but are not limited to: Associateselitenetwork@gmail.com, 10institute@gmail.com, www.myAssociateselitenetwork.com, www.mytenonline.com, or 10 Institute appearing up as the sender of an email.

4.3.3 - 10 Institute Hotlinks

When directing readers to his or her 10 Institute Replicated Website it must be evident from a combination of the link and the surrounding context that the link will be resolving to the site of an independent 10 Institute Associate. Attempts to mislead web traffic into believing they are going to a 10 Institute corporate site, when in fact they *land* at an Associate's Replicated Website will not be allowed. The determination as to what is *misleading* or what constitutes a *reasonable reader* will be at 10 Institute's sole discretion.

4.3.4 - Monetizing Replicated Websites

Associates may not monetize their Replicated Websites through affiliate programs, adSense or similar programs.

4.3.5 - Online Classifieds

Associates may not use online classifieds (including Craigslist) to list, sell or retail specific 10 Institute products or product bundles. Associates may use online classifieds (including Craigslist) for prospecting, recruiting, and informing the public about the 10 Institute business opportunity, provided 10 Institute-approved templates/images are used. These templates will identify the Associate as an Independent 10 Institute Associate. If a link or URL is provided, it must link to the Associate's Replicated Website.

4.3.6 - eBay / Online Auctions

10 Institute's products may not be listed on eBay or other online auctions, nor may Associates enlist or knowingly allow a third party to sell 10 Institute products on eBay or other online auction.

4.3.7 - Online Retailing

Associates may not list or sell 10 Institute products on any online retail store or ecommerce site, nor may an Associate enlist or knowingly allow a third party to sell 10 Institute products on any online retail store or ecommerce site.

4.3.8 - Banner Advertising

Associates may place banner advertisements on a website provided the Associate uses 10 Institute-approved templates and images. All banner advertisements must link to an Associate's Replicated Website. Associates may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or income claims that are ultimately associated with 10 Institute products or the 10 Institute opportunity.

4.3.9 - 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. Any comments that an Associate makes on blogs, forums, guest books etc. must be unique, informative and relevant.

4.3.10 - Digital Media Submission (YouTube, iTunes, Pinterest etc.)

Associates may upload, submit or publish 10 Institute-related video, audio or photo content that they develop and create so long as it aligns with 10 Institute values, contributes to the 10 Institute community greater good and is in compliance with the Policies and Procedures. All submissions must clearly identify the submitter as an Independent 10 Institute Associate in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that the submitter is solely responsible for this content. Associates may not upload, submit or publish any content (video, audio, presentations or any computer files) received from 10 Institute or captured at official 10 Institute events or in buildings owned or operated by 10 Institute without prior written permission.

4.3.11 - Sponsored Links / Pay-Per-Click (PPC) Ads

Sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to the sponsoring Associate's Replicated Website. The display URL must also be to the sponsoring Associate's Replicated Website and must not portray any URL that could lead the user to believe they are being directed to a 10 Institute Corporate site, or be inappropriate or misleading in any way.

4.3.12 - Social Media

Social Media may be used by Associates to share information about the 10 Institute business opportunity and for prospecting and enrolling new Associates. Social Media sites may not be used to sell or offer to sell specific 10 Institute products. Profiles an Associate generates in any social community where 10 Institute is discussed or mentioned must clearly identify the Associate as an Independent 10 Institute Associate, and when an Associate participates in those communities, Associates 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 10 Institute's sole discretion, and offending

Associates will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the 10 Institute approved library. If a link is provided, it must link to the posting Associate's Replicated Website.

Associates may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Associates create or leave must be useful, unique, relevant and specific to the blog's article.

Associates who elect to use Social Media must adhere to the Policies and Procedures in all respects and particularly the following Social Media rules.

- **Associates Are Responsible for Postings**

Associates are personally responsible for their postings and all other online activity that relates to 10 Institute. Therefore, even if an Associate does not own or operate a blog or Social Media site, if an Associate posts to any such site that relates to 10 Institute or which can be traced to 10 Institute, the Associate is responsible for the posting. Associates are also responsible for postings which occur on any blog or Social Media site that the Associate owns, operates, or controls.

- **Identification as an Independent 10 Institute Associate**

Associates must disclose their full names on all Social Media postings, and conspicuously identify themselves as independent 10 Institute Associates. Anonymous postings or use of an alias is prohibited.

- **Social Media as a Sales and Promotion Forum**

Social Media sites are relationship-building sites. While building relationships is an important part of the sales process, Social Media sites may not be used as a direct medium for generating sales or explaining the 10 Institute, Income opportunity. Online sales may only be generated from an Associate's 10 Institute Replicated Website. Likewise, Associates shall not use any Social Media site to explain the 10 Institute compensation plan or any component of the compensation plan.

- **Deceptive Postings**

Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the 10 Institute, Income opportunity, 10 Institute products, and/or an Associate's biographical information and credentials.

- **Use of Third Party Intellectual Property**

If an Associate uses the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting, it is the Associate's responsibility to ensure that he or she has 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 Associates must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

- **Respecting Privacy**

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

- **Professionalism**

Associates must ensure that their postings are truthful and accurate. This requires that Associates fact-check all material they post online. Associates should also carefully check their postings for spelling, punctuation, and grammatical errors. Use of offensive language is prohibited.

- **Prohibited Postings**

Associates may not make any postings, or link to any postings or other material that:

- Is sexually explicit, obscene, or pornographic;
- 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);
- Is graphically violent, including any violent video game images;
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity; or
- Is in violation of any intellectual property rights of the Company or any third party.

- **Responding to Negative Posts**

Associates should not converse with anybody who places a negative post against the Associate, other independent Associates, or 10 Institute. Negative posts should be reported to the Company at compliance@10institute.com. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as 10 Institute, and therefore damages the reputation and goodwill of 10 Institute.

- **Social Media Sites with Website Like Features**

Because some social media sites are particularly robust, the distinction between a social media site and a website may not be clear cut. 10 Institute therefore reserves the sole and exclusive right to classify certain social media sites as websites and require that Associates using, or who wish to use, such sites adhere to the Company's policies relating to independent websites.

- **Cancellation of the Agreement**

If an Associate's 10 Institute Agreement is cancelled for any reason, the former Associate must discontinue using the 10 Institute name, and all of 10 Institute's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that the former Associate utilizes. If a former Associate posts on any Social Media site on which he or she previously identified himself or herself as an independent 10 Institute Associate, the former Associate must conspicuously disclose that he or she is no longer an independent 10 Institute Associate.

