

The following Policies and Procedures document was crafted by and for Independent Associates affiliated with Bonvera. The foundation of this effort was forged under the principle of "Justice for All". The premise is that an Associate's business is independent and valuable to them, yet has no greater independence and importance than any other Associate's business or the Bonvera company itself.

This document was created prior to the formation of Bonvera and the Independent Community Advisory Association (ICAA). Therefore, the Policies and Procedures contain the principles of fairness and justice in its very DNA. Welcome to Bonvera!

## **BONVERA, LLC**

### **STATEMENT OF POLICIES AND PROCEDURES**

1. Bonvera, LLC, hereinafter "Company," is a direct selling Company marketing the following, but not limited to, recognized brands, partner store brands, health care, personal care, home care, private label products and other consumer products, to the consumer through Independent Associates (hereinafter Associate). The policies and procedures herein are applicable to all Independent Associates of the Company.
2. An Associate is one who has completed a Company application and agreement and has been accepted by the Company as an Associate. The Company reserves the right to accept or reject anyone as an Associate.
3. All Associates must be the age of majority in the state in which they distribute Company products and services.
4. Unless waived in writing by the Company upon application, the Company will consider each married couple a single Associate. Husbands and wives may not sponsor each other directly or indirectly, nor have different sponsors. If one spouse is already an Associate, the nonparticipating spouse may elect to become an Associate, but must join the same Associate position as his or her spouse. The Company reserves the right to reject any applications for new Associate or application for renewal. Should a husband/wife Associates divorce, they should notify the Company as to how the Associate position is to be managed thereafter. Otherwise, the Company will recognize the final judicial or adjudicatory disposition of the Associate position.
5. Associates are independent marketing representatives of the Company and are not to be considered purchasers of a franchise or a distributorship. The agreement between the Company and its Associates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Associate. Each Associate shall hold harmless the Company from any claims, damages or liabilities arising out of Associate's business practices. Company Associates have no authority to bind the Company to any obligation. Each Associate is encouraged to set up his/her own hours and to determine his/her own methods of sale, so long as he/she complies with the Policies and Procedures of the Company.
6. Transaction Submission Integrity. It is essential to the success of the Company, its Associates and customers that submissions of transactions to the Company maintain integrity of communication. It is to be expected that all transaction submissions to the Company, including, but not limited to, Associate applications, Associate communication, Associate financial transactions and consumer transactions, be submitted by the individual or entity involved in the

transaction. Third party submission of any and all transaction submissions is prohibited. An Associate may not communicate any transaction submissions on behalf of another Associate, Associate applicant or customer. An Associate may not use his or her credit card or bank account on behalf of another individual or Associate. This rule is applicable to any and all forms of transactions submissions, including, but not limited to, online, telephone, fax, email, etc.

7. Ethical Conduct. Associates will, at all times, conduct their business in a professional and ethical manner that is supportive to both the Company and other Associates. An Associate shall engage in no conduct which negatively impacts, disrupts or impairs the reputation or business of the Company, its products/services or other Associates, including, but not limited to: disparagement of the Company, its officers or employees, its products/services or other Associates; manipulation of the compensation plan or unauthorized manipulation of the placement program or genealogy structures; undermines or is at odds with the training systems utilized by and authorized by the Company; conduct which is abusive, disrespectful, bullying or intimidating of other Associates, customers, employees, or affiliates of the Company; conduct that undermines the relationship between the Company and Associate or relationships between Associates; conduct which disrespects the privacy of other Associates; conduct which is false, fraudulent, dishonest or deceptive in any way; or any other conduct which the Company deems disreputable or, in any way, negatively impacts the Company or other Associates.
8. The Company's program is built upon retail sales to the ultimate consumer. The Company also recognizes that Associates may wish to purchase products or services in reasonable amounts for their own personal or family use. A retail sale for bonus purposes shall include sales to nonparticipants, as well as sales to Associates for personal or family use. It is company policy, however, to prohibit the purchase of products or quantities of inventory for the purpose of qualifying for bonuses or advancement in the marketing program. Associates may not inventory load nor encourage others in the program to load up on inventory. Associates must fulfill published personal and downline retail sales requirements, including required retail sales to nonparticipants, as well as supervisory responsibilities, to qualify for bonuses, overrides or advancements.
9. Any Associate who sponsors other Associates must fulfill the obligation of performing a bona fide supervisory, distributing and selling function in the sale or delivery of products to the ultimate consumer and in the training of those sponsored. Associates must have appropriate contact, communication and management supervision with his/her sales organization. Examples of such supervision may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voicemail, electronic mail, training sessions, accompanying individuals to Company training and sharing genealogy information with those sponsored. Associates should be able to provide evidence to the Company of ongoing fulfillment of sponsor responsibilities. If an Associate is entitled to Enroller bonuses, then the Enroller is obligated to the same responsibilities of supervisory, communication and training activities with respect to Associates he or she has enrolled, irrespective of whether the Enroller is also the Sponsor of those Associates.
10. Company Retail - 70 Percent Policy: The Company sales and marketing program is based upon retail sales to the ultimate consumer. Every aspect of the program is designed to assist our Associates in the marketing of products and services to the general consuming public. The Company policy is that an Associate should purchase products and services in commercially reasonable quantities, and under no circumstances may an Associate cause others to purchase

products or services in amounts that are not reasonably expected to be sold to the consuming public or in unreasonable amounts for personal or family use. In furtherance of these policies, the Company has adopted specific rules on retail sales and retailing referenced herein as the “Company Retail - 70 Percent Rule”. In the interest of protecting the consumer and the opportunity of its Associates, the Company can enforce this rule through a verification program.

#### Company Retail - 70 Percent Rule

a) Retail Rule.

