

Club soteK, LLC

POLICIES AND PROCEDURES

Effective December 2018

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SECTION 1 - WELCOME

Welcome to Club soteK! We created this company following the F.A.I.R. Philosophy (Fun, Anyone, Important and Real). Our goal is that the company and all Heroes run their business following the F.A.I.R. Philosophy. Everything from our products, to how we share our products, to how we share our opportunity and how we treat each other at events.

- **FUN** – Having a business opportunity and products that are exciting, interesting, enjoyable and rewarding.
- **ANYONE** – Be equally available for anyone regardless of experience, be affordable for the masses, and require very little time because it's just part of one's lifestyle.
- **IMPORTANT** – What we do is important and provides results that are significant to people's quality of life that they have not been able to achieve previously.
- **REAL** – To share results from real customers who are using our program with just facts without hype. To share results that most people can experience, not just the outliers and the exceptions.

At Club soteK, you are in business for yourself, but never by yourself. You, our corporate team and our strategic partnerships together form a community of individuals working toward a common goal. This document identifies those Policies and Procedures that keep us all moving in a positive direction. When you become an Independent Business Owner (hereafter, "Hero"), you become the CEO of your own home-based business. Each CEO conducts their business differently though we depend on one another for support. Therefore, we all agree to live by a code of ethics, policies, and procedures that will keep us agreeing with one another and working in win-win relationships.

These Policies and Procedures apply to all Heroes that have joined Club soteK. Please read through this information carefully so that you can refer to it when you enroll new Heroes and customers into Club soteK.

Best of success as you partake in this most noble of all endeavors! Be the INSPIRATION! Be the PROOF! Be the EXAMPLE! Be a HERO!

Club soteK Management Team

1.1 - Contractual Relationship, Code of Honor and Confidentiality

Club soteK, Inc. (hereafter, "Club soteK"), is an Illinois corporation, independently owned and operated.

These Policies and Procedures, along with the Hero Pay Plan, combine to form a contract which is legally binding on each Hero and Club soteK. A Hero enters into this contract with Club soteK with confidence in Club soteK's integrity and its expressed intention of dealing fairly with its Heroes. Club soteK enters into this contract with full awareness that its success depends upon responsible, efficient, vigorous, and successful Heroes who conduct their business free of false, deceptive, or misleading advertising and marketing practices. Club soteK enters into this contract with each Hero believing in the Hero's integrity and ability, and that the Hero will meet its obligations and responsibilities. Given these expectations, Club soteK wants all Heroes to have confidence in Club soteK and with us mutually commit to the following:

1. We will strive to treat others as we would like to be treated.
2. We will strive to be fair, honest, ethical, and courteous with our customers, our suppliers, and our Heroes.
3. We will always be professional whenever we act in an official Club soteK capacity.
4. We will make every effort to help others achieve their goals as we strive to accomplish our own.

Club soteK may terminate its distributor agreement with a Hero if the Hero has engaged in any unethical or criminal conduct which may be detrimental to the consumer, Club soteK, or any other Hero. Such decision is at the sole discretion of Club soteK. To remain in good standing, each Hero agrees to:

1. Conduct their business in a commercially reasonable manner.
2. Enroll, train, manage, and lead any downline Heroes in accordance with the guidelines established by Club soteK.
3. Truthfully and fairly describe any products or programs marketed by Club soteK in all discussions with customers, other Heroes, or potential Heroes.
4. Neither misstate nor omit any significant material fact about the Club soteK program.
5. Provide each prospective Hero with access to the current Club soteK Policies and Procedures and the Hero Pay Plan prior to or when giving such person a Hero Application and Agreement.
6. Never represent that the Hero Pay Plan is merely based upon sponsoring other Heroes.
7. Only represent that the Hero Pay Plan and the compensation provided are based upon the sales of Club soteK products.
8. Never engage other Club soteK Heroes (unless personally enrolled) in promotional or recruiting activities relating to other network marketing companies.
9. Never recruit for or promote any other business at any Club soteK function.
10. Only use online reports concerning your Hero downline organization's product sales performance to manage your sales, marketing and distribution activities.
11. Acknowledge that online reports are proprietary and confidential to Club soteK and are transmitted to the Hero in confidence.
12. Acknowledge that for your agreement to keep confidential and not disclose Club soteK's confidential information, Club soteK would not provide confidential information to you.
13. Never disclose confidential information to any third party directly or indirectly, nor use the information to compete with Club soteK directly or indirectly.

1.2 - Policies and Procedure and Hero Pay Plan Included in HERO Agreement

These Policies and Procedures, and the Hero Pay Plan (both in their present form and as may be amended), are incorporated into, and constitute an integral part of, the Club soteK Hero Agreement. Collectively, these documents set forth the respective duties, obligations, and responsibilities of Club soteK and each Hero.

In these Policies and Procedures, if the term "Agreement" is used, it collectively refers to the Club soteK Hero Agreement, these Policies and Procedures, the Hero Pay Plan, and the Club soteK Business Entity Registration form (if applicable). These documents are incorporated by reference into the Club soteK Hero Agreement.

It is each Heroes responsibility to read, understand, adhere to, and ensure that he/she is aware of and operating under the most current version of these Policies and Procedures. If you have any questions regarding any policy, procedure, or rule, do not hesitate to seek an answer from Club soteK at compliance@clubsotek.com or to contact your independent tax and business advisors, accountants, and attorneys.

1.3 - Modifications to the Agreement

To maintain a viable business and to comply with governing federal, state, and local laws, and economic conditions, Club soteK reserves the right to amend this Agreement, and its prices, in Club soteK's sole and absolute discretion. Such modifications shall be immediately binding upon publication of notice of any such modifications. Notification of amendments shall be published by one or more of the following methods: (1) posting on Club soteK's official web site (the Back Office); (2) by e-mail; (3) published in a Club soteK periodical; (4) printed in documentation with product orders or bonus checks; or (5) special mailings.

By accepting the Hero Agreement, each Hero agrees to abide by all amendments or modifications that Club soteK elects to make. A Heroes continuation of the Heroes Club soteK distributorship business, or acceptance of bonuses or commissions also constitutes acceptance of all amendments. If any Hero does not agree with any amendment to the Agreement, the Hero may so notify Club soteK at compliance@clubsotek.com and shall withdraw from being a Hero and distributor of Club soteK products.

1.4 - Independent Contractor Status

Each Hero is an independent contractor of Club soteK, and each is granted a non-exclusive authorization to sell Club soteK's products in accordance with the terms and conditions set forth by Club soteK, including this Agreement. No Hero is purchasing a franchise or a "business opportunity" under any state or federal law. The Hero Agreement between Club soteK and its Heroes does not create an employment or agency relationship, nor a partnership or joint venture between Club soteK and any Hero. Therefore, the Hero has no authority (expressed or implied), to bind Club soteK to any obligation. No Hero is a representative of Club soteK, but only a representative of its products.

Each Hero shall establish his/her own goals, hours, and methods of sale, so long as they comply with the terms of this Agreement, and applicable laws.

SECTION 2 - HERO ENROLLMENT

2.1 - Hero Application Requirements

To become a Club soteK Hero, each applicant must:

- Be at least 18 years of age (19 if resident in Alabama and Nebraska, and 21 if in Mississippi);
- Reside in the United States or U.S. Territories;
- Provide a valid Social Security or Federal Tax ID number, required by federal law for income reporting purposes (there is a \$100 fee for providing incorrect tax identification information);
- Submit a copy of your tax identification number, and any tax-exempt documentation if you claim to be tax exempt (**exemption is not retroactive**);

- Club soteK “Hero Fee” (online Biz-Kit) is (optional in North Dakota and where prohibited);
- Accurately complete and submit a HERO Agreement to Club soteK either in hard copy or online format.

By submitting a Hero Application to Club soteK, you affirm that you have read and understand these Policies and Procedures as they now exist. Club soteK reserves the right to reject any application or order.

