



## POLICIES AND PROCEDURES

### 1. INTRODUCTION

#### 1.1. POLICIES AND COMPENSATION PLAN INCORPORATED INTO ASSOCIATE AGREEMENT

These Policies and Procedures, in their present form and as amended at the sole discretion of LEAD FINANCIAL PARTNERS (hereafter “LEAD FINANCIAL PARTNERS” or the “Company”), are incorporated into, and form an integral part of the LEAD FINANCIAL PARTNERS Associate Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the LEAD FINANCIAL PARTNERS Associate Application and Agreement, these Policies and Procedures, and the LEAD FINANCIAL PARTNERS Compensation Plan. These documents are incorporated by reference into the LEAD FINANCIAL PARTNERS Associate Agreement (all in their current form and as amended by LEAD FINANCIAL PARTNERS). It is the responsibility of each Associate to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Associate, it is the responsibility of the sponsoring Associate to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the LEAD FINANCIAL PARTNERS Compensation Plan prior to his or her execution of the Associate Agreement.

#### 1.2. PURPOSE OF POLICIES

LEAD FINANCIAL PARTNERS is a direct sales Company that markets its products through Associates. It is important to understand that the success of all Associates depends on the integrity of the men and women who market our products. To clearly define the relationship that exists between Associates and LEAD FINANCIAL PARTNERS, and to explicitly set a standard for acceptable business conduct, LEAD FINANCIAL PARTNERS has established the Agreement. LEAD FINANCIAL PARTNERS Associates are required to comply with all of the Terms and Conditions set forth in the Agreement, as well as all laws governing their LEAD FINANCIAL PARTNERS business and their conduct. Because Associates may be unfamiliar with many of these standards of practice, it is very important that they read and abide by the Agreement. Please review the information in this document carefully. It explains and governs the relationship between the Associate, as an independent contractor and the Company. If there are questions regarding any policy or rule, do not hesitate to seek an answer from LEAD FINANCIAL PARTNERS.

#### 1.3. CHANGES TO THE AGREEMENT

Because laws, as well as the business environment, periodically change, LEAD FINANCIAL PARTNERS reserves the right to amend the Agreement and its prices at its sole and absolute discretion. Amendments shall be effective upon publication of notice that the Agreement has been modified. Notification of amendments shall be published by one or more of the following methods: a. Posting on the Company’s official website; or b. Electronic mail (email). The continuation of an Associate’s LEAD FINANCIAL PARTNERS business or an Associate’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

#### 1.4. DELAYS:

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

#### 1.5. POLICIES AND PROVISIONS SEVERABLE

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

#### 1.6. WAIVER

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

## 2. BECOMING AN ASSOCIATE

### 2.1. REQUIREMENTS TO BECOME AN ASSOCIATE

To become a LEAD FINANCIAL PARTNERS Associate, each applicant must: a. Be of the age of majority; b. Reside or has a verifiable mailing address in the United States, a U.S. territory, or country that LEAD FINANCIAL PARTNERS has officially announced is open for business; c. Have a valid Social Security Number, Tax ID or EIN (Tax ID Number or Employer Identification Number) for the United States, U.S. territory; or a government issued identification number wherever applicable in other countries; d. Submit a properly completed Associate Application and Agreement along with any applicable fee to LEAD FINANCIAL PARTNERS either in hard copy or online format; e. Must be approved by the Company.

### 2.2. REQUIREMENTS TO BECOME AN ASSOCIATE AS A BUSINESS ENTITY

To become an LEAD FINANCIAL PARTNERS Associate, as a business entity, each applicant must: a. Be of the age of majority; b. Reside or has a verifiable mailing address in the United States, a U.S. territory, or country that LEAD FINANCIAL PARTNERS has officially announced is open for business; c. Submit a Valid EIN (Employer Identification Number) for the United States, U.S. territory or government issued identification number wherever applicable in other countries; d. Submit the Articles of Incorporation, Certificate of Incorporation, Form 990 for Nonprofit Organizations or Partnership Agreement. e. Submit a properly completed Associate Application and Agreement along with any applicable fees to LEAD FINANCIAL PARTNERS either in hard copy or online format; f. Must be approved by the Company.

### 2.3. NO PRODUCT PURCHASE REQUIRED

No person is required to purchase LEAD FINANCIAL PARTNERS Products from its Affiliates to become an Associate.

### 2.4. ASSOCIATE BENEFITS

Once an Associate Application and Agreement has been accepted by LEAD FINANCIAL PARTNERS, the benefits of the Compensation Plan and the Associate Agreement are available to the new Associate. These benefits include the right to: a. Participate in the LEAD FINANCIAL PARTNERS Compensation Plan (receive bonuses and commissions, if eligible and properly license); b. Sponsor other individuals as Associates into the LEAD FINANCIAL PARTNERS business and thereby build a marketing organization and progress through the LEAD FINANCIAL PARTNERS Compensation Plan; c. Receive periodic LEAD FINANCIAL PARTNERS literature and other LEAD FINANCIAL PARTNERS communications; d. Participate in LEAD FINANCIAL PARTNERS sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and e. Participate in promotional and incentive contests and programs sponsored by LEAD FINANCIAL PARTNERS for its Associates.

### 2.5. TERM AND RENEWAL OF A LEAD FINANCIAL PARTNERS BUSINESS:

The term of the Associate Agreement is month-to-month from the date of its acceptance by LEAD FINANCIAL PARTNERS (subject to reclassification for inactivity, cancelation or resignation). If applicable, Associates must renew their Associate Agreement each month by paying a technology fee on the first of each month. If the renewal fee is not paid within three (3) days after the expiration of the current term of the Associate Agreement, commissions will be withheld until fee is paid.

## 3. OPERATING A LEAD FINANCIAL PARTNERS BUSINESS

### 3.1. ADHERENCE TO THE LEAD FINANCIAL PARTNERS COMPENSATION PLAN

Associates must adhere to the terms of the LEAD FINANCIAL PARTNERS Compensation Plan as follows: a. Associates represent that they are properly licensed and authorized to sell the insurance products LEAD FINANCIAL PARTNERS offers. The Company represents that it is properly licensed and authorized to issue such products; b. LEAD FINANCIAL PARTNERS will pay Associate (or an agency on the Associates' behalf), commission or other compensation for the sale of Company insurance products and services offered by LEAD FINANCIAL PARTNERS affiliates according to the Compensation Schedule; c. In the event of termination, for any reason, of a policy on which an initial commission has been paid and a chargeback occur, commissions which has been advance to the Associate will be debited and withheld from the next commission payment(s) due the Associate until fully repaid; d. If the Associate fail to repay the debt owed LEAD FINANCIAL PARTNERS, the company has the right to pursue all legal and equitable remedies available to collect such debt; e. No commission or other compensation, including but not limited to renewal commissions and commissions or compensation for sales previously made, will be due to the Associate under this Agreement if LEAD FINANCIAL PARTNERS terminates this Agreement for cause or the Associate resigns from the Company.