Although the primary function of the Company is to sell products and services to the general consuming public, the Company realizes that its Associates may wish to purchase product for personal or family use in reasonable amounts. For this reason, the Company defines a retail sale to include sales to nonparticipants, as well as purchases for personal or family use in reasonable amounts, which are not made solely for purposes of qualification or advancement. This is a standard followed by leading direct selling companies. Notwithstanding this policy, the Company, in order to specifically further retail selling, has adopted a requirement that an Associate will not be eligible for bonuses or overrides unless he or she has made requisite sales per month to nonparticipant retail customers.

b) Required Retail Sales

To qualify for bonuses and awards, an Associate must achieve requisite personal volume to meet active status, and stated nonparticipant retail sales volume mandates. If active status is fulfilled, in order to be eligible for bonuses and awards, the Associate must satisfy at least one of the following nonparticipant retail sales volume:

- (1) \$75 per month
- (2) Maintain 5 individual nonparticipant retail customers per month
- (3) Two (2) smart shoppers totaling \$50 per month

c) Required Retail Sales Grace Period

To be eligible for commissions, an Associate, in addition to achieving stated personal and group volume, must satisfy retail sales requirements with the understanding that an Associate will need time to build a retail customer base. There is a grace period of 12 full months after enrollment to achieve the retail sales requirement.

d) 70 Percent Rule

The Company has adopted a 70 percent rule. Under this rule, Company Associates may not order additional products unless they have sold or used for personal or family use at least 70 percent of previously purchased products.

e) Audit Verification Program

In its effort to support and enforce the retail sales 70 percent rule, the Company on a quarterly basis will randomly conduct audit verification follow-ups. The Company's Compliance Department will contact Associates to further verify compliance with the retail sales 70 percent rule. Associates should maintain records and be prepared to assist the Company Compliance Department in its task.

11. Sales Volume Qualification by Order Taking The Company has adopted minimum personal and group sales volume requirements. With respect to tangible products, which may be offered for purchase for resale, minimum sales volume requirements may also be fulfilled by taking orders from retail customers which will be fulfilled or drop-shipped by the Company directly to the retail customer.
12. All Associates are responsible for paying local, state and federal taxes due on earnings from commissions or any other earnings generated as a seller of Company products and services. The Company will collect sales tax on behalf of the Associate, then report and distribute applicable sales taxes to the taxing entity for the state in which the sale is made. Associates may apply for a waiver of this practice by submitting a copy of their sales and use tax number (and a statement that they are wholesale purchasers purchasing for resale) acquired through their local taxing authorities.
13. Company Associates shall not advertise Company products and services and/or marketing plans except as specifically approved by the Company. Company Associates agree to make no false or fraudulent representations about the Company, the products, the Company compensation plan, or income potentials.
14. No purchase or investment is necessary to become a Company Associate other than the purchase of, or payment fee for, a sales kit which is sold "at Company cost." (Purchase is optional in North Dakota). This "at cost" sales kit fee covers basic and ongoing sales and marketing materials and support in both written and electronic and online media formats, including product and service updates.
  - a) As an extension to the "at cost" sales kit, a modest monthly fee may be charged for the following, but not limited to, expanded "at cost" ongoing sales and marketing materials support, including back office accounting review, training updates, replicated website and communication tools to support the sales and marketing process.
  - b) An annual renewal fee will be charged to the Associate to maintain "active" status.
15. Trademark, Copyright, Trade Names, Advertising
  - a) The name of the Company and other names as may be adopted by the Company are proprietary trade names and trademarks of the Company. As such, these marks are of great value to the Company and are supplied to Associates for Associates' use only in an expressly authorized manner. Associates agree not to advertise the Company products or services in any way other than the advertising or promotional materials made available to Associates by the Company. Associates agree not to use any written, printed, recorded or any other material in advertising, promoting or describing the products or services or the Company marketing program, or in any other manner, any material which has not been copyrighted and supplied by the Company, unless such material has been submitted to the Company and approved in writing by the Company before being disseminated, published or displayed.
  - b) The Associate, as an independent contractor, is fully responsible for all of his/her verbal and written statements made regarding the products or services and marketing program, which are not expressly contained in writing in the current Associate Agreement, and advertising or promotional materials supplied directly by the Company. Associates agree to indemnify the Company and hold it harmless from any and all liability

including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by the Company as a result of Associates' unauthorized representations.

- c) The Company will not permit the use of its copyrights, designs, logos, trade names, trademarks, etc. without its prior written permission.
- d) All Company marketing materials or published intellectual property, whether printed, on film, produced by sound recording, or on the internet, are copyrighted and may not be reproduced in whole or in part by an Associate or any other person except as authorized by the Company.
- e) Company Associates may not produce, use or distribute any information relative to the contents, characteristics or properties of Company products or services which has not been provided directly by the Company. This prohibition includes but is not limited to print, audio or video media.
- f) Company Associates may not produce, sell or distribute literature, films or sound recordings which are deceptively similar in nature to those produced, published and provided by the Company for its Associates. An Associate may not purchase, sell or distribute non-company materials which imply or suggest that said materials originate from the Company.
- g) Any display ads, institutional or trademark advertising copy, other than covered in the foregoing rules, must be submitted to the Company and approved in writing by the Company prior to publication.
- h) All advertising copy, direct mailing, radio, TV, newspaper and display copy must be approved in writing before being disseminated, published or displayed with the exception of blind ads where no reference is made to the Company name or product name.
- i) No claims as to therapeutic or curative properties about the products may be made, except those officially approved in writing by the Company or as contained in the official Company literature. In particular, no Associate may make any claim that the Company products are useful in the treatment or cure of any disease. Such statements can be perceived as medical claims. Not only is this totally against Company policy, but it is also against the laws governed by the United States Food and Drug Administration.

#### 16. Recording Policy

- a) Attendance at Company Events; use authorized in Company media. Company events may be recorded by Company. Images, video and audio of people attending or participating in a Company related event may be used in Company published media in business support materials and for promotions. By registering and attending a Company related event, you agree to allow Company to use your image, video, audio and personal information in these recordings.
- b) Private Video and Recording of Events Prohibited. Audio, video and cellular recording of Company related events is strictly prohibited as they are governed by an all-rights-reserved copyright policy. In accordance with this policy, Company prohibits any and all personal recordings of any Company related event. This includes all Company related conferences, leadership or team meetings, training sessions, etc.
- c) Audio, video, and cellular recordings of Company related events are not permitted; all audio and video recording devices are prohibited on the premises except by the expressed written permission of Company. Any attempt by unauthorized personnel to

record these events may result in the confiscation of and forfeiture of the recording device. No recording devices will be allowed into Company related events, and all bags, briefcases, and backpacks are subject to be searched.