4.4 - Business Entities

A corporation, limited liability company (LLC), partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be a 10 Institute Associate by submitting an Associate Application and Agreement along with a properly completed Business Entity Registration Form and a properly completed IRS Form W-9. The Business Entity and its shareholders, members, managers, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively “Affiliated Parties”) are individually, jointly and severally liable for any indebtedness to 10 Institute, compliance with the 10 Institute Policies and Procedures, compliance with the 10 Institute Associate Agreement, and all other obligations to 10 Institute.

To prevent the circumvention of Sections 4.25 (regarding transfers and assignments of an 10 Institute business) and 4.5 (regarding sponsorship changes), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or 10 Institute, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify 10 Institute in writing that he or she has terminated his or her affiliation with the Business Entity, and must comply with the provisions of Section 4.25. In addition, the Affiliated Party foregoing his or her interest in the Business Entity may not participate in any other 10 Institute business for six consecutive calendar months in accordance with Section 4.5.3. If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 4.25.

The modifications permitted within the scope of this Section *do not* include a change of Personal Sponsor. Changes of sponsorship are addressed in Section 4.5, below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Associate Application and Agreement. 10 Institute may, at its discretion, require notarized documents before implementing any changes to a 10 Institute business. Please allow thirty (30) days after the receipt of the request by 10 Institute for processing.

4.4.1 - Changes to a Business Entity

Each Associate must immediately notify 10 Institute of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business Affiliated Parties.

4.5 - Change of Personal Sponsor

10 Institute strongly discourages changes in sponsorship. Accordingly, the transfer of a 10 Institute business from one Personal Sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Customer Service Department, and must include the reason for the transfer. Transfers will only be considered in the following three circumstances.

4.5.1 - Misplacement

In cases in which the new Associate is placed under someone other than the individual he or she was led to believe would be his or her Personal Sponsor, an Associate may request that he or she be transferred to another organization with his or her entire Marketing Organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be

made within three days from the date of enrollment. The Associate requesting the change has the burden of proving that he or she was placed beneath the wrong Personal Sponsor. It is up to 10 Institute's discretion whether the requested change will be implemented.

4.5.2 - Upline Approval

The Associate seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her immediate 5 upline Associates in his or her Marketing Organization. Photocopied or facsimile signatures are not acceptable. All Associate signatures must be notarized. The Associate who requests the transfer must submit a fee of \$50.00 for administrative charges and data processing. If the transferring Associate also wants to move any of the Associates in his or her Marketing Organization, each downline Associate must also obtain a properly completed Sponsorship Transfer Form and return it to 10 Institute with the \$50.00 change fee (i.e., the transferring Associate and each Associate in his or her Marketing Organization multiplied by \$50.00 is the cost to move a 10 Institute business.) Downline Associates will not be moved with the transferring Associate unless all of the requirements of this paragraph are met. Transferring Associates must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by 10 Institute for processing and **verifying** change requests.

4.5.3 - Cancellation and Re-application

An Associate may legitimately change organizations by voluntarily canceling his or her 10 Institute business and remaining inactive (*i.e.*, no purchases of 10 Institute products for resale, no sales of 10 Institute products, no enrolling, no attendance at any 10 Institute functions, no participation in any other form of Associate activity, no operation of any other 10 Institute business, and no income from the 10 Institute business) for six (6) full calendar months. Following the six month period of inactivity, the former Associate may reapply under a new Enroller and Personal Sponsor, however, the former Associate's Marketing Organization will remain in the original line of sponsorship. 10 Institute will consider waiving the six month waiting period under exceptional circumstances. Such requests for waiver must be submitted to 10 Institute in writing.

4.6 - Waiver of Claims

In cases in which the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by an Associate, 10 Institute reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched Enrollers or Personal Sponsors is often extremely difficult. Therefore, **ASSOCIATES WAIVE ANY AND ALL CLAIMS AGAINST 10 INSTITUTE, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM 10 INSTITUTE'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

4.7 - Unauthorized Claims and Actions

4.7.1 - Indemnification

An Associate is fully responsible for all of his or her verbal and written statements made regarding 10 Institute products, the 10 Institute opportunity, and the Compensation Plan which are not expressly contained in official 10 Institute materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through Social Media, in print, or any other means of communication. Associates agree to indemnify 10 Institute and 10 Institute's directors, officers, employees, and agents, and hold them harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by 10 Institute as a result of the Associate's unauthorized representations or actions. This provision shall survive the termination of the Associate Agreement.

4.7.2 - Product Claims

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by 10 Institute may be made except those contained in official 10 Institute literature. In particular, no Associate may make any claim that 10 Institute products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims, and they may lack adequate substantiation. Not only are such claims in violation of the Associate Agreement, they also violate the laws and regulations of the United States, Canada, and other countries.

4.7.3 - Income Claims

Because 10 Institute Associates do not have the data necessary to comply with the legal requirements for making income claims, an Associate, when presenting or discussing the 10 Institute opportunity or Compensation Plan to a prospective Associate, may not make income projections, income claims, or disclose his or her 10 Institute, Income (including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records).

4.8 - Repackaging and Re-labeling Prohibited

10 Institute products may only be sold in their original packaging. Associates may not repack, re-label, or alter the labels on 10 Institute product. Tampering with labels/packaging could be a violation of federal and state laws, and may result in civil or criminal liability. Associates may affix a personalized sticker with the Associate's personal/contact information to each product or product container, as long as this is done without removing existing labels or covering any text, graphics, or other material on the product label.

4.9 - Commercial Outlets

Associates may display and sell 10 Institute products from the gyms, spas, studios, or other locations at which they perform their personal training services for clients. Associates may not sell 10 Institute products from any other commercial outlet, nor may Associates display or sell 10 Institute products or literature in any other retail or service establishment. Online auction and/or sales facilitation websites, including but not limited to eBay and Craig's List constitute Commercial Outlets, and may not be used to sell 10 Institute products.

4.10 - Trade Shows, Expositions and Other Sales Forums

Associates may display and/or sell 10 Institute products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Associates must contact the

Marketing Department in writing for conditional approval, as 10 Institute's policy is to authorize only one 10 Institute business per event. Final approval will be granted to the first Associate who submits an official advertisement of the event, a copy of the contract signed by both the Associate and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Marketing Department. 10 Institute further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products or the 10 Institute opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image 10 Institute wishes to portray.

4.11 - Conflicts of Interest

4.11.1 - Nonsolicitation

10 Institute Associates are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, Associates may not directly or indirectly Recruit other 10 Institute Associates or Preferred Customers for any other network marketing business.

Following the cancellation of an Associate's Independent Associate Agreement, and for a period of six calendar months thereafter, with the exception of an Associate who was personally enrolled by the former Associate, a former Associate may not Recruit any 10 Institute Associate or Preferred Customer for another network marketing business. Associates and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Associates and 10 Institute agree that this non-solicitation provision shall apply nationwide and to all international markets in which 10 Institute Associates are located. This provision shall survive the termination or expiration of the Agreement.

