

# Therus Network

## STATEMENT OF POLICIES AND PROCEDURES

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## POLICIES AND PROCEDURES

### 1.0 INTRODUCTION

#### 1.1 Purpose of Policies and Independent Contractor Status

- A. Therus Network USA Ltd. (hereafter “Therus,” “Therus Network,” or simply the “Company”) markets products and services via direct sales channels to retail customers (“Customers”) through a network of independent business owners, known as Independent Executives. To clearly define the relationship that exists between Independent Executives and Company and to explicitly set a standard for acceptable business conduct, Company has established these Policies and Procedures.
- B. Company Independent Executives are required to comply with: (i) all of the terms and conditions set forth in the Independent Executive Agreement, which Company may amend from time to time in its sole discretion; (ii) all federal, state and/or local laws governing their Company business; and (iii) these Policies and Procedures and all agreements incorporated herein.
- C. Company Independent Executives must review the information in these Policies and Procedures carefully. Should an Independent Executive have any questions regarding a policy or rule, the Independent Executive is encouraged to seek an answer from their Sponsor or any other upline Independent Executive. If further clarification is needed, the Independent Executive may contact Company Customer Service at: [soporte@therusnetwork.com](mailto:soporte@therusnetwork.com)
- D. Independent Business Relationship; Indemnification for Actions

**A Company Independent Executive is an independent contractor and not a purchaser of a franchise or sales opportunity. Therefore, each Independent Executive’s success depends on their independent efforts.**

**The Agreement between Company and its Independent Executives does not create an employer/employee relationship, agency, partnership, or joint venture between Company and the Independent Executive.**

**A Company Independent Executive shall not be treated as an employee of Company for any purposes, including, but not limited to without limitation, for federal or state tax purposes.** All Independent Executives are responsible for paying federal, state, and local taxes due from all compensation earned as an Independent Executive of Company. Any other compensation received by Independent Executives from Company will be governed by applicable U.S. tax

laws (or the tax laws of any other applicable jurisdiction). The Independent Executive has no express or implied authority to bind Company to any obligation or to make any commitments by or on behalf of Company. Each Independent Executive, whether acting as management of a Business Entity or represented as an individual, shall establish their own goals, hours, and methods of operation and sale, so long as they comply with the Terms of the Independent Executive Agreement, these Policies and Procedures and applicable federal, state and local laws and regulations.

The Company Independent Executive is fully responsible for all of their verbal and written communications made regarding Company products, services, and the Compensation Plan that are not expressly contained within Official Company materials. Independent Executives shall indemnify and hold harmless Company, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorneys' fees and court costs incurred by Company as a result of the Independent Executive's unauthorized representations or actions. This Provision shall survive the termination of the Company Independent Executive Agreement.

Independent Executives may not answer the telephone by saying "Therus," "Therus Network or by any other manner that would lead the caller to believe that they have reached the Company's corporate offices. An Independent Executive may only represent that they are a Company Independent Executive. Therefore, all correspondence and business cards relating to or in connection with an Independent Executive's Company business shall contain the Independent Executive's name followed by the term "Independent Executive."

## 1.2 Mutual Commitment Statement

Company recognizes that in order to develop a long-term and mutually rewarding relationship with its Independent Executives and Customers. Company and its Independent Executives must acknowledge and respect the true nature of the relationship between them.

- A. In the spirit of mutual respect and understanding, Company is committed to:
  - I. Providing prompt, professional and courteous service and communications to all of its Independent Executives and Customers;
  - II. Providing the highest level of quality products/services at fair and reasonable prices;
  - III. Refunding the purchase price of any product, service or membership as provided in our Refund Policy;

- IV. Paying commissions accurately and timely; and
  - V. Offering Independent Executives an opportunity to grow with the Company.
- B. In return, Company expects that its Independent Executives will:
- I. Conduct themselves in a professional, honest, and considerate manner;
  - II. Present Company and product or service information in an accurate and professional manner in accordance with these Policies and Procedures and applicable laws and regulations;
  - III. Present the Compensation Plan, opportunity, and Refund Policy in a complete and accurate manner;
  - IV. Not make exaggerated or unsubstantiated income claims;
  - V. Make reasonable efforts to support Customers and to support and train Independent Executives in their downline while exercising caution to avoid interference with other downlines;
  - VI. Not engage in cross-line recruiting, unethical competition, or unethical business practices;
  - VII. Accurately complete and submit the Independent Executive Agreement and any requested supporting documentation in a timely manner; and
  - VIII. Refrain from acting in any way that may constitute harassment of any kind, such conduct may include, but not be limited to, derogatory or threatening comments, inappropriate sexual behavior including but not limited to unwelcomed sexual advances or requests for sexual favors, displaying visual images of a sexual nature, physical or verbal harassment, or violent behavior. Independent Executives are strongly encouraged to report any type of harassment incidents immediately. Company will not tolerate acts or threats of violence or other violative actions and will investigate all reports and will not hesitate to discipline or terminate an Independent Executive who is found to have violated this provision.

### **1.3 Policies and Compensation Plan Incorporated into the Independent Executive Agreement**

When the terms “Agreement,” “Policies” or “Policies and Procedures” are used herein, the terms collectively refer to these Policies and Procedures, the Income Disclosure Statement, the Privacy Policy, the Compensation Plan, the Independent Executive Agreement, if applicable, the Business Entity Registration Form, and any other items Company may incorporate from time to time that shall be a part of the contract between the Company and Independent Executive. It is the responsibility of the Sponsoring Independent Executive to provide the most current version of these Policies and Procedures (available on the Company website or upon request), the most updated Income Disclosure Statement, and the Company Compensation Plan to each applicant prior to their execution of the Independent Executive Agreement. Any Independent Executive may receive these documents upon request to Company Compliance.

#### 1.4 Changes, Amendments, or Modifications

- A. Because federal, state, and local laws and regulations, as well as the business environment, periodically change, Company reserves the right to amend the Agreement and the prices of Company products/services in its sole and absolute discretion. Notification of amendments shall appear in Official Company Materials. Amended provisions shall not apply retroactively to conduct that occurred prior to the effective date of the amendment(s) except where indicated, and only in the event that the Independent Executive expressly agrees to the amendment applying retroactively.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY ABOVE, ANY AMENDMENT BY THE COMPANY TO THE DISPUTE RESOLUTION SECTION HEREIN SHALL ONLY TAKE EFFECT UPON AN INDEPENDENT EXECUTIVE’S EXPRESS AGREEMENT TO SUCH AMENDMENT. AN INDEPENDENT EXECUTIVE MAY INDICATE THEIR AGREEMENT TO SUCH PROPOSED AMENDMENT BY FOLLOWING THE INSTRUCTIONS ACCOMPANYING THE PROPOSED AMENDMENT THAT WILL APPEAR WHEN LOGGING IN TO THE CORPORATE WEBSITE OR THE INDEPENDENT EXECUTIVE’S PERSONAL WEBSITE. COMPANY MAY TERMINATE THE INDEPENDENT EXECUTIVE AGREEMENT OF ANY INDEPENDENT EXECUTIVE WHO DOES NOT AGREE TO A PROPOSED AMENDMENT TO THE DISPUTE RESOLUTION SECTION WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF THE AMENDMENT. ANY SUCH AMENDMENT SHALL APPLY TO ALL CLAIMS BROUGHT BY COMPANY OR THE INDEPENDENT EXECUTIVE ON OR AFTER THE EFFECTIVE DATE OF THE AMENDMENT, REGARDLESS OF THE DATE OF OCCURRENCE OR ACCRUAL OF ANY FACTS UNDERLYING SUCH CLAIM.**

- B. For purposes of this Section and others within these Policies and Procedures, it is imperative for Independent Executives to keep all contact information up to date for any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:

- I. Posting on the official Company website;
- II. Electronic mail (e-mail); or
- III. In writing through Company newsletters or other Company communication channels.

## 1.5 Delays

Company shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, weather, pandemic, curtailment of a source of supply, or government decrees or orders. Company shall inform Independent Executives and Customers with any updates on any delays on a reasonable basis to the best of Company's ability for the particular circumstance behind such delay.

## 2.0 BASIC PRINCIPLES

### 2.1 Becoming An Independent Executive

- A. To become an Independent Executive, an applicant must comply with the following requirements:
  - I. Be at least eighteen (18) years of age;
  - II. Have a valid address in (i) the United States; (ii) the territories of Puerto Rico or United States Virgin Islands (collectively, "U.S. Territories"); or (iii) a U.S. military base or U.S. embassy (i.e., an Army/Air Post Office, Fleet Post Office, or Diplomatic Post Office address) (collectively, "U.S. Jurisdictions"). You cannot use a post office box (other than on a U.S. military base or at a Diplomatic Post Office).
  - III. Have a valid taxpayer identification number (i.e., Social Security Number (SSN), Federal Tax ID Number (Employer Identification Number-EIN), Individual Taxpayer ID Number (ITIN)) that is not associated with an existing Independent Executive account;
  - IV. Submit a properly completed and signed Independent Executive Agreement to Company;
  - V. Submit payment of the non-commissionable enrollment fee;



- VI. Provide an e-mail address that is not already associated with an existing Independent Executive account; and
- VII. Submit, if applicable, the Business Entity Registration form if the Independent Executive is to enroll as a business entity.