**3.1a.** Your right to receive any commission or other compensation provided for in this Agreement shall at all times be subordinate to the right of the Company, in its sole discretion, to offset or apply such commissions or compensation against any indebtedness you have (or are anticipated to have) to the Company or any affiliate, whether arising from this Agreement or otherwise. As used herein, the term "indebtedness" means any sum the Company believes in good faith to be owed by you (or anticipated to be owed by you) to the Company or any affiliate, whether or not you agree and notwithstanding the absence of a judicial or other independent determination of the validity of such indebtedness or anticipated indebtedness; the term "affiliate" means LEAD FINANCIAL PARTNERS (including its successors and assigns) and its direct and indirect subsidiaries. In the event any commission or other compensation provided for in this Agreement and due to the Associate from the Company is insufficient to fully satisfy your indebtedness and/or anticipated indebtedness to the Company or any affiliate, the

Associate agree to pay such indebtedness within fifteen (15) days of demand therefore and further agree to reimburse the Company for all costs and expenses incurred in collecting said debt, including but not limited to reasonable attorney's fees, court costs and Vector One fees (if applicable).

## 3.2. ADVERTISING

### 3.2.1. General

All Associates shall safeguard and promote the good reputation of LEAD FINANCIAL PARTNERS and its marketed products. The marketing and promotion of LEAD FINANCIAL PARTNERS, the LEAD FINANCIAL PARTNERS opportunity, the Compensation Plan, and LEAD FINANCIAL PARTNERS products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct and practices. Associates must use the sales tools and support materials produced by LEAD FINANCIAL PARTNERS, or materials and sales tools approved by LEAD FINANCIAL PARTNERS, to promote both the products and the business opportunity. LEAD FINANCIAL PARTNERS has carefully designed its products, compensation plan, and promotional materials to ensure that each aspect of LEAD FINANCIAL PARTNERS is fair, truthful, substantiated, and complies with the vast and complex legal requirements of government laws. Accordingly, Associates must submit all written sales tools, promotional materials, advertisements, and other literature to the Company for approval. Associates may not use such tools unless written approval is received from LEAD FINANCIAL PARTNERS' Compliance Department. LEAD FINANCIAL PARTNERS further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Associates waive all claims for damages or remuneration arising from or relating to such rescission.

### 3.2.2. Internet Advertising

Associates may use only a Company approved website to promote marketed products or the business opportunity over the Internet. Promoting products or the business opportunity through an unapproved Internet website is strictly prohibited. Associates that wish to operate a Company approved website must meet the following criteria: a. Associates may not use any keywords or meta tags to advertise any licensed website on the Internet if the search words or meta tags explicitly or implicitly present illegal or unsubstantiated income claims; b. Associates must obtain written approval from the Company before initiating any sponsored links on Internet search engines to direct Internet traffic to a Company approved website; c. The Company may revoke the approval for any previously approved website at any time and for any reason, including changes to laws and regulations. Associates may promote the business opportunity and products on social networking sites such as "Facebook" and "Twitter," video sites such as "YouTube" and "Google Video" and blogging sites such as "Blogger" (collectively "Social Media Sites"), provided the following conditions are met: a1. All text, audio and video postings do not contain product or income claims. For product information, Associates may refer viewers to their LEAD FINANCIAL PARTNERS replicated website, the Company website, or a Company approved website; b2. Videos posted to Social Media sites show the text "LEAD FINANCIAL PARTNERS INDEPENDENT ASSOCIATE" for the entirety of the video; and c3. Associate agrees to immediately remove or modify the Social Media sites upon the Company's request.

#### 3.2.2.1. Advertising and Marketing on the Internet

Each Associate acknowledges and agrees that the advertising and presenting of all marketed products on the Internet may only be done on a Company approved website.

#### 3.2.2. Cancellation

Cancellation of an Associate's LEAD FINANCIAL PARTNERS Business: If an Associate's LEAD FINANCIAL PARTNERS business is canceled for any reason, the former Associate must discontinue all LEAD FINANCIAL PARTNERS related business activities.

### 3.2.3. Trademarks and Copyrights

LEAD FINANCIAL PARTNERS will not allow the use of its trade names, trademarks, designs, or symbols by any person, including LEAD FINANCIAL PARTNERS Associates, without LEAD FINANCIAL PARTNERS's prior written permission. Associates may not produce for sale or distribution any recorded Company events and speeches without written permission from LEAD FINANCIAL PARTNERS, nor may Associates reproduce for sale or for personal use any recording of Company produced audio or video presentations.

### 3.2.4. Media and Media Inquiries

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

### 3.2.5. Unsolicited Email, Text, Fax or other Regulated Means of Communication

LEAD FINANCIAL PARTNERS does not permit Associates to send unsolicited commercial emails, texts, faxes, etc., unless such communications strictly comply with applicable laws and regulations including, without limitation, the federal CAN-SPAM Act of 2003. Any communication sent by an Independent Associate that promotes LEAD FINANCIAL PARTNERS, the LEAD FINANCIAL PARTNERS opportunity, or LEAD FINANCIAL PARTNERS products must comply with the following: a. There must be a functioning "opt-out" notice, a return email address and phone number of the sender; b. There must be a notice in the communication that advises the recipient that he or she may reply to the communication via the functioning return method, to request that future solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice); c. The communication 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. LEAD FINANCIAL PARTNERS, as part of the sales funnel, may periodically send communications on behalf of Associates. By entering into the Associate Agreement, Associate agrees that the Company may send such communications and that the Associate's contact information can be included in such communications. If an Associate receives an opt-out request from a Company initiated communication, the Associate must forward the opt-out request to the Company.