Additionally, under its right of contract, Club soteK retains the right to reject any application that does not include a valid Social Security Number or Federal Tax Identification Number.

2.2 - Hero Fee (Online Biz-Kit) and Product Purchases

To familiarize new Heroes with Club soteK product and service portfolio, sales aids, and marketing techniques, Club soteK requires a \$65 “Hero Fee” (also referred as Online Biz-Kit) for becoming a Hero (optional in North Dakota). An “Online Biz-Kit” includes a personal marketing website, a complete virtual Back Office, placement in the “Team Structure” (binary tree), training, Hero support and ecommerce administration, and eligibility for personal bonuses.

No person is required to purchase Club soteK products (other than the Online Biz-Kit) to become a Hero.

2.3 - Hero Benefits

Once a Hero Application and Agreement has been accepted by Club soteK, the benefits of the Hero Pay Plan and the Agreement are available to the Hero. These benefits include the right to:

- Sell Club soteK products within approved sales and advertising mediums;
- Participate in the Hero Pay Plan (receive bonuses and commissions, if eligible);
- Enroll others as product customers or Heroes into the Club soteK business and thereby build a sales and marketing organization and progress through the Hero Pay Plan;
- Receive periodic Club soteK literature and other Club soteK communications;
- Participate in Club soteK enrollment, support, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs developed by Club soteK for its Heroes.

2.4 - Enrolling Other Heroes

HEROs are entitled to enroll other Heroes into the Club soteK program. However, Heroes are compensated for sales volume and not for the introduction of new Heroes into the program.

When enrolling a new Hero, it is the responsibility of the enrolling Hero to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the Hero Pay Plan prior to his/her execution of the Hero Application and Agreement.

If an Hero chooses to re-enroll a former Club soteK Hero who was not originally enrolled by him or her, in order for the new enrollment to be accepted the current Hero must first contact Hero Support at support@clubsotek.com to verify that the potential new Hero is able to be re-enrolled.

2.5 - Position Restrictions

A Hero may have beneficial interest or participation in only one Club soteK business. A beneficial interest includes, but is not limited to, any ownership, interest, equitable interest, any rights to present or future benefits, financial or otherwise.

Husbands and wives and common-law couples (collectively “spouses”), who wish to maintain separate Club soteK businesses may do so if the second spouse to enroll is only enrolled by the first enrolled spouse’s original enroller. Change of the original enroller is not permitted. Notwithstanding the separate Hero business of spouses, the actions of one spouse will be attributed to both spouses and may result in disciplinary action against both spouses merely because they are spouses. Once enrolled a spouse may not be moved to a different downline.

2.6 - Applying as a Business Entity

A corporation, limited liability company (LLC), limited partnership, partnership, or trust (collectively referred to in this section as a “Business Entity”) may apply to be a Club soteK Hero. The Business Entity registration form must be signed by all the shareholders, members, partners, trustees, or other owners. Owners, managers, and trustees of the entity are jointly and severally liable for any indebtedness or other obligation to Club soteK.

A Heroes distributorship may be transferred into a Business Entity. To maintain the integrity of the Club soteK Marketing Program, an individual wishing to continue their Hero business as a Business Entity may do so but may not maintain a separate Club soteK distributorship business under his/her personal name.

2.7 - Multiple Applications

Each prospective Hero has the ultimate right to choose his/her own enroller. If two Heroes claim to be the enroller of the same new Hero, Club soteK will recognize the enroller as the name shown on the first Hero Agreement that is completed, dated, and received or processed at Club soteK’s corporate office.

2.8 - Holding Applications or Orders

Heroes must not manipulate enrollments of new applicants or product orders.

Any Hero Application and Agreement submitted to Club soteK via its website that was not auto-placed in the “Team Structure” must also be manually placed in your organization within 72 hours. After 72 hours the new Hero will be placed automatically by Club soteK, within the system and the placement cannot be

changed. Also, once commissions have been generated by any purchase made by a new Hero, the placement cannot be changed without Upline approval of all Heroes financially affected by the change.

2.9 - Annual Renewal Fee

Club soteK will charge a non-refundable annual Hero renewal fee of \$65 (U.S. dollars), due on the anniversary month of enrollment and continuing annually thereafter. All Heroes will be charged an annual renewal fee. To avoid being charged an annual renewal fee the Hero may voluntarily terminate their Hero relationship with Club soteK as described in the voluntary termination policy. No portion of the renewal fee will be credited back on Hero cancellations after the date in which the renewal fee is charged. Each Hero agrees that Club soteK may collect the \$65 (U.S. dollar) annual renewal fee by:

1. Charging the Heroes credit card(s), or
2. Deducting from the Heroes bonus check in the anniversary month of the Heroes enrollment.

2.10 - No Additional Agreements or Contracts Required

Heroes shall not require or encourage anyone to execute any agreement or contract other than official Club soteK agreements and contracts in order to become a Club soteK Hero.

Similarly, Heroes shall not require current or prospective customers to make any other purchase or payment before purchasing Club soteK product. No Hero shall either *encourage* or *require* any enrolling Hero to make any purchase from, or payment to, any individual or other entity to enroll as a Hero, or participate in the Hero Pay Plan, other than those purchases or payments identified as required in Hero Application and Agreement and any optional purchases identified in official Club soteK literature.

2.11 - Income Taxes

Heroes shall not be treated as employees of Club soteK, or of any enrolling or other Hero, for Federal or State tax purposes. All Heroes are responsible for paying local, state, and federal taxes due from all compensation earned and all other expenses that arise from running their Club soteK Business. As required by law, Club soteK reports to the tax authorities any Earning paid to Heroes.

Every year, Club soteK will provide an IRS Form 1099 MISC (Non-employee Earning) earnings statement to each U.S. resident who had earnings more than the annual minimum as established by the Internal Revenue Service in the previous calendar year. The gross sales income figure on your IRS Form 1099 is compiled from tax invoices, commission statements, and other reports generated by Club soteK for each Hero.

2.12 - Compliance with Federal, State, and Local Laws

Heroes must comply with all federal, state, and local laws in the conduct of their business. Club soteK recommends that you seek guidance from your local officials, and tax and legal advisers in determining and complying with applicable laws.

2.13 - Independent Business Insurance

You may wish to arrange insurance coverage for your business. Homeowner's insurance policies generally do not cover business-related injuries or the theft of or damage to inventory or business equipment, even if located in the home. Contact your insurance agent and legal adviser to consider appropriate insurance protection for your business property. Insurance coverage is often available through a "Business Pursuit" endorsement attached to the present homeowner's insurance policy. Check with a licensed insurance professional and legal advisers and make your best decision.

SECTION 3 - SALES

3.1 - Product Sales

Club soteK Heroes are authorized to enroll customers to purchase product directly via the Heroes Club soteK marketing website.

3.2 - Direct HERO Purchases

If a Hero obtains product from his/her enroller/sponsor or any Heroes personal inventory, no bonuses will be paid by Club soteK on such transactions. Additionally, for all products purchased from an upline Hero, any defective product claims must be made to that upline Hero and claims for defects to Club soteK are the responsibility of that Hero.

Club soteK maintains all receipt records documenting customer purchases through its websites. These receipts set forth the Customer Satisfaction Guarantee as well as consumer protection rights afforded by federal or state law, including order cancellation rights.

3.3 - No Inventory Loading

Heroes must not influence or attempt to influence any other HERO to buy more product than they can reasonably use within a 60-day period. Personal consumption should be primary reason for product purchases. We understand that time to time Heroes may purchase some product for tastings and giveaways to prospective customers, but these purchases should be minimal.

SECTION 4 - PAYMENT, SALES TAXES AND SHIPPING

4.1 - Payments

Club soteK accepts payments using Visa, MasterCard, American Express, and Discover Card. Club soteK will not process orders that are not accompanied by full and proper payment.

