

# BYWINN

## Policies and Procedures

### SECTION 1 - CODE OF ETHICS

BYWINN has made a commitment to provide the finest nutritional supplement products backed by impeccable service to its Independent Members. In turn, the company expects BYWINN Independent Members to reflect that image in their relationships with Customers and fellow Independent Members.

As a BYWINN Independent Member you are expected to operate your business according to the highest standards of integrity and fair practice in your role as a BYWINN Independent Member. Failure to comply with the Code of Ethics can result in your termination as a BYWINN Independent Member. The Code of Ethics, therefore, states:

As an Independent Member:

- ◆ I will conduct my business in an honest, ethical manner at all times.
- ◆ I will make no representations about the benefits of being an Independent Member with BYWINN other than those contained in officially-approved corporate literature and videos.
- ◆ I will provide support and encouragement to my customers to ensure that their experience with BYWINN is a successful one.
- ◆ I will motivate and actively work with Independent Members of my downline organization to help them build their BYWINN business. I understand that that this support is critical to each Independent Member's success with BYWINN.
- ◆ I will refrain from exaggerating my personal income or the income potential in general and will stress to Independent Member prospects the level of effort and commitment required to succeed in the business.
- ◆ I will not abuse the goodwill of my association with BYWINN to further or promote other business interests (particularly those which may be competitive to BYWINN) without the prior written consent of BYWINN.
- ◆ I will not make disparaging remarks about other products, services, Independent Members, or companies; likewise, I will not willfully denigrate the activities or personalities of fellow BYWINN Independent Members.
- ◆ I will abide by all of the Policies and Procedures of BYWINN as included herein, or as may be amended from time to time.
- ◆ I will not make any payment(s) or promise to pay any prospective or existing Independent Member in return for such Independent Member's enrollment, continued enrollment, or team building or recruiting activities with BYWINN.
- ◆ I will strive to sell and promote the products of BYWINN in a professional manner to end user retail customers.

## SECTION 2 - INTRODUCTION

### 2.1 - Policies and Compensation Plan Incorporated into Independent Member Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of BYWINN, are incorporated into, and form an integral part of, the BYWINN Independent Member Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the BYWINN Independent Member Application and Agreement Form, these Policies and Procedures and the BYWINN Compensation Plan. These documents are incorporated by reference into the BYWINN Independent Member Agreement (all in their current form and as amended by BYWINN).

### 2.2 - Purpose of Policies

BYWINN is a direct sales company that markets health and wellness supplements and other related products, through Independent Members. It is important to understand that your success and the success of your fellow Independent Members depends on the integrity of those who market our services. To clearly define the relationship that exists between Independent Members and BYWINN, and to explicitly set a standard for acceptable business conduct, BYWINN has established the Agreement. BYWINN Independent Members are required to comply with all of the provisions set forth in the Agreement, which BYWINN may amend at its sole discretion from time to time, as well as with all federal, state and local laws governing their BYWINN business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this document carefully. It explains and governs the relationship between you, as an independent contractor, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from the BYWINN corporate office.

### 2.3 - Changes to the Agreement

Because laws and the business environment periodically change, BYWINN reserves the right to amend the Agreement, compensation plan and its prices at its sole and absolute discretion. By signing the Independent Member Agreement, an Independent Member agrees to abide by all amendments or modifications that BYWINN elects to make. Amendments shall be effective 30 days after publication of notice of amendments in official BYWINN materials. The Company shall provide or make available to all Independent Members a complete copy of the amended provisions by one or more of the following methods: (a) posting on the Company’s official website; (b) electronic mail (email); (c) inclusion in Company periodicals; (d) inclusion with commissions or bonus checks; or (e) special mailings. The continuation of an Independent Member’s BYWINN business or an Independent Member’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

### 2.4 - Delays

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

#### 2.5 - Policies and Provisions Severable

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

#### 2.6 - Waiver

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

### SECTION 3 - BECOMING AN INDEPENDENT MEMBER

#### 3.1 - Requirements to Become an Independent Member

To become a BYWINN Independent Member, each applicant must:

- 3.1.1 - Be at least 18 years of age;
- 3.1.2 - Reside in the 50 United States or US Territories officially opened by the Company;
- 3.1.3 - Have a valid Social Security or Tax ID number;
- 3.1.4 - Submit an accepted BYWINN Independent Member Application and Agreement.