The term "Recruit" means the actual or attempted enrollment, solicitation, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another 10 Institute Associate, a Retail Customer, or a Preferred Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

4.11.2 - Associate Participation in Other Direct Selling Programs

If an Associate is engaged in other non-10 Institute direct selling programs, it is the responsibility of the Associate to ensure that his or her 10 Institute business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- Associates must not sell, or attempt to sell, any competing non-10 Institute programs, products or services to 10 Institute Preferred Customers, Retail Customers, or Associates. Any program, product or services in the same generic categories as 10 Institute products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

- Associates shall not display 10 Institute promotional materials, sales aids, or products with or in the same location as any non-10 Institute promotional materials, sales aids, products or services.
- Associates shall not offer the 10 Institute opportunity or products to prospective or existing Retail Customers, Preferred Customers, or Associates in conjunction with any non-10 Institute program, opportunity, product or service.
- Associates may not offer any non-10 Institute opportunity, products, services or opportunity at any 10 Institute-related meeting, seminar, convention, webinar, teleconference, or other function.

4.11.3 - Confidential Information

“Confidential Information” includes, but is not limited to, Downline Genealogy Reports, the identities of 10 Institute Retail Customers, Preferred Customers, and Associates, contact information of 10 Institute Retail Customers, Preferred Customers, and Associates, Associates’ Personal, Team and Downline Volumes, and Associate Career Title and/or achievement levels. Confidential Information is, or may be available, to Associates in their respective back-offices. Associate access to such Confidential Information is password protected, is confidential, and constitutes proprietary information and business trade secrets belonging to 10 Institute. Such Confidential Information is provided to Associates in strictest confidence and is made available to Associates for the sole purpose of assisting Associates in working with their respective Marketing Organizations in the development of their 10 Institute business. Associates may not use any Confidential Information for any purpose other than for developing their independent 10 Institute businesses. Where an Associate participates in other direct selling or multilevel marketing ventures, the Associate is not eligible to have access to certain Confidential Information, including, but not limited to, Downline Genealogy Reports. Associates should use the Confidential Information to assist, motivate, and train their downline Associates, and for no other purpose. In so doing, an Associate may not disclose the Confidential Information to any third party, including, without limitation, his or her downline Associates. The Associate and 10 Institute agree that, but for this agreement of confidentiality and nondisclosure, 10 Institute would not provide Confidential Information to the Associate.

To protect the Confidential Information, an Associate shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any Confidential Information to any third party;
- Directly or indirectly disclose the password or other access code to his or her back-office;
- Use any Confidential Information to compete with 10 Institute or for any purpose other than promoting his or her 10 Institute business; or
- Recruit or solicit any Associate, Preferred Customer, or Retail Customer of 10 Institute listed on any report or in the Associate’s back-office, or in any manner attempt to influence or induce any Associate, Preferred Customer, or Retail Customer of 10 Institute, to alter their business relationship with 10 Institute.

The obligation of an Associate to not disclose any Confidential Information shall survive

cancellation or termination of the Agreement, and shall remain effective and binding irrespective of whether an Associate's Agreement has been terminated, or whether the Associate is or is not otherwise affiliated with the Company.

4.12 - Targeting Other Direct Sellers

10 Institute does not condone Associates specifically or consciously targeting the sales force of another direct sales company to sell 10 Institute products or to become Associates for 10 Institute, nor does 10 Institute condone Associates solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Associates engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an Associate alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, 10 Institute will not pay any of the Associate's defense costs or legal fees, nor will 10 Institute indemnify the Associate for any judgment, award, or settlement.

4.13 - Errors or Questions

If an Associate has questions about or believes any errors have been made regarding commissions, bonuses, genealogy lists, or charges, the Associate must notify 10 Institute in writing within 60 days of the date of the purported error or incident in question. 10 Institute will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

4.14 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Associates shall not represent or imply that 10 Institute or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

4.15 - Holding Orders

Associates must not manipulate purchases of products. All product orders must be sent to 10 Institute within 72 hours from the time they are placed by a customer, respectively.

4.16 - Income Taxes

Each Associate is responsible for paying local, state and federal taxes on any income generated as an Independent Associate. If an Associate's 10 Institute business is tax exempt, the Federal tax identification number must be provided to 10 Institute. Every year, 10 Institute will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000.

10 Institute cannot provide Associates with any personal tax advice. Associates should consult with their own tax accountant, tax attorney, or other tax professional.

4.17 - Independent Contractor Status

Associates are independent contractors. The agreement between 10 Institute and its Associates does not create an employer/employee relationship, agency, partnership, or joint

venture between the Company and the Associate. Associates shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Associates are responsible for paying local, state, and federal taxes due from all compensation earned as an Associate of the Company. The Associate has no authority (expressed or implied), to bind the Company to any obligation. Each Associate shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Associate Agreement, these Policies and Procedures, and applicable laws.

4.18 - International Marketing

Associates are authorized to sell 10 Institute products and enroll Preferred Customers, Retail Customers, or Associates only in the countries in which 10 Institute is authorized to conduct business, as announced in official Company literature. 10 Institute products or sales aids may not be shipped into or sold in any foreign country. Associates may sell, give, transfer, or distribute 10 Institute products or sales aids only in their home country. In addition, no Associate may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential Retail Customers, Preferred Customers, or Associates; or (c) conduct any other activity for the purpose of selling 10 Institute products, establishing a Marketing Organization, or promoting the 10 Institute opportunity.

4.19 - Excess Inventory and Bonus Buying

To insure that their clients receive the freshest product possible, Associates must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other Associate to buy more products than they can reasonably use or sell to retail customers in a month. In addition, bonus buying is strictly prohibited. Bonus buying includes any mechanism or artifice to qualify for Title advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product purchases by end user consumers. Bonus buying includes, but is not limited to, purchasing products through a third party (a “straw man”) or through the use of any other artifice.

4.20 - Adherence to Laws and Ordinances

Associates shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Associates because of the nature of their business. However, Associates must obey those laws that do apply to them. If a city or county official tells an Associate that an ordinance applies to him or her, the Associate shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of 10 Institute.

4.21 - One 10 Institute Business Per Associate and Per Household

An Associate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one 10 Institute business. No individual may have, operate or receive compensation from more than one 10 Institute business. Individuals of the same Household may not enter into or have an interest in more than one 10 Institute Business. A “Household” is defined as all individuals who are living at or doing business at the same address, and who are related by blood, marriage, domestic partnership, or adoption, or who are living together as a family unit or in a family-like setting.