Club soteK will not be responsible for the loss of any commission and bonus or other payment because of declined payments, delays or errors in orders, processing or shipping, charges, delayed shipments, or acts outside the reasonable control of Club soteK.

4.2 - Restrictions on Third Party Use of Payment Mechanisms

When a Hero grants other Heroes or customers access to their credit and or checking accounts, the Hero is solely responsible for fraudulent use of their credit or debit card(s). When such permissions are granted by a Hero, the Hero agrees to protect Club soteK from all related charge-backs from alleged fraudulent use of their accounts to purchase Club soteK products or services. To exercise due care, Club soteK will accept no more than three transactions per day per Internet Protocol (IP) address. Under unusual circumstances, exceptions to this rule may be made by contacting Hero support directly (support@clubsotek.com).

4.3 - Sales Taxes

By its business operations, Club soteK is required to charge applicable sales taxes on all purchases made by Heroes, customers including Internet customers, and to remit the sales taxes charged to the respective state taxing authority. If a Hero has submitted, and Club soteK has accepted, a current sales tax exemption certificate, and sales tax registration license, sales taxes will not be added to the invoice and it will be the responsibility of the Hero to collect and remit sales taxes to the appropriate tax authorities. No sales tax exemption accepted by Club soteK can be retroactive to any date before its acceptance date by Club soteK.

4.4 - No Shipping Address Changes

Shipping address changes will not be accepted after the order has been submitted.

4.5 - Delays

Club soteK shall not be responsible for processing or shipping delays, or failures in performance of its obligations when performance is made commercially impracticable or unreasonable due to circumstances beyond its reasonable control, including the volume of orders to process and product availability. This also includes, without limitation, strikes, labor difficulties, riot, war, fire, death or disability of personnel, curtailment of supply sources, government decrees, or criminal or terrorist acts.

4.6 - Back Orders

Club soteK has the goal of retaining enough product inventories to never need to worry about back orders. If an item goes on back order, Club soteK may stop accepting orders for the back ordered item

until further notice. If a back ordered item is part of a pack or kit, Club soteK may substitute another item in place of the back ordered item until it becomes available.

SECTION 5 - COMMISSIONS AND BONUSES

5.1 - Commission Eligibility

The Hero Pay Plan is based on the sale of Club soteK products to end consumers. Heroes must meet personal and downline organizational sales milestones (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions, and advancement to higher levels of achievement.

To be eligible for commissions or bonuses, a Hero must generate, before the end of the specified period for which compensation is to be paid, the required minimum sales volumes specified in Club soteK's official Hero Pay Plan. Commission are paid on a weekly basis. Club soteK's Hero Pay Plan operates on the principle of "full compression," as illustrated in the Hero Pay Plan overview (available online). Any monies not paid to a Hero because of ineligibility will be passed to the first eligible upline Hero.

5.2 - Commission Payments

A Hero is paid commissions and/or bonuses by Club soteK for sale of products only after Club soteK has received payment for the total product purchase. When a product order is in dispute, commission payments will be withheld the week the order was made and shall be withheld every commission and bonus pay period thereafter, until the dispute is resolved. Club soteK may also deduct from bonuses any amount the Hero owes Club soteK, specifically including, without limitation, commission claw backs, underpayments, postage due, shipping charges, and debits accrued from any other transactions that generated a payment to the Hero or the Heroes upline. Commission payments are based on unencumbered sales volume during the period, and commissions are always paid in full for that period.

5.3 - Payment Policy

Weekly bonuses are issued each Thursday (except holidays) for the prior week's pay period. (Actual days of the week in a weekly pay period are specified in the Hero Pay Plan.) If Thursday is a holiday, weekly bonuses are issued on the next regular business day.

The Company's preferred method of payment is direct deposit.

Payment may also be requested by check. Due to processing costs, checks under \$35.00 will not be processed or sent to any Hero. The money will be held in the Heroes account and until the total commission earned equals \$20.00 or more, and then the check will be issued. Additionally, the Company will charge a \$3.50 fee per check issued.

It is each Heroes responsibility to review his/her bonus check and report any potential discrepancies to Hero Support support@clubsotek.com within 20 days of receipt of the bonus.

5.4 - Unclaimed Bonuses and Cash Credits

When applicable, Heroes must deposit or cash bonus checks within 90 days from the date on the check. A check that is not cashed after 90 days will be voided and without recourse. Heroes may request that a stolen, lost or inadvertently destroyed check be reissued within 60 days of the date of the check. There is a \$20.00 charge for reissuing each check. This charge will be deducted from the balance owed to the Hero.

Customers or Heroes who have cash credit on their account with Club soteK must use the cash credit within six months from the date issued. Cash credits not used within six months of issuance will be cancelled.

5.5 - Bonus and Commission Qualifications; Active Status

A Hero must be “active” in status with Club soteK, as well as meet all qualifications in the Hero Pay Plan and the Hero must be in good standing with the Club soteK Policies and Procedures Plan to qualify for compensation. Club soteK shall pay commissions to each such Hero in accordance with the current Hero Pay Plan.

To maintain “active” status with Club soteK, a Hero must generate 120 PQV (Personal Qualification Volume) as published in the Hero Pay Plan every 4-week commission period, with a new period beginning every 4 weeks. So long as a Hero complies with the Hero Agreement (these Policies and Procedures, etc.), Club soteK will pay bonuses to the Hero as qualified, in accordance with the current E Plan published on the corporate website.

5.6 - Reports

All information provided by Club soteK online including but not limited to Personal Qualification Volume (PQV), Enrollment Tree Volume (ETV), Team Commission Tree (TCT) (or any part thereof), and downline enrolling activity, is believed to be accurate, complete, 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 or charge-back of credit card or electronic check payments; returned products. For those or other reasons, PQV, ETV and TCT information in reports is not guaranteed by Club soteK or any persons creating or transmitting the information.

ALL INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR, BUT WITHOUT LIMITATION, THERE CAN BE NO WARRANTY OR IMPLIED WARRANTY FROM CLUB SOTEK REGARDING EARNINGS OR QUALIFICATIONS.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, CLUB SOTEK AND/OR OTHER PERSONS CREATING OR TRANSMITTING INFORMATION WILL IN NO EVENT BE LIABLE TO ANY HERO OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES ARISING OUT OF THE USE OF OR ACCESS TO OR RELIANCE ON PQV, ETV, TCT OR OTHER VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, ACTIVE STATUS, QUALIFICATION, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS, INCLUDING LOSS OF THE USE OF THE INFORMATION),

EVEN IF CLUB SOTEK OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, CLUB SOTEK AND OTHER PERSONS CREATING OR TRANSMITTING SUCH INFORMATION, SHALL HAVE NO LIABILITY TO ANYONE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR ANY OTHER THEORY, FOR ERRORS, INACCURACY, OR DELAY APPLICABLE TO SUCH INFORMATION.

5.7 - Bonus Buying Prohibited

Club soteK strictly and absolutely prohibits bonus buying. "Bonus buying" includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Hero Agreement by such individual(s) or entities; (b) fraudulent enrollment of an individual or entity as a Hero or customer; (c) enrollment or attempted enrollment of non-existent individuals or entities as Heroes or customers ("phantoms"); (d) purchasing Club soteK products on behalf of another Hero or customer, or under another Hero or customer's I.D. number, to seek to qualify for commission(s) or bonus(es) unless approved by the owner of the credit card; (e) purchasing excessive amounts of product that cannot not be used for the stated purpose of the product (Personal consumption and occasional tasting for potential Customers) and/or (f) any other mechanism or artifice to qualify for a rank advancement, incentive, prize, commission, or bonus that is not driven by bona fide product purchases by end user consumers. Some bonus buying activity may also carry criminal penalties under applicable law.

SECTION 6 - PRODUCT GUARANTEES, RETURNS, AND INVENTORY REPURCHASE

6.1 - Customer Order Cancellation

A customer who makes a purchase of \$25.00 or more has three business days (72 hours) after the sale, or execution of a purchase contract, to cancel the order and will receive a full refund.