17. Internet and Website Policy

The Company maintains an official corporate website. Associates are allowed to advertise on the internet through an approved Company program which allows Associates to choose from among Company home page designs that can be personalized with the Associate's message and the Associate's contact information. These websites link directly to the Company website giving the Associate a professional and Company-approved presence on the internet. Only these approved websites may be used by Associates. No Associate may independently design a website that uses the names, logos, product or service descriptions of the Company, nor may an Associate use "blind" ads on the internet making product or income claims which are ultimately associated with Company products, services or the Company's compensation plan. Any person using Company names, logos, trademarks, etc. on the internet or any other advertising medium, except as permitted by Company Rules and Regulations, shall be subject to immediate discipline, which may include termination of Associate status.

18. Prohibition of Sales on Unauthorized Internet Sites. Except with written authorization from the Company, an Associate may not sell or promote Company branded products on unauthorized internet sites, including, but not limited to auction sites such as eBay, or internet shopping sites such as Amazon or Craig's List or internet malls.

19. Unsolicited Email. The Company does not permit Associates to send unsolicited commercial emails to others unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act.

Any emails sent by an Associate that promote the Company, the Company opportunity or Company products and services must comply with the following:

- a) There must be a functioning return email address to the sender.
- b) There must be a notice in the email that advises the recipient that he/she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- c) The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- d) The use of deceptive subject lines and/or false header information is prohibited.
- e) All opt-out requests, whether received by email or regular mail, must be honored.

20. Unsolicited Faxes and Spam. Except as provided in this section, Associates may not use or transmit unsolicited faxes, mass email distribution, unsolicited email, or "spamming" or use an automatic telephone dialing system relative to the operation of their Company businesses. Unsolicited broadcast distribution of email or other distribution that may be defined as "bulk mail" or "SPAM" is strictly prohibited. Associates may send "general mailings" only to Associates in their downline organizations they personally sponsored and their direct up-line sponsor. When an Associate reaches the level of Senior Director, they can communicate as described above with their entire downline. Any other bulk use of email is prohibited.

The term "automatic telephone dialing system" means equipment, which has the capacity to:

- a) Store or produce telephone numbers to be called, using a random or sequential number generator; and
- b) To dial such numbers.

The terms "unsolicited faxes" and "unsolicited email" mean the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting the Company, its products, its compensation plan or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or email:

- a) To any person with that person's prior express invitation or permission; or
- b) To any person with whom the Associate has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two-way communication between an Associate and a person, on the basis of:
  - (1) An inquiry, application, purchase or transaction by the person regarding products offered by such Associate; or
  - (2) A personal or familial relationship, which relationship has not been previously terminated by either party.

21. Retail Establishments. Company produced literature, banners, or signage only may be displayed on a shelf, counter, or wall and must be displayed by itself. From time to time, the Company may announce policies and rules that expand or contract restrictions on sales in retail establishments.

If a retail establishment markets any company Branded products, they are required to use only company produced literature/banners. The company allows any Associate up to three (3) locations of a franchise or multi-store company the right to market company branded products.

22. Trade Shows. With written authorization from the Company, Company products or services and opportunity may be displayed at trade shows by Associates. Request for participation in trade shows must be received in writing by the Company at least two weeks prior to the show. Written authorization from the Company must be received before participating in the trade show. If written authorization is secured from the Company, Company products or services and opportunity must be the only products or services and/or opportunity that may be offered in the trade show booth. Only Company produced marketing materials may be displayed or distributed. No Associate may sell or promote the Company's products or services or business opportunity at flea markets, swap meets, or garage sales.
23. International Sales: No Associate may export or sell directly or indirectly to others who export the Company's branded products, literature, sales aids or promotional material relating to the Company, its products or services or the Company's program from the United States or its possessions or territories to any other country. Associates who choose to sponsor internationally may do so only in countries in which the Company has registered to operate its business and must comply fully with the Rules of Operation of a Company Associate's position in that country. Any violation of this rule constitutes a material breach of this contract and is grounds for immediate termination of the Associate.

24. The Company reserves the right to approve or disapprove Associate's change of business names, formation of partnerships, corporations, and trust for tax, estate planning, and limited liability purposes. If for any reason the Associate's request for change of name is not approved, the Associate can appeal through the mediation process found herein. If the Company approves such a change by Associate, the organization's name and the names of the principals of the organization must appear on the Associate application agreement. The Social Security number or Federal Identification number, acceptance of P & P's, and Terms and Conditions will be required at the time of the first log-in. No commissions will be paid until the Associate enters the required information. It is prohibited to make changes to attempt to circumvent or violate Company rules on raiding, solicitation, targeting, cross-sponsoring or interference.
25. The Associate Agreement may be canceled at any time and for any reason by an Associate notifying the Company in writing of the election to cancel. The cancellation will be effective on the date that it was signed by the Associate.
26. If an Associate elects not to renew his/her Associate agreement, all rights to bonuses, marketing position and wholesale purchases cease. The terminated Associate's sales organization shall be subject to placement in accordance with the then current published compensation plan.
27. If an Associate elects to return products, all of the following conditions apply:
  - a) Returns must be returned within 90 days of purchase with shipping cost paid by the Associate or customer.
  - b) Returns must be accompanied by Return Authorization Form (including receipt showing proof of purchase).
  - c) Returns must be in the original case quantity, new condition, in .season and not expired or discontinued.

The repurchase shall be the original net cost to the participant returning such goods, taking into account any sales made by or through such participant prior to notification to the Company, minus a 15% restocking fee. Buyback is 12 months in Massachusetts, Maryland, Montana, Georgia, Louisiana, Wyoming, Texas, Oklahoma, Idaho, Utah, Washington and Puerto Rico. In addition, the Company will honor statutory mandated buyback requirements of every jurisdiction. A Montana resident may cancel his or her Agreement within 15 days from the date of enrollment, and may return his or her starter kit for a full refund within such time period.

28. The Company shall be entitled to repayment of any commission previously paid on a sale of a product or service if the product or service purchase is cancelled or reversed or a refund paid for a terminated purchase. The Company shall recover the commission by adjustment on the next month's Associate commission payment. In the event that no commission is available for adjustment in the following month, the Associate who has received the commission shall repay the commission paid on the "reversed sale" within 30 days of the Company's notice to repay.
29. The Company shall be entitled to change product or service prices and BV at any time, without notice, and to make changes in the statement of policy and procedures.
30. Each Associate shall comply with all state and local taxes and regulations governing the sale of Company products or services.