### 3.3. BONUS BUYING PROHIBITED

Bonus Buying is strictly and absolutely prohibited. Bonus Buying includes: a. The enrollment of individuals or entities without the knowledge of and/or execution of an Associate Application and Agreement by such individuals or entities; b. The fraudulent enrollment of an individual or entity as an Associate; c. The enrollment or attempted enrollment of non-existent individuals or entities as Associates or ("phantoms"); d. Purchasing excessive amounts of goods that cannot reasonably be used or resold in a year; and/or; e. Any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product purchases by end user consumers.

### 3.4. BUSINESS ENTITIES

A Corporation, Partnership or Nonprofit Organization (collectively referred to in this section as a "Business Entity") may apply to be a LEAD FINANCIAL PARTNERS Associate by submitting its Articles of Incorporation, Certificate of Incorporation, Form 990 for Nonprofit Organizations or Partnership Agreement (these documents are collectively referred to as the "Entity Documents") to LEAD FINANCIAL PARTNERS, along with a properly completed Associate form.

### 3.4.1. Changes to a Business Entity

A LEAD FINANCIAL PARTNERS Business Entity may change its status under the same sponsor from an individual to a Corporation, Partnership, Nonprofit Organization, or from one type of entity to another. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Associate Application and Agreement. The Associate 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 LEAD FINANCIAL PARTNERS. To prevent the circumvention of the section regarding transfers and assignments of LEAD FINANCIAL PARTNERS business, if an additional partner, shareholder, member, or other business entity affiliate is added to a business entity, the original applicant must remain as a party to the original Associate Application and Agreement. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship. LEAD FINANCIAL PARTNERS may, at its discretion, require notarized documents before implementing any changes to a LEAD FINANCIAL PARTNERS business. Please allow thirty (30) days after the receipt of the request by LEAD FINANCIAL PARTNERS for processing. It is at LEAD FINANCIAL PARTNERS's sole discretion whether the requested change will be implemented.

### 3.5. CHANGE OF SPONSOR OR PLACEMENT

To protect the integrity of all marketing organizations and safeguard the hard work of all Associates, LEAD FINANCIAL PARTNERS strongly discourages changes in sponsorship or placement. Maintaining the integrity of sponsorship is critical for the success of every Associate and marketing organization. Accordingly, the transfer of a LEAD FINANCIAL PARTNERS business from one sponsor to another or change in placement is rarely permitted.

#### 3.5.1. Sponsorship Misrepresentation

In cases in which the new Associate is sponsored by someone other than the individual he or she was led to believe would be his or her sponsor, an Associate may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within three (3) business days from the date of enrollment. The Associate requesting the change has the burden of proving that he or she was placed beneath the wrong sponsor. It is up to LEAD FINANCIAL PARTNERS's sole discretion whether the requested change will be implemented.

#### 3.5.2. Misplacement

In those instances in which a new Associate is placed in a location different than his or her sponsor intended, the sponsor may request that he or she be placed in the correct location. Such a request for transfer pursuant to this policy must be made within three (3) business days from the date of enrollment. It is at LEAD FINANCIAL PARTNERS's sole discretion whether the requested change will be implemented. If the sponsor intentionally misplaces the Associate the sponsor can be immediately terminated or suspended at the sole discretion of LEAD FINANCIAL PARTNERS.

#### 3.5.3. Line Switching, Cross-Sponsoring and Enticement

Associates agree that maintaining the integrity of the line of sponsorship in an Associate's organization is fundamental to network marketing. Accordingly, the Associate agrees to not engage in line switching, cross-sponsoring and/or enticement. Line Switching means applying for and becoming an Associate: a. When already an Associate; b. When holding a beneficial interest in another Associateship; and/or c. When less than nine (9) months have passed since having been an Associate or having held a beneficial interest in another Associateship. Cross-sponsoring means the enrollment of another Associate (including an Associate whose Agreement was terminated within the preceding nine (9) months or has sponsored or purchased product in the preceding nine (9) months) to a different line of sponsorship. Enticement means soliciting, encouraging, offering benefits, or in any way aiding another Associate to line switch and/or Associates shall not use a spouse's or relative's name, trade names, assumed or fictitious names, legal entities, false government issued identification numbers, or fictitious ID numbers to circumvent this policy. Because line switching, cross-sponsoring and enticement can be detrimental to everyone involved, any Associate who believes, or has reason to believe that another Associate is in violation of this policy, the



Associate has an affirmative obligation to notify LEAD FINANCIAL PARTNERS of such violation as soon as reasonably possible. Should any Associate breach these covenants, LEAD FINANCIAL PARTNERS may take any or all of the following actions: a. Termination of the Associate Agreement of the Associate(s) in breach; b. Terminate the Associate Agreement(s) of the Associate(s) enrolled as a result of line switching. LEAD FINANCIAL PARTNERS is under no obligation to make any move(s) in sponsorship lines. The ultimate disposition of the organization remains within the sole discretion of Associates in violation of this policy. Associates waive all claims against LEAD FINANCIAL PARTNERS that arise from or relate to the disposition of such.

#### 3.5.4. Transfer Sponsorship

The Associate seeking to transfer sponsorship needs to submit a properly completed and fully executed Sponsorship Transfer Form which includes the signed approval of all parties (up to seven (7) levels) whose income will be affected by the transfer. Photocopied or facsimile signatures are not acceptable. The Associate who requests the transfer must submit a fee of \$150.00 for administrative charges and data processing. If the transferring Associate also wants to move any of the Associates in his or her marketing organization, each downline Associate must also obtain a properly completed Sponsorship Transfer Form and return it to LEAD FINANCIAL PARTNERS with the \$150.00 change fee (i.e., the transferring Associate and each Associate in his or her marketing organization multiplied by \$150.00 is the cost to move an LEAD FINANCIAL PARTNERS business). Downline Associates will not be moved with the transferring Associate unless all of the requirements of this paragraph are met. Transferring Associates must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by LEAD FINANCIAL PARTNERS for processing and verifying change requests. In cases wherein the appropriate sponsorship change procedures have not been followed and a downline organization has been developed in the second business by an Associate, LEAD FINANCIAL PARTNERS reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, the Associate waives any and all claims against LEAD FINANCIAL PARTNERS that relate to or arise from LEAD FINANCIAL PARTNERS's decision regarding the disposition of any downline organization that develops below an organization that has improperly changed lines of sponsorship.