6.2 - First Order Cancellation Policy

Upon resignation from Club soteK, a former Hero may cancel their first order for a complete refund within 3 days from the date of purchase. If product has already been shipped, the refund will be held pending return to Club soteK of the unopened product packages. Packages that have been opened or tampered with cannot be returned or refunded. Club soteK cannot refund shipping costs when shipment has occurred.

6.3 - Return of Inventory and Sales Aids by Heroes Upon Cancellation

Upon resignation of a Hero and cancellation of the Heroes Agreement, the Hero may return to Club soteK any products that have been unopened or tampered with that are in substantially as good as new condition, and any sales aids that: (a) the Hero personally purchased from Club soteK (purchases from other Heroes or third parties are not subject to refund from Club soteK); and (b) were purchased within 30 days of the date of cancellation.

Upon receipt of returned re-sellable products and sales aids, the resigning Hero will be reimbursed 90% of the net cost of the original purchase price(s). Furthermore, shipping and processing charges incurred by Heroes when the products or sales aids were purchased will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the credit card account. If a Hero was paid a commission based on product(s) that the Hero purchased, and such product(s) is subsequently returned for a refund, then any commission that was paid based on that product purchase will be deducted from the amount of the refund.

If any Hero resigns within their first 15 days, the Hero will receive a 100% refund on the Hero Fee (\$65) Online Biz-Kit.

6.4 - Cancellations and Bonuses

All Upline Heroes affected by returns and cancelled orders are subject to appropriate bonus adjustments and deductions in their subsequent bonus/commission check payments (also known as Claw Backs). Bonus and volume adjustments and deductions may also apply at the time Club soteK receives notice of any type of dispute regarding any order.

6.5 - Warranty; Defective Products

Club soteK will replace products that are defective in packaging or otherwise up to 15 days after receipt of the order. Club soteK warrants that its food products shall be of merchantable quality and fit for human consumption for the period of the stated shelf life for that product, when stored as directed, including climate conditions and exposure to moisture and sunlight. Club soteK products are not intended as food for livestock or animals.

6.6 - Damaged Products

Sometimes products purchased from Club soteK may be damaged in route. If a package has been damaged in shipping, **DO NOT OPEN THE PACKAGE**. Since the carrier is responsible for the damage, it is the carrier's responsibility to replace product. To make a claim against the carrier, a Hero must act quickly. If there is uncertainty as to the condition of the product, but it is suspected to be damaged, feel free to contact Club soteK Hero Support department for help by email at support@clubsotek.com. **Do not return carrier-damaged merchandise to Club soteK! Returning damaged items to Club soteK will likely void any claim against the carrier.** If there is no visible damage on the outside of the box, but upon opening the package a Hero finds that the product has been damaged, then contact Hero Support immediately at support@clubsotek.com to obtain a Return Merchandise Authorization (RMA). An RMA

must be requested within 15 days of receipt of product. Please allow a minimum of 10 business days processing time for all replacement items from the date the returned products are received by Club soteK.

6.7 - Refused Orders or Shipments

There is no refund when a customer or Hero refuses delivery of a package. If an order is refused, the carrier will return the package to Club soteK. Club soteK will hold the package for five (5) business days and will only re-ship the package to the customer or Hero again after payment of shipping plus a \$25 holding and re-processing fee.

6.8 - Incomplete Orders

If a customer or Hero does not receive all the items ordered, first check the shipping invoice. If after reviewing the invoice part of the order is indeed missing, contact Hero Support at support@clubsotek.com with the details of the missing item(s) within five (5) business days.

6.9 - Incorrect Orders

If any item is received that was not ordered, contact Hero Support at support@clubsotek.com within five (5) business days to resolve the issue.

6.10 - Auto Reserve Orders

Heroes and their customers can sign-up for an Auto Ship Order (ASO). The database system will automatically process these orders on any given day the Hero or customer has selected, and the order will ship the following Monday (or next business day if Monday is a holiday). To cancel an ASO, a Hero or customer may do so online or contact Hero Support, support@clubsotek.com by 5:00 p.m. Central Standard Time, at least three business days before the scheduled automatic processing date.

6.11 - Summary of Procedures for All Returns

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

1. All merchandise purchased directly from Club soteK must be returned by the Hero or customer who purchased it, directly to Club soteK.
2. All products to be returned to Club soteK must have a Return Merchandise Authorization (RMA) number, which is obtained by contacting HERO Support at support@clubsotek.com. The RMA number must be written on each carton returned.
3. The return must be accompanied by a copy of the original dated invoice or sales receipt.

4. Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to Club soteK shipping pre-paid. Club soteK does not accept shipping-collect packages. Risk of loss in shipping for returned product shall be on the Hero or customer returning the product. Insurance may be purchased through carriers for returned product. If returned product is not received by Club soteK, it is the responsibility of the Hero to trace the shipment with the carrier.

No refund or replacement of product will be made if these procedures are not met. Delivery will be refused for any unauthorized product returns. Heroes must hold Club soteK harmless for any incurred charges. Compliance with these procedures is necessary to provide continued quality service and prompt shipment of products to Heroes and customers.

SECTION 7 - MARKETING YOUR CLUB SOTEK BUSINESS

7.1 - General Advertising

Club soteK encourages word-of-mouth advertising as the best and most efficient means of advertising and discourages conventional media advertising.

All Heroes shall safeguard and promote the good reputation of Club soteK and its products. The marketing and promotion of Club soteK, the requirements to become a Club soteK Hero and represent Club soteK's products, the Earning Plan, and Club soteK products shall be consistent with applicable laws, public policy, and with the public interest, and must avoid all unprofessional, discourteous, deceptive, misleading, unethical, or immoral conduct, practices, and misrepresentations, expressed and implied.

7.2 - Indemnification

Heroes are solely responsible for all their verbal or written statements regarding Club soteK and its products, services, and the Earning Plan that are not expressly contained in and quoted from official Club soteK material. As such, Heroes agree to indemnify Club soteK and its directors, officers, agents, attorneys, and employees, and hold them harmless from any and all claims, damages, liability, or losses, including but not limited to judgments, civil penalties, refunds, legal fees, court costs, damages, or lost business incurred by Club soteK as a result of the Heroes unauthorized or false or misleading representations or inappropriate actions. This obligation shall survive the termination of the Hero Agreement.

7.3 - Trademarks and Copyrights

Club soteK uses trade names and trademarks to identify it, its products, its sales and marketing programs, and to distinguish it from competing entities, and their products and programs. The name and mark: "Club soteK" as well as other names, logos, or trademarks, are proprietary to Club soteK and have great commercial value. Whenever Club soteK's name and trademarks are misused, the value, distinctiveness, and positive impact of the name and trademark are lessened or tarnished. Consequently, Club soteK strives to protect the integrity of its name and trademarks.

You should report suspected unauthorized use of Club soteK's name and trademarks by email to compliance@clubstek.com.

Club soteK Heroes may distribute materials approved by Club soteK. However, no Hero is licensed to use the name, or any trademark of Club soteK. If an Hero uses without express authorization or misuses the name or trademarks of Club soteK, and/or its marketing material, that Hero shall be deemed to have materially and seriously violated these Policies and Procedures and shall be subject to disciplinary action, including but not limited to, immediate termination as an Hero, and any and all other remedies provided under the law, including recovery of legal fees for trademark infringement.

No Hero may use or attempt to register any of Club soteK's trade names, trademarks, service names, service marks, product names, Club soteK's name, or any derivative thereof, for any Internet domain name or email address. Examples include myclubstek, FATSbooster, soteK, etc.

7.4 - Use of Club soteK Sales Materials

Heroes may not re-package, copy, modify, or re-create any information, materials, or products provided by Club soteK.