31. Notwithstanding the Company's retail customer guarantee policy, all retail sales must comply with the FTC Three-Day Cooling Off Rule which requires statutory language and notice of cancellation on the retail sales receipt. The three-day right of cancellation must be orally explained to the customer and the customer must receive two (2) copies of the notice of cancellation form.
32. Prohibition on Raiding and Cross-Solicitation of Products or Other MLM and/or Business Opportunities. The Company takes seriously its responsibility to protect the livelihood of its sales force and to the hard work invested to build a sales organization. Raiding and solicitation actions in which Associates seek to raid and solicit other Associates in the sales organization to non-company products and services and to other MLM/business opportunities, severely undermines the marketing program of the Company, interferes with the relationship between the Company and its sales force and destroys the livelihood of other Associates who have worked hard to build their own business, the business of their sales force and benefits they have earned by helping to build a sales organization. Therefore, Associates shall not directly or indirectly sell to, nor solicit from, other Company Associates non-company products or services, or in any way promote to other Company Associates business opportunities in marketing programs of other MLM or business opportunity companies at any time. A Company Associate shall not engage in any recruiting or promotion activity that targets Company Associate for opportunities or products of other direct selling companies or business opportunities, either directly or indirectly, by themselves or in conjunction with others, nor shall an Associate participate, directly or indirectly, in interference, raiding or solicitation activity of Company Associate for other direct selling companies or business opportunities. Unless approved in writing by the Company, this prohibition includes sales or solicitation of non-company products or services at meetings organized for Company sales, promotion, training recruitment, demonstration, etc. This prohibition on targeting, interference, soliciting and raiding shall be in effect during the term of the Associate Agreement and for a period of one (1) year after the termination of the Associate Agreement. For the term of this agreement and for one (1) year after termination hereof, an Associate shall not, directly or indirectly, recruit any of Company's Associates to join other direct sales or network marketing companies, nor solicit directly or indirectly, Company's Associates to purchase services or products, or in any other way interfere with the contractual relationships between Company and its Associates.
33. On a periodic basis, the Company will supply reports to the Associate which will provide information concerning the Associate's downline sales organization, product purchases and product mix. The Associate agrees that such information or reports are proprietary and confidential to the Company and are transmitted to the Associate in confidence. The Associate agrees that he/she will not disclose such information to any third party directly or indirectly, nor use the information to compete with the Company directly or indirectly during or after the term of the agreement. The Associate and the Company agree that, but for this agreement of confidentiality and nondisclosure, the Company would not provide the above confidential information to the Associate. An Associate seeking to sell his/her Associate position must acknowledge and agree to this provision prior to the finalization of the sale of their Associate position.
34. Vendor Confidentiality. The Company's business relationship with its vendors, manufacturers and suppliers is confidential. An Associate shall not contact, directly or indirectly, or speak to or communicate with any representative of any supplier or manufacturer of the Company except at a Company sponsored event at which the representative is present at the request of the Company.

Violation of this regulation may result in termination and possible claims for damages if the vendor/manufacturer's association is compromised by the Associate contact.

35. An Associate shall take appropriate steps to safeguard the protection of all private information provided by a customer, a prospective customer and/or other Associates.

36. Change in Status.

**Marriage/Statutory Domestic Partnership:** Two Company Associates who marry or enter into a statutory domestic partnership, after having established their own individual Associate positions, may continue to operate their existing Associate positions.

**Divorce/Dissolution:** Should a couple become divorced or enter into a dissolution, they agree to notify the Company as to who will assume responsibility for the Associate position in one of the following manners:

- a) Written notarized agreement signed by both parties indicating who will retain the Associate position.
- b) A court order delineating who receives custody over the Associate position.
- c) Both parties may choose to retain their joint Associate position and operate it as a partnership.

The divorced/dissolved Associate may apply for a new Associate position without having to wait.

**Death:** Upon the death of an Associate, the rights and responsibilities of the Associate's position may be passed on to the rightful legally documented heir as long as that person has filled out a new Associate application agreement and completed the required training.

**Disability:** Should an Associate become disabled to the extent that he/she can no longer fulfill the required duties of a Company Associate, such disabled Associate's legal representative or conservator shall:

- a) Contact the Company within 180 days of the disability and advise the Company of the Associate's status and the plans for future management or cancellation of the Associate's position.
- b) Provide a notarized or court confirmed copy of appointment as legal representative or conservator.
- c) Provide a notarized or court confirmed copy of document establishing right to administer the Company business.
- d) Should the legal representative or conservator plan to continue the business of the Associate's position, then he/she shall fill out a new Associate application agreement and receive the required training consistent with the disabled Associate's level at the time of disability.
- e) These requirements shall be satisfied within a deadline of six months.

37. Sale or Transfer. An Associate may not sell, assign or otherwise transfer his/her Associate position, marketing position or other Associate rights without written application and approval by the Company. This paragraph is also applicable to the transfer of any interest in an entity that owns an Associate position, including but not limited to corporation, partnership, trust or other non-individual entity. The potential buyer must execute an Associate agreement. An Associate who

sells his/her Associate position shall not be eligible to requalify as an Associate for a period of at least six months after the sale.

An Associate may not add a co-applicant to their Associate position and thereafter, remove their name from the Associate position, in an effort to circumvent the Company's sale, assign, delegate or merger procedure. The primary Associate must wait twelve (12) months after adding a co-applicant to the Associate position before they are allowed to remove their name from the Associate position. It is prohibited to use a sale or transfer to attempt to circumvent Company policy on raiding, soliciting, cross-sponsoring or interference.

For the term of two (2) years after sale or transfer, an Associate agrees that he/she shall not, directly or indirectly, disrupt, damage, impair or interfere with the business of the Company, whether by way of interfering with, or raiding its employees or Associates, disrupting its relationship with customers, agents, representatives, suppliers, vendors or manufacturers or otherwise. Disrupting or interfering shall include, but not be limited to, direct or indirect solicitation or recruitment for other direct selling business opportunities or products or services of other direct selling companies. An Associate seeking to sell or transfer his/her Associate position must acknowledge and agree to this provision prior to the finalization of the sale or transfer of their Associate position.