The Company reserves the right to reject any applications for a new Independent Member or applications for renewal.

#### 3.2 - Independent Member Benefits

Once an Independent Member Application and Agreement has been accepted by BYWINN, the following benefits are available to the new Independent Member.

- 3.2.1 – Independent Members that enroll in BYWINN are allowed to:

- Sell BYWINN products to retail customers and receive profit from these sales
- Receive periodic BYWINN literature and other BYWINN communications
- Build a network of Independent Members and participate in the BYWINN Compensation Plan

## SECTION 4 - OPERATING A BYWINN BUSINESS

### 4.1 - Adherence to the BYWINN Compensation Plan

Independent Members must adhere to the terms of the BYWINN Compensation Plan as set forth in official BYWINN literature.

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

### 4.2 - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. "Bonus buying" includes:

- (a) the enrollment of individuals without their knowledge and agreement and/or without execution of an Independent Member Application;
- (b) the fraudulent enrollment of an individual as an Independent Member or merchant;
- (c) the enrollment or attempted enrollment of non-existent individuals as Independent Members or merchants;
- (d) the use of a credit card by or on behalf of an Independent Member or merchant when the Independent Member or customer is not the account holder of such credit card;
- (e) purchasing BYWINN products on behalf of another Independent Member, or under another Independent Member's ID number, to qualify for commissions or bonuses.

### 4.3 - Business Entities

A Partnership, LLC or Corporation may hold an Independent Member business upon completion of the Independent Member Application form, and providing on that form in the appropriate space, a Federal tax ID number. An individual may participate in multiple business centers; however, all must be under the same business name. The person signing the application on behalf of a business entity must have the authority of said entity for entering into the transaction. In addition, by signing for as a business entity, you certify that no person with an

interest of debt or equity in the business has had an interest in an Independent Member business in BYWINN within six (6) months of the date of signature.

#### 4.4 - Changes to a BYWINN Business

##### 4.4.1 - General

Each Independent Member must immediately notify BYWINN of all changes to the information contained in his or her Independent Member Application and Agreement. Independent Members may modify their existing Independent Member Agreement Form by submitting a written request and appropriate supporting documentation.

##### 4.4.2 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Independent Members, BYWINN does not allow changes in sponsorship for active Independent Members. Maintaining the integrity of sponsorship is critical for the success of every Independent Member and marketing organization. Accordingly, the transfer of a BYWINN business from one sponsor to another is not permitted.

Exception - A request for a change in sponsor, due to BYWINN error, will be accepted within 45 days of completion of the application.

##### 4.4.3 - Cancellation and Re-application

An Independent Member may legitimately change organizations by:

a) Voluntarily cancelling his or her BYWINN Agreement and remaining inactive (i.e., no purchases of BYWINN products for resale; no sales of BYWINN products; no sponsoring; and no attendance at any BYWINN functions, participation in any other form of Independent Member activity, or operation of any other BYWINN business) for 6 full calendar months.

Following the 6-calendar month period of inactivity, the former Independent Member may reapply under a new sponsor. However, the former Independent Member will permanently lose any and all right to their former Independent Member downline organization.

#### 4.5 - Unauthorized Claims and Actions

##### 4.5.1 - Indemnification

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

##### 4.5.2 - Income Claims

In their enthusiasm to enroll prospective Independent Members, some Independent Members are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Independent Members may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved.

Moreover, the Federal Trade Commission and all states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Independent Members may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact BYWINN as well as the Independent Member making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Independent Members do not have the data necessary to comply with the legal requirements for making income claims, an Independent Member may NOT make income projections, income claims or disclose his or her BYWINN income (including the showing of checks, copies of checks, bank statements or tax records).

#### 4.6 - Conduct at BYWINN Events

##### 4.6.1 - No Selling or Recruiting at BYWINN Events

Selling and recruiting at BYWINN events is not permitted. These activities take away from the primary focus of the event and can negatively reflect on the professional image of BYWINN as a company. You may, however, offer a business card and/or catalog.