Club soteK controls the copyright in its printed and audiovisual-recorded materials, such as manuals, brochures, sales aids, audio and videotapes, video training, Internet material, etc. As protected under copyright law, these materials are the exclusive property of Club soteK. Any copyright infringement shall result in Club soteK seeking all remedies under the law to protect its copyrights with reasonable legal fees awarded to Club soteK.

Heroes may not directly or indirectly record or produce for sale or distribution any audio or video recording of any Club soteK event or speech without the prior express written permission of Club soteK, nor may any Hero copy or reproduce (for sale or for personal use) any audio or video recording produced by Club soteK.

7.5 - Creation of HERO Sales Materials

Club soteK Heroes are allowed to develop their own sales tools and promotional materials but they must be approved by the Club soteK Compliance department in writing at compliance@clubstek.com before the dissemination, broadcast, or distribution of said advertising or promotional material.

Heroes are authorized to use published written materials produced by Club soteK (both printed and digital) without prior approval when used in context as intended in the original publication. These

materials may be used in flyers and websites for promotional purposes of the Heroes Club soteK business only.

As used here, "sales tools and promotional materials" includes all independent advertising created by or for any Hero, including but not limited to web sites (not provided by Club soteK), flyers, statements made on telephone answering machines, TV, infomercials, banner ads, radio messaging, or any other form of advertising in any medium that can be construed as a means of advertising, or for promotional purposes in which Club soteK's name, trademark, or logo (or that of any of its products, services or sales aids).

Any request shall be deemed denied unless the Hero is issued specific written approval to use the specific sales tool or promotional material. Any approval granted for said advertising shall be specifically applicable to the Hero that originated the request and then only exclusively for the same Heroes business. *Said approval is not transferable.*

All independently produced material must not display any Club soteK trademark without prior express written approval. *No Hero may produce any items that feature the Club soteK Corporate logo.*

Club soteK reserves the right, upon notice, to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Heroes waive all claims for damages or remuneration arising from or relating to such rescission.

7.6 - Inappropriate Corporate Likeness

Heroes may not purchase, sell, or distribute marketing, informational, promotional or any other material(s) in a manner that suggests or implies that the material originated from Club soteK. Such unapproved instances include the following:

1. Not identifying yourself by your name, and as a Hero, on business cards, signs, and stationery—you must always use the title "Independent Business Owner".
2. Using the Club soteK trade name, or its telephone or fax numbers in the white or yellow page sections of a telephone book, on the Internet, or in electronic communications.
3. Using the Club soteK trade name or any of its trademarks on any Hero business or personal checking accounts—Heroes may imprint their Club soteK business checks as being a "Hero and Representative of Club soteK Products."
4. Answering the telephone, voice mail, or electronic communications, etc., by saying or stating, "Club soteK" or in any other manner that would lead the recipient to believe that he/she has reached the corporate offices of Club soteK or reached a representative of Club soteK. (Heroes are representatives of Club soteK *product*, but not representatives of Club soteK *corporate*.)
5. Using an unapproved domain/page name on any Internet website (including Internet social media or networks) that uses any trademark of Club soteK.

7.7 - HERO Websites and Domain Names

If a Hero desires to utilize an Internet website to promote his/her business, he/she may do so through Club soteK's official website or their personal Club soteK website. Alternatively, Heroes may develop their own website and banner ads separate from those offered by Club soteK. Heroes who develop or publish such material must receive written approval from Club soteK prior to their public availability, or access through the Internet. Failure to obtain approval constitutes a material and substantial breach of these Policies and Procedures. The exceptions are those web sites that contain only information that comes

from official company developed and maintained web sites, brochures and other company produced materials developed for marketing purposes.

Club soteK will not allow the use of its trade names or trademarks or designs, or symbols by any person, including Club soteK Heroes, without its specific prior, written permission. Heroes may only use the Independent Club soteK Hero logo developed by Club soteK and available for license to Heros for their use as a Hero, if they desire.

You are welcome to promote the URL of your personal replicated site (www.clubstek.com/yourname), which is provided by Club soteK upon your enrollment as part of your Online Biz-kit.

7.8 - Website Plagiarism

When creating digital marketing materials (including any blog posts, etc.), please adhere to standard copyright policies. Specifically, copying and reproducing any content that was not personally produced by the Hero is considered plagiarism. Club soteK requires that appropriate authorship credit must be made. Exceptions are made for information that comes from official company developed and maintained web sites, brochures and other company produced materials developed for marketing purposes.

7.9 - Social Networks

When participating in social media, such as but not limited to online blogs, forums, wikis, Facebook, YouTube, Twitter, LinkedIn, Instagram, and any other sites, Heroes may promote or make claims or promotions about the Club soteK product, representative opportunity, or Club soteK products **as long as** such claims and promotions are approved in advance as required by these Policies and Procedures. The exceptions are those social networking sites that contain only information that comes from official company developed and maintained web sites, brochures and other company produced materials developed for marketing purposes.

When using social media, Heroes cannot set up a social media page, group, username, or any other type of account or site that contains any trade name or trademarks of Club soteK. No Hero is authorized as a representative of Club soteK, but rather, Heroes are a representative of Club soteK's products. All independent sites may display the Club soteK Hero logo in a prominent position on the page if possible and provide a clear disclaimer that the site is operated independently by an Hero; the Hero logo is located in the resource section of your back office. Additionally, the site may link back to Club soteK's page of the same social media type (i.e. Facebook page links to Club soteK's Facebook page, etc.) For examples of social media compliance help, please see our marketing downloads section in the Back Office.

If a Hero cancels their Agreement with Club soteK, the Hero must remove all association with Club soteK from all independent pages within 5 business days.

7.10 - Search Engine Marketing

Heroes wishing to engage in search engine marketing to drive traffic to their approved Hero websites may do so provided they do not use any of Club soteK's trade names or trademarks as search terms, meta

tags, or key words. No deceptive or misleading terms, such as “direct site,” “official site,” “official Club soteK website,” etc., may appear in any enrollment links or ads of a Hero displayed on any search results page.

7.11 - Media Inquiries

All media inquiries regarding Club soteK, its business, products, services, and personnel should be immediately referred to Club soteK at marketing@clubsotek.com to its internal staff and professional representatives at the corporate level. Misrepresentations to the media, of any nature could harm Club soteK as well as the business of all Heroes. Consequently, no **Hero is authorized to represent Club soteK** before the media, including to news organizations, whether print, broadcast, or Internet-based. Any interview with the media must be approved and supervised by Club soteK.

7.12 - Press Releases

Since press releases in any form are considered a significant form of media inquiry, no Hero can create or issue their own press releases in any capacity on any website or through any media. A Hero may refer to the official Club soteK press releases in their personal blogs, social media sites, or as handouts if they: (1) do not imply authorship of the press release, (2) do not change any information in the original release, and (3) link/cite the Internet location of the press release. Press releases are the property of Club soteK and any unauthorized use of press release content without source attribution is plagiarism.

7.13 - Unsolicited Communication

Except as provided in this section, no Hero may: (1) call someone whose telephone number is listed in the federal “do not call” registry, (2) transmit unsolicited faxes, (3) telemarketing without full compliance with all applicable state telemarketing laws, including script registration, (4) send unsolicited emails (spamming), or (5) publish unsolicited banner ads. The terms “unsolicited phone calls,” “unsolicited faxes” and “unsolicited email” mean the communication via telephone, facsimile or electronic mail, respectively, to anyone who has not directly requested information from you or “opted in” to receiving more information about Club soteK or more information about a business opportunity in general. Content of these solicitations include any material or information advertising or promoting Club soteK, its products, its Hero Pay Plan or any other aspect of Club soteK. The Federal Trade Commission and the Federal Communications Commission each have laws that govern unsolicited communications that carry significant penalties. State laws also regulate telemarketing.

7.14 - Club soteK Corporate Communication

By submitting a Hero Application and Agreement to Club soteK, applicants and subsequent Heroes, grant permission to Club soteK to contact them by telephone, email, and/or fax to promote the sale of Club

soteK products, to promote the Club soteK product representative opportunity, and to communicate with Heroes relative to their Hero business.