#### 3.5.5. Cancellation and Re-application

An Associate may legitimately change organizations by voluntarily canceling his or her LEAD FINANCIAL PARTNERS Associate Agreement and remaining inactive for nine (9) full calendar months. During the nine (9) month period of inactivity, the former Associate may not participate in any form of Associate activity including, but not limited to: a. Sponsoring other LEAD FINANCIAL PARTNERS Associates; b. Attending any LEAD FINANCIAL PARTNERS functions; c. Attending any LEAD FINANCIAL PARTNERS related functions sponsored by LEAD FINANCIAL PARTNERS Associates; d. Operating or assisting in the operation of a LEAD FINANCIAL PARTNERS Associate's business; e. Performing any activity or function that is normally performed by a LEAD FINANCIAL PARTNERS Associate or such Associate's employees; f. Or any other activity that in the sole discretion of the Company constitutes a meaningful promotion of the LEAD FINANCIAL PARTNERS business. Following the nine (9) month period of inactivity, the former Associate may reapply under a new sponsor, however, LEAD FINANCIAL PARTNERS may, at its discretion accept or deny the application. The former Associate's downline will remain in their original line of sponsorship. Any attempt to cross-recruit may result in disciplinary action.

### 3.6. UNAUTHORIZED CLAIMS AND ACTIONS

#### 3.6.1. Indemnification

An Associate is fully responsible for all of his or her verbal and written statements made regarding LEAD FINANCIAL PARTNERS products and the Compensation Plan which are not expressly contained in official LEAD FINANCIAL PARTNERS materials. Associates agree to indemnify LEAD FINANCIAL PARTNERS and LEAD FINANCIAL PARTNERS's directors, officers, employees, and agents, and hold them harmless from any and all liability and/or loss (whether direct or indirect, consequential or economic loss) including judgments, civil and/or criminal penalties, damages,

refunds, legal advice fees, court costs, or lost business incurred by or imposed on LEAD FINANCIAL PARTNERS as a result of the Associate's unauthorized representations or actions. This provision shall survive the termination of the Associate Agreement.

### 3.6.2. Income Claims

In their enthusiasm to enroll prospective Associates, some Associates are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Associates may become disappointed if their results are not as extensive or as rapid as the results others have achieved. The LEAD FINANCIAL PARTNERS income potential is great enough to be highly attractive without reporting the earnings of others. Moreover, there are laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Associates may believe it beneficial to provide copies of checks or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact LEAD FINANCIAL PARTNERS, as well as the Associate making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because LEAD FINANCIAL PARTNERS Associates do not have the data necessary to comply with the legal requirements for making income claims, an Associate, when presenting or discussing the LEAD FINANCIAL PARTNERS opportunity or Compensation Plan to a prospective Associate, may not make income projections, income claims, or disclose his or her LEAD FINANCIAL PARTNERS income (including the showing of checks, copies of checks, bank statements, tax records, etc.)

## 3.7. CONFLICTS OF INTEREST

### 3.7.1. Non-solicitation and Noncompetition

LEAD FINANCIAL PARTNERS Associates are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "Network Marketing"). However, Associates may not directly or indirectly recruit other LEAD FINANCIAL PARTNERS Associates for any other Network Marketing business unless they are personally sponsored by them. This includes general solicitations on social networking sites where "friends" include persons not personally sponsored by the Associate and who are already LEAD FINANCIAL PARTNERS Associates. An Associate who participates in another Network Marketing business agrees to operate his or her LEAD FINANCIAL PARTNERS Associateship entirely separate and apart from the other Network Marketing business. Accordingly, Associates who choose to participate in other Network Marketing businesses agree that they shall not:

- Display any non-LEAD FINANCIAL PARTNERS product(s) and/or sales aids with, or in the same location as LEAD FINANCIAL PARTNERS product(s) and/or sales aids;
- Offer any non-LEAD FINANCIAL PARTNERS program, opportunity, product, or service in conjunction with the LEAD FINANCIAL PARTNERS opportunity; or
- Offer any LEAD FINANCIAL PARTNERS opportunity, products, or services at any LEAD FINANCIAL PARTNERS related meeting, seminar or convention, or within two (2) hours and a five (5) mile (8 kilometers) radius of the LEAD FINANCIAL PARTNERS event. If the LEAD FINANCIAL PARTNERS meeting is held telephonically to prospective or existing Customers or Associates;
- Or on the Internet, any non-LEAD FINANCIAL PARTNERS meeting must be at least two (2) hours before or after the LEAD FINANCIAL PARTNERS meeting, and on a different conference telephone number or Internet web address from the LEAD FINANCIAL PARTNERS meeting.

### 3.7.2. Non-solicitation after Termination

Following the cancellation of an Associate's Agreement, and for a period of two (2) years thereafter, with the exception of an Associate who was personally sponsored by the former Associate, the former Associate may not recruit any LEAD FINANCIAL PARTNERS Associate for another network marketing business. If an Associate did not personally sponsor another Associate he or she is prohibited, for two (2) years following the date of cancellation of the contract, from recruiting that Associate to sell or purchase products or services. Associates and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the Internet and



telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Associates and LEAD FINANCIAL PARTNERS agree that this non-solicitation provision shall apply to all markets in which LEAD FINANCIAL PARTNERS conducts business. This shall survive termination of the Agreement. Any violation of this agreement, the Company may, without waiving any other rights or remedies, seek an injunction, or other equitable remedy to prevent further prohibited recruiting activities, and may pursue other legal remedies.

### 3.7.3. Definition of Cross Recruit

For purposes of these Policies and Procedures, the term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another LEAD FINANCIAL PARTNERS Associate to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. The conduct described in the preceding sentence constitutes recruiting even if the Associate’s actions are in response to an inquiry made by another Associate. Except in California, the foregoing conduct constitutes recruiting even if the Associate’s actions are in response to an inquiry made by another Associate.

### 3.7.4. Confidential Information

Notwithstanding any other provision of the Agreement, the Associate shall never use LEAD FINANCIAL PARTNERS trade secrets and other Confidential Information, as further described herein, to solicit, recruit whether directly or indirectly, other LEAD FINANCIAL PARTNERS Associates or Customers. Confidential Information is information disclosed to Associates pursuant to the Contract including, but not limited to, information regarding: a. Downline organizations or Upline Associates, including Associate names and contact information, customer information; and b. Customer lists, business reports, commission or sales reports, business plans, projections, trade secrets, intellectual property, analysis, and related information and other financial and business information that would be reasonably understood to be confidential and/or give competitive advantage. To protect the Confidential Information, an Associate shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity: a. Directly or indirectly disclose any Confidential Information to any third party; b. Directly or indirectly disclose the password or other access codes to his or her back office; c. Use any Confidential Information to compete with LEAD FINANCIAL PARTNERS or for any purpose; d. Recruit or solicit any Associate or customer of LEAD FINANCIAL PARTNERS listed on any report or in the Associate’s back office, or in any manner attempt to influence or induce any Associate LEAD FINANCIAL PARTNERS, to alter their business relationship with LEAD FINANCIAL PARTNERS. The obligation of an Associate to not disclose any Confidential Information shall survive cancellation or termination of the Agreement, and shall remain effective and binding irrespective of whether an Associate’s Agreement has been terminated, or whether the Associate is or is not otherwise affiliated with the Company, and is subject to legal enforcement by injunction and award of costs and fees necessarily incurred.