## 2.2 New Independent Executive Registration

- A. A potential new Independent Executive may self-enroll on the Company corporate website or a Sponsor's replicated website. Company will accept an electronic Independent Executive Agreement by way of web-enrollment and one's "electronic signature" in place of a signed, physical copy. This electronic signature signifies that the new Independent Executive has accepted the terms and conditions of the Independent Executive Agreement. ***Please note that such electronic signature constitutes a legally binding agreement between you and the Company.***
- B. Company reserves the right at its sole discretion to require signed paperwork for any account, regardless of origin.
- C. If requested, the signed Independent Executive Agreement must be received by Company within seven (7) days of enrollment, unless otherwise stated in writing to the contrary.
- D. Signed documents are legally binding contracts which must not be altered, tampered with, or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document made after a document has been signed may lead to sanctions, including but not limited to involuntary termination of the Independent Executive's business.

## 2.3 Rights Granted

- A. Upon Company's acceptance of Independent Executive's registration, Company hereby grants to the Independent Executive a non-exclusive right, based upon the terms and conditions contained in the Independent Executive Agreement and these Policies and Procedures to:
  - I. Promote and sell Company products/services; and
  - II. Sponsor new Independent Executives and Customers in the countries in which Company is operating.

## 2.4 Identification Numbers

Upon enrollment, the Company will provide a unique Independent Executive/Company Identification Number to the Independent Executive by which they will be identified. This number will be used to place orders, structure organizations, and track commissions and bonuses.

## **2.5 One Business Per Independent Executive.**

An Independent Executive may operate or have an ownership interest, legal or equitable, as an individual, sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Company business. No individual may have, operate or receive compensation from more than one Company business. Individuals of the same family unit may each enter into or have an interest in their own separate Company businesses only if each subsequent family position is placed frontline to the first family member enrolled. A “family unit” is defined as spouses and dependent children living at or doing business at the same address. The term family unit may be expanded at the discretion of the Company on a case-by-case basis for the purpose of fulfilling the intent of this provision.

## **2.6 Renewals and Expiration of the Independent Executive Agreement**

- A. An Independent Executive must fulfill all obligations outlined herein and within the Company Compensation Plan to remain active and eligible for commissions within the opportunity.
- B. If the Independent Executive allows their Independent Executive Agreement to lapse due to not fulfilling any of the obligations required, the Independent Executive will lose any and all rights to their downline organization unless the Independent Executive re-activates within sixty (60) days following the expiration of the Agreement or receives written communication from the Company to the contrary.
- C. If the former Independent Executive re-activates within the 60-day time limit, the Independent Executive will resume the rank and position held immediately prior to the expiration of the Independent Executive Agreement. However, such Independent Executive’s paid as level will not be restored unless their position or their entity qualifies at that payout level in the new month. The Independent Executive is not eligible to receive commissions for the time period that the Independent Executive’s business was inactive/expired.
- D. Any Independent Executive who was terminated or whose Agreement has expired and lapsed the 60-day grace period is not eligible to re-apply for a Company business for twelve (12) months following the expiration of the Independent Executive Agreement absent the Company granting an exception at Company’s sole discretion for that particular Independent Executive.

- E. The downline of the inactive/expired Independent Executive will roll up to the immediate, active upline Sponsor, or as otherwise determined at Company's sole discretion so as to protect the integrity of the genealogy and to avoid any potential manipulation thereof.

## 2.7 Business Entities

- A. A Business Entity may hold an Independent Executive position by way of the Business Entity Registration Form. This Independent Executive business and position will remain *temporary* until the proper documents are submitted. The Business Entity Registration Form stipulates the specific documents necessary for submission for the particular entity type, including but not limited to: Certificate of Incorporation, Articles of Organization, Independent Executive Agreement or appropriate Trust documents. Company must receive these documents within seven (7) days from the date the Independent Executive Agreement was signed, unless the Company states otherwise in a signed writing.
- B. An Independent Executive may change their status under the same Sponsor from an individual to a Business Entity or from one business entity to another upon application to the Company. Each Independent Executive must immediately notify the Company of any changes to the type of Business Entity they utilize in operating their Company business and the addition or removal of business associates. The Independent Executive Agreement form must be signed by all of the shareholders, partners, or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to the Company. Company shall be responsible for contacting the business entity via the email or other contact information provided and Company has no obligation to contact all parties who may be associated with the Business Entity.

## 2.8 Governmental Approval or Endorsement

There are no federal or state approvals for any direct sales companies or their compensation plans. Any statement to the contrary is false and a direct violation of these Policies and Procedures.

## 3.0 INDEPENDENT EXECUTIVE RESPONSIBILITIES

### 3.1 Training and Leadership

- A. Any Independent Executive who sponsors another Independent Executive into Company must perform an authentic assistance and training function to ensure their downline is properly operating their Company business. Sponsoring Independent Executives should have ongoing contact and communication with the Independent Executives in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, team calls, voicemail, e-mail, personal meetings, accompaniment of downline Independent Executives to Company meetings, training sessions and any other related functions the Independent Executive finds necessary to further their independent business.
- B. A Sponsoring Independent Executive should monitor the Independent Executives in their downline organizations to ensure that downline Independent Executives do not make improper product, income, or opportunity claims or engage in any illegal or inappropriate conduct.
- C. Upline Independent Executives are encouraged to motivate and train new Independent Executives about Company's products and services, effective sales techniques, the Company Compensation Plan and compliance with Company Policies and Procedures.

### 3.2 Constructive Criticism; Ethics

- A. Company desires to provide its Independent Executives with the best products, services, and Compensation Plan in the industry. Accordingly, Company values constructive criticism and encourages the submission of written comments addressed to Company Compliance Department: [cumplimiento@therusnetwork.com](mailto:cumplimiento@therusnetwork.com)
- B. **Code of Ethics**
  - I. Independent Executives must show fairness, tolerance, and respect to all people associated with Company, regardless of race, gender, sexual orientation, social class, religion, or otherwise, thereby fostering a positive atmosphere of teamwork, good morale and community spirit.
  - II. Independent Executives shall strive to resolve business issues without Company intervention, including situations with upline and downline Independent Executives, by emphasizing tact, good will and taking care not to create additional problems. As independent contractors, Independent

Executives are responsible for their own actions and disputes. Company shall intervene only in extreme situations where disputes cause further issues to the Company as a whole.

- III. Independent Executives must be honest, responsible, professional and conduct themselves with integrity at all times.
  - IV. Independent Executives shall always present accurate information like proper disclaimers and access to the Income Disclosure Statement when encouraging prospects to join the Company. Moreover, as an Independent Executive you agree to never intimidate nor engage in unlawful recruiting practices, including any suggestion that excessive purchases are necessary to participate in Company or to be successful as a Company Independent Executive.
  - V. Independent Executives shall always present the income claims and the opportunity in a presentable and truthful manner and to never present atypical income claims that would mislead or deceive a prospective Independent Executive.
- C. Company may take appropriate action against an Independent Executive if it determines, in its sole discretion, that an Independent Executive's conduct is detrimental, disruptive, or injurious to Company or to other Independent Executives.

### 3.3 Non-Disparagement

Independent Executives shall not make any oral, written, or electronic statement that disparages, defames, or reflects adversely upon the Company or any of Company's affiliates, vendors, owners, board members, directors, officers, employees, other Independent Executives, Company's products or services, or the Company Compensation Plan. Independent Executives shall also not make statements that unreasonably offend, mislead or coerce others. Such conduct represents a material breach of these Policies and may result in Company sanctioning or otherwise disciplining the Independent Executives in accordance with these Policies and Procedures as Company deems appropriate at its sole discretion for the particular instance in question.

This non-disparagement provision shall in no way be construed to apply to those individuals or entities that are merely purchasing and/or consuming the products or services of the Company. The Consumer Review Fairness Act (CRFA) prohibits prohibition on consumer reviews, but Company is fully within its right to prohibit disparaging comments from those individuals or entities that act as employees or independent contractors marketing and selling Company products. The CRFA therefore

does not apply here to Independent Executives who are independent contractors in all respects.

### 3.4 Reporting Policy Violation

- A. An Independent Executive who observes a policy violation by another Independent Executive should submit a written and signed letter (*e-mail will not be accepted*) of the violation directly to the Company Corporate office. The letter shall set forth the details of the incident as follows:
  - I. The nature of the violation and specific facts to support the allegations;
  - II. Dates and number of occurrences;
  - III. The person/people involved; and
  - IV. Supporting documentation.
- B. Once the matter has been presented to Company, the Company Compliance Department will investigate the report thoroughly and decide what, if any, action should be taken.
- C. This Section refers to the general reporting of policy violations as observed by other Independent Executives for the mutual effort to support, protect, and defend the integrity of the Company business and sales opportunity. If an Independent Executive has a grievance or complaint against another Independent Executive which directly relates to their Company business, the steps set forth in these Policies and Procedures must be followed.

### 3.5 Sponsorship

- A. The Sponsor is the person who introduces an Independent Executive to Company, helps them complete their enrollment, and supports and trains those in their downline.
- B. Company recognizes the Sponsor as the name(s) shown on the first:
  - I. Physically signed Company Independent Executive Agreement on file; or
  - II. Electronically signed Independent Executive Agreement from either the corporate website or an Independent Executive's replicated website.