In order to maintain the integrity of the 10 Institute Compensation Plan, husbands and wives, domestic partnerships, or common-law couples (collectively referred to herein as “spouses”) who wish to become 10 Institute Associates must be jointly enrolled as one 10 Institute business. Spouses, regardless of whether one or both are signatories to the Associate Application and Agreement, may not own or operate any other 10 Institute business, either individually or jointly, nor may they participate directly or indirectly (as a shareholder, partner, trustee, trust beneficiary, or have any other legal or equitable ownership) in the ownership or management of another 10 Institute business in any form.

An exception to the one business per Associate/Household rule will be considered on a case by case basis if two Associates get married or move in together, or in cases of an Associate receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to the Compliance Department.

4.22 - Actions of Household Members or Affiliated Parties

If any member of an Associate’s immediate household engages in any activity which, if performed by the Associate, would violate any provision of the Agreement, such activity will be deemed a violation by the Associate and 10 Institute may take disciplinary action pursuant to these Policies and Procedures against the Associate. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively “Business Entity”) violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and 10 Institute may take disciplinary action against the Business Entity. Likewise, if an Associate enrolls in 10 Institute as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

4.23 - Requests for Records

Any request from an Associate for copies of invoices, applications, downline activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

4.24 - Compression of Marketing Organization

When a vacancy occurs in a Marketing Organization due to the termination of a 10 Institute business, the Marketing Organization of the terminated Associate may compress up to his or her Personal Sponsor. Whether or not it automatically compresses up depends on the recent Paid-As Title of the terminated Associate.

4.24.1 – General

If the terminated Associate had not achieved the Paid-As Title of Elite Associate Mentor Bronze or higher during the 4 month period immediately preceding the termination, each Associate in the first level immediately below the terminated Associate on the date of the cancellation will be moved to the first level (“front line”) of the terminated Associate’s Personal Sponsor. For example, if A is the Personal Sponsor of B, and B is the Personal Sponsor of C1, C2, and C3, if B terminates her business, C1, C2, and C3 will “compress” up to A and become part of A’s first level.

4.24.2 – Paid-As Elite Associate Mentor Bronze and Higher

If the terminated Associate had a Paid-As Title of Elite Associate Mentor Bronze or higher during the 4 month period immediately preceding the date of the termination, then the following rules apply:

- If the terminated Associate’s Personal Sponsor had a Paid-As Title of Elite Associate Mentor Bronze or higher during the immediately preceding 4 month period, then the compression will occur.
- If the Personal Sponsor of the terminated Associate Mentor has not achieved the Paid-As Title of Elite Associate Mentor Bronze or higher during the 4 months preceding the date of the termination, the Personal Sponsor will still have the ability to qualify to have the terminated Associate’s Marketing Organization compress up to him or her. The Personal Sponsor will so qualify if during the 6 month period following the date of termination, he or she achieves the Paid-As Title of Elite Associate Mentor Bronze at least 2 times during such period.

If neither of the above conditions are met, the position of the terminated Associate will not compress and will remain vacant. If either of the above conditions are met, then each Associate in the first level immediately below the terminated Associate on the date of the cancellation will be moved to the first level (“front line”) of the terminated Associate’s Personal Sponsor. For example, if A is the Personal Sponsor of B, and B is the Personal Sponsor of C1, C2, and C3, if B terminates her business, C1, C2, and C3 will “compress” up to A and become part of A’s first level.

4.25 - Sale, Transfer or Assignment of an Independent 10 Institute Business

Although a 10 Institute business is a privately owned and independently operated business, the sale, transfer or assignment of a 10 Institute business, and the sale, transfer, or assignment of an interest in a Business Entity that owns or operates a 10 Institute business, is subject to certain limitations. If an Associate wishes to sell his or her 10 Institute business, or interest in a Business Entity that owns or operates a 10 Institute business, the following criteria must be met:

- The selling Associate must offer 10 Institute the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. 10 Institute shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- The buyer or transferee must become a qualified 10 Institute Associate. If the buyer is an active 10 Institute Associate, he or she must first terminate his or her 10 Institute business before acquiring any interest in a different 10 Institute business.
- Before the sale, transfer or assignment can be finalized and approved by 10 Institute, any debt obligations the selling party has with 10 Institute must be satisfied.
- The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a 10 Institute business.

Prior to selling an independent 10 Institute business or Business Entity interest, the selling Associate must notify the Compliance Department in writing and advise of his or her intent to sell his or her 10 Institute business or Business Entity interest. The selling Associate must also

receive written approval from the Compliance Department before proceeding with the sale. No changes in line of sponsorship can result from the sale or transfer of a 10 Institute business.

4.26 - Separation of an 10 Institute Business

10 Institute Associates sometimes operate their 10 Institute businesses as husband-wife partnerships, regular partnerships, LLCs, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, LLC, partnership, trust or other Business Entity may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship.

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

- One of the parties may, with consent of the other(s), operate the 10 Institute business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize 10 Institute to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- The parties may continue to operate the 10 Institute business jointly on a “business-as-usual” basis, whereupon all compensation paid by 10 Institute will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Marketing Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will 10 Institute split commission and bonus checks between divorcing spouses or members of dissolving entities. 10 Institute will recognize only one Marketing Organization and will issue only one commission check per 10 Institute business per commission cycle. Commission checks shall always be issued to the same individual or entity.

If a former spouse or entity affiliate has completely relinquished all rights in the original 10 Institute business pursuant to a divorce or business entity dissolution, he or she is thereafter free to enroll under any Enroller and Personal Sponsor of his or her choosing without waiting six calendar months. The former spouse or business affiliate shall have no rights to any Associates in their former Marketing Organization or to any former retail customer or Preferred Customer. They must develop the new business in the same manner as would any other new Associate.

4.27 - Enrolling Online

When enrolling a new Associate through the online enrollment process, the Enroller may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online application and agreement, the Policies and Procedures, and the 10 Institute Compensation Plan. The Enroller may not fill out the online application and agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

4.28 - Succession

Upon the death or incapacitation of an Associate, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, an Associate should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a 10 Institute business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Associate's Marketing Organization provided the following qualifications are met. The successor(s) must:

- Execute an Associate Agreement;
- Comply with terms and provisions of the Agreement; and
- Meet all of the qualifications for the deceased Associate's status.

The devisee(s) must provide 10 Institute with an "address of record" to which all bonus and commission checks will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. 10 Institute will issue all bonus and commission checks and one 1099 to the business entity.

4.28.1 - Transfer Upon Death of an Associate

To effect a testamentary transfer of an 10 Institute business, the executor of the estate must provide the following to 10 Institute: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; and (3) written instructions from the authorized executor to 10 Institute specifying to whom the business and income should be transferred.