### 3.7.5. Information Gathering

Associate agrees that Information gathered in the promotion of the LEAD FINANCIAL PARTNERS Business about other Associates by virtue of their association with LEAD FINANCIAL PARTNERS, or in connection with their promotion of LEAD FINANCIAL PARTNERS products or sales materials, is considered proprietary information that belongs to LEAD FINANCIAL PARTNERS, and Associates are bound to the non-disclosure provisions of these policies and procedures in relation to this information.

### 3.8. TARGETING OTHER DIRECT SELLERS

LEAD FINANCIAL PARTNERS does not condone Associates specifically or consciously targeting the sales force of any other direct sales Company to sell LEAD FINANCIAL PARTNERS products or to become Associates for LEAD FINANCIAL PARTNERS. Nor does LEAD FINANCIAL PARTNERS condone the solicitation or enticement, by an Associate, of any of the members of the sales force of another direct sales company to violate the terms of their contract with such other company. If an Associate should engage in such activity, the Associate bears the risk of being sued by the other

direct sales company. If any lawsuit, arbitration or mediation is brought by another company against an Associate alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, LEAD FINANCIAL PARTNERS will not pay any of such an Associate's defense costs or legal fees, nor will LEAD FINANCIAL PARTNERS indemnify the Associate for any judgment, award, or settlement. Associates agree to indemnify LEAD FINANCIAL PARTNERS and LEAD FINANCIAL PARTNERS's directors, officers, employees, and agents, and hold them harmless from any and all liability and/or loss (whether direct or indirect, consequential or economic loss) including judgments, civil and/or criminal penalties, damages, refunds, legal advice fees, court costs, or lost business incurred by or imposed on LEAD FINANCIAL PARTNERS as a result of any breach of the terms by that Associate.

### 3.9. ERRORS OR QUESTIONS

If an Associate has questions about or believes any errors have been made regarding commissions, bonuses, reports, or charges, the Associate must notify LEAD FINANCIAL PARTNERS in writing within thirty (30) days of the date of the purported error or incident in question. LEAD FINANCIAL PARTNERS will not be responsible for any errors, omissions or problems not reported to the Company within thirty (30) days.

### 3.10. GOVERNMENTAL APPROVAL OR ENDORSEMENT

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

### 3.11. HOLDING APPLICATIONS

Associates must not manipulate enrollments of new applicants. All Associate Applications and Agreements, and product orders must be sent to LEAD FINANCIAL PARTNERS within two (2) business days from the time they are signed by an Associate.

### 3.12. TAXES

Each Associate is responsible for paying applicable taxes on any income generated as an Associate.

### 3.13. INDEPENDENT CONTRACTOR STATUS

Associates are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between LEAD FINANCIAL PARTNERS and its Associates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Associate. Associates shall not be treated as an employee for his or her services or for tax purposes. All Associates are responsible for paying taxes due from all compensation earned as an Associate of the Company. The Associate has no authority (expressed or implied), to bind the Company to any obligation. Each Independent Associate shall establish his or her own goals, hours, and methods of sale, and are free to exercise your own judgment as to the persons to whom you will offer and sell insurance products (if applicable) so long as he or she complies with the terms of the Associate Agreement, these Policies and Procedures, and applicable laws.

### 3.14. INTERNATIONAL MARKETING

Associates are authorized to sell LEAD FINANCIAL PARTNERS products and enroll Associates in any country in which the Company has officially sanctioned to be open and available to all Associates for conducting business. LEAD FINANCIAL PARTNERS may specify certain countries subject to a "Pre-Launch Period" in which Distributors may also conduct the Distributor Business. The Company may formally announce a Pre-Launch Period at least thirty (30) days prior to the official opening. An Associate, unless preapproved by LEAD FINANCIAL PARTNERS has no authority to and shall not conduct the LEAD FINANCIAL PARTNERS business nor introduce or establish the Company's business or product in any country that has not been officially sanctioned to be open and available to all Associates for conducting business or any country that is not the subject of a Pre-Launch Period announcement from the Company. This includes, but is

not limited to: any attempts to secure approval for products or business practices; register or reserve the Company names, trademarks, trade names, or Internet domain names; or establish any kind of business or governmental contact on behalf of the Company. An Associate may not ship sales aids into any unauthorized country.

### **3.15. ONE LEAD FINANCIAL PARTNERS BUSINESS PER ASSOCIATE AND PER HOUSEHOLD**

An Associate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one LEAD FINANCIAL PARTNERS business. No individual may have, operate or receive compensation from more than one LEAD FINANCIAL PARTNERS business. LEAD FINANCIAL PARTNERS deems all persons residing in the Associate's household a beneficial interest in their Associateship. However, if adequate proof can be provided that another adult who is not a spouse is operating an Associateship separately, LEAD FINANCIAL PARTNERS may waive this rule until circumstances change. If an Associate marries another Associate, no effect will be given to the provisions of this section and the two may maintain separate and Associateship.

### **3.16. ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED INDIVIDUALS**

If any member of an Associate's immediate household engages in any activity which, if performed by the Associate, would violate any provision of the Agreement, such activity will be deemed a violation by the Associate, and LEAD FINANCIAL PARTNERS may take disciplinary action against the Associate. Similarly, if any individual Associate in any way with a corporation, partnership, trust or other entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the entity, and LEAD FINANCIAL PARTNERS may take disciplinary action against the entity.