7.15 - Unauthorized Product Claims

Except for information contained in official Club soteK literature, Heroes may not make any claims as to any therapeutic, curative, or beneficial properties of any products offered by Club soteK. No Hero may make any claim that Club soteK products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements might be perceived as inappropriate medical or drug claims. Not only do such claims violate Club soteK policies, but they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act, and Federal Trade Commission Act.

7.16 - Unauthorized Income Claims

In their enthusiasm to enroll a prospective Hero, some Heroes are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Heroes may become disappointed quickly if their results are not as extensive or as rapid as the results represented. Club soteK believes the Club soteK income potential for Heroes is generous enough to be highly attractive, without reporting the actual earnings of others.

The Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Heroes may believe it to be beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches may have legal consequences that negatively impact Club soteK as well as the Hero involved, unless appropriate disclosures required by law are also made contemporaneously with any income claim or earnings representation. Because no Hero has all the data necessary complete and accurate enough to comply with the legal requirements for making income claims, no Hero may, when presenting or discussing the Club soteK opportunity or Hero Pay Plan to a prospective Hero, make income projections, income claims, or disclose his/her own Club soteK income (including the showing of checks, copies of checks, bank statements, or tax records).

7.17 - Trade Shows, Expositions, and Other Sales Forums

Heroes may display and/or sell Club soteK products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Heroes must contact the Compliance Department in writing for conditional approval. Club soteK's policy is to authorize only one Hero per business per event.

Final approval will be granted to the first Hero who submits an official advertisement of the event, a copy of the proposed contract to be signed by the Hero, and the application and any required deposit complete and ready to submit to the event organizer. Approval is given to a Hero only for one event at a time. Any requests to participate in future events must again be submitted for approval. Club soteK further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products or the Club soteK product representative opportunity. Please allow a minimum of 10 business days for the authorization process.

7.18 - International Marketing

Because of critical legal and tax considerations, Club soteK must limit the resale of Club soteK, products, and the presentation of Club soteK to prospective customers and Heroes located within the United States and U.S. Territories, and those other countries that Club soteK has announced are officially opened for business. Moreover, allowing any Hero to conduct business in a market not yet opened by Club soteK would violate the concept of affording every Hero the equal opportunity to expand internationally.

Club soteK shall hold each Hero personally liable for losses related to illegal business activities in unauthorized markets, and Heroes agree to indemnify Club soteK and Club soteK's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, damages, attorney fees, court costs, or lost business incurred by Club soteK as a result of an Heroes unauthorized violation of this policy. This provision shall survive the termination of the Hero Application and Agreement.

Accordingly, Heroes are authorized to sell Club soteK products and enroll Customers or Heroes only in the countries in which Club soteK is authorized to conduct business, as announced in official Club soteK literature. Club soteK products or sales tools and promotional materials cannot be shipped into or sold in any foreign country. Heroes may sell, give, transfer, or distribute Club soteK products or sales aids only in their approved home country *with approved advertising content, mediums, and means*.

SECTION 8 - HERO RESPONSIBILITIES AND RESTRICTIONS

8.1 - Downline Activity (Genealogy) Reports

Downline Activity Reports are available for Hero access and viewing at Club soteK's official web site. Each Heroes access to their Downline Activity Reports is password protected. **All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Club soteK.** Downline Activity Reports are provided to Heroes in strictest confidence and are made available to Heroes for the sole purpose of assisting Heroes in working with their respective Downline Organizations in the development of their Club soteK business. Downline Activity Reports are believed to be complete and accurate, but that is not guaranteed by Club soteK. Heroes may use their Downline Activity Reports to assist, motivate, and train their downline Heroes. But for each Heroes agreement to keep the Downline Activity Report confidential and not disclose it, Club soteK would not provide Downline Activity Reports to the Hero. A Hero shall not, on his/her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

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

Upon demand by Club soteK, any current or former Hero will return the original and all copies of Downline Activity Reports to Club soteK.

8.2 - Change of Address, Telephone, and E-Mail Addresses

To ensure timely delivery of products, support materials, and commissions, it is essential that Club soteK's contact information for all Heroes be current. Heroes planning to change their e-mail address or to move must send their new address, and telephone numbers, to Club soteK's Corporate Offices to the attention of the Hero Support at support@clubsotek.com. To guarantee proper delivery, two weeks' advanced notice will be provided to Club soteK for all changes.

8.3 - Changes to a Business Entity

Each Hero must immediately notify Club soteK of any changes to name, type, ownership or control of the business entity they utilize in operating their Hero business, and the addition or removal of its business associates. Such changes may not be made until approved.

8.4 - Sale, Transfer, or Assignment of Club soteK Business

Although a Club soteK business is a privately owned and independently operated business, the sale, transfer or assignment of a Club soteK business is subject to certain limitations. If a Hero wishes to sell his/her Club soteK HERO business, the following criteria must be met:

1. Protection of the existing line of enrollment must be maintained so that the Hero business continues to be operated in that line of enrollment.
2. If the buyer is an active Hero, he/she must first terminate his/her Club soteK business and wait six calendar months before acquiring any interest in a different Club soteK business.
3. Before the sale, transfer or assignment can be finalized and approved by Club soteK, any debt obligations the selling Hero has with Club soteK must be satisfied.
4. The selling Hero must be in good standing and not in violation of any of the terms of the Agreement to be eligible to sell, transfer, or assign a Club soteK business.
5. Club soteK must approve any sale or transfer in writing and such approval will not be unreasonably withheld but may be subject to some delay in approval. Plan accordingly.

Prior to selling a Club soteK business, the selling Hero must notify Club soteK's Compliance Department compliance@clubsotek.com in writing of his/her intent to sell the Club soteK business. No changes in line of enrollment can result from the sale or transfer of a Club soteK business. A Hero may not sell, transfer or assign individual business centers; if a business is sold, transferred or assigned, all business centers must be included in the transaction (when applicable).

8.5 - Acquisitions

Any Hero desiring to acquire an interest in another independent business must first terminate his/her independent business and wait for six (6) calendar months before becoming eligible for such a purchase or partnership arrangement. All such transactions must be fully disclosed to Club soteK and must be approved by Club soteK in advance.

8.6 - Succession

Upon the death, disability, or incapacity of a Hero, the Heroes business shall pass to successors in interest as provided by law. However, Club soteK will not recognize such a transfer unless and until the successor in interest has submitted an approved Hero Application and Agreement, and Succession Agreement form, together with certified copies of the death certificate and will, trust, or other appropriate instrument. The successor shall thereafter be entitled to the rights and be subject to the obligations applicable to a Hero. A successor shall not be required to surrender any pre-existing Club soteK business of their own established prior to succession nor shall a pre-existing Club soteK business interfere with succession in any way.

8.7 - Transfer of Enroller

Although strongly discouraged and seldom permitted, a Hero may transfer to a different enroller by the following means:

When the transfer is within the same upline and downline organization AND the transfer is requested within 7 days of the application, the following signatures are required: requesting Hero, original enroller, and requested new enroller.

When the transfer is outside the same upline and downline organization, the signatures of all affected upline Heroes must also be submitted. These signatures must have statements indicating that each affected party understands and consents to the transfer. Any request for transfer of enroller must be first submitted to Club soteK in writing explaining the specific reasons for the requested transfer.

All transfers of enroller require the final approval of Club soteK in its discretion, whose decision, if granted, will apply only to the Hero making the request and not to any downline organization. To transfer the organization intact, signatures and the Hero ID numbers of each person in the downline must appear in the document approved by the upline.

8.8 - Misplacement

A request for change of placement must be submitted prior to the first commission run following any product purchase of any kind that prompts a commission payment and must be requested by the current listed Enroller. A Hero can only be moved inside the same Enroller's organization. If approved, a Hero will be placed in the first available open bottom position the date the change is made. A Hero that has earned a commission or achieved rank is not eligible for placement changes. Please note that decisions made for any change request are at the sole discretion of Club soteK.