38. This statement of policies and procedures is incorporated into the Associate agreement and constitutes the entire agreement of the parties regarding their business relationship. If an Associate becomes a beneficiary of a partnership or corporate entity that is an Associate or a beneficiary of a trust or a will that is an Associate he/she should not be forced to sell the inherited business, nor the business the Associate owns. In this case the Associate will have ownership of 2 Associate positions.

If two (2) Associates marry, each with their own business should not be forced to sell or abandon their respective businesses.

In all other cases, an Associate can only have one (1) business.

39. Amendments to Documents. The Company expressly reserves the right to alter or amend prices and product availability. The Rules and Regulations, Policies and Procedures, and compensation plan can be altered or amended at any time upon two thirds approval of the Independent Community Advisory Association (ICAA) board. In the event any Rules, Regulations, Policies or Procedures require an amendment to comply with any laws and regulations, the two thirds approval will not be required. Upon notification in writing, such amendments are automatically incorporated as part of the agreement between the Company and the Associates. Company communication of changes may include, but shall not be limited to mail, email, fax, posting on the Company website, publication in company newsletters or magazines, etc.
40. Non-Individual Ownership. A partnership or corporation may be an Associate. However, no individual may participate in more than one (1) Associate position in any form without express written permission from the Company.
- a) An Associate position may change status under the same sponsor from individual to partnership or corporation or from partnership to corporation with proper and complete documentation.

- b) To form a new Associate position as a partnership or corporation or to change status to one of these forms of business, you must request a partnership corporation form from the corporate home office. This form must be submitted detailing all partners, stockholders, officers or directors in the partnership or corporation. The partner or officer who submits the form must be authorized to enter into binding contracts on behalf of the partnership or corporation. In addition, by submitting the partnership corporation form, you certify that no person with an interest in the business has had an interest in an Associate position within six (6) months of the submission of the form (unless it is the continuation of an existing Associate position that is changing its form of doing business).

41. Individual and Entity Ownership Information.

- a) An individual can have only one Associate position in the Company. He/she may not own any other Associate position, either individually or jointly, nor may he/she participate as a partner, owner, stockholder, trustee, director, or association member in more than one Associate position in any form. When family integration is desired, the Associate must submit written application for approval by the ICAA. Approval shall not be unreasonably withheld in the case of family member trusts, legacy or inheritance.
- b) An individual shall provide the Company with a Social Security Number or a Taxpayer Identification Number (TIN) on an IRS W-9 form. No individual operating under a fictitious name, partnership, corporation or other business entity may become a Company Associate without submitting an "Entity Information" form following enrollment of proprietorship, corporation, Limited Liability Corporation (LLC), trust or partnership.

- (1) **Proprietorship:** A copy of the fictitious name filing must be submitted, plus a W-9 form.
- (2) **Corporation:** Copies of the articles of incorporation are required, including the page with state seals and notarization. These articles will show who the principals are and will validate Federal ID Number/Business Number/E.I.N, plus a W-9 form.
- (3) **LLC:** IRS acceptance only. The name on the IRS acceptance is required to state the LLC in order to use it as an LLC, plus a W-9 form.
- (4) **Trust:** An affidavit of trust with the notarized copy of the power of attorney is necessary. If a Federal ID Number is to be used and is not noted in the affidavit, an IRS acceptance will be required, plus a W-9 form.
- (5) **Partnership:** To register as a partner, complete the partnership portion of the Entity Information form along with all signatures that apply, plus a W-9 form.

42. Entity Guarantee for Owners. Although Company has offered Associates the opportunity to conduct their Associate position as corporate, LLC, trust or partnership entities, it is agreed that since the Associate position entity is under the control of its owners or principals, the actions of the individual owners or beneficiaries as they may affect the Company and the Associate position are also critical to Company's business. Therefore, it is agreed that actions of the ownership entity shareholders, officers, directors, trustees, beneficiaries, agents, employees or

other related or interested parties, and the actions of such parties which are in contravention to Company's policies shall be attributable to the corporate, LLC, trust or partnership entity.

In the event that any of the ownership entity shareholders, officers, directors, trustees, beneficiaries, agents, employees or other related parties shall terminate ownership interests in the Associate position, any breaching actions by such parties that continue to have a beneficial financial interest directly or indirectly in the Associate position, shall be attributable to the Associate position.

43. Members of Same Household; Responsibility. Members of Associate's household may operate together as one Company Associate position, but may not become separate Company Associates. Household is defined as husband, wife, and dependents. Note: Children and/or other persons of legal age to contract and at least 18 years of age are not considered a part of their parents' household.

Company recognizes that members of the same household may belong to competing direct selling opportunities. Although the actions of the parties are normally in good faith, in some circumstances there is an abuse of relationships in which the non-company household member is engaged in recruitment, solicitation or raiding of the Company sales organization. Since the household member that has an ownership interest in the Company Associate position is in the best position to be responsible to prevent raiding or cross-sponsoring activity by their co-household member, the cross-recruiting activity of the non-company household member shall be attributed to the Company Associate position, subjecting the Associate position to discipline or termination.

44. It is agreed that Company is authorized to use Associate's name, photograph, personal story and/or likeness in advertising or promotional materials. Associate waives all claims for remuneration for such use.
45. Disciplinary Actions. An Associate's violation of any policies and procedures, the agreement, terms and conditions, or any illegal, fraudulent, deceptive, or unethical business conduct may result, at the Company's discretion, in one or more of the following disciplinary actions:
- a) The Company will issue a written warning or admonition by mail at the latest address listed with the Company for the Associate.
  - b) Imposition of a fine, which may be imposed immediately or withheld from future commission checks.
  - c) Reassignment of all or part of an Associate's organization.
  - d) Suspension, which may result in termination or reinstatement with conditions or restrictions.
  - e) Termination of the Associate.

46. The Company reserves the right to terminate any Associate at any time for cause when it is determined that the Associate has violated the provisions of the Associate agreement, including the provisions of these policies and procedures as they may be amended or the provisions of applicable laws and standards of fair dealing. Such involuntary termination shall be made by the Company at its discretion. Upon an involuntary termination, the Company shall notify the Associate by mail at the latest address listed with the Company for the Associate. In the event of a termination, the terminated Associate agrees to immediately cease representing him/her self as an Associate.