##### 4.6.2 - No Selling or Recruiting for other Companies at BYWINN Events

BYWINN Independent Members shall not sell any products or recruit for any business during BYWINN events. This restriction most specifically applies to sales and recruitment efforts for any other direct sales or marketing program, regardless of the product category, including those that do not compete with BYWINN's product line.

#### 4.7 - Conflicts of Interest

##### 4.7.1 - Non-compete Policy

BYWINN Independent Members are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"), with the exception of those products in the same generic category as a BYWINN product that is deemed to be competing. Independent Members may not display BYWINN products with any other products or services in a fashion that might in any way confuse or mislead a prospective customer, merchant or Independent Member into believing there is a relationship between the BYWINN and non-BYWINN products or services.

##### 4.7.2 – Non-solicitation

During the term of this Agreement, Independent Members may not recruit other BYWINN Independent Members or Merchants or customers for any other network marketing business. Following the cancellation of this Agreement, and for a period of one year thereafter, a former Independent Member may not recruit any BYWINN Independent Member or customer for another network marketing business, with the exception of an Independent Member who is

personally sponsored by the former Independent Member. The Independent Members and 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, the Independent Members and Company agree that this non-solicitation provision shall apply to all markets in which BYWINN conducts business.

The term "recruit" means actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another BYWINN Independent Member or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Independent Member's actions are in response to an inquiry made by another Independent Member or customer.

#### 4.7.3- Downline Activity (Genealogy) Reports

Downline Activity Reports made available for Independent Member access and viewing at BYWINN's official website, are considered confidential. Independent Member access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to BYWINN. Downline Activity Reports are provided to Independent Members in the strictest of confidence and are made available to Independent Members for the sole purpose of assisting Independent Members in working with their respective Downline Organizations in the development of their BYWINN business. Independent Members should use their Downline Activity Reports to assist, motivate and train their Downline Independent Members. The Independent Member and BYWINN agree that, but for this agreement of confidentiality and nondisclosure, BYWINN would not provide Downline Activity Reports to the Independent Member. An Independent Member shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information to compete with BYWINN or for any purpose other than promoting his or her BYWINN business;
- Recruit or solicit any Independent Member or Customer of BYWINN listed on any report or in any manner attempt to influence or induce any Independent Member or customer of BYWINN to alter their business relationship with BYWINN;
- Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Downline Activity Report.

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

#### 4.8 - Cross-Sponsoring

Actual or attempted cross-sponsoring is strictly prohibited. "Cross-sponsoring" is defined as the enrollment of an individual or entity that already has a current Customer, Merchant or Independent Member Agreement on file with BYWINN, or who has had such an agreement within the preceding 6 calendar months, within a different line of sponsorship. The use of a spouse or relative's name, trade names, assumed names or fictitious ID numbers to circumvent this policy is prohibited. Independent Members shall not demean, discredit or defame other BYWINN Independent Members in an attempt to entice another Independent Member to become part of the first Independent Member's marketing organization. If a prohibited organization transfer occurs, BYWINN shall take disciplinary action against the Independent Member(s) who engaged, acquiesced and/or knowingly participated in the improper cross-sponsoring. However, it shall be entirely within BYWINN's discretion where in the genealogical structure, the cross-sponsored organization in question shall be placed or otherwise distributed.

Because equities often exist in favor of both upline organizations, INDEPENDENT MEMBERS WAIVE ANY AND ALL CLAIMS AND CAUSES OF ACTION AGAINST THE COMPANY FOR ITS DECISION REGARDING THE FINAL DISPOSITION OR PLACEMENT OF THE CROSSSPONSORED ORGANIZATION.

#### 4.9 - Errors or Questions

If an Independent Member has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Independent Member must notify the Independent Member Support Department at BYWINN's headquarters in Sheridan County, Wyoming, in writing, within 15 days of the date of the purported error or incident in question. BYWINN will not be responsible for any errors, omissions or problems not reported to the Company within 15 days.