8.9 - Cancellation and Reapplication

A Hero may legitimately change organizations by voluntarily canceling his/her Club soteK business, and remaining inactive (*i.e.*, no sales of Club soteK products, no enrolling, no attendance at any Club soteK functions, participation in any other form of Hero activity, or operation of any other Club soteK business) for six (6) months thereafter. Following the six-month period, the former Hero may reapply under a new Enroller, however, the former Heroes downline will, of course, remain in its original line of enrollment. Club soteK will consider waiving the six-month waiting period only under exceptional circumstances. Such requests for waiver must be submitted to Club soteK in writing and are subject to its sole discretion.

8.10 - Actions of Household Members or Individuals

If any member of a Heroes immediate household engages in any activity which, if performed by the Hero, violates any provision of the Agreement, such activity will be deemed a violation by the Hero and Club soteK may take appropriate disciplinary action, in its discretion, against the Heroes and any associated Heroes who are members of the same household. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity violated the Agreement, such action(s) will be deemed a violation by the entity, and Club soteK may take disciplinary action against the entity.

8.11 - Marriage

If two Club soteK Heroes marry, both husband and wife may continue to operate their existing Independent Business.

8.12 - Separation of a Club soteK Business

Club soteK Heroes sometimes operate their Club soteK businesses as husband-wife partnerships, regular partnerships, corporations, LLCs, or trusts. If the marriage ends in divorce or if the entity is dissolved, then arrangements must be made to assure that any separation or division of the business does not adversely affect the interests and income of other Heroes up or down the line of enrollment. If the separating parties fail to provide for the best interests of other Heroes and Club soteK in a timely fashion, Club soteK may transfer the case to an approved mediator for determination.

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

1. One of the parties may, with consent of the other(s), operate the Hero business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, members, or trustees authorize Club soteK to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, member, or trustee.
2. The parties may continue to operate the Club soteK business jointly on a "business-as-usual" basis, whereupon all compensation paid by Club soteK 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 of a dissolving business entity, be divided. Similarly, under no circumstances will Club soteK split commission and bonus checks between divorcing spouses or owners of a dissolving entity. Club soteK will recognize only one downline organization and will issue only one commission check per Hero business, per commission cycle. Commission shall always be issued payable to the name of the same individual or entity. If the parties to a divorce or entity 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 Club soteK, the Hero Agreement may be involuntarily cancelled by Club soteK.

If a former spouse has completely relinquished all rights in the original Club soteK business pursuant to a divorce, he/she is thereafter free to enroll under any enroller of his/her choosing without waiting six calendar months. In the case of a business entity's dissolution, the former partner, shareholder, member, or other owner of the entity who retains no interest in the original business, must still wait the six (6) months from the date of the final dissolution before re-enrolling as a Hero. In either case however, the former spouse or entity associate shall have no rights to any downline in their former organization, or to any former retail customers. They must develop the new business in the same manner as would any other new Hero. Customers, however, are free to do business with any Hero or Heroes they choose.

8.13 - Non-solicitation

Never engage other Club soteK Heroes (unless personally enrolled) in promotional or recruiting activities relating to other network marketing companies. Club soteK Heroes are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, Heroes may not directly or indirectly recruit any other Club soteK HEROs or customers (unless personally enrolled) for any other network marketing business.

Following the cancellation of a Hero Agreement the former Hero may recruit any Club soteK Hero or customer for another network marketing business if they are not using genealogies and information provided to the former Hero from the back-office or others means from Club soteK. Each Hero and Club soteK recognize that because network marketing is conducted through networks of independent contractors dispersed globally, 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, each Hero and Club soteK agree that this non-solicitation provision shall apply to all countries and markets in which Club soteK conducts business.

In these Policies and Procedures, the term "recruit" means the actual or attempted enrollment, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Hero or customer 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 Heroes actions are in response to an inquiry made by another Hero or a customer.

8.14 - Reporting Policy Violations

Any Hero becoming aware of a violation of these Policies and Procedures by another Hero should submit a written report of the violation directly to the attention of the Club soteK Compliance Department compliance@clubsotek.com. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

8.15 - Hero Participation in Other Direct Selling Programs

If a Hero is engaged in other non-Club soteK direct selling programs, it is the responsibility of the Hero to ensure that his/her Club soteK business is operated entirely separate and apart from any other business or network marketing program. To this end, the following must be adhered to:

1. No Hero shall display Club soteK promotional material, sales aids, or products with or in the same location (physical or virtual) as, any non-Club soteK promotional material or sales aids, products or services.
2. No Hero shall offer the Club soteK product representative opportunity or products to prospective or existing Customers or Heroes in conjunction with any non-Club soteK program, opportunity, product or service.
3. No Hero shall offer any non-Club soteK opportunity, products, services or opportunity at any Club soteK-related meeting, seminar or convention.

8.16 - Targeting Other Direct Sellers

Club soteK does not condone Heroes specifically or consciously targeting the sales force of another network marketing organization to sell Club soteK products, or to become Heroes of Club soteK, nor does Club soteK condone any Hero soliciting or enticing members of the sales force of another network marketing organization to violate or alter the terms of their contract with such other entity. If any Hero engages in such activity, the Hero may risk being sued by the other network marketing company. If any lawsuit, arbitration or mediation is brought against a Hero alleging that he/she engaged in inappropriate recruiting activity of a network marketing company's sales force or customers, Club soteK will not pay any of that Heroes defense costs or legal fees, nor will Club soteK indemnify the Hero for any judgment, award, or settlement. Rather, the facts may expose the Hero to termination as an Club soteK Hero.

8.17 - Pirating

Actual or attempted pirating is strictly prohibited. "Pirating" includes enrolling or attempting to enroll an individual or entity as a Hero who already has a current Hero Agreement with Club soteK, or who has had such an agreement within the preceding six (6) months, with a different line of sponsorship. The use of a spouse or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited, and grounds for termination as a Hero.

No Hero may demean, discredit, disparage, or otherwise speak ill of other Club soteK Heroes in an attempt to entice others to become part of their organization. No Hero may solicit or intentionally interfere with another Heroes customer(s) to encourage them to join or purchase from their organization. Upon leaving or terminating as a Hero, voluntarily or involuntarily, the Hero may not pirate or solicit other Heroes for at least six (6) months, or they may be liable in tort or other laws for such conduct.

If pirating is discovered, it must be promptly brought to Club soteK's attention. Club soteK may take disciplinary action against the Hero that changed organizations and/or any Hero who encouraged or participated in the Pirating. Club soteK may also move all or part of the offending Heroes downline to the

original downline organization if Club soteK deems it appropriate, equitable and feasible to do so. However, Club soteK is under no obligation to move the pirated Heroes downline organization, and the ultimate disposition of the organization remains within the sole and exclusive discretion of Club soteK. Heroes waive all claims and causes of action against Club soteK arising from or relating to the disposition of pirated downline.

8.18 - Non-disparagement of Club soteK

Club soteK wants to provide its Heroes with the best products, earning plan, and service in the industry. Accordingly, Club soteK values constructive criticisms and comments. All such comments should be submitted in writing to the Compliance Department. Remember, to best serve you, we must hear from you! While Club soteK welcomes constructive input, negative comments and remarks made in the field (including social media) by Heroes about Club soteK, its products, or Hero Pay Plan serve no purpose other than to sour the enthusiasm of other Club soteK Heroes. For this reason, and to set the proper example for downline, except for private statements directly to Club soteK, no Hero may disparage, demean, or make negative remarks about Club soteK, other Club soteK Heroes, Club soteK's products, the Hero Pay Plan, customers, or Club soteK's directors, officers, or employees.

8.19 - Expenses

All expenses arising from any Heroes business operations are the sole responsibility of the Hero, including, but not limited to legal costs, telephone expenses, advertising, travel, event participation, and the like.