### **3.17. SALE, TRANSFER OR ASSIGNMENT OF A LEAD FINANCIAL PARTNERS BUSINESS**

Although a LEAD FINANCIAL PARTNERS business is a privately owned, independently operated business, the sale, transfer or assignment of a LEAD FINANCIAL PARTNERS business is subject to certain limitations. If an Associate wishes to sell his or her LEAD FINANCIAL PARTNERS business, the following criteria must be met: a. Protection of the existing line of sponsorship must always be maintained so that the business continues to be operated in that line of sponsorship; b. The buyer or transferee must be eligible to become a qualified LEAD FINANCIAL PARTNERS Associate. If the buyer is an active LEAD FINANCIAL PARTNERS Associate, he or she must first terminate his or her LEAD FINANCIAL PARTNERS business and wait six (6) calendar months before acquiring any interest in a different LEAD FINANCIAL PARTNERS business; c. Before the sale, transfer, or assignment can be finalized and approved by LEAD FINANCIAL PARTNERS, any debt obligations the selling Associate has with LEAD FINANCIAL PARTNERS must be satisfied; d. The selling Associate must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a LEAD FINANCIAL PARTNERS business; e. The business that is being sold must have achieved the Paid-As Rank of VP for a period of two consecutive calendar months prior to the date of the submission of the Sale/Transfer of LEAD FINANCIAL PARTNERS Business form. Prior to selling a LEAD FINANCIAL PARTNERS distributorship, the selling Associate must notify LEAD FINANCIAL PARTNERS's Customer Support Department of his or her intent to sell the LEAD FINANCIAL PARTNERS distributorship by submitting a Sponsorship Sale/Transfer form and all applicable business agreements together with the transfer fee of \$150. No changes in line of sponsorship can result from the sale or transfer of a LEAD FINANCIAL PARTNERS distributorship. LEAD FINANCIAL PARTNERS has the right to refuse any Sale/ Transfer of any distributorship.

### **3.18. EFFECTS OF DIVORCE OR ENTITY DISSOLUTION ON THE LEAD FINANCIAL PARTNERS BUSINESS**

LEAD FINANCIAL PARTNERS Associates sometimes operate their LEAD FINANCIAL PARTNERS businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership or trust (the latter three (3) entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any divorce or entity dissolution is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation: a. One of the

parties may, with consent of the other(s), operate the LEAD FINANCIAL PARTNERS business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize LEAD FINANCIAL PARTNERS to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee; b. The parties may continue to operate the LEAD FINANCIAL PARTNERS business jointly on a business-as-usual basis; whereupon, all compensation paid by LEAD FINANCIAL PARTNERS will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above. Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will LEAD FINANCIAL PARTNERS split commission and bonus checks between divorcing spouses or members of dissolving entities. LEAD FINANCIAL PARTNERS will recognize only one downline organization and will issue only one commission check per LEAD FINANCIAL PARTNERS business per commission cycle. Commission payouts shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding 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 Associate Agreement shall be involuntarily canceled. If a former spouse has completely relinquished all rights in the original LEAD FINANCIAL PARTNERS business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her 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 reenrolling as an Associate. During this six (6) month waiting period, such individuals must remain inactive. In either case however, the former spouse or business affiliate shall have no rights to any Associates in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Associate.

### 3.19. SPONSORING

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

### 3.20. SUCCESSION (DEATH OR INCAPACITY OF AN ASSOCIATE)

An Associate may provide in his or her will that his or her independent LEAD FINANCIAL PARTNERS business will pass to his or her heirs. The Company will honor such requests provided it receives certified copies of the death certificate and appropriate legal documentation establishing the right of the deceased Associate's heirs to the business. Successors in interest must submit an amended LEAD FINANCIAL PARTNERS Associate Agreement to the Company. Otherwise, the Associate Agreement will be terminated. If the legal successor to the Associateship is already an existing associate, the Contract will be assigned to the existing Associate and the Company will allow the multiple beneficial interest through inheritance. If an Associate is incapable of operating his or her independent LEAD FINANCIAL PARTNERS business due to incapacity, the agent, guardian, or trustee of the incapacitated Associate may operate the incapacitated Associate's business on behalf of the incapacitated Associate upon the submission of appropriate legal documents to the Company. The authorized agent, guardian or trustee, must submit documents to the Company establishing his or her authority to act on behalf of the incapacitated Associate and proof of such Associate's incapacity.

## 4. RESPONSIBILITIES OF ASSOCIATES

### 4.1. CHANGE OF ADDRESS, TELEPHONE, and EMAIL ADDRESSES

To ensure timely delivery of products, support materials, and commission checks, it is critically important that the LEAD FINANCIAL PARTNERS's files are current. Street addresses or P.O. Boxes are required for shipping. Associates planning to move or change their email address must submit their new address and telephone number(s) by

emailing Customer Support at [leadfinancialpartners.com](http://leadfinancialpartners.com) or online, through a support ticket to the attention of the Customer Support Department. To guarantee proper delivery, two weeks' advance notice must be provided to LEAD FINANCIAL PARTNERS on all changes. The Associate can change all contact information by logging into their Business Portal and making the necessary changes to both their contact information and their mailing address.

## 4.2. CONTINUING DEVELOPMENT OBLIGATIONS

Any Associate who sponsors an Associate into LEAD FINANCIAL PARTNERS must perform a bona fide assistance and training function to ensure that his or her personally sponsored Associate is properly operating his or her LEAD FINANCIAL PARTNERS business. Associates should have ongoing contact and communication with the Associates in their frontline organizations. Examples of such contact and communication may include, but are not limited to newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Associates to LEAD FINANCIAL PARTNERS meetings, training sessions, and other functions. Upline Associates are also responsible to motivate and train new Associates in LEAD FINANCIAL PARTNERS product knowledge, effective sales techniques, the LEAD FINANCIAL PARTNERS Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of their downline is strongly recommended. Associates should monitor the Associates in their frontline Organizations to guard against downline Associates making improper product or business claims, or engaging in any illegal or inappropriate conduct or creating noncompliant sales aids or promotional materials.

### 4.2.1. Increased Training Responsibilities

As Associates progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the LEAD FINANCIAL PARTNERS program. They will be called upon and expected to share this knowledge with lesser experienced Associates within their organization.