- C. An Independent Executive Agreement that contains notations such as “by phone” or the signatures of other individuals (i.e., Sponsors, spouses, relatives, or friends) is not valid and will not be accepted by Company.
- D. Company recognizes that each new prospect has the right to ultimately choose their own Sponsor, but Company will not allow Independent Executives to engage in unethical sponsoring activities.
- E. All active Independent Executives in good standing have the right to Sponsor and enroll others into Company. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Independent Executive may engage the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Independent Executive who presented a comprehensive introduction to Company products/services or sales opportunity with any dispute as to this definition to be resolved by the Company at the Company’s discretion.
- F. A Protected Prospect is a guest of any Company Independent Executive who attended a Company event or conference call. For sixty (60) days following the event, a Protected Prospect cannot be solicited or sponsored by any other Company Independent Executive who attended the same event. A Company event can be defined as, but not limited to, the following:
  - I. Any Company training session;
  - II. Conference call;
  - III. Fly-in meeting; or
  - IV. Presentation, including but not limited to a Company at home presentation, whether sponsored by Company, an Independent Executive, a Customer, or an agent or agency designated by Company.

### **3.6 Cross Sponsoring Prohibition**

- A. “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an individual or Business Entity that already has a signed Independent Executive Agreement. Actual or attempted cross sponsoring is strictly prohibited and may subject Independent Executive to disciplinary sanctions including but not limited to termination.
- B. The use of another’s name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, fictitious ID numbers, or otherwise to

evade or circumvent this policy is not permitted. Company has the absolute right to reject any Independent Executive application or terminate any Independent Executive Agreement when the Company reasonably believes this has been done.

- C. This policy does not prohibit the transfer of a Company business in accordance with Company Sale or Transfer Policy set forth herein and shall be left to the discretion of the Company on a case-by-case basis.

### **3.7 Adherence to Laws, Regulations, and Ordinances**

As independent contractors and business owners, Independent Executives are responsible for complying with all federal, state, and local laws and regulations. Cities and counties also have laws regulating certain home-based businesses, and Independent Executives shall be aware of their local ordinances to ensure they are operating appropriately.

### **3.8 Compliance with Applicable Income Tax Laws**

- A. Company will automatically provide a complete 1099-NEC form (nonemployee compensation) to each U.S. Independent Executive whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of Company products for resale, or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, these forms will be sent only at the request of the Independent Executive, and Company may charge a fee to the Independent Executive.
- B. Independent Executives accept sole responsibility for and agrees to pay all federal, state and local taxes on any income generated as an independent Independent Executive, and further agrees to indemnify Company from any failure to pay such tax amounts when due.
- C. The Independent Executive is fully responsible for providing any tax-exempt status to the Company.
- D. Company encourages all Independent Executives to consult with a tax advisor for additional information for their business. Company is shall not be held responsible for any tax implications Independent Executives may experience.

### **3.9 Actions of Household Members or Affiliated Parties**

If any member of an Independent Executive's immediate household engages in any activity which, if performed by the Independent Executive, would violate any provision of the Agreement, such activity will be deemed a violation by the Independent Executive and Company may take disciplinary action pursuant to these Policies and Procedures against the Independent Executive.



If any individual associated in any way with a Business Entity violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Company may take disciplinary action against the Business Entity. If an Independent Executive enrolls in Company 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.

### 3.10 Non-Solicitation and Other Business Restrictions

- A. Independent Executives may participate in other direct sales, multilevel, network marketing, affiliate marketing, or relationship marketing business ventures or marketing opportunities (collectively, "Network Marketing"). However, during the Term of this Agreement and for one (1) year thereafter, an Independent Executive may not recruit any Independent Executive or Customer for any other Network Marketing business, unless that Independent Executive or Customer was personally sponsored by such Independent Executive. The preceding sentence shall not be interpreted to permit an Independent Executive to recruit one of their downline Independent Executives or Customers in an effort to have that Independent Executive do the same. Company shall, in its sole discretion, have the ability to enforce this provision as it deems fit to fulfill both the purpose and the spirit of this non-solicitation provision. Independent Executive shall not offer any type of contact information connected to any Independent Executive to another party with the intent of having the other party solicit/recruit that Independent Executive to consider any product, service, or income opportunity unrelated to Company.
- B. 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 Independent Executive or Customer to enroll or participate in any Network Marketing opportunity and the active role of discouraging others from enrolling within the Company opportunity. This conduct represents recruiting even if the Independent Executive's actions are in response to an inquiry made by another Independent Executive or Customer.
- C. Independent Executives shall never promote multiple Network Marketing opportunities or products/services of other Network Marketing opportunities on the same platforms as they market and sell Company products/services, at any Company-related event, seminar, training, convention, or immediately after such an event. Independent Executive shall also not display or bundle Company products or services in sales literature, on a website, or in sales meetings with any other products or services. These are reasonable restrictions to avoid confusing or misleading a prospective Customer or Independent Executive into believing there

is a relationship between the Company and non-Company products, services, or opportunity and to prevent indirect solicitation.

- D. During the term of this Agreement, in order to avoid legal liability related to promotion of sales aids, you as an Independent Executive shall not sell training materials or sales aids including published books, eBooks, videos, or other general miscellaneous training aids to your downline or other Independent Executives with prior written approval from the Company.
- E. A violation of any of the provisions in this Section shall constitute unreasonable and unwarranted contractual interference between Company and its Independent Executives and would inflict irreparable harm on Company. In such event, Company may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Independent Executive or such Independent Executive's business including termination, or seek immediate injunctive relief without the necessity of posting a bond.
- F. *If at the time of enforcement of any provision of Section a court shall hold that the duration, scope or area restriction of any provision herein is unreasonable under circumstances now or then existing, you and Company hereto agree that the maximum restricted period, scope or territory reasonable under the circumstances shall be substituted by the court for the stated duration, scope or area.*
- G. *If another Network Marketing entity brings any lawsuit, arbitration, or mediation against an Independent Executive alleging that the Independent Executive engaged in inappropriate recruiting activity of its sales force or Customers, the Company will not pay any of Independent Executive's defense costs or legal fees, nor will the Company indemnify the Independent Executive for any judgment, award, or settlement.*

### 3.11 Presentation of the Sales Opportunity

- A. Independent Executives are required to comply with the following provisions when presenting the Company sales opportunity:
  - I. Independent Executives shall never misrepresent or omit any significant material fact about the Compensation Plan.
  - II. Independent Executives shall never present that it is a requirement or encourage others to make a purchase from or payment to any individual or entity as a condition to participating in the Company opportunity other than those such fees that may be required for enrollment.

- III. Independent Executives shall make it clear that the Compensation Plan is based upon sales of Company products and services to those who will use the product or service.
- IV. Independent Executives shall make it clear that success can be achieved only through substantial independent efforts and must refrain from misrepresentations that include, but are not limited to:
  - a. It's a turnkey system;
  - b. The system will do the work for you;
  - c. Just get in and your downline will build through spillover;
  - d. The Company does all the work for you;
  - e. All you have to do is buy Company products/services every month.

***The above are just examples of improper representations. Independent Executives shall never provide representations that could lead a prospect to believe that they can be successful as an Independent Executive without commitment, effort, and sales skill. Nothing is guaranteed. The Company reserves the right to determine what it considers an inappropriate claim and discipline the offender accordingly.***

- IV. Independent Executives shall never make unauthorized income projections, claims, or guarantees while presenting or discussing the Company opportunity or Compensation Plan. All claims must be typical results and shall be accompanied by Official Company Material.
- VII. Company will maintain an Income Disclosure Statement ("IDS"). The Company IDS is designed to convey truthful, timely, typical, and comprehensive information regarding the income that Independent Executives earn.

Income/earnings claims are considered to be any claim that explicitly or implicitly states the amount of income an Independent Executive may expect to earn as an Independent Executive. Hypothetical claims and lifestyle claims are considered income claims. Hypothetical claims include scenarios such numbers being provided in illustrating examples of the Compensation Plan. Lifestyle claims are statements such as my Company business allowed me to buy a house, retire from my other job, allow my spouse to quit his or her job, or take a luxury vacation.

When an Independent Executive discuss their earnings as an Independent Executive with Company, the Company explicitly requires any income claim no

matter the platform or manner to include a variation of the following, “This is my unique story, as actual earnings can vary significantly as no income is guaranteed. But for typical earnings averages please click here,” with the “here” representing a link to the Company IDS.

### 3.12 Compensation Plan Governs Sales Requirements

***No Independent Executive’s earnings potential or success of their business will be conditional upon the amount of product an Independent Executive personally purchases. Purchasing product solely for the purpose of collecting bonuses or achieving rank is prohibited.***

***“Bonus Buying” is strictly and absolutely prohibited.*** Bonus Buying includes but is not limited to: (i) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (ii) the fraudulent enrollment of an individual or entity as Customer/Independent Executive; (iii) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Customers/Independent Executives (known as “phantoms”); (iv) purchasing Company products or services on behalf of another Customer/Independent Executive, or under another Customer’s/Independent Executive’s ID number, to qualify for commissions or bonuses; (v) purchasing excessive amounts of products or services that cannot reasonably be used; (vi) purchasing amounts of products or services for the purposes of qualification; and/or (vii) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

## 4.0 ORDERING

### 4.1 General Order Policies

- A. Independent Executives shall never use another Customer’s/Independent Executive’s credit card or debit checking account to enroll in Company or purchase products or services without the account holder’s *written permission*.
- B. Regarding an order with an invalid or incorrect payment, Company will attempt to contact the Independent Executive by the e-mail associated with the order in order to obtain another form of payment. If these attempts are unsuccessful after five (5) business days, the order will be cancelled, and the Independent Executive must submit the order again.
- C. If an Independent Executive wants to move an order to another Independent Executive’s position, they must have prior authorization of all parties involved. Company may charge the Independent Executive a fee for processing this request.
- D. All prices are subject to change without notice.