4.28.2 - Transfer Upon Incapacitation of an Associate

To effectuate a transfer of an 10 Institute business because of incapacity, the successor must provide the following to 10 Institute: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the 10 Institute business; and (3) a completed Associate Agreement executed by the trustee.

4.29 - Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although 10 Institute does not consider Associates to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, Associates must not engage in telemarketing in the operation of their 10 Institute businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a 10 Institute product, or to recruit them for the 10 Institute opportunity. "Cold calls" made to prospective customers or Associates that promote

either 10 Institute products or the 10 Institute opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Associate (a "prospect") is permissible under the following situations:

- If the Associate has an established business relationship with the prospect. An "established business relationship" is a relationship between an Associate and a prospect based on the prospect's purchase, rental, or lease of goods or services from the Associate, or a financial transaction between the prospect and the Associate, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- In response to a prospect's personal inquiry or application regarding a product or service offered by the Associate, within the three (3) months immediately preceding the date of such a call.
- If the Associate receives written and signed permission from the prospect authorizing the Associate to call. The authorization must specify the telephone number(s) which the Associate is authorized to call.
- If the prospect is a family member, a personal friend, or an acquaintance. An "acquaintance" is someone with whom an Associate has at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if an Associate engages in "card collecting" with everyone the Associate meets and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if an Associate engages in calling "acquaintances," the Associate must make such calls on an occasional basis only and not make this a routine practice.

Associates shall not use automatic telephone dialing systems or software relative to the operation of their 10 Institute businesses. Associates shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a "robocall") regarding or relating to the 10 Institute products or opportunity.

4.30 - Back Office Access

10 Institute makes online back offices available to its Associates. Back offices provide Associates access to confidential and proprietary information that may be used solely and exclusively to promote the development of an Associate's 10 Institute business and to increase sales of 10 Institute products. However, access to a back office is a privilege, and not a right. 10 Institute reserves the right to deny Associates' access to the back office at its sole discretion.

SECTION 5 - RESPONSIBILITIES OF ASSOCIATES

5.1 - Change of Contact Information

To ensure timely delivery of products, support materials, commissions, and tax documents, it is important that 10 Institute's files are current. Street addresses are required for shipping. Associates planning to change any of their contact information or move must update their contact

information via the Back Office function of the Associate's replicated 10 Institute website. To guarantee proper delivery, two weeks advance notice must be provided to 10 Institute on all changes.

5.2 - Continuing Development Obligations

5.2.1 - Ongoing Training

Any Associate who is the Personal Sponsor of another Associate into 10 Institute must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her 10 Institute business. Associates must have ongoing contact and communication with the Associates in their Marketing Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Associates to 10 Institute meetings, training sessions, and other functions. Upline Associates are also responsible to motivate and train new Associates in 10 Institute product knowledge, effective sales techniques, the 10 Institute Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline Associates must not, however, violate Sections 4.1, 4.2, or 4.3 (regarding the development of Associate-produced sales aids and promotional materials).

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

5.2.2 - Increased Training Responsibilities

As Associates progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the 10 Institute program. They will be called upon to share this knowledge with lesser experienced Associates within their Marketing Organization.

5.2.3 - Ongoing Sales Responsibilities

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

5.3 - Nondisparagement

10 Institute values constructive criticisms and comments from Associates. All such comments should be submitted in writing to the Customer Service Department. While 10 Institute welcomes constructive input, negative comments and remarks made in the field by Associates about the Company, its products, or Compensation Plan serve no purpose other than to sour the enthusiasm of other 10 Institute Associates. For this reason, and to set the proper example for their Marketing Organizations, Associates must not disparage, demean, or make negative remarks about 10 Institute, other 10 Institute Associates, 10 Institute products, 10 Performance Products, the Compensation Plan, or 10 Institute's directors, officers, or employees.

5.4 - Providing Documentation to Applicants

Associates must provide the most current version of the Policies and Procedures and the

Compensation Plan to individuals whom they are enrolling to become Associates before the applicant signs an Associate Agreement, or ensure that such individuals have online access to these materials.

SECTION 6 - SALES REQUIREMENTS

6.1 - Product Sales

The 10 Institute Compensation Plan is based on the sale of 10 Institute products to end consumers. Associates must fulfill personal, team, and downline organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for Associates to be eligible for commissions: Associates must satisfy the Personal Volume (PV), Team Volume (TV), and Downline Volume (DV) requirements to fulfill the requirements associated with their Paid-As Title as specified in the 10 Institute Compensation Plan. Personal Volume includes the Qualifying Volume (QV) of the purchases made by the Associate and purchases made by the Associate's personal customers. Team Volume shall include the total Qualifying Volume of the Associate and all of the Associates in his or her Marketing Organization, down five (5) Levels. Downline Volume shall include the total Qualifying Volume of the Associate and all of the Associates in his or her entire Marketing Organization, with no limit on Levels. See Section 12 and the Compensation Plan for the definitions of Personal Volume, Team Volume, Downline Volume, and Qualifying Volume.

6.2 - No Territory Restrictions

There are no exclusive territories granted to anyone.

6.3 - Sales Receipts

All Associates must provide their retail customers with two copies of an official 10 Institute sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. Associates must maintain all retail sales receipts for a period of two years and furnish them to 10 Institute at the Company's request. Records documenting the purchases of Associates' online customers and Preferred Customers will be maintained by 10 Institute.

Remember that customers must receive two copies of the sales receipt. In addition, Associates must orally inform the buyer of his or her cancellation rights.

SECTION 7 - BONUSES AND COMMISSIONS

7.1 - Bonus and Commission Qualifications and Accrual

An Associate must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as an Associate complies with the terms of the Agreement, 10 Institute shall pay commissions to such Associate in accordance with the Compensation Plan. The minimum amount for which 10 Institute will issue a commission or bonus payment is \$10. If an Associate's bonuses and commissions do not equal or exceed \$10, the Company will accrue the commissions and bonuses until they total \$10. Payment will be issued once \$10 has been accrued.

Notwithstanding the foregoing, all commissions, bonuses or other compensation owed an Associate, regardless of the amount accrued, will be paid at the end of each fiscal year or upon the termination of an Associate's Associate Agreement.

7.2 - Adjustment to Bonuses and Commissions

Associates receive bonuses and commissions based on the actual sales of products to end consumers. When a product is returned to 10 Institute for a refund, the bonuses and commissions attributable to the returned or repurchased product will be deducted from payments to the Associate and upline Associates who received bonuses or commissions on the sale of the refunded product, in the month in which the refund is given, and continuing every pay period thereafter until the bonuses and commissions are recovered.

7.3 - Reports

All information provided by 10 Institute in downline activity or downline genealogy reports, including but not limited to Personal, Team and Downline Volumes (or any part thereof), and downline enrollment activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, digital, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by 10 Institute or any persons creating or transmitting the information.