47. Termination/Suspension.

- a) When a decision is made to suspend or terminate an Associate, the Company will provide notice to the ICAA Executive committee that a decision has been made to suspend or terminate the Associate, pending receipt of a recommendation by the ICAA Executive committee.

The recommendation by the ICAA Executive committee must be given within five (5) business days of the notification. After recommendation by the ICAA the Company will proceed within five (5) business days as it deems appropriate. The Company shall immediately notify the Associate of its action in the case of suspension/termination, by certified letter. If the recommendation is for dismissal, no further action is required. If the recommendation is for suspension/termination notice will be sent by certified mail to the Associate's address on file with the Company.

- b) Upon receipt of the suspension/termination notification, the Associate will have twenty (20) days from the date of mailing of the certified letter, in which to appeal the suspension/termination in writing and provide a written response to the finding of violations of Company agreement, policies and/or rules. If the appeal is not received within the twenty (20) day period, the suspension/termination will be automatically deemed final.
- c) If an Associate files an appeal of suspension/termination within the twenty (20) day period, the Company will review the suspension/termination, and consider any other appropriate action and notify the Associate of its decision. The decision of the Company will be final and subject to no further review, except as provided below in mediation/arbitration. In the event the suspension/termination is not rescinded, the termination will be effective as of the date of the Company's original mailing of suspension/termination notice.

Mediation. In the event of a final decision of suspension/termination, an Associate must give written notice to the Company within thirty (30) days from the final decision if the Associate intends to proceed with non-binding mediation by the Hearing Committee of the ICAA. This hearing must be done within 90 days of the response by the Associate to the Company. The hearing will take no longer than four (4) hours. It may be done in person in conjunction with regularly scheduled board meetings or done via internet or phone. A recommendation by the hearing committee will be given to the Associate and the Company. This is non-binding and the associate and company will hold the hearing committee harmless.

Arbitration or Court of Law. To file a claim in a court of law or request arbitration the Associate must have completed mediation as outlined in d.) above. In the event the Associate disagrees with the mediation findings, he/she must notify the Company in writing within ten (10) days. In order to enter into mandatory binding arbitration, both parties must be in agreement to do so. If both parties are not in agreement, then the option is to abandon the proceedings or pursue remedy through the judicial court system. Any controversy regarding termination shall be settled by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. All arbitration proceedings shall be held in

Wichita, Kansas. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction.

48. All Associates have the right to sponsor others. In addition, every person has the ultimate right to choose his/her own sponsor. If two or more Associates should claim to be the sponsors of the same new Associate, the Company shall regard the first application received by the corporate home office as controlling. If contested, the Company shall contact the new Associate for his declaration of intent.
  - a) As a convenience to its Associates, the Company may provide various methods of registering or informing the Company of newly sponsored Associates, including online Internet registration and telephone registration.
  - b) Sponsors are not required to carry inventory of products or sales aids for new Associates.
  - c) When soliciting a prospective Associate to join the Company's program, the Associate must clearly explain the following:
    - (1) Products
    - (2) Compensation plan
    - (3) Policies and Procedures
    - (4) Associate's rights and duties
49. Transfer of Sponsorship. Transfer is rarely permitted and is discouraged. Maintaining the integrity of sponsorship is absolutely mandatory for the success of the overall organization.
  - a) Transfers will generally be approved in three (3) circumstances only:
    - (1) In the case of unethical sponsoring by the original sponsor. In such cases, the Company will be the final authority.
    - (2) With written approval of the transferee(s), the immediate upline, the person that put them on the team, and the upline Senior Director.
    - (3) Resigning from the Company entirely and waiting six (6) months to reapply under the new sponsor.
  - b) In cases of unethical sponsoring, the individual may be transferred with or without any downlines intact. In all other events, the individual alone is transferred without any downline Associates being removed from the original line of sponsorship.
50. To be eligible for monthly override commissions and bonuses, the Associate must comply with:
  - a) Supervisory responsibility requirements as outlined herein.
  - b) 70% rule on resale of wholesale products ordered.
  - c) Retail sales rule. See Policy #10, Required Retail Sales Rule.
51. The Company encourages each Associate to keep accurate sales records. The program is based upon retail sales to the ultimate consumers; therefore, all forms of stockpiling are prohibited. Products and services are offered to Associates only for personal consumption and for resale to consumers. See Policy #10, Company Retail - 70% Rule.
52. See specific addenda to Associate agreement for specific states as to statutory purchasing limitations, buyback rules and other restrictions, disclosures and additional Associate rights and

responsibilities. In any state with a business opportunity statute, required expenditures during the first six (6) months shall not exceed the statutory amount that initiates applicability of the state business opportunity statute.

53. Income Claims. No income claims, income projections nor income representations may be made to prospective Associates. Any false, deceptive or misleading claims regarding the opportunity, products, or services are prohibited. In their enthusiasm, Associates are occasionally tempted to represent hypothetical income figures based upon the inherent power of network marketing as actual income projections. This is counterproductive, since the new Associate may be quickly disappointed if their results are not as extensive or as rapid as a hypothetical model would suggest. The Company believes firmly that the income potential is great enough to be highly attractive in reality without resorting to artificial and unrealistic projections.
54. Representation of Status. In all cases, any reference the Associate makes to him/her self must clearly set forth the Associate's independent status. For example, if the Associate has a business telephone, the telephone may not be listed under the Company's name or in any other manner which does not disclose the independent contractor status of the Associate.
55. Tax Reporting Applicable to Non-U.S. Citizen/Residents. If the Associate is a non-U.S. citizen/resident, then he/she hereby confirms that he/she is not a citizen or resident of the United States, and is obliged to inform the Company of this status. The Associate agrees that, if the Associate engages in any activities related to the Company while physically present in the United States, the Associate will (1) inform the Company about such activities, (2) submit a completed IRS Form 8233\* to the Company if requested by the Company, completed as directed by the Company, for the year in which such activities occur and for each year thereafter, and (3) inform the Company of the aggregate dollar amount of the sales of the Associate or the Associate's down line that, as reasonably determined by the Associate, are attributable to activities that the Associate performed while physically present in the United States including an explanation of how the Associate calculated the amount. The Associate understands that, if the Associate engages in any such activities in any year, the Company may be required to (1) withhold a portion of each payment to the Associate in that year and each subsequent year and (2) report a portion of each payment to the Associate to the IRS on IRS Form 1042 and report the same to the Associate on IRS Form 1042-S.  
  