## 4.2 Insufficient Funds and Non-Payment

- A. Company reserves the right to impose a fee, suspend, or terminate an account for insufficient funds. This shall be determined on a case-by-case basis.
- B. If there is an outstanding balance owed to Company by the personal Customer/Independent Executive of an Upline Independent Executive from non-sufficient fund checks, returned check fees or insufficient fund fees (ACH) will be withheld by Company from the Upline Independent Executive's future bonus and commission checks on a case-by-case basis.
- C. All transactions involving returned checks or insufficient funds through ACH or credit card, which the Independent Executive does not resolve in a timely manner, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the Independent Executive will be contacted for an alternate form of payment. If payment is declined a second time, the Independent Executive may be deemed ineligible to purchase Company products or services.

## 4.3 Errors or Questions

If an Independent Executive has questions about or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the Independent Executive must notify Company in writing within thirty (30) days of the date of the error or incident in question. Any such errors, omissions or problems not reported within thirty (30) days shall be deemed expressly waived by the Independent Executive.

## 5.0 PAYMENT OF COMMISSIONS & BONUSES

### 5.1 Bonus and Commission Qualifications

- A. Independent Executives must be an Active Independent Executive to qualify for bonuses and commissions.
- B. Company will not issue a payment to an Independent Executive without the receipt of a completed and signed Company Independent Executive Agreement.
- C. Company reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.

- D. Company utilizes compression for its Compensation Plan. Compression occurs when there are Inactive Independent Executives, suspended Independent Executives, terminated Independent Executives and other instances in which Company finds, in its sole discretion, for compression to be in the best interests of the Company. Compression is defined as the mechanism in which the genealogy has been impacted to create an absence in the genealogy that disrupts the commission and bonus allotment. For example, if an Independent Executive is Inactive, compression will result in searching the upline until an Active Independent Executive is located. Commissionable volume will then “compress” to include all the volume generated by the inactive positions and disburse the volume to the next Active Independent Executive. The Company is not obligated to compress volume in this fashion. In some situations, the Company may exercise its discretion to keep the volume for internal purposes. Compression shall be used to continue the effectiveness of the pay plan during temporary conditions that may occur when someone fails to meet the “Active” requirement for one pay period, e.g., Inactive, suspension, or leaves the opportunity entirely to leave a void in the genealogy.

## 5.2 Freedom Program Participation

The "Freedom Program" is an optional investment initiative offered by Therus Network in collaboration with Therus Capital or any other designated company. Under this program, each networker ("Participant") may choose to allocate twenty-five percent (25%) of their earned commissions into an investment product managed by Therus Capital any other designated company, subject to the following terms:

1. **Minimum Commission Threshold:** Participation in the Freedom Program is activated once a Participant's earned commissions accumulate to a minimum of one hundred US dollars (\$100). Upon reaching this threshold, and for every commission payment thereafter that meets or exceeds this minimum, 25% of the commission amount will be automatically allocated to the Freedom Program, through a mandate agreement unless the Participant opts out as described below. Network and the independent executive agree that the remaining 75% of the commission will be paid in cash.
2. **Investment Management by Therus Capital or Designated Company:** The commissions contributed to the Freedom Program will be invested by Therus Capital or a designated company. The specific terms of investment, including but not limited to the nature of the investments, associated risks, expected returns, management fees, and other relevant financial details, will be governed by a separate Investment Agreement provided by Therus Capital or the designated company to the Participant prior to the initiation of any investment activities. The independent executive will sign the corresponding mandate with Therus Capital or a designated company, and Network will operate solely as a conduit to transfer the funds to the broker.

3. **Voluntary Participation:** Participation in the Freedom Program is entirely voluntary. Participants may opt out of the program at any time before reaching the minimum commission threshold for each payout period by notifying Therus Network in writing. Once commissions are contributed to the Freedom Program, they will be governed by the terms of the Investment Agreement with Therus Capital or the designated company.
4. **Disclosure and Acknowledgement:** By opting into the Freedom Program, the Participant acknowledges that they have read, understood, and agree to be bound by the terms of the Mandate Agreement with Therus Capital or the designated company, once signed. Participants further acknowledge that investments are subject to market risks, including the potential loss of principal, and that Therus Network does not guarantee any specific outcomes or returns from such investments.
5. **Financial and Legal Advice:** Participants are encouraged to seek independent financial and legal advice before opting into the Freedom Program to fully understand the implications of their investment decisions.
6. **Identity Verification and Payment Requirements:**
  - a. For transfers (payments) less than \$10,000, the identity document that the person selected in the system will be accepted.
  - b. For transfers (payments) equal or greater than \$10,000, the presentation of the passport will be required for the liquidation of the investment at the end of the term. Therefore, if the passport is not submitted through official channels, the funds from the loyalty plan cannot be credited, and the person will not be able to enjoy the various benefits offered by the company until they comply with the passport submission requirement.

### 5.3 Bonus and Commission Adjustment for Refunds

- A. Independent Executives receives bonuses and commissions based on the actual sales of products and services to end consumers. When a product or service is refunded, the bonuses and commissions attributable to the refunded product or service will be deducted from the Independent Executive who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.
- B. In the event that an Independent Executive terminates their business, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Company, the remainder of the outstanding balance may be offset against any other amounts that may be owed by

Company to the terminated Independent Executive. Company reserves the right to take any necessary action to recoup these funds and such action shall be determined on a case-by-case basis.

## 6.0 REFUNDS

### 6.1 Customer and Independent Executive Refund Policies

#### **Customer Refund Policy**

All Customer requests for refunds shall abide by the Refund Policy found within the Company corporate website for the particular product/service in question. All Independent Executives must represent such policy in an accurate and complete manner.

#### **Independent Executive Sales Aids Returns/Refunds**

Independent Executives may return all generic sales aids within twelve (12) months from the date of cancellation for a refund if the Independent Executive is unable to sell or use the merchandise.

Independent Executives may only return sales aids they personally purchased from the Company under their Independent Executive Identification Number, and which are in Resalable Condition. Any custom orders of printed sales aids (i.e., business cards, brochures, etc.) whereon the Independent Executive's contact information is imbedded or hard printed, or has been added by the Independent Executive, are not able to be returned in Resalable Condition and are nonrefundable.

Upon Company's receipt of the products and sales aids, the Independent Executive will be reimbursed ninety percent (90%) of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same credit card account. The Company shall deduct from the reimbursement paid to the Independent Executive any commissions, bonuses, rebates or other incentives received by the Independent Executive which were associated with the merchandise that is returned.

*Independent Executives have the right to cancel their position for a full refund subject to the terms of the Notice of Right to Cancel outlined within the Independent Executive Agreement.*

## 7.0 PRIVACY POLICY

### 7.1 Introduction



Company takes privacy seriously and has imposed this section to ensure the basic principles of confidentiality and data protection as it relates to Independent Executives, downlines, and Customer lists. For more information on our overall Company Privacy Policy, please refer also to the [Company's Privacy Policy](https://business.therusnetwork.com/en/user/co/infinity/page/privacy-policy) <https://business.therusnetwork.com/en/user/co/infinity/page/privacy-policy>

Each Independent Executive is responsible for keeping their Independent Executive information current and accurate. Email accuracy is of utmost importance as this is how Company will generally contact Independent Executive of any information. ***By agreeing to these Policies and Procedures, the Independent Executive consents to the Company Privacy Policy and to receiving emails from Company as well as from their upline. Independent Executive agrees that Company may share with Independent Executive's upline their name, telephone number, address, email address and select sales performance data for all Independent Executives in their downline.*** No other data shall be shared with an Independent Executive's upline without separate express permission from Independent Executive to allow such personal information to be shared. ***Independent Executive further acknowledges that information provided to Company by Independent Executive will be shared with and processed by Company corporate offices.***

## 7.2 Expectation of Privacy

Company will make reasonable efforts to safeguard the privacy of and maintain the confidentiality of its Customers'/Independent Executives' financial and account information and any non-public, personal information.

## 7.3 Employee Access to Information

Company limits the number of employees who have access to Customer's/Independent Executive's nonpublic personal information to those who need to know to further the Company's business.

## 7.4 Restrictions on the Disclosure of Account Information

Company will not share non-public personal information or financial information about current or former Customers/Independent Executives with third parties, except as detailed within the Privacy Policy, permitted or required by laws and regulations or court orders, to serve the Customers'/Independent Executives' interests, or to enforce its rights or obligations under these Policies and Procedures, the Independent Executive Agreement, or with express written permission from the accountholder on file.

## 7.5 Security and Security Breaches

All Independent Executives must adopt, implement and maintain appropriate administrative, technical and physical safeguards to protect against anticipated threats or hazards to the security of confidential information, including Customer & Independent Executive Data. These safeguards must be appropriate to the sensitivity of the information. Appropriate safeguards for electronic and paper records may include but are not limited to: (i) encrypting data before electronically transmitting it; (ii) storing records in a secure location; and (iii) password-protecting computer files and securely shredding paper files containing confidential information. Independent Executives must keep confidential information secure from all persons who do not have legitimate business needs to see or use such information. Independent Executives must ensure they obtain and maintain consent from prospective Customers/Independent Executives and existing Customers/Independent Executives before sharing such data with the Company.