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

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, 10 INSTITUTE AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY ASSOCIATE OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL, TEAM, AND/OR DOWNLINE VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF 10 INSTITUTE OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, 10 INSTITUTE OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of 10 Institute online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to 10 Institute online and telephone reporting services and your reliance upon the information.

SECTION 8 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

8.1 - Product Guarantee, Warranty and Rescission

Federal and state law requires that Associates notify their retail customers that they have three business days (5 business days for Alaska residents) within which to cancel their purchase and receive a full refund upon return of the products in substantially as good condition as when they were delivered. Saturday is a business day, Sundays and legal holidays are not business days. Associates *MUST* verbally inform their customers of this right, they *MUST* provide their customers with TWO copies of a retail receipt at the time of the sale, and *MUST* point out this cancellation right stated on the receipt.

10 Institute offers a money back guarantee on products returned within 30 days from the date of sale, less a 10% restocking fee.

Products shipped directly to the customer by the Company must be returned to the Company and a refund will be issued to the customer by the Company. Products delivered to the customer by an Associate must be returned to the selling Associate, and it shall be the responsibility of the Associate to issue the refund to his/her customer. This product satisfaction guarantee does not apply to products damaged by abuse or misuse, and shipping costs are not refundable. Associates shall disclose the terms of the warranty to his/her customers at the time of sale and shall also point out this warranty information on the sales receipt and product literature.

If an Associate returns more than \$1,000 for a refund in any 12 consecutive month period, the request will constitute the Associate's voluntary cancellation of his or her Associate Agreement, and the refund will be processed as an inventory repurchase pursuant to Section 8.3, and the Associate's 10 Institute business will be cancelled.

8.2 - Returns by Customers

10 Institute offers, through its Associates, a 100% 30-day money-back guarantee to all customers. Every Associate is bound to honor the retail customer guarantee. If, for any reason, a customer is dissatisfied with any 10 Institute product, the customer may return the unused portion of the product to the Associate from whom it was purchased, within 30 days, for a replacement, exchange or a full refund of the purchase price (less shipping costs).

The following provision sets forth the minimum refund permitted by law to a retail customer:

A retail customer who makes a purchase of \$25.00 or more has three business days (72

hours, excluding Sundays and legal holidays) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form or sales receipt (5 days for Alaska residents). When an Associate makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72 hour period, the Associate must promptly refund the customer's money as long as the products are returned to the Associate in substantially as good condition as when received (5 days for Alaska residents). Associates must orally inform customers of their right to rescind a purchase or an order within 72 hours (5 days for Alaska residents), and ensure that the date of the order or purchase is entered on the order form. All retail customers must be provided with two copies of an official 10 Institute sales receipt at the time of the sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

8.3 - Return of Inventory and Sales Aids by Associates Upon Cancellation

Upon cancellation of an Associate's Agreement, the Associate may return products and sales aids (including Starter Kits) for a refund. In order to receive a refund from 10 Institute pursuant to this policy, the following requirements must be met:

- The items being returned must have been personally purchased by the Associate from 10 Institute (purchases from other Associates or third parties are not subject to refund);
- The items must be in Resalable condition (see Definition of "Resalable" below); and
- The items must have been purchased from 10 Institute within one year prior to the date of cancellation.

Upon receipt of Resalable products and sales aids, the Associate will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges incurred by an Associate when the products or sales aids were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Associate was paid a bonus or commission based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the bonus and/or commission that was paid to the Associate based on that product purchase will be deducted from the amount of the refund.

Products and Sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) they are returned to 10 Institute within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be Resalable. Monthly Membership fees are not refundable except as required by applicable state law.

8.3.1 - Montana Residents

A Montana resident may cancel his or her Associate Agreement within 15 days from the date of enrollment and will receive a full refund of any monthly Membership fees. If the Montana resident purchased an optional Starter Kit, he or she may return his or her Starter Kit for a full refund within such time period.

8.4 - Procedures for All Returns

The following procedures apply to all returns for refund, repurchase, or exchange:

- All merchandise must be returned by the Associate or customer who purchased it directly from 10 Institute.
- All products to be returned must have a Return Authorization Number which is obtained by calling the Customer Service Department. This Return Authorization Number must be written on each carton returned.
- The return is accompanied by the original packing slip, a completed and signed Product Return Form, and the unused portion of the product in its original container.
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to 10 Institute shipping pre-paid. 10 Institute does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Associate. If returned product is not received by the Company's Distribution Center, it is the responsibility of the Associate to trace the shipment.
- If an Associate is returning merchandise to 10 Institute that was returned to him or her by a personal retail customer, the product must be received by 10 Institute within ten (10) days from the date on which the retail customer returned the merchandise to the Associate, and must be accompanied by the sales receipt the Associate gave to the customer at the time of the sale.

No refund or replacement of product will be made if the conditions of these rules are not met.

SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Associate that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Associate's 10 Institute business), may result, at 10 Institute's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Associate to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- 10 Institute may withhold from an Associate all or part of the Associate's bonuses and commissions during the period that 10 Institute is investigating any conduct allegedly

violative of the Agreement. If an Associate's business is canceled for disciplinary reasons, the Associate will not be entitled to recover any commissions withheld during the investigation period;

- Suspension of the individual's Associate Agreement for one or more pay periods;
- Permanent or temporary loss of, or reduction in, the current Career Title of an Associate (which may subsequently be re-earned by the Associate);
- Transfer or removal of some or all of an Associate's downline Associates from the offending Associate's Marketing Organization;
- Involuntary termination of the offender's Associate Agreement;
- Suspension and/or termination of the offending Associate's 10 Institute website or website access; or
- Any other measure expressly allowed within any provision of the Agreement or which 10 Institute deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Associate's policy violation or contractual breach.

In situations deemed appropriate by 10 Institute, the Company may institute legal proceedings for monetary and/or equitable relief.

9.2 - Grievances and Complaints

When an Associate has a grievance or complaint with another Associate regarding any practice or conduct in relationship to their respective 10 Institute businesses, the complaining Associate should first report the problem to his or her Personal Sponsor who should review the matter and try to resolve it with the other party's Personal Sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Customer Service Department at the Company. The Customer Service Department will review the facts and attempt to resolve it.

9.3 - Mediation

Prior to instituting an arbitration as provided in Section 9.4 below, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediation shall occur within 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the City of Tampa, Florida and shall last no more than two business days.