#### 4.10 – Sales Aids Optional

Independent Members are not required to carry sales aids. Independent Members who do so must make his or her own decision with regard to these matters. To ensure that Independent Members are not encumbered with Company Sales Aids, such Sales Aids may be returned to BYWINN upon the Independent Member's cancellation pursuant to the terms of Section 8.1.

#### 4.11 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling program. Therefore, Independent Members shall not represent or imply that BYWINN or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

#### 4.12 - Holding Applications or Enrollments

Independent Members must not manipulate enrollments of new applicants or Merchant enrollments. All Independent Member Applications and Agreements and Service orders must



be sent within 72 hours from the time they are signed by an Independent Member or placed by a merchant.

#### 4.13 - Identification

All Independent Members are required to provide their Social Security Number or Federal Tax Identification Number to BYWINN on the Independent Member Application and Agreement. Upon enrollment, the Company will provide a unique Independent Member Identification Number to the Independent Member by which he or she will be identified. This number will be used to place orders and track commissions and bonuses.

#### 4.14 - Income Taxes

Each Independent Member is responsible for paying local, state and federal taxes on any income generated as an Independent Member. If a BYWINN business is tax exempt, the Federal Tax Identification Number must be provided to BYWINN. Every year, BYWINN will provide IRS Form 1099 (non-employee compensation) earnings statement to each U.S. resident who (a) had earnings of over \$600 in the previous calendar year or (b) made purchases during the previous calendar year in excess of \$5,000 wholesale. BYWINN cannot accept a tax-exempt certificate from an Independent Member who resides in a state where tax exempt status is not granted for Direct Sales businesses. Independent Members are encouraged to check with their state government before sending a form to BYWINN.

#### 4.15 - Independent Contractor Status

Independent Members are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between BYWINN and its Independent Members does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Independent Member. Independent Members shall not be treated as an employee for his or her services or for federal or state tax purposes. All Independent Members are responsible for paying local, state and federal taxes due from all compensation earned as an Independent Member of the Company. The Independent Member has no authority (expressed or implied) to bind the Company to any obligation. Each Independent Member shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Independent Member Agreement Form, and these Policies and Procedures, and applicable laws. If required by law to declare any BYWINN Members be classified as employees, BYWINN reserves the right to discontinue operating within the jurisdiction making such declaration.

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

Independent Member's Name

Independent BYWINN Independent Member

All Independent Members may list themselves as an “Independent BYWINN Independent Member” in the residential telephone directory (“white pages”) under their own name. Independent Members may not place telephone directory display ads in the classified directory (“Yellow Pages”) using BYWINN’s name or logo.

Independent Members may not answer the telephone by saying “BYWINN,” “BYWINN Processing,” or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of BYWINN.

Advertising is not limited to print media; it also includes internet advertising and other forms of advertising. It is prohibited for an Independent Member to use an internet or email address that utilizes the trade name BYWINN, or includes BYWINN in a portion of the address. It is also prohibited for an Independent Member to use any website materials on a website that references or relates to BYWINN that is not authorized in writing by BYWINN. It is also prohibited for an Independent Member to place links to unauthorized websites or webpages onto a website or webpage that has been authorized by BYWINN.

#### 4.16 - Insurance

##### 4.16.1 - Business Pursuits Coverage

You may wish to arrange insurance coverage for your business. Your homeowner’s insurance policy may not cover business related injuries or the theft of or damage to your business. Contact your insurance agent to make sure that your business property is protected.

#### 4.17 - International Marketing

Because of critical legal and tax considerations, BYWINN must limit the marketing and enrollment of BYWINN services and the presentation of the BYWINN business to prospective customers, Merchants and Independent Members located within the 50 United States of America and any other jurisdiction officially opened by BYWINN. Independent Members are only authorized to do business in the countries in which BYWINN has announced are open for business in official Company literature.

#### 4.18 - Laws and Ordinances

Independent Members 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 Independent Members because of the nature of their business. However, Independent Members must obey those laws that do apply to them. If a city or county official tells an Independent Member that an ordinance applies to him or her, the Independent Member shall comply with the law.

#### 4.19 - Minors

Independent Members shall not enroll or recruit individuals under the age of 18 into the BYWINN program. The one exception to this is if the minor has been adjudicated as an emancipated minor by a court of competent jurisdiction.