Independent Executives must comply with all applicable privacy and data security laws, including any security breach notification laws. Without limitation of the preceding sentence, in the event of an actual or suspected Security Breach affecting Company's data, the applicable Independent Executives shall first promptly notify the Company Compliance Department in writing after becoming aware of such Security Breach, and if instructed by the Compliance Department, notify applicable Customers/Independent Executives. Any such notification to Customers/Independent Executives shall be made in compliance with applicable law and shall specify the following: (i) the extent to which Customer/Independent Executive Data was or was suspected to be disclosed or compromised; (ii) the circumstances of the Security Breach; (iii) the date or period of time on which it occurred; (iv) a description of the information affected; (v) a description of the steps taken to reduce the risk of harm from the Security Breach; (vi) contact information for a person able to answer questions regarding the Security Breach; and (vii) in the case of a notice to a privacy commissioner or other regulatory body, an assessment of the risk of harm to any affected persons and an estimate of the number of persons affected. Independent Executives, at their expense, shall cooperate with Company, any applicable privacy commissioner or other regulatory body and the applicable Customers/Independent Executives and use their best efforts to mitigate any potential damage.

## **8.0 PROPRIETARY INFORMATION**

### **8.1 Proprietary Information and Data Management Rule**

The Data Management Rule (the "Rule") is intended to protect the Line of Sponsorship ("LOS") for the benefit of all Independent Executives, as well as the Company. LOS information is information compiled by the Company that discloses or relates to all or part of the specific arrangement of sponsorship within the Company business, including, without limitation, Independent Executive lists, sponsorship trees, and all Independent Executive information generated therefrom, in its present and future forms. The Company LOS constitutes a commercially advantageous, unique, and proprietary trade secret ("Proprietary Information"), which it keeps proprietary and confidential. Company is the exclusive owner of all Proprietary Information, which is derived, compiled, configured, and maintained through the expenditure of

considerable time, effort, and resources by the Company and its Independent Executives. Through this Rule, Independent Executives are granted a personal, non-exclusive, non-transferable and revocable right by the Company to use Proprietary Information only as necessary to facilitate their business as a Company Independent Executive. The Company reserves the right to deny or revoke this right, upon reasonable notice to the Independent Executive stating the reason(s) for such denial or revocation, whenever, in the reasonable discretion of the Company, such is necessary to protect the confidentiality or value of the Proprietary Information. ***All Independent Executives shall maintain Proprietary Information in strictest confidence and shall take all reasonable steps and appropriate measures to safeguard Proprietary Information and maintain the confidentiality thereof. Independent Executives shall never use Proprietary Information to facilitate building outside of the Company absent exclusive permission from the Company in writing.***

The Independent Executive acknowledges that business reports, lists of Customer and Independent Executive names and contact information, and any other information, which contain financial, scientific or other information both written or otherwise circulated by Company pertaining to the business of Company (collectively, "Reports"), are confidential and Proprietary Information belonging to Company.

## **8.2 Obligation of Confidentiality**

During the term of the Company Independent Executive Agreement and for a period of five (5) years after the termination or expiration of the Independent Executive Agreement between the Independent Executive and Company, the Independent Executive shall not:

- I. Use the information in the Reports to compete with Company or for any purpose other than promoting their Company business;
- II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

Trade secrets, Company goodwill, and other Company know-how shall remain confidential beyond the 5-year period.

## **8.3 Breach and Remedies**

The Independent Executive acknowledges that such Proprietary Information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Company and to independent Company businesses. Company and its Independent Executives will be entitled to injunctive relief or to recover damages against any Independent Executive who violates this provision to enforce its rights.

## 8.4 Return of Materials

Upon demand by Company, any current or former Independent Executive shall return the original and all copies of all Reports to Company together with any Company Proprietary Information or information Company holds confidential in such person's possession.

## 9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF NAMES AND TRADEMARKS

### 9.1 Use of Names and Protected Materials

- A. All promotional materials Company creates or supplies must be used in their *original* form and cannot be changed, amended or altered unless the Independent Executive receives prior written approval from the Company.
- B. The name of Company, each of its product and service names and other names that have been adopted by Company in connection with its business are proprietary trade names, trademarks or service marks of Company. As such, these marks are of great value to Company and are supplied to Independent Executives for their use only in an expressly authorized manner in connection with facilitating the Independent Executive's Company business.
- C. Independent Executive's use of the name "Therus Network" or other Company owned or used names are restricted to protect Company's proprietary rights, ensuring that the Company protected names will not be lost or compromised by unauthorized use. Use of the Company name on any item not produced by Company is prohibited except as: [Independent Executive's name] Independent Therus Network Independent Executive. Independent Executive shall never present themselves as speaking on behalf of the Company and shall always identify themselves as an Independent Executive of Company.
- D. Independent Executives shall not appear on or make use of television or radio or make use of any other media to promote or discuss Company or its programs, products or services without prior written permission from the Company Compliance Department. Independent Executives may not produce for sale or distribution any Company materials nor may an Independent Executive reproduce Company audio or video clips for sale or for personal use without prior written permission from the Company Compliance Department.
- E. Company reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Independent Executive.

- F. *Independent Executives shall not promote non-Company products or services in conjunction with Company products or services on the same websites or same advertisement without prior approval from the Company Compliance Department.*

## 9.2 E-mail Limitations

- A. Independent Executives may not use or transmit email, mass email distribution, or “spamming” that advertises or promotes the operation of their Company business except when:
- I. E-mailing any person who has given prior permission or invitation;
  - II. E-mailing any person with whom the Independent Executive has established a prior business or personal relationship.
- B. Independent Executives are responsible for knowing the laws and regulations within their state and locales. An Independent Executive may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement except as set forth herein or as permitted under the Independent Executive’s laws and regulations.
- C. All e-mail or computer broadcasted documents subject to this provision shall include each of the following:
- I. A clear and obvious identification that the message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
  - II. A clear return path or routing information;
  - III. The use of legal and proper domain name true, correct name of the sender, valid senders’ e-mail address, and a valid sender physical address;
  - IV. A clear and obvious notice of the opportunity to decline to receive further messages from the sender;
  - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - VI. The date and time of the transmission; and

- VII. Upon notification by recipient of their request not to receive further messages, an Independent Executive shall not transmit any further messages to that recipient.
- D. All messages subject to this provision shall not include any;
  - I. Use of any third-party domain names without permission;
  - II. Sexually explicit materials;
  - III. Illegal content.

### 9.3 Internet and Third-Party Website Restrictions

- A. Independent Executives may not use or attempt to register any of Company's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company's name or any derivative thereof, for any purpose.
- B. Independent Executives may only sell Company products/services through their Company replicated website ("Replicated Website") or the Company corporate website. Independent Executives may not have any other third-party websites (defined as a website that is not Company-approved). Please note that a third-party website does not include social networking and social media sites. Any Independent Executive who wishes to develop their own third-party website must submit a properly completed third-party website application and agreement and receive Company's prior written approval before going live with such a website. Third-party websites may be used to promote your business and Company's products and services so long as the third-party website adheres to Company's Policies. Moreover, no orders may be placed through third-party websites and no enrollments may occur through a third-party website. If you wish to use any third-party website, you must do the following:
  - a. Identify yourself as an Independent Executive for Company;
  - b. Use only the approved images and wording authorized by Company;
  - c. Adhere to the branding, trademark, and image usage policies described herein;
  - d. Adhere to any other provision regarding the use of a third-party website described in this document;
  - e. Agree to modify your website to comply with current or future Company Policies;
  - f. Abide by any other Company requests Company may make from time to time as it relates to legal and regulatory changes; and

- g. Provide a redirect button to the Company's corporate website for enrollment and product purchases.
- C. An Independent Executive shall stay up to date with all Company materials, product details, or otherwise so as to not provide outdated items on an Independent Executive's pages.
- D. If any Independent Executive cancels their position or is terminated for any reason, the Independent Executive must assign said third-party site to the Company with seven (7) calendar days, unless the Independent Executive and Company determine otherwise.