9.4 - Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration. The Parties waive all rights to trial by jury or to any court. The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") or JAMS under their respective rules and procedures. The *Commercial Arbitration Rules and Mediation Procedures* of the AAA are

available at the AAA's website at www.adr.org. The *Streamlined Arbitration Rules & Procedures* of JAMS are available at the JAMS website at www.jamsadr.com. Copies of the AAA's *Commercial Arbitration Rules and Mediation Procedures* or JAM's *Streamlined Arbitration Rules & Procedures* will be emailed to Associates upon request to the Compliance Department.

Notwithstanding the rules of the AAA or JAMS, the following shall apply to all Arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- The arbitration shall occur within 180 days from the date on which the arbitrator is appointed, and shall last no more than five business days; and
- The parties shall be allotted equal time to present their respective cases, including cross-examinations.

All arbitration proceedings shall be held in Tampa, Florida. There shall be one arbitrator selected from the panel that the Alternate Dispute Resolution service provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The arbitration shall occur within 180 days of the date on which the arbitration is filed, and shall last no more than five (5) business days. The parties shall be allotted equal time to present their respective cases. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award; or
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect its intellectual property rights and/or to enforce its rights under the nonsolicitation provision of the Agreement.

9.5 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in

Hillsborough County, State of Florida. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Florida shall govern all other matters relating to or arising from the Agreement.

9.5.1 - Louisiana Residents

Notwithstanding the foregoing, and the mediation and arbitration provisions in Sections 9.3 and 9.4, residents of the State of Louisiana shall be entitled to bring an action against 10 Institute in their home forum and pursuant to Louisiana law.

SECTION 10 - PAYMENT

10.1 - Returned Checks

All checks returned by an Associate's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the Associate. After receiving a returned check from a customer or an Associate, all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to 10 Institute by an Associate for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

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

An Associate shall not permit other Associates or customers to use his or her credit card, or permit debits to his or her checking accounts, to enroll or to make purchases from the Company.

10.3 - Sales Taxes

10 Institute is required to charge sales taxes on all purchases made by Associates, Preferred Customers, and online customers, and remit the taxes charged to the respective states. Accordingly, 10 Institute will collect and remit sales taxes on behalf of Associates, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If an Associate has submitted, and 10 Institute has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Associate. 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 10 Institute is not retroactive.

SECTION 11 - INACTIVITY, RECLASSIFICATION, AND CANCELLATION

11.1 - Effect of Cancellation

So long as an Associate remains active and complies with the terms of the Associate Agreement and these Policies and Procedures, 10 Institute shall pay commissions to such Associate in accordance with the Compensation Plan. An Associate's bonuses and commissions constitute the entire consideration for the Associate's efforts in generating sales and all activities related to generating sales (including building a Marketing Organization). Following an Associate's non-renewal of his or her Associate Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Associate Agreement (all of these methods are

collectively referred to as “cancellation”), the former Associate shall have no right, title, claim or interest to the Marketing Organization which he or she operated, or any commission or bonus from the sales generated by the organization. **An Associate whose business is cancelled will lose all rights as an Associate. This includes the right to sell 10 Institute products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Associate’s former Marketing Organization. In the event of cancellation, Associates agree to waive all rights they may have, including but not limited to property rights, to their former Marketing Organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Marketing Organization.**

Following an Associate’s cancellation of his or her Associate Agreement, the former Associate shall not hold himself or herself out as an 10 Institute Associate and shall not have the right to sell 10 Institute products. An Associate whose Associate Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

11.2 - Reinstatement Following Cancellation

If an Associate’s Agreement is cancelled for any reason, the Associate may request reinstatement. If the request is approved, the Associate must complete a new Independent Associate Application and Agreement and will be reinstated under his or her former Personal Sponsor. However, the reinstated Associate’s former Downline Marketing Organization will not be reinstated under him or her; he or she will be considered a new Associate for all purposes. If the cancelled Associate wishes to re-enroll under a new Personal Sponsor, he or she will need to wait six (6) months and re-apply with a new Enroller and Personal Sponsor.

11.3 - Cancellation Due to Inactivity

11.3.1 - Failure to Meet PV Quota

If an Associate fails to personally generate at least 600 PV in any 12 consecutive month period, his or her Associate Agreement shall be canceled for inactivity.

11.3.2 - Failure to Pay Monthly Membership Fees

If an Associate fails to pay his or her monthly Associate Membership or Executive Membership fees, he or she will be inactive and not eligible to earn commissions that month. If the fees are not paid for three consecutive months, the Associate will automatically be converted to the Basic Membership Level.

11.3.3 - Reclassification Following Cancellation Due to Inactivity

If an Associate’s Agreement is cancelled due to inactivity and he or she is on the Company’s Associate Autoship program, the Autoship Agreement shall remain in force and the former Associate shall be reclassified as a Preferred Customer.

11.4 - Involuntary Cancellation

An Associate’s violation of any of the terms of the Agreement, including any amendments that may be made by 10 Institute in its sole discretion, may result in any of the sanctions listed in

Section 9.1, including the involuntary cancellation of his or her Associate Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Associate's last known address, email address, or fax number, or to his or her attorney, or when the Associate receives actual notice of cancellation, whichever occurs first.

10 Institute reserves the right to terminate all Associate Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.

11.5 - Voluntary Cancellation

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Associate's signature, printed name, address, and Associate I.D. Number.

In addition to written cancellation, Associates who have consented to Electronic Contracting will cancel their Associate Agreement should they withdraw their consent to contract electronically.

If an Associate is on the Company's Associate Autoship program, the Associate's Autoship Agreement shall continue in force and the former Associate shall be reclassified as a Preferred Customer, unless the Associate also specifically requests that his or her Autoship Agreement also be canceled.

11.6 - Non-renewal

An Associate may also voluntarily cancel his or her Associate Agreement by failing to pay his/her monthly Membership fees. The Company may also elect not to renew an Associate's Agreement upon its anniversary date.

11.7 - Exceptions to Activity Requirements

11.7.1 - Maternity

An Associate shall be exempt from meeting her or his Personal Volume requirements for a period of four (4) months following the birth or adoption of a child. Appropriate documentation must be provided to the Company upon request.

11.7.2 - Military Deployment.

Military personnel shall be exempt from meeting their Personal Volume requirements while deployed into a foreign country and for a period of one (1) month following the end of such deployment. Appropriate documentation must be provided to the Company upon request.

SECTION 12 - DEFINITIONS

Active Associate — An Associate who has generated at least 600 PV in product sales during the immediately preceding 12 month period.

Affiliated Party — A shareholder, member, partner, manager, trustee, or other parties with any ownership interest in, or management responsibilities for, a Business Entity.

Agreement — The contract between the Company and each Associate includes the Associate Application and Agreement, the 10 Institute Policies and Procedures, the 10 Institute Compensation Plan, and the Business Entity Registration Form (where appropriate), all in their current form and as amended by 10 Institute in its sole discretion. These documents are collectively referred to as the “Agreement.”