#### 4.20 - Actions of Household Members or Independent Memberd Individuals.

If any member of an Independent Member's household, family, or other Independent Memberd individual engages in any activity that, if performed by the Independent Member, would violate any provision of the Agreement, such activity will be deemed a violation by the Independent Member and BYWINN may take disciplinary action pursuant to the Statement of Policies against the Independent Member.

An exception to the one-business-per-Independent Member rule will be considered on a case-by-case basis if two Independent Members marry. Requests for exceptions to this policy must be submitted in writing to the Compliance Department.

#### 4.21- Legal Status as Independent Member

Some states have recently passed legislation which further limits and identifies the requirements to maintain Independent contractor status. It is important to know what your states laws are on this subject. BYWINN will take no action which may subject them to a situation whereby the Members shall be considered employees.

#### 4.22 - Requests for Records

Any request from an Independent Member for copies of invoices, agreements, Downline activity reports or other records/reports 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.

#### 4.23 - Sale, Transfer or Assignment of BYWINN Business

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

- The selling Independent Member must offer BYWINN the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. BYWINN shall have fifteen (15) 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 Independent Member. Before the sale, transfer or assignment can be finalized and approved by BYWINN, any debt obligations the selling party has with BYWINN 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 BYWINN Independent Member business.

Prior to selling a Business Entity interest, the selling party must notify BYWINN's Compliance

Department in writing and advise of his or her intent to sell BYWINN's business or Business Entity interest. The selling party must also receive written approval from the Compliance Department before proceeding with the sale.

#### 4.24 - Separation of a BYWINN Independent Member Business

In the event of a dissolution of marriage of a BYWINN Independent Member, and a spouse, arrangements must be made to assure that any division of the business assets is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Independent Members and the Company, BYWINN may be forced to involuntarily terminate the Independent Member Agreement. BYWINN will make no arrangements without court approval or direction.

4.25 - During the pendency of a divorce or dissolution, the Company shall treat the business according to the status quo as existed prior to the filing of the divorce or dissolution.

Under no circumstances will the Downline Organization of divorcing spouses be divided. Similarly, under no circumstances will BYWINN split commission and bonus checks between divorcing spouses. BYWINN will recognize only one Downline Organization and will issue only one commission check per BYWINN business per commission cycle. Commission checks shall always be issued to the individual whose name appears on the Independent Member Agreement. BYWINN will in no case be liable or responsible for any error in payment to either party to the divorce.

#### 4.26 - Sponsoring

All active Independent Members in good standing have the right to sponsor and enroll others into BYWINN. Each prospective Independent Member has the ultimate right to choose his or her own sponsor. If two Independent Members claim to be the sponsor of the same new Independent Member, the Company shall regard the first application received by the Company as controlling.

#### 4.27 - Telemarketing

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. While you may not consider yourself a "telemarketer" in the traditional sense of the word, these regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

Therefore, Independent Members must not engage in telemarketing relative to the operation of their BYWINN businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a BYWINN product or

service, or to recruit them for the BYWINN opportunity. “Cold calls” made to prospective customers or Independent Members that promote either BYWINN’s products or services or the BYWINN opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Independent Member (a “prospect”) is permissible under the following situations:

- If the Independent Member has an established business relationship with the prospect. An “established business relationship” is a relationship between an Independent Member and a prospect based on the prospect’s purchase, rental or lease of goods or services from the Independent Member, or a financial transaction between the prospect and the Independent Member, within the 18 months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service.
- The prospect’s personal inquiry or application regarding a product or service offered by the Independent Member within the 3 months immediately preceding the date of such a call.
- If the Independent Member receives written and signed permission from the prospect authorizing the Independent Member to call. The authorization must specify the telephone number(s) that the Independent Member is authorized to call.
- You may call family members, personal friends and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship (i.e., you have recently personally met him or her). Bear in mind, however, that if you make a habit of “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.

In addition, Independent Members shall not use automatic telephone dialing systems relative to the operation of their BYWINN businesses. The term “automatic telephone dialing system” means equipment which has the capacity to (a) store or produce telephone numbers to be called using a random or sequential number generator and (b) to dial such numbers.