#### 9.4 Social Networking and Social Media

- A. Independent Executives may join social networking and/or social media sites, online forums, discussion groups, and blogs to leverage the power of the Company brand and to communicate the benefits of the Company products and sales opportunity. Online social pages belonging to an Independent Executive may be used to drive traffic to a Replicated Website or to the Company Corporate Website. Social networks and social media sites include but are not limited to sites such as Facebook, Instagram, Pinterest, LinkedIn, Twitter, and Tik Tok.
- B. Company-dedicated accounts on social media may never be used to promote other Network Marketing opportunities, other products or services. An Independent Executive may post suggestions to visit, like, or follow the Company or their personal Independent Executive page on their personal page. An Independent Executive may also post artwork or other tangential-to-business posts on their personal pages, but no enticements, ads, offers, non-Company product announcements, etc. may be posted on the personal pages.
- C. ***PROFILES AN INDEPENDENT EXECUTIVE GENERATES IN ANY SOCIAL COMMUNITY WHERE COMPANY IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE INDEPENDENT EXECUTIVE AS A COMPANY INDEPENDENT EXECUTIVE***, and when an Independent Executive participates in those communities, Independent Executive 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 Company's sole discretion, and offending Independent Executives may be subject to disciplinary action.
- D. ***Independent Executives are personally responsible for their postings and all other online activity that relates to Company or Company products.*** Therefore, even if an Independent Executive does not own or operate a blog or social media

site, if an Independent Executive makes a post that relates to Company or which can be traced to the Company, the Independent Executive is responsible for the posting. Independent Executives are also responsible for postings which occur on any blog or social media site that the Independent Executive owns, operates or controls. Company reserves the right to require the removal of non-compliant or infringing posts from any Independent Executive's social media pages and may terminate the position of any Independent Executive who fails to do so. Postings that are false, misleading or deceptive are strictly prohibited. This includes, but is not limited to, false or deceptive postings relating to the Company, Company opportunity, Company products, and/or Independent Executive information and credentials. Further, Independent Executives **MAY NOT** make any posting, or link to any posting or other material, that:

- I. Is sexually explicit, obscene, or pornographic;
  - II. Is profane, hateful, threatening, defamatory, libelous, harassing or discriminatory in any way, shape or form;
  - III. Is solicitous of any unlawful behavior;
  - IV. Engages in personal attacks on any individual, group or entity;
  - V. Is in violation of any intellectual property rights of the Company or any third party; or
  - VI. Is not consistent with the standards as set forth in these Policies and Procedures.
- E. Independent Executives shall not post anonymously or under an alias on any social network or social media site. Independent Executives shall also never use blog spam, spamdexing or any other mass-replicated methods to leave comments. Comments Independent Executives create or leave must be useful, unique, relevant and specific to the blog's article.
- F. Independent Executives shall refrain from engaging with negative comments and shall hold themselves to a higher standard of conduct. If an Independent Executive has any issues with any particular comments, the Independent Executive may report such comments to Company Compliance.
- G. If your Company business is cancelled for any reason, you must discontinue using the Company name, and all of Company'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 websites that you utilize. If you post on any



social website on which you have previously identified yourself as an independent Company Independent Executive, you must conspicuously disclose that you are no longer an Independent Executive. Absent such disclosure, Independent Executive comments and actions may be construed as being taken on behalf of Company and Independent Executive shall be responsible for indemnifying Company for such actions if any action is taken against Company.

- H. Independent Executives may wish to have “private” and/or “closed” social media groups, specifically Facebook Groups, for their particular Customers or for their particular downline. These groups are permitted as long as the groups are conducted and operated in a manner consistent with these Policies and Procedures. In order to create a particular social media group, the Independent Executive organizing the group must inform Company’s Compliance Department [cumplimiento@therusnetwork.com](mailto:cumplimiento@therusnetwork.com) and invite “Área de Cumplimiento” to the individual group so that Company may monitor the contents of the group and ensure that these Policies and Procedures are being appropriately followed. Compliance will not comment on, like, share, or otherwise interact with, a post within any specific group in which Compliance is a member. Compliance will review from time to time and make note of certain interactions or occurrences and notify Company and Independent Executive if any potentially questionable or otherwise violative activity takes place that could warrant disciplinary action under these Policies and Procedures. These monitoring features will also permit Compliance to notify an Independent Executive on the front end of a potential issue as opposed to having to take more extreme measures on the back end.
- I. Independent Executives may only invite Independent Executives and Customers to these groups and Independent Executive has the obligation to ensure that this is the case.

## 9.5 Advertising and Promotional Materials

- A. Independent Executives shall not offer special enticement advertising. This includes, but is not limited to, offers of a free business, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.
- C. To promote both the products and the opportunity Company offers, Independent Executives must use the sales aids and support materials Company provides. If Company Independent Executives develop their own sales aids and promotional materials, which includes online advertising, notwithstanding Independent Executives’ good intentions, they may unintentionally violate any number of

statutes or regulations affecting the Company business. These violations, although they may be relatively few in number, could jeopardize the Company opportunity for all Independent Executives. Accordingly, Independent Executives must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the Independent Executive receives specific written approval to use the material, the request shall be deemed denied. All Independent Executives shall safeguard and promote the good reputation of Company, its products, and the opportunity. *The marketing and promotion of Company, the Company opportunity, the Compensation Plan, and Company products or services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.*

- D. Company reserves the right to rescind its prior approval to comply with changing laws and regulations and may require the removal of such advertisements from the marketplace without obligation to the affected Independent Executive.

## 9.6 Testimonial Permission

As an Independent Executive, Independent Executive gives Company permission to use their testimonial, image, likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in the Company sales opportunity, an Independent Executive waives any right to be compensated for the use of their testimonial, image, or likeness even though Company may be paid for items or sales materials containing such testimonial, image or, likeness. In some cases, an Independent Executive's testimonial may appear in another Independent Executive's advertising materials. If an Independent Executive does not wish to participate in Company sales and marketing materials, they should provide a written notice to the Company Compliance Department to ensure that their testimonial, image, or likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

## 9.7 Telemarketing Limitations

- A. Independent Executives must not engage in telemarketing in relation to the operation of the Independent Executive's Company business. The term "telemarketing" means the placing of one or more telephone calls, text messages or any other messaging service to an individual or entity to induce the purchase of Company products or services or to recruit them for the Company opportunity.
- B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have rules 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 and regulations.

- C. These regulations broadly define the term “telemarketer” and “telemarketing” so that the unintentional action of calling someone whose telephone number is listed on the Federal “Do Not Call” registry could cause the Independent Executive to violate the law. These regulations must not be taken lightly, as they carry significant penalties.
- D. “Cold calls” or “state-to-state calls” made to prospective Customers, or Independent Executives that promote either Company products, services or the Company opportunity is considered telemarketing and is prohibited.
- E. Exceptions to Telemarketing Regulations

Independent Executives may place telephone calls to Customers or Independent Executives under the following limited situations:

- I. If the Independent Executive has an established business relationship with the individual;
  - II. In response to the individual’s personal inquiry or application regarding a product or service offered by the Company Independent Executive within three (3) months immediately before the date of such a call;
  - III. If the Independent Executive receives written and signed permission from the individual authorizing the Independent Executive to call;
  - IV. If the call is to family members, personal friends, and acquaintances. However, if an Independent Executive makes a habit of collecting business cards from everyone they meet and subsequently calls them, this may be considered this a form of telemarketing that is not subject to this exception;
  - V. Company Independent Executives engaged in calling “acquaintances,” must make such calls on an occasional basis only and not as a routine practice.
- F. Independent Executives shall not use automatic telephone dialing systems or automatic messaging services in the operation of his or her Company businesses.
  - G. Failure to abide by these policies shall subject Independent Executive to disciplinary sanctions.
  - H. When becoming an Independent Executive, Independent Executives gives permission to Company and other Independent Executives to contact them as permitted under the Federal Do Not Call regulations.

- I. *In the event an Independent Executive violates this Section, Company reserves the right to initiate legal proceedings to obtain monetary or equitable relief against the Independent Executive.*

## 9.8 International Marketing Policy

Independent Executives may only operate within and sell products and services to those individuals within the countries Company is established and permits such operations and sales.

## 10.0 CHANGES TO AN INDEPENDENT EXECUTIVE'S BUSINESS

### 10.1 Modification of the Independent Executive Agreement

Independent Executives may modify their existing Independent Executive Agreement (i.e., change a social security number to a Federal ID number, add a spouse or partner to the account, or change the form of ownership from an individual to a Business Entity owned by the Independent Executive) by submitting a written request, accompanied by a new Independent Executive Agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a "crossed out" or "white-out" version of the first Agreement), and any appropriate supporting documentation.

### 10.2 Change Sponsor or Placement for Active Independent Executive

- A. Maintaining the integrity of the organizational structure is mandatory for the success of Company and Independent Executives. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first thirty (30) days of initial enrollment as an Independent Executive. Furthermore, such changes may only occur within the same organization at Company's discretion.
- B. Sponsors may make "Placement changes" from one Independent Executive to another for personally Sponsored (frontline) Independent Executives during the first thirty (30) days of enrollment.
- C. New Independent Executives or their original Sponsor may request a change of Sponsor or placement within the first thirty (30) days of enrollment for the purpose of structuring an organization. The new Independent Executive Agreement must be received within the calendar month for commission calculations to be effective with the requested change.
- D. To change or correct the Sponsor, an Independent Executive must comply with the following procedures:

- I. Submit a Sponsor Placement Transfer Form;
  - II. Submit a Company Independent Executive Agreement showing the correct Sponsor and Placement and any appropriate supporting documentation;
  - III. The Independent Executive Agreement must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first Agreement.
- E. Upon approval, the Independent Executive’s downline, if any, will transfer with the Independent Executive.
  - F. If one transfer has already been made for that Independent Executive a fee may be assessed for the second and for each transfer thereafter.
  - G. After the first thirty (30) days from initial enrollment, Company will honor the first Sponsor/Placement as shown upon enrollment.
  - H. Company retains the right to approve or deny any requests to change Sponsor or Placement and to correct any errors related thereto at any time and in whatever manner it deems necessary. The acceptance of one change will never constitute the acceptance of future changes for that Independent Executive or any other regardless of similarity in situation.

### **10.3 Change Sponsor or Placement for Inactive Independent Executives**

- A. At the discretion of Company, Independent Executives who remained inactive for a period of twelve (12) months, and who have not tendered a letter of resignation, are eligible to re-enroll in Company under the Sponsor/Placement of their choice.
- B. Upon written notice to Company that a former Independent Executive wishes to re-enroll, Company will “compress” (close) the original account. A new Company ID number will then be issued to the former Independent Executive and Independent Executive shall be enrolling as a new Independent Executive with no prior rights, rank, title, or downline.