### 4.2.2. Ongoing Sales Responsibilities

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

## 4.3. NON-DISPARAGEMENT AND PROFESSIONAL BEHAVIOR

LEAD FINANCIAL PARTNERS wants to provide its Associates with the best products, compensation plan, and service in the industry. Accordingly, LEAD FINANCIAL PARTNERS values constructive criticisms and comments. All such comments should be submitted in writing to the Customer Support Department. While LEAD FINANCIAL PARTNERS welcomes constructive input, negative comments and remarks made in the field by Associates about the Company, its products, or Compensation Plan serve no purpose other than to sour the enthusiasm of other LEAD FINANCIAL PARTNERS Associates. For this reason, and to set the proper example for their downline, Associates must not disparage, demean, or make negative remarks to or about LEAD FINANCIAL PARTNERS, other LEAD FINANCIAL PARTNERS Associates, LEAD FINANCIAL PARTNERS's products, the Compensation Plan, or LEAD FINANCIAL PARTNERS's directors, officers or employees.

## 4.4. PROVIDING DOCUMENTATION TO APPLICANTS

Associates must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Associates before the applicant signs an Associate Agreement. Additional copies of Policies and Procedures can be downloaded through LEAD FINANCIAL PARTNERS's Business Portal in the Resource Library.

## 4.5. REPORTING POLICY VIOLATIONS

Associates observing a policy violation by another Associate should report the violation directly to the attention of the LEAD FINANCIAL PARTNERS Compliance Department by sending an email to [leadfinancialpartners.com](mailto:leadfinancialpartners.com). Details of the incidents such as dates, number of occurrences, person(s) involved, and any supporting documentation should be included in the report.

## 5. SALES REQUIREMENTS NO TERRITORY RESTRICTIONS

There are no exclusive territories granted to anyone.

## 6. BONUSES AND COMMISSIONS

### 6.1. BONUSES, COMMISSIONS & RANK ADVANCEMENT QUALIFICATIONS

So long as an Associate complies with the terms of the Agreement and are properly license and appointed to sell and market our products and services, LEAD FINANCIAL PARTNERS shall pay commissions to such Associate in accordance with the Compensation Plan. Associate must be active the month any Rank Advancements are due for payment.

### 6.2. ADJUSTMENT TO BONUSES AND COMMISSIONS

Associates may receive bonuses on a non-insurance related transactions or services and/or commissions based on the actual insurance related product sales. When a transaction or service is canceled, withdrawn, surrendered, or rescinded and a chargeback to LEAD FINANCIAL PARTNERS generated, the following will occur at the Company's discretion: a. The bonuses and commissions attributable to the canceled, withdrawn, surrendered, or rescinded product(s) or services will be deducted in the pay period in which the refund is given and continuing every pay period thereafter until the commission is recovered from the Associate; b. The Associates who earned commissions based on the sale or service of the canceled, withdrawn, surrendered, or rescinded products will have the corresponding points as well as any commissions paid deducted from their next pay period and all subsequent pay periods until compensation paid to the Associate is completely recovered by LEAD FINANCIAL PARTNERS. In an event the Associate is no longer affiliated with LEAD FINANCIAL PARTNERS, the Associate forfeit all rights to present and future compensation related to such sale or services. The Associate also agree to reimburse LEAD FINANCIAL PARTNERS for all costs and expenses incurred in collecting said debt, including but not limited to reasonable attorney's fees and court costs.

### 6.3. REPORTS

All information provided by LEAD FINANCIAL PARTNERS in downline activity reports, including, but not limited to, personal and group sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including, but not limited to the inherent possibility of human and mechanical error, the accuracy, completeness, and timeliness of orders, denial of credit and debit card payments, returned products, credit and debit card chargebacks, the information is not guaranteed by LEAD FINANCIAL PARTNERS or any persons creating or transmitting the information. All personal and group sales volume information is provided 'as is' without warranties, express or implied, or representations of any kind whatsoever. In particular, but without limitation, there shall be no warranties of merchantability, fitness for a particular use, or non-infringement. To the fullest extent permissible under applicable law, LEAD FINANCIAL PARTNERS and/or other persons creating or transmitting the information will in no event be liable to any Associate or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to personal and group sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity, and damages that may result from inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the information), even if LEAD FINANCIAL PARTNERS or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, LEAD FINANCIAL PARTNERS or other persons creating or transmitting the information shall have no responsibility or liability to the Associate or anyone else under any tort, contract, negligence, strict liability, products liability or other theory with respect to any subject matter of this agreement or terms and conditions related thereto. Access to and use of LEAD FINANCIAL PARTNERS's reporting services and reliance upon such information is at the Associate's own risk. All such information is provided to Associates 'as is.'



## 7. DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS:

### 7.1. DISCIPLINARY SANCTIONS

Violation of the Policies and Procedures Agreement, of any common law duty, including, but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Associate that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Associate's LEAD FINANCIAL PARTNERS business), may result, at LEAD FINANCIAL PARTNERS's discretion, in one or more of the following corrective measures: a. Issuance of a written warning or admonition requiring the Associate to take immediate corrective measures; b. Imposition of a fine, which may be withheld from bonus and commission checks; c. Loss of rights to one or more bonus and/or commission checks; d. LEAD FINANCIAL PARTNERS may withhold from an Associate all or part of the Associate's bonuses and commissions during the period that LEAD FINANCIAL PARTNERS is investigating any conduct that allegedly violates the Agreement. If an Associate's business is canceled for disciplinary reasons, LEAD FINANCIAL PARTNERS is authorized to implement the following disciplinary actions: a. The Associate will not be entitled to recover any commissions withheld during the investigation period; b. Suspension of the individual's Associate Agreement for one or more pay periods; c. Termination of the offender's Associate Agreement; d. Suspend and/or terminate the offending Associate's LEAD FINANCIAL PARTNERS Website or Website access; e. Any other measure expressly allowed within any provision of the Agreement or which LEAD FINANCIAL PARTNERS deems practical and appropriate to equitably resolve injuries caused partially or exclusively by the Associate's policy violation or contractual breach; f. In situations deemed appropriate by LEAD FINANCIAL PARTNERS, the Company may institute legal proceedings for monetary and/or equitable relief.

### 7.2. GRIEVANCES AND COMPLAINTS

When an Associate has a grievance or complaint with another Associate regarding any practice or conduct in relationship to their respective LEAD FINANCIAL PARTNERS businesses, the Associate with the grievance should first report the problem to his or her sponsor who should review the matter and try to resolve it with the other party's sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to LEAD FINANCIAL PARTNERS Compliance Department.

### 7.3. MEDIATION

Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses Associate with conducting and attending the mediation. Mediation shall be held in Orange County, California and shall last no more than two (2) business days.