## SECTION 5 - RESPONSIBILITIES OF INDEPENDENT MEMBERS

### 5.1 - Change of Address or Telephone

To ensure timely delivery of products, support materials and commission checks, it is critically important that BYWINN’s files are current. Independent Members planning to move should mail BYWINN corporate office, 1309 Coffeen Avenue STE 15799, Sheridan Wyoming 82801, their new address and telephone numbers. In the alternative, Independent Member may email BYWINN at customer service email provided on website. To guarantee proper delivery, two weeks advance notice to BYWINN is recommended on all changes.

### 5.2 - Continuing Development Obligations

#### 5.2.1 - Ongoing Training

Any Independent Member who sponsors another Independent Member into BYWINN must perform a bona fide assistance and training function to ensure that his or her Downline is properly operating his or her BYWINN business. Independent Members must have ongoing contact and communication with the Independent Members in their Downline Organizations. Examples of such contact and communication may include, but are not limited to, newsletters,

written correspondence, personal meetings, telephone contact, voice mail, electronic mail and the accompaniment of Downline Independent Members to BYWINN meetings, training sessions, and other functions. Upline Independent Members are also responsible to motivate and train new Independent Members in BYWINN product knowledge, effective sales techniques, the BYWINN Compensation Plan and compliance with Company Policies and Procedures. Communication with and the training of Downline Independent Members must not, however, violate Section 4.2 (regarding the development of Independent Member-produced sales aids and promotional materials). Independent Members cannot charge for training.

Upon request, every Independent Member should be able to provide documented evidence to BYWINN of his or her ongoing fulfillment of the responsibilities of a sponsor.

#### 5.2.2 - Increased Training Responsibilities

As Independent Members progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the BYWINN program. They will be called upon to share this knowledge with lesser-experienced Independent Members within their organization.

#### 5.2.3 - Ongoing Sales Responsibilities

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

#### 5.3 – Non-disparagement

BYWINN wants to provide its Independent Members with the best products, compensation plan and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the BYWINN corporate offices. While BYWINN welcomes constructive input, negative comments and remarks made in the field by Independent Members about the Company, its products or Compensation Plan serve no purpose other than to sour the enthusiasm of other BYWINN Independent Members. For this reason, and to set the proper example for their Downline, Independent Members must not disparage, demean or make negative remarks about BYWINN, other BYWINN Independent Members, BYWINN's services, the Compensation Plan or BYWINN's directors, officers or employees.

#### 5.4 - Providing Documentation to Applicants

Independent Members must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Independent Members before the applicant signs an Independent Member Agreement. Additional copies of Policies and Procedures can be found on the BYWINN website at [healerteam.net](http://healerteam.net), or in your business center under the forms section.

#### 5.5 - Reporting Policy Violations

Independent Members observing a policy violation by another Independent Member should submit a written report of the violation directly to the attention of the BYWINN Compliance Department. Details of the incident(s), such as dates, number of occurrences, persons involved and any supporting documentation, should be included in the report.

## SECTION 6 - SALES REQUIREMENTS

### 6.1 - Product Sales

The BYWINN Compensation Plan is based upon the sale of BYWINN products and services to end user consumers. Independent Members must fulfill personal and Downline organization 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.

### 6.2 – Retail Sales

BYWINN wants to ensure that prices for its products and services are not destabilized when sold through a retailing environment. Therefore, Products sold in a retail environment will be subject to a minimum advertised retail price. The minimum advertised price of BYWINN's products sold in a retail environment (such as a grocery store, eBay, convenience store, market, etc.) is listed on the BYWINN website. Any Independent Member who knowingly fails to honor the minimum price set by BYWINN for its products and services will be subject to termination.

Sales of BYWINN products through on-line auction sites, such as eBay are prohibited, unless such sale is done using a fixed price which is not below the minimum advertised retail price.