**\* IRS Form 8233 is applicable for distributors in certain countries that are parties to a U.S. tax treaty.**
56. Judgment and Tax Liens. The Company will comply fully with any court order or instruction/demand by any government taxing authority that orders, instructs or demands the withholding of an Associate's earnings from his/her Associate position with the Company.
57. Subpoenas Duces Tecum (Demands for Records). Assuming proper jurisdiction, the Company will comply with all subpoenas duces tecum demanding financial compensation records of an Associate in his/her capacity as an independent contractor with the Company.
58. Requests for Records. The Company will comply fully with all requests for records accompanied by a properly prepared and signed authorization by the person whose records are being sought. The Company will comply fully with all requests for records by government agencies that have the authority to request such records as long as they are accompanied by the requisite legal documentation.



59. Newspaper and Online Advertisements. Some Associates use classified advertising in the newspapers or online, such as Craig's List, to find prospects. The following rules apply:
- No advertisement may imply that a "job" or "position" is available.
  - No specific income can be promised.
  - Advertisements must contain no misleading facts or distortions of the Company opportunity or product line.
60. Business Cards and Stationery. Any printed materials, including business cards and stationery, must be approved by the Company in advance if they include the company name and/or logo. Criteria for approving these materials will include a judgment regarding the quality of the materials as well as properly setting forth the independent status of the Associate.
61. Telemarketing Techniques. The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies, as well as a number of states, have "do not call" regulations as part of their telemarketing laws. Although the Company does not consider Associates to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, Associates must not engage in telemarketing in the operation of their Company businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Company product or service, or to recruit them for the Company opportunity. "Cold calls" made to prospective customers or Associates that promote either Company products or services or the Company opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Associate (a "prospect") is permissible under the following situations:

- a) You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three (3) months. Bear in mind, however, that if you make a habit of "card collecting" with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling "acquaintances," you must make such calls on an occasional basis only and not make this a routine practice.
- b) The prospect's personal inquiry or application regarding a product or service offered by the Associate within the three (3) months immediately preceding the date of such a meeting.
- c) An "established business relationship" is a relationship between an Associate and a prospect based on the prospect's purchase, rental or lease of goods or services from the Associate, a financial transaction between the prospect and Associate or any other established business relationship between the prospect and the Associate, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service or enroll in the Company marketing program.
- d) If the Associate receives written and signed permission from the prospect authorizing

the Associate to call, the authorization must specify the telephone number(s) which the Associate is authorized to call.

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

62. Press Inquiries. Any inquiries by the media are to be referred immediately to the Company. This policy is to assure accuracy and consistent public image.

63. Social Networking. If done correctly and in compliance with Company policies, social networking may be useful in driving traffic to the official Company website and to Company authorized personal replicated websites of Associates. The following rules and guidelines regarding social networking are applicable:

- a) The Company encourages Associates to join online forums, discussion groups, blogs and other forms of Internet communication for the purpose of communicating the benefits of Company products and opportunity. Internet social networking is similar to telephoning, emailing and other technology assisted communication. It is not a violation so long as it complies with the general policies and procedures governing claims and contacting. Social networks include such sites as Facebook, LinkedIn, Twitter and so on. Additionally, there are social networks of like-minded persons. You may find social networks by doing a Google search using varying topics.
- b) You must comply with the rules associated with websites and networks. For instance, some sites prohibit the marketing of financial opportunities or the selling of products.
- c) Upon notifying the Company Compliance Department via email for review, you may publish YouTube, Twitter and other communications. You must supply for content review a link to the material you have posted. In the event your material is found to be non-complying you will be required to remove it within 24 hours.
- d) Here are some guidelines for you to follow as you use Facebook or other social networking sites to grow your business online.

(1) Positive Steps to Help Your Business:

- Post as much as you like to your wall.
- Comment as much as you like on your photos and links.
- Post as many links on your page.

(2) Activities to Avoid:

- Do not send more than the allowed friend invites per day or your account may be deactivated.
- Do not post anything to someone's wall about the Company if they have asked you to stop.
- Do not send emails with links to anyone you do not know unless they have asked for the link.
- Do not post more than the allowed times per day to anyone else's walls, as deactivation may occur.

Your property is your page while other people's pages are their property; and this "ownership" must be respected as if it were the real property of your neighbor. This simple approach will keep you out of trouble with social networking sites and help us maintain the integrity of the Company.

64. Internet Search Engine Optimization.

- a) Associates may use, reference, or incorporate the Company names and trademarks in approved Internet advertising.
- b) When participating in chat rooms and other social media, Company Associates may use approved Company language (as represented in the brochures, promotional and training materials of the Company and on the Company website) for the purpose of discussing the Company products and opportunity.
- c) Associates may use the language of approved Company literature for Internet advertising. Company trademarks, trade names, product names or any variations thereof, may not be used in search engines.
- d) Associates may communicate the benefits of Company products on the Internet and on search engines in appropriate categories.
- e) Associates may not use language that is sexually explicit, threatening, pornographic, violent or otherwise prohibited.
- f) In no way should any independent website or link give the impression of being the official website of the Company rather than that of a Company Associate. All Internet advertising must clearly report that the ad is placed by an "Associate" of the Company.
- g) Associates may use words from approved Company advertising as "key words" for the purpose of having communications found by search engines.
- h) With the exception of the Associate's authorized hosted Company website, the use of the Company name within a URL address/domain name, directory, file name, e-mail address, official title for a social media account or any derivative thereof, is not permitted (by way of example, but not limited to, the varying derivatives of the name of the Company that use the Company name in the URL or domain name). Company Associates may not use any domain name or email address that includes any reference, whether abbreviated or not, to the Company name, products or services, except in connection with the Company Associate's authorized replicated Company website.
- i) Company Associates may not publish, post, or distribute any material on their websites or in conversation or postings on the Internet, including blogs and social networking in connection with the Company, that is defamatory, libelous, disparaging, threatening, offensive, harassing, abusive, obscene, pornographic, in violation of applicable law or anything that inhibits others from enjoying the Company's main website or the Company Associates' websites.
- j) Determination of whether a link is objectionable is solely at the discretion of the Company.
- k) Associates may not use tactics such as "cloaking" or other deceptive means on the Associates' web pages (For example: Cloaking in Google terms means designing a website so that search engines see one thing and visitors see another.)