### **10.4 Unethical Sponsoring**

- A. Independent Executives shall not participate in unethical sponsoring activities. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging with Independent Executives of another’s downline with the intent of acquiring them as your own.

- B. Allegations of unethical sponsoring activities must be reported in writing to the Company Compliance Department within the first ninety (90) days of enrollment. If the reports are substantiated, Company may transfer the Independent Executive or the Independent Executive's downline to another Sponsor, Placement or organization without approval from the current upline Sponsor or Placement Independent Executives. Company remains the final authority in such cases.
- C. Company prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the Company compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Independent Executive in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without their knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior and may subject the Independent Executive to disciplinary action.
- D. Independent Executives shall also not solicit or entice individuals of another company to become an Independent Executive with Company as they bear the risk of interfering with the contract between that company and that individual. If any lawsuit, arbitration, or mediation is brought against an Independent Executive alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, Company will not pay any of Independent Executive's defense costs or legal fees, nor will Company indemnify the Independent Executive for any judgment, award, or settlement.

### 10.5 Sell, Assign or Delegate Ownership

- A. Independent Executives may not sell or assign their rights or delegate their position as an Independent Executive without *prior written approval* by Company, as approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Company.
- B. Prior to Company approval, the selling Independent Executive must first offer their position to their upline Sponsor. The Sponsor shall have five (5) business days in which to accept the offer. If Sponsor accepts the offer, they must provide the Company with written notice of acceptance. If the Sponsor declines the offer, the selling Independent Executive must then offer their position to the Company. If Company declines the offer, the selling Independent Executive may offer the position to another buyer.
- C. If the sale is approved, the Buyer assumes the position of the Seller at the current qualified title and at the current paid as rank at the time of the sale. Buyer also acquires the Seller's downline.

- D. To request corporate authorization for a sale or transfer of a Company business, the following items must be submitted to the Company Compliance Department:
  - I. A Sale/Transfer of Business Form properly completed, with the requisite signatures;
  - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller;
  - III. A Company Independent Executive Agreement completed and signed by the Buyer;
  - IV. Payment of the required enrollment fee;
  - V. Any additional supporting documentation Company may request.
- E. Any debt obligations that either Seller or Buyer may have with Company must be satisfied prior to the approval of the sale or transfer.
- F. An Independent Executive who sells their business is not eligible to re-enroll as a Company Independent Executive in any organization for six (6) full calendar months following the date of the sale's closing.
- G. Protection of existing LOS must always be maintained so that the Company business continues to be operated in that LOS.
- H. The selling Independent Executive must be in good standing with the Company in order to be eligible to sell, transfer, or assign a Company business.

## 10.6 Separating a Business

Independent Executives sometimes operate their Company businesses as spouse-spouse partnerships or Business Entities. Separation or division of a Business Entity that holds an Independent Executive position must be accomplished to not adversely affect the interests and income of other businesses up or down the LOS. If the separating parties fail to provide for the best interests of other Independent Executives and the Company in a timely fashion, the Company will involuntarily terminate the Independent Executive position.

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

- A. One of the parties may, with consent of the other(s), operate the Company business pursuant to an assignment in writing whereby the relinquishing

spouse, shareholders, partners, trustees, members or otherwise authorize the Company to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, trustee, member, or otherwise; or

- B. The parties may continue to operate the Company business jointly on a “business-as-usual” basis, whereupon all compensation the Company pays will be paid according to the status quo as it existed prior to the divorce or separation or dissolution. ***This shall be the default procedure if the parties do not agree on any contrary format and notify Company of such.***
- C. The Company will never remove a party to a position from an Independent Executive account without that party’s written permission and signature. Under no circumstances will the downline organization of divorcing spouses or a separating or dissolving Business Entity be divided. Under no circumstances will the Company split commission and bonus checks between divorcing spouses or members of Business Entities. Company will recognize only one downline organization and will issue only one commission check per Company business per commission cycle. Commission checks shall always be issued to the same individual or Business Entity. In the event the parties to a divorce or dissolution are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Independent Executive position shall be terminated. If a former spouse has completely relinquished all rights in the original Company business pursuant to a divorce, they are thereafter free to enroll under any sponsor of their choosing without waiting six (6) calendar months. In the case of Business Entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six (6) calendar months from the date of the final dissolution before re-enrolling as an Independent Executive. In either case, however, the former spouse or business affiliate shall have no rights to any Independent Executive in their former organization or to any former Customer. The new Independent Executive must develop the new business in the same manner as would any other new Independent Executive.

## 10.7 Succession

- A. Upon the death or legal incapacity of an Independent Executive, the Independent Executive’s business may be passed on to their legal successors in interest (successor). Whenever a Company business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased or incapacitated Independent Executive’s sales organization. The successor must:



- I. Complete and sign a new Independent Executive Agreement;
  - II. Comply with the terms and conditions of the Independent Executive Agreement; and
  - III. Meet all of the qualifications for the last rank achieved by the former Independent Executive.
- B. Bonuses and commission checks will be paid in a single check to the successor. The successor must provide Company with an “address of record” to which all bonus and commission payments will be sent. Payments will be based on the current performance of the business, not the highest rank or volume achieved.
- C. If the business is bequeathed to joint devisees (successors), they must form a Business Entity and acquire a Federal Taxpayer Identification Number. Company will issue all bonus and commission payments and one 1099-NEC form to the managing Business Entity only. Company will never split checks to send to multiple individuals.
- D. Appropriate legal documentation must be submitted to the Company Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Company business, the successor must provide the following to the Company Compliance Department:
- I. A certified copy of the death certificate or document; and
  - II. A notarized copy of the will or other appropriate legal documentation establishing the successor’s right to the Company business.
- E. To complete a transfer of the Company business because of incapacity, the successor must provide the following to the Company Compliance Department:
- I. A notarized copy of an appointment as trustee;
  - II. A notarized copy of the trust document or other appropriate legal documentation establishing the trustee’s right to administer the Company business; and
  - III. A completed Independent Executive Agreement executed by the trustee.
- F. If the successor is already an existing Independent Executive, Company will allow such Independent Executive to keep their own business plus the inherited business active for up to six (6) months. By the end of the 6-month period, the Independent

Executive must have compressed (if applicable), sold or otherwise transferred either the existing business or the inherited business.

- G. If the successor wishes to terminate the Company business, they must submit a notarized statement stating the desire to terminate the business, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, Company may grant a one (1) month bereavement waiver and pay out at the last “paid as” rank.

### **10.8 Resignation/Voluntary Termination**

- A. Independent Executives may immediately terminate their business by submitting a written notice or email to the Company Compliance Department. The written notice must include the following:
  - I. The Independent Executive’s intent to resign and date of resignation;
  - II. Company Identification Number and reason for resigning; and
  - III. Signature.
- B. Independent Executives may not use resignation as a way to immediately change Sponsor or Placement and remains subject to the change of Sponsor and placement provisions as well as the re-enrollment policy.

### **10.9 Involuntary Termination**

- A. Company reserves the right to terminate an Independent Executive’s business for, but not limited to, the following reasons:
  - I. Violation of any provision in these Policies and Procedures;
  - II. Violation of any provision in the Compensation Plan;
  - III. Violation of any applicable law, ordinance, or regulation regarding the Company business;
  - IV. Engaging in unethical business practices or violating standards of fair dealing;

- V. Conducting oneself in conduct the Company finds detrimental to the Company business and, in Company's sole discretion upon reasonable investigation, Company finds the Independent Executive to no longer uphold the values Company finds necessary to operate a Company business; or
- B. Company will notify the Independent Executive in writing, at their last known home address or e-mail address of its intent to terminate the Independent Executive's business and the reasons for termination.
- C. *Independent Executive has seven (7) calendar days from notification of termination to reply to the decision and appeal to the Company for reconsideration.*
- D. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice. The former Independent Executive shall immediately lose all rights granted an Independent Executive under these Policies. Company will notify the active upline Sponsor within ten (10) calendar days after termination of the termination. The organization of the terminated Independent Executive will "roll up" to the active upline Sponsor on record.
- E. The Independent Executive involuntarily terminated by Company may not reapply for a business, either under their present name or any other name or entity, *without the express written consent of Company following a review by the Company Compliance Committee.* In any event, such Independent Executive may not reapply for a business for twelve (12) months from the date of termination.

#### 10.10 Effect of Cancellation

- A. Following an Independent Executive's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Independent Executive:
  - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Independent Executive's former organization or any other payments in association with the Independent Executive's former independent business;
  - II. Effectively waives any and all claims to property rights or any interest in or to the Independent Executive's former downline organization; and
  - III. Shall receive commissions and bonuses only for the last full pay period in which they were active prior to cancellation, less any amounts withheld

during an investigation preceding an involuntary cancellation, and less any other amounts owed to Company.