### 6.3 - Territory Restrictions

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

## SECTION 7 - BONUSES AND COMMISSIONS

### 7.1 - Bonus and Commission Qualifications

An Independent Member must be active and in compliance with the Agreement and these policies to qualify for bonuses and commissions. So long as an Independent Member complies with the terms of the Agreement and these policies, BYWINN shall pay commissions to such Independent Member in accordance with the Compensation Plan. The minimum amount for which BYWINN will issue a commission payment is \$25.00.

### 7.2 - Commission Payments and Promotions

#### 7.2.1 - Payments, Calculations, and Bonuses

Commissions will be mailed out in accordance with the Compensation Plan. Commissions will be calculated according to the level for which an Independent Member actually satisfied all of the requirements according to the Compensation Plan rather than the highest rank or title achieved. Commission reports will be provided to Independent Members on-line, via web access.

#### 7.2.2 - Promotions

Promotions are determined based on business organization and sales activity for each applicable period.

### 7.3 - Adjustment to Bonuses and Commissions

#### 7.3.1 - Adjustments for Returned Products

Independent Members receive bonuses and commissions based on the actual enrollment for services to merchants. When a service is cancelled and refund is authorized by the Company, the bonuses and commissions attributable to the refunded service(s) will be deducted in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered from the Independent Members who received bonuses and commissions on the sales of the refunded service(s).

### 7.4 - Unclaimed Commissions and Credits

7.4.1 - Independent Members must deposit or cash commission and bonus checks within six months from their date of issuance. A check that remains uncashed after six months will be void. There shall be a \$50.00 charge for reissuing a check. These charges shall be deducted from the balance owed to the Independent Member.

### 7.5 - Reports

All information provided by BYWINN in online or telephonic Downline Activity Reports, including but not limited to personal and group sales volume (or any part thereof), and Downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors, including the inherent possibility of human and mechanical error; the accuracy, completeness and timeliness of orders; denial of credit card and electronic check payments; returned products; and credit card and electronic check charge-backs, the information is not guaranteed by BYWINN or any persons creating or transmitting the information. All personal and group sales volume information is provided "as is" without warranties, expressed 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, BYWINN and/or other persons creating or transmitting the information will in no event be liable to any Independent Member or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to personal and group sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity and damages that may result from inaccuracy, incompleteness, inconvenience, delay or loss of the use of the information), even if BYWINN 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, BYWINN 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 BYWINN's online 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 BYWINN's online reporting services and your reliance upon the information.

## SECTION 8 - RETURNS AND SALES AIDS REPURCHASE

### 8.1 - Retail Sales

Personal service and retail sales to the customer are the foundation of BYWINN. The entire commission structure is based upon volume of retail sales referred by the individual Independent Member as well as their entire organization.

### 8.2 -Voluntary Cancellation of Contract

Requests by a BYWINN Independent Member to return their sales aids for a refund will be treated as a request to voluntarily cancel that Independent Member business. If an Independent Member wishes to return sales aids purchased within the last 3-month period, the Company shall repurchase the sales aids and the Independent Member's Agreement shall be canceled. An Independent Member may only return sales aids purchased by him or her that are in new and resalable condition.

Upon receipt of the sales aids, the Independent Member will be reimbursed 90% of the cost of the original purchase price(s), not to include shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same account.

- Independent Member must inform the company of intent to exercise the sales aid buy-back option within 10 business days of resignation notice.
- All products to be returned for refund under this provision must be approved in advance of shipment to BYWINN, by calling the Customer Services Department.
- Independent Member will be asked to submit invoices detailing the sales aid items to be returned.
- Upon approval from the company, returns may be sent to the company's headquarters and must be accompanied by an invoice copy for each item.

### 8.3 - Montana Residents

A Montana resident may cancel his or her Independent Member Agreement within 15 days from the date of enrollment and may receive a full refund within such time period for good and resalable sales aids or trainings that have not been attended.

## SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

### 9.1 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures or any illegal, fraudulent, deceptive or unethical business conduct by an Independent Member may result, at BYWINN's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Independent Member 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;
- The withholding from an Independent Member of all or part of the Independent Member's bonuses and commissions during the period that BYWINN is investigating any conduct allegedly in violation of the Agreement. If an Independent Member's business is canceled for disciplinary reasons, the Independent Member will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Independent Member Agreement for one or more pay periods;
- Involuntary termination of the offender's Independent Member Agreement;
- Any other measure expressly allowed within any provision of the Agreement or that BYWINN deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Independent Member's policy violation or contractual breach; or
- In situations deemed appropriate by BYWINN, the Company may institute legal proceedings for monetary and/or equitable relief.