- l) Company Associates should make sure that any advertising through digital media, such as the Internet and email, is fully compliant with Company policies and procedures, Internet Compliance Department, and existing laws and regulations.
- m) Company Associates may not sell or advertise products over the Internet through independently designed shopping carts or websites that use the names, logos, product or income testimonials, compensation plan or product description(s) of the Company. Associates may send "general mailings" only to Associates in their downline organizations and their direct upline enroller. Any other bulk use of email is prohibited by the Company and will result in immediate discipline, which may result in termination of Associates' rights and benefits and the loss of Associates' rights, including sales organizations and compensation. Various kinds of prohibited emails, either bulk or individual, include but are not limited to the following:
  - (1) Unsolicited or Blind Mass Email. Many "lists" that can be purchased for distribution over the Internet have been illicitly compiled and result in completely unsolicited information being sent to uninterested parties. Since the expense is so low to distribute to these lists, they are even more prevalent than bulk-mailings through traditional channels. Any use of a list not specifically approved by the Company or compiled from a legitimate genealogical listing of the emailer's downline organization is subject to immediate discipline.
  - (2) Hidden Approval Mass Email. Sites that garner approval by having hidden, discreet or non-prominent "buttons" that are selected by default rather than choice are illegal. For instance, if it is necessary to de-select approval to keep from being added to a list, rather than requesting to be added, the resulting list is illegal. Many supposedly "approved lists" have in fact been gathered illicitly through this means.
  - (3) Third Party Approval for Mass Email. Companies that gather approval from inquiries, then sell the lists to third parties where the person giving approval is not informed that a third party will contact them, compile illegal lists. These companies frequently distribute to many third parties who "bury" the user with many emails.
  - (4) Legal and Ethical Email Communication. Email is by its nature personal and mutual: An appropriate Company email is a communication in which both parties are interested. Rather than requiring denial to terminate ("If you want your name removed from this list ..."), it requires consent to initiate. Any email communication which violates this premise is potentially illegal and subjects the author to disciplinary review.
  - (5) Specifically Illegal Practices: False Reply-To Address. Any attempt to disguise the identity of the emailer will be taken as evidence for the intent of fraud and subject the sender to immediate discipline.
  - (6) Linking. No links may be made from an Associate website, except as provided or authorized by the Company. Authorized links include:

- Links made to a Company Associate's website for the purpose of Company Communication, so long as such communication does not violate the terms and Conditions of this agreement and such agreements as a Company Associate has with the Company.
  - Links from blogs and social networking sites joined for the purpose of networking, marketing, sponsoring, and selling the Company products. The trademarks, names, and identities of the Company are for the exclusive use and licensing of the Company. The purpose of the Company licensing of Associate sites is to supervise and control the content by which Company products and opportunity are marketed. Any effort to circumvent this authorization and supervision will be regarded as a violation of the rules and regulations and subject to immediate discipline. Social networking and/or participating in the conversations of blogs must conform to these standards. See Policy #20.
- n) Lawful use of the Internet. The Company supports all laws and regulations regarding use of the Internet, the Worldwide Web, and all other communication technologies. Any person associated with the Company program found in violation of said rules and regulations, including, but not limited to spamming (unsolicited bulk contact using the Internet), etc., is subject to immediate discipline.
- o) Internet Banner Advertising, etc. Banner advertising is bound by the same policies and procedures affecting other forms of advertising and must conform to general policies and procedures.
65. Federal and state regulatory agencies rarely approve or endorse direct selling programs. Therefore, Associates may not represent that the Company's program has been approved or endorsed by any governmental agency.
66. Indemnification and Hold Harmless. The Associate hereby indemnifies and releases the Company, its officers, directors, and agents, assigns and holds harmless from and against the full amount of any and all claims, causes of action, judicial and administrative proceedings suits, charges, liabilities, losses, damages, costs and expenses, including without limitation court costs and reasonable fees and expenses of attorneys and consultants, which are or may be made, filed or assessed against the Company at any time arising out of Associate's business operations and representations made by Associate in the operation of his/her business, arising from the following, but not limited to:
- a) Violation and/or lack of compliance with terms of the Associate agreement, policies and procedures, rules and regulations, marketing program manual or guidelines or any other directive from the Company as to method and manner of operation of the Associate's business;
  - b) Engaging in any conduct not authorized by the Company in the Company marketing program;
  - c) Any fraud, negligence or willful misconduct in the operation of the Associate's business;
  - d) Misrepresentation or unauthorized representation regarding the Company's products or services, marketing opportunity, potential or the Company's marketing program;

- e) Failure to adhere to any federal, state or local law, regulation, ordinance and/or any order or rule issue by any court of appropriate jurisdiction;
  - f) Engaging in any action which exceeds the scope of authority to the Associate as granted by the Company;
  - g) Engaging in any activity over which Company has no effective control as to the actions of the Associate.
  - h) Engaging in the general business operations of Associate's business.
67. Waiver. The Company never gives up its right to insist on compliance with these rules or with the applicable laws governing the conduct of a business. This is true in all cases, both specifically expressed and implied, unless an officer of the Company who is authorized to bind the Company in contracts or agreements specifies in writing that the Company waive any of these provisions. In addition, any time the Company gives permission for a breach of the rules, that permission does not extend to future breaches. This provision deals with the concept of "waiver," and the parties agree that the Company does not waive any of its rights under any circumstances short of the written confirmation alluded to above.
68. Governing Law. These rules are reasonably related to the laws of the state of Kansas and shall be governed in all respects thereby. The parties agree that jurisdiction and venue shall lie with the place of acceptance of the Associate's application, the state of Kansas.
69. Partial Validity. Should any portion of these Rules and Regulations of the Associate's application and agreement or of any other instruments referred to herein or issued by the Company be declared invalid by a court of competent jurisdiction, the balance of such rules, applications or instruments shall remain in full force and effect.
70. Training Systems and Business Support Materials. All business support materials must be approved and accredited by Bonvera and the ICAA. To be considered to operate a business support material business, the Associate must be at least at the Senior Executive Level.