## **11.0 WARRANTIES AND LIMITATIONS OF LIABILITY**

### **11.1 Warranty; Disclaimer**

Company warrants to Customers and Independent Executives that the digital service product as and when delivered by Company shall conform substantially to the specifications and descriptions provided by Company on its website or in its Official Company Materials. Company's sole obligation to Customers and Independent Executives, and Customers' and Independent Executives' sole and exclusive remedy, for breach of this warranty shall be to repair or replace any defective or nonconforming digital service product or to issue a credit or refund for the purchase price paid for such product, at Company's option and discretion. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COMPANY HEREBY DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE DIGITAL SERVICE PRODUCT, THE SALES OPPORTUNITY, COMPANY MARKETING MATERIALS, COMPANY BUSINESS SUPPLIES, AND ANY OTHER SUBJECT MATTER OF THE INDEPENDENT EXECUTIVE AGREEMENT, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, ACCURACY OR COMPLETENESS OF CONTENT, RESULTS, LACK OF NEGLIGENCE OR LACK OF WORKMANLIKE EFFORT, AND CORRESPONDENCE TO DESCRIPTION.**

### **11.2 Limitation of Liability**

**NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY OR ANY FAILURE OF ESSENTIAL PURPOSE, IN NO EVENT SHALL THE COMPANY, INCLUDING ANY OF ITS RELATED PARTIES, BE LIABLE TO THE A CUSTOMER OR AN INDEPENDENT EXECUTIVE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, HOWEVER CAUSED, ARISING OUT OF OR RELATED TO THE INDEPENDENT EXECUTIVE AGREEMENT OR THE SUBJECT MATTER HEREOF (INCLUDING BUT NOT LIMITED TO THE DIGITAL SERVICE PRODUCT, THE OPPORTUNITY, COMPANY MARKETING MATERIALS OR COMPANY BUSINESS SUPPLIES), WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHER THEORY OF LIABILITY (INCLUDING BUT NOT LIMITED TO NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE CUSTOMER OR INDEPENDENT EXECUTIVE (OR ANY OF ITS RELATED PARTIES) HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN JURISDICTIONS THAT DO NOT GIVE EFFECT TO LIMITED LIABILITY OR EXCULPATORY CLAUSES, THIS PROVISION IS NOT APPLICABLE. IN JURISDICTIONS THAT ALLOW FOR EXCULPATORY OR LIMITED LIABILITY CLAUSES IN A LIMITED MANNER, THIS PROVISION IS APPLICABLE TO THE FULLEST EXTENT ALLOWED BY THE LAW OF SUCH JURISDICTION.**

## **12.0 DISCIPLINARY SANCTIONS**

## **12.1 Imposition of Disciplinary Action - Purpose**

Company reserves the right to impose disciplinary sanctions at any time, when it has determined that an Independent Executive has violated these Policies and Procedures as they may be amended from time to time by Company.

## **12.2 Consequences and Remedies of Breach**

- A. Disciplinary actions may include one or more of the following:
- I. Monitoring an Independent Executive's conduct over a specified period of time to assure compliance;
  - II. Issuance of a written warning and/or requiring the Independent Executive to take immediate corrective action;
  - III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until Company receives adequate additional assurances from the Independent Executive to ensure future compliance;
  - IV. Suspension from participation in Company or Independent Executive events, rewards, or recognition;
  - V. Suspension of the Company Independent Executive Agreement and business for one or more pay periods;
  - VI. Involuntary termination of the Independent Executive's Agreement and business;
  - VII. Any other measure which Company deems feasible and appropriate to justly resolve injuries caused by the Independent Executive's Policy violations; OR
  - VIII. Legal proceedings for monetary and/or equitable relief.

## **13.0 GRIEVANCES & DISPUTE RESOLUTION**

### **13.1 Grievances**

- A. If an Independent Executive has a grievance or complaint against another Independent Executive regarding any practice or conduct relating to their respective Company businesses, they are encouraged to resolve the issue directly between themselves. If a dispute arises that exists outside the scope of the Company business, then the Independent Executives should not involve the Company unless it becomes detrimental to the Company and prohibits the Independent Executive(s) from fulfilling their obligations hereunder.
- B. The Company shall be the final authority on settling such grievance or complaint regarding the Independent Executive positions and the Company's written decision shall be final and binding on the Independent Executives involved.
- C. ***Company will confine its involvement to disputes regarding Company business matters only.*** Company will not decide issues that involve personality conflicts or unprofessional conduct by or between Independent Executives outside the context of a Company business. These issues go beyond the scope of Company and may not be used to justify a Sponsor or Placement change or a transfer to another Company organization.
- D. Company does not consider, enforce, or mediate third party agreements between Independent Executives, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:
  - I. The Independent Executive should submit a written letter of complaint (e-mail will not be accepted) directly to the Company Compliance Department. The letter shall set forth the details of the incident as follows:
    - a. The nature of the violation;
    - b. Specific facts to support the allegations;
    - c. Date(s) and number(s) of occurrences;
    - d. Persons involved; and
    - e. Supporting documentation.
  - II. Upon receipt of the written complaint, Company will conduct an investigation according to the following procedures:
    - a. The Compliance Department will send an acknowledgment of receipt to the complaining Independent Executive.
    - b. The Compliance Department will provide a verbal or written notice of the allegation to the Independent Executive under investigation if the Company finds the facts to warrant an investigation. If a written

- notice is sent to the Independent Executive, they will have five (5) business days from the date of the notification letter to present all information relating to the incident for review by Company.
- c. The Compliance Department will thoroughly investigate the complaint and consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case-by-case basis, and the length of time to reach a resolution will vary.
  - d. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during that time. Independent Executive calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
  - f. Company reserves the right to take any preliminary disciplinary action as the investigation is ongoing at its sole discretion based on the individual facts.
- E. Company will make a final decision and timely notify the Company Independent Executives involved.

## 13.2 Dispute Resolution

*Please see the separate Dispute Resolution provision to understand how disputes an Independent Executive may have against the Company and/or the Company may have against an Independent Executive are to be handled:*

<https://business.therusnetwork.com/en/user/co/infinity/page/disputes-resolution>

## 14.0 MISCELLANEOUS

### 14.1 Severability

If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed but shall be construed as much as possible with the intent of the original provision in accordance with the applicable law. The remaining terms and provisions hereof shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

### 14.2 Waiver

- A. *Only an officer of Company can, in writing, affect a waiver of the Company Policies and Procedures. Company's waiver of any particular breach or action of an Independent Executive shall not affect Company's rights with respect to any*

*subsequent breach, nor shall it affect the rights or obligations of any other Independent Executive. A waiver in one instance does not constitute a waiver at any other point for that Independent Executive or for any other Independent Executive likely situated.*

- B. The existence of any claim or cause of action of an Independent Executive against Company shall not constitute a defense to Company's enforcement of any term or provision of these Policies and Procedures.

### 14.3 Successors and Claims

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

### 15.0 DEFINITIONS

**ACTIVE INDEPENDENT Executive:** An Independent Executive who satisfies the minimum volume requirements, if any, has paid any required fees, and remains in good standing under the Policies and Procedures and is eligible to receive bonuses and commissions under the Compensation Plan.

**AGREEMENT:** The contract between the Company and each Independent Executive; includes the Independent Executive Agreement, the Company Policies and Procedures, the Company Compensation Plan, and all other applicable forms incorporated herein, all in their current form and as amended by Company in its sole discretion. These documents are collectively referred to as the "Agreement" but may also be referred to herein as the "Policies and Procedures," or these "Policies."

**BUSINESS DAYS:** Monday through Friday, excluding the weekend days of Saturday and Sunday. If a day within a period of Business Days, for purposes of counting, falls on a Monday through Friday on which there is a national holiday in which, for example, federal banks are closed, then that day shall not count as a Business Day.

**BUSINESS ENTITY:** Any corporate entity including but not limited to sole proprietorship, corporation, limited liability company, partnership, or trust.

**CANCEL:** The termination of an Independent Executive's business. Cancellation may be either voluntary, involuntary, or through non-renewal.

**COMPENSATION PLAN:** The guidelines and referenced literature for describing how Independent Executives can generate bonuses and commissions.



**CUSTOMER:** A Customer who purchases Company products and does not engage in building a business or retailing product.

**INDEPENDENT EXECUTIVE:** A generic term for any person or entity that has completed the Independent Executive Agreement with the Company and fulfilled all requirements to participate within the career path. An Independent Executive is able to recruit other Independent Executives, sell products and services, and build a Company business and earn bonuses and commissions via retail sales.

**LINE OF SPONSORSHIP (LOS):** A report generated by Company that provides critical data relating to the identities of Independent Executives, sales information, and enrollment activity of each Independent Executive's organization. This report contains confidential and trade secret information which is proprietary to Company.

**ORGANIZATION:** The Customers and Independent Executive placed below a particular Independent Executive.

**OFFICIAL COMPANY MATERIAL:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Company to Independent Executives.

**PLACEMENT:** Your position inside your Sponsor's organization.

**RECRUIT:** For purposes of Company's Conflict of Interest Policy, 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 Company Independent Executive or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

**RELATED PARTIES:** Company affiliates, owners, members, managers, and employees.

**RESALABLE:** Products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labelling 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) the product contains current Company labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SPONSOR:** An Independent Executive who enrolls a Customer or another Independent Executive into the Company, and is listed as the Sponsor on the Independent Executive Agreement. The act of enrolling others and training them to become Independent Executives is called "sponsoring."

UPLINE: This term refers to the Independent Executive or Independent Executives above a particular Independent Executive in a sponsorship line up to the Company. It is the line of sponsors that links any particular Independent Executive to the Company. -----  
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**Last Revised Date: September 12, 2024**-----  
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