### 9.2 - Grievances and Complaints

When an Independent Member has a grievance or complaint with another Independent Member regarding any practice or conduct in relationship to their respective BYWINN businesses, the complaining Independent Member should first report the problem to his or her sponsor, who should review the matter and try to resolve it with the other party's Upline sponsor. If the matter cannot be resolved, it must be reported in writing to the Company. The Company will review the facts and determine if a policy violation has occurred and take appropriate action.

### 9.3 - Arbitration

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association or other recognized arbitration service, under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Independent Members waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the County of Sheridan, State of Wyoming, unless the laws of the state in which an Independent Member resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions, with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel that the American Arbitration Panel provides. The prevailing party shall be entitled to receive from the losing party, OR each party to the arbitration shall be responsible for its own, costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent BYWINN 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 BYWINN's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

#### 9.4 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside in SHERIDAN County, State of Wyoming. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Wyoming shall govern all other matters relating to or arising from the Agreement.

9.4.1 - Louisiana Residents: Notwithstanding the foregoing, Louisiana residents may bring an action against the Company with jurisdiction and venue as provided by Louisiana law.

### SECTION 10 - INACTIVITY AND CANCELLATION

#### 10.1 - Effect of Cancellation

So long as an Independent Member remains active and complies with the terms of the Independent Member Agreement and these Policies and Procedures, BYWINN shall pay commissions to such Independent Member in accordance with the Compensation Plan. An Independent Member's bonuses and commissions constitute the entire consideration for the Independent Member's efforts in generating sales and all activities related to generating sales (including building a Downline Organization). Following an Independent Member's termination for inactivity, or voluntary or involuntary termination of his or her Independent Member Agreement (all of these methods are collectively referred to as "termination"), the former Independent Member shall have no right, title, claim or interest to the marketing organization that he or she operated, or any commission or bonus from the sales generated by the organization. An Independent Member whose business is terminated will lose all rights as an Independent Member. This includes the right to sell BYWINN products and services and the right to receive future commissions, bonuses or other income resulting from the sales and other activities of the Independent Member's former Downline sales organization. In the event of termination, Independent Members agree to waive all rights they may have, including but not limited to property rights, to their former Downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Downline organization.

Following an Independent Member's termination of his or her Independent Member Agreement, the former Independent Member shall not hold himself or herself out as a BYWINN Independent Member. An Independent Member whose Independent Member Agreement is terminated 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 termination).

#### 10.2 - Involuntary Termination

An Independent Member's violation of any of the terms of the Agreement, including any amendments that may be made by BYWINN in its sole discretion, may result in any of the

sanctions listed in Section 9.1, including the involuntary termination of his or her Independent Member Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed or delivered to an express courier to the Independent Member's last known address (or fax number), or to his or her attorney, or when the Independent Member receives actual notice of termination, whichever occurs first.

#### 10.3 - Voluntary Termination

An Independent Member has a right to cancel, at any time, regardless of reason. Termination must be submitted in writing to the Company at its principal business address. The written notice must include the Independent Member's signature, printed name, address and Independent Member ID number. Independent Members who have resigned may re-apply to become an Independent Member with BYWINN after 6 months. An Independent Member's position is subject to termination due to inactivity (i.e., merchant enrollments, no commissions, no sponsoring; and no attendance at any BYWINN functions, participation in any other form of Independent Member activity, or operation of any other BYWINN business) after being inactive for 6 full calendar months.

#### 10.4 - Non-Renewal

An Independent Member may also voluntarily cancel his or her Independent Member Agreement by failing to maintain the Agreement annually. The Company may also elect not to renew an Independent Member's Agreement.

#### 10.5- Complete Agreement

These Policies and Procedures, any and all modifications made by the Company, along with the Terms and Conditions and the Compensation Plan make up the entire agreement between Independent Member and Company.