8.20 - Shipping

Club soteK currently ships product to all 50 U.S. states. Check Back Office shopping cart for current shipping rates.

INACTIVITY, RECLASSIFICATION AND TERMINATION

8.21 - Effect of Termination

So long as a Hero remains active and complies with the Hero Agreement and these Policies and Procedures, Club soteK shall pay commissions to the Hero as provided in the Hero Pay Plan. A Heroes bonuses and commissions constitute the entire consideration for the Heroes efforts in generating sales of product, and all activities related to recruiting Heroes (including building a downline organization). Following an Heroes non-renewal of his/her Hero Agreement, termination for inactivity, or voluntary or involuntary termination of his/her Hero Agreement (all of these methods are collectively referred to as "termination"), the former Hero shall have no right, title, claim or interest to the marketing organization which he/she operated, or to any commission or bonus from the sales generated by the organization.

If a Hero is terminated, effective with such termination, the Hero loses all rights to any bonuses, and all other benefits associated with the activities of the Hero. A Hero who is terminated loses all rights as a Hero (except the right to appeal the termination, as provided in this Agreement). This includes the right to sell Club soteK products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Heroes former downline sales organization. **Upon termination, each Hero hereby irrevocably and forever waives any rights they may have, or may have had, 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/her former downline organization.**

8.22 - Voluntary Termination

A Hero may voluntarily terminate his/her Hero status by sending a written notice to the Club soteK Compliance Department compliance@clubsotek.com that he/she is terminating his/her Hero Agreement. Voluntary termination is effective upon receipt of such notice by Club soteK, or with the approval of Club soteK, at a future date specified in the notice of termination. Notification of the voluntary termination may be forwarded to affected parties. A Hero who voluntarily terminates his/her Hero Agreement may reapply after waiting six (6) months.

8.23 - Nonrenewal

A Hero may also, by default, effect a voluntarily termination of his/her Hero Agreement by failing to renew the Agreement on its anniversary date.

8.24 - Involuntary Termination

A Hero may be terminated or suspended for materially violating this Hero Agreement, including any material violation of these Policies and Procedures. Club soteK may suspend a Hero who is in violation of this Agreement while serving the Hero with notice of cause, or citing instance(s) of the violation(s). If a satisfactory explanation, defense, or remedy is not provided in writing by the Hero within 15 days from such notice, termination will become effective with the final decision of Club soteK, including with retroactive effect to the date of suspension. Notice of the decision will be sent to the violating Heroes address of record with Club soteK. In instances where applicable state law is inconsistent with the foregoing, the procedure shall be automatically adjusted to obtain compliance. An involuntarily terminated Hero may not make application to Club soteK for a period of one year following the effective date of termination. In addition to termination, Club soteK is entitled to take legal action against any terminated Hero for any damages provided by law.

If it comes to Club soteK's attention after accepting and Hero application, that a person did not meet the eligibility criteria to become an Hero, as outlined in this Agreement, they will be terminated immediately, and potentially retroactively.

8.25 - Appeal

An involuntarily terminated Hero may appeal the termination by submitting a letter of appeal to Club soteK, stating the grounds of the appeal. Any letter of appeal must be sent CERTIFIED U.S. MAIL RETURN RECEIPT REQUESTED, ACCEPTING SIGNATURE REQUIRED, addressed "Attention Club soteK – Appeal" and must be received by Club soteK within thirty days of the date of mailing of Club

soteK's termination notice. If Club soteK has not received a letter of appeal by that deadline, the involuntary termination shall automatically become final.

If a Hero files a timely appeal, Club soteK may, at its sole discretion, select an appeals committee consisting of Heroes who are unrelated to the incident, and they, in conjunction with company management, shall review and reconsider the termination and notify the Hero of their decision. The decision of Club soteK shall be final and subject to no further appeal or review. If the appeal is denied, the termination shall remain in effect as of the date of Club soteK's original termination notice.

8.26 - Effect of Suspension

If Club soteK deems it necessary to suspend a Hero, such suspension could mean that the Hero may not have the right to represent him/herself as a Hero of Club soteK and that any bonuses due will be held in abeyance pending resolution. Programs, services, and products may continue to be purchased by a suspended Hero. If termination results, product may be purchased only as a customer from another Club soteK Hero.

Any Hero who has been inactive for twelve (12) or more months will automatically be suspended as a Hero.

A Hero whose business is terminated by Club soteK under this provision, may not reapply to be a Hero for a minimum of six months. The new application requires consent of an authorized officer of Club soteK.

SECTION 9 - DISPUTE RESOLUTION; DISCIPLINARY PROCEEDINGS

9.1 - Disciplinary Sanctions

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

- Issuance of a written warning or admonition;
- Requiring the Hero to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus or commission checks;
- Loss of rights to one or more bonus and commission checks;
- Withholding from a Hero all or part of the Heroes bonuses and commissions during the period that Club soteK is investigating any conduct allegedly in violation. If a Heroes distributorship is canceled for a disciplinary reason, the Hero will not be entitled to recover any bonus or commissions withheld;
- Reassignment of all or part of the Heroes marketing organization;
- Suspension of the Heroes distributorship for one or more pay periods;
- Suspension and/or termination of the Heroes website;

- Any other measure expressly allowed in these Policies and Procedures or the Hero Agreement, or which Club soteK in its discretion deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Heroes policy violation or contractual breach;
- Involuntary termination of the Hero as a representative of Club soteK's products and services (see generally Section 9);
- In situations deemed appropriate by Club soteK, Club soteK may also institute legal proceedings for monetary damages and/or equitable relief.

Each Heroes violation(s) are reviewed on a case-by-case basis, but similar violations by multiple Heroes may be considered by Club soteK for similar action or sanctions.

9.2 - Grievances and Complaints

When a Hero has a grievance or complaint with another Hero regarding their respective Club soteK businesses, the complaining Hero should first report the problem to his/her Enroller who should review the matter and try to resolve it with the other party's Upline enroller. If the matter involves interpretation or violation of any Club soteK policy, it must be reported in writing to the Compliance Department compliance@clubsotek.com at Club soteK.

9.3 - 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 10 days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the city of Chicago, Illinois and shall last no more than two business days.

9.4 - Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to these Policies and Procedures, the Hero Pay Plan, or the Hero Agreement (collectively, the "Agreement") or any breach thereof, 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.

If a Hero wishes to bring an action against Club soteK for any act or omission relating to or arising from the Agreement, such action must be brought within one year from the date of the alleged conduct giving rise to the cause of action. Failure to bring such action within one year shall bar all claims by the Hero

against Club soteK for such act or omission. Each Hero waives all claims that might apply under any other statute of limitation.

All arbitration proceedings shall be held in Chicago, Illinois. The parties shall be entitled to all discovery rights allowed under the Federal Rules of Civil Procedure. No other aspects of the Federal Rules of Civil Procedure shall be applicable to the arbitration. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of the 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. The arbitrator may be required by either party to provide written reasons for the decision.

This requirement to arbitrate shall survive any termination or expiration of the Agreement. Nothing in the Agreement shall prevent Club soteK 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 Club soteK's interests and intellectual property prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

9.5 - Limitation of Damages

To the extent permitted by law, Club soteK and its affiliates, officers, directors, shareholders, agents, attorneys, accountants, employees, and other representatives shall not be liable for, and each Hero hereby releases the foregoing from and waives, any claim for loss of profit, incidental, special consequential or exemplary damages which may arise out of any claim whatsoever relating to Club soteK's performance, non-performance, act or omission with respect to the business relationship or other matters between the Hero and Club soteK, whether sounding in contract, tort or strict liability. Furthermore, it is agreed that any damage to the Hero shall not exceed, and is hereby expressly limited to, the amount of unsold Club soteK products and/or services owned by the Hero, and payment of any commission and bonuses owed to the Hero.

SECTION 10 - GENERAL PROVISIONS

10.1 - Entire Agreement

These