### 7.4. ARBITRATION

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration 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. Associates waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Orange County, California. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator (attorney) who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to

arbitration shall survive any termination or expiration of the Agreement. Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent LEAD FINANCIAL PARTNERS from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect LEAD FINANCIAL PARTNERS's interest prior to, during or following the filing of any arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

## 7.5. GOVERNING LAW, JURISDICTION AND VENUE

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Los Angeles County, State of California. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of California shall govern all other matters relating to or arising from the Agreement unless in conflict with local laws.

## 8. PAYMENT AND SHIPPING

### 8.1. RESTRICTIONS ON THIRD PARTY USE OF CREDIT / DEBIT ACCOUNT ACCESS

Associates shall not permit other Associates to use his or her credit or debit card to enroll or to make purchases from the Company.

### 8.2. SALES TAXES

In designing the LEAD FINANCIAL PARTNERS opportunity, one of our guiding philosophies has been to free Associates from as many administrative, operational, and logistical tasks as possible. In doing so, Associates are free to concentrate on those activities that directly affect their incomes, namely product sales and enrollment activities. To these ends, LEAD FINANCIAL PARTNERS relieves Associates of the burdens of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales taxes. By virtue of its business operations, LEAD FINANCIAL PARTNERS is required to charge sales taxes on all purchases made by Associates and Preferred Customers, and remit the taxes charged to the respective states. Accordingly, LEAD FINANCIAL PARTNERS will collect and remit sales taxes on behalf of Associates according to applicable tax rates in the state, province, and/or region to which the shipment is destined. If an Associate has submitted, and LEAD FINANCIAL PARTNERS has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Associate. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by LEAD FINANCIAL PARTNERS is not retroactive.

## 9. INACTIVITY, RECLASSIFICATION AND CANCELATION

### 9.1. EFFECT OF CANCELATION

So long as an Associate remains active and complies with the terms of the Associate Agreement and these Policies and Procedures, LEAD FINANCIAL PARTNERS shall pay commissions to such Associate in accordance with the Compensation Plan. An Associate's bonuses and commissions constitute the entire consideration for the Associate's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an Associate's non-renewal of his or her Associate Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Associate Agreement (all of these methods are collectively referred to as "cancellation"), the former Associate shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. An Associate whose

business is canceled will lose all rights as an Associate. This includes the right to sell LEAD FINANCIAL PARTNERS products and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Associate's former downline sales organization. In the event of cancellation, Associates agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former downline organization. Following an Associate's cancellation of his or her Associate Agreement, the former Associate shall not hold himself or herself out as an LEAD FINANCIAL PARTNERS Associate and shall not have the right to sell LEAD FINANCIAL PARTNERS products or services. An Associate whose Associate Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

### 9.1 CANCELTATION DUE TO INACTIVITY

If an Associate has not earned commissions or placed an order in the last six (6) months, his or her Associate agreement may be canceled for inactivity upon the discretion of LEAD FINANCIAL PARTNERS.

### 9.2 INVOLUNTARY CANCELTATION

An Associate's violation of any of the terms of the Agreement, including any amendments that may be made by LEAD FINANCIAL PARTNERS at its sole discretion, may result in any of the sanctions listed in this Agreement, including the involuntary cancellation of his or her Associate Agreement. Cancellation shall be effective on the date on which written notice is mailed or given to a courier, to the Associate's last known address or, to his/her attorney, or when the Associate receives actual notice of cancellation, whichever occurs first.

### 9.3 VOLUNTARY CANCELTATION

A participant in this network marketing plan has a right to cancel its affiliation with LEAD FINANCIAL PARTNERS at any time, regardless of reason. Cancellation must be submitted in writing, via mail or email to the Company at its principal business address. The written notice must include the Associate's signature, printed name, address, and Associate identification number.

#### 9.3.1 Montana Residents

A Montana resident may cancel his or her Associate Agreement within fifteen (15) days from the date of enrollment.

### 9.4 NON-RENEWAL

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

### 9.5 CREDIT CARD CHARGEBACKS

If an Associate contacts his or her credit card company and attempts to charge back any product purchase from the Company, such action shall be deemed a voluntary cancellation of the Associate Agreement by the Associate. If the Associate also has an autoship agreement with LEAD FINANCIAL PARTNERS, the chargeback shall also be deemed the voluntary cancellation of the Associate's autoship agreement.

## 10 DEFINITIONS

- a. Active Associate: Those who have enrolled and are entitled to purchase products at wholesale prices, can earn commissions and enroll other Associates.
- b. Beneficial Interest: A person is deemed to have a beneficial interest in a LEAD FINANCIAL PARTNERS business if he/ she/it has: a. Any direct or indirect ownership in the LEAD FINANCIAL PARTNERS business as an individual, partner, shareholder, member, manager, beneficiary, trustee, or principal of the business; b. Has any control over the LEAD FINANCIAL PARTNERS business; c. Receives any income directly or indirectly from the LEAD FINANCIAL PARTNERS business (other than the receipt of income pursuant to the Compensation Plan by an upline Associate); d. Receives familial support from the LEAD FINANCIAL PARTNERS business; e. Is a member of the Associate's immediate household; f. Is a spouse or dependent; or g. Has any other similar interest in the LEAD FINANCIAL PARTNERS business.
- c. Monthly Cycle: Calendar month used to determine rank as well as 'active' requirement qualifications.
- d. Official LEAD FINANCIAL PARTNERS Material: Materials developed, printed, published and/or distributed by LEAD FINANCIAL PARTNERS to Associates.
- e. Paid-As-Rank: The Rank at which an Associate is qualified to receive commissions. It is based on the qualification requirements met for that pay period.
- f. Personal Volume (PV): Your personal purchases and your online retail customer sales volume.
- g. Sponsor: An Associate who enrolls an Associate into the Company and is listed as the sponsor on the Associate Application and Agreement.
- h. SPONSORSHIP TREE: THE GENEALOGY OF ALL YOUR PERSONALLY ENROLLED ASSOCIATES, THEIR PERSONALLY, AND SO ON, IN A SPONSORSHIP STRUCTURE. Everyone personally enrolled is automatically placed frontline (Level 1). The personally enrolled tree can be unlimited in depth and width.
- i. Upline: The Associates above a particular Associate in a sponsorship line, up to the Company. It is the line of Sponsors that links any particular Associate to the Company.
- j. Weekly Pay Period: Friday at 10:01 PM (Pacific Time) to the next Friday at 10:00 PM (Pacific Time). Weekly commissions are paid on Friday's and the payout is for the Weekly Pay Period 14 days prior.