Autoship Program — An optional program that Associates may choose to participate in that provides for the automatic monthly shipment of 10 Institute products to the Associate. Customers who participate in the Autoship Program are referred to as “Preferred Customers”.

Business Entity — A corporation, partnership, trust, limited liability company, or other type of entity.

Business Entity Registration Form — A supplemental form that all Business Entities must submit with the Associate Agreement when enrolling as an 10 Institute Associate.

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

Career Title — The highest Title that an Associate has achieved under the 10 Institute Compensation Plan. Except as provided in the Compensation Plan for the Associate Mentor 8 Career Title, an Associate will retain his or her Career Title regardless of his or her actual Paid-As Title from month to month. *(See the definitions of “Paid-As Title” and “Title” below).*

Compression — The method by which a vacancy in a Marketing Organization left by an Associate whose Associate Agreement has been canceled is filled. *(See Section 4.24 above).*

Customer — As used herein the term “customer” refers collectively to Preferred Customers and Retail Customers. *(See the definitions of “Preferred Customer” and “Retail Customer” below).*

Downline — All of the Associates enrolled below a particular Associate comprise that Associate’s Downline. Also referred to as “Marketing Organization” or “Downline Marketing Organization”.

Downline Leg — Each one of the individuals enrolled immediately underneath you and their respective Marketing Organizations represents one “downline leg” or “leg” in your Marketing Organization.

Downline Volume (DV) — The total Qualifying Volume of an Associate and the Associate’s entire Downline Marketing Organization, based on the sales of 10 Institute products. *(See the definition of “Qualifying Volume” below).*

Enroller — An Associate who enrolls a Retail Customer, a Preferred Customer or another

Associate into the Company, and is listed as the Enroller on the Associate Application and Agreement. An Associate's Enroller and Personal Sponsor may be the same Associate if another Associate is not designated as the Personal Sponsor on the Application and Agreement. Each Associate is responsible for all training, mentoring and support functions for his or her Downline Marketing Organization. *(See the definition of "Personal Sponsor" below).*

Household — All individuals who are living at or doing business at the same address, and who are related by blood or marriage, or who are living together as a family unit or in a family-like setting. A household includes, but is not limited to, spouses, heads-of-household, and dependent family members residing in the same residence.

Immediate Household — Spouses, heads-of-household, and dependent family members residing in the same residence.

Level — The layers of downline Retail Customers, Preferred Customers, and Associates in a particular Associate's Marketing Organization. This term refers to the relationship of an Associate relative to a particular upline Associate, determined by the number of Associates between them who are related by sponsorship. For example, if A is the Personal Sponsors of B, B is the Personal Sponsor of C, C is the Personal Sponsor of D, and D is the Personal Sponsor of E, then E is on A's fourth level.

Marketing Organization — See the definition of "Downline" above.

Official 10 Institute Material — Literature, audio or video tapes, websites, and other materials developed, printed, published and/or distributed by 10 Institute to Associates.

Paid-As Title — The term "Paid-As Title" refers to the current Title of an Associate, as determined by the 10 Institute Compensation Plan, for any pay period. *(See the definition of "Title" below.)*

Personal Volume (PV) — The total Qualifying Volume of products purchased by: (1) an Associate; and (2) the Associate's personal customers who are on the Autoship program (Preferred Customers) or who purchase from the Associate's 10 Institute Replicated Website. *(See the definition of "Qualifying Volume" below).*

Personal Sponsor — An Associate under whom an Enroller places a new Associate, and is listed as the Personal Sponsor on the Associate Application and Agreement. Also referred to as "Sponsor". The Personal Sponsor and Enroller may be the same Associate if another Associate is not designated as the Personal Sponsor on the Application and Agreement. Each Associate is responsible for all training, mentoring and support functions for his or her Downline Marketing Organization. *(See the definition of "Enroller" above).*

Preferred Customer — A customer who has entered into a Preferred Customer Agreement with 10 Institute and has thereby agreed to receive a monthly shipment of his or her personally selected 10 Institute products. Preferred Customers receive a 15% discount off of the retail price of all products, but do not participate in the Compensation Plan and do not enroll other Preferred

Customers or Associates.

Qualified Associate — An Associate who has generated at least 300 PV in product sales during the month to insure that he or she receives bonuses or commissions based on the sales of downline Associates.

Qualifying Volume (QV) — Each product sold by 10 Institute has a Qualifying Volume associated with it. Qualifying Volume is used in calculating Personal Volume, Downline Volume, and Team Volume. The Qualifying Volume of each product is equal to that product's Retail Price. Note that Starter Kits, other sales aids, and Monthly Replicated Website, Back Office and Training Program fees do not generate QV.

Recruit — For purposes of the Conflict of Interest Policy (Section 4.11), the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another 10 Institute Associate, Retail Customer, or Preferred Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

Replicated Website — A website provided by 10 Institute to Associates which utilizes website templates developed by 10 Institute. The Replicated Website fee is included in the monthly membership fee that all Associates must pay (optional in Connecticut, North Carolina, and North Dakota).

Resalable — Products and Sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) they are returned to 10 Institute within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be Resalable.

Retail Customer — An individual who purchases 10 Institute products from an Associate but who is not a participant in the 10 Institute compensation plan.

Retail Price — The price published by 10 Institute at which its products are sold via its website and via the Replicated Websites of 10 Institute Associates to customers.

Retail Sales — Sales to a Retail Customer.

Social Media — Any type of online media that invites, expedites or permits conversation, comment, rating, and/or user generated content, as opposed to traditional media, which delivers content but does not allow readers/viewers/listeners to participate in the creation or development of content, or the comment or response to content. Examples of Social Media include, but are not limited to, blogs, chat rooms, Facebook, MySpace, Twitter, LinkedIn, Delicious, and YouTube.

Starter Kit — A selection of 10 Institute training materials, business support literature, and

product. 10 Institute offers three different Starter Kit options, the purchase of which is optional by Associates.

Team — An Associate's Team is made up of the other Associates on the subject Associate's first five (5) Levels. (*See the definition of "Level" above*).

Team Volume (TV) — The total Qualifying Volume of an Associate and the Associate's Team, based on the sales of 10 Institute products. (*See the definitions of "Qualifying Volume" and "Team" above*).

Title — The "rank" that an Associate holds pursuant to the 10 Institute Compensation Plan. "Career Title" refers to the highest Title an Associate has achieved in the 10 Institute compensation plan at any time. "Paid-As Title" refers to the Title at which an Associate is qualified to earn commissions and bonuses during the current pay period.

Upline — This term refers to the Associate or Associates above a particular Associate in a sponsorship line up to the Company. Conversely stated, it is the line of Personal Sponsors that links any particular Associate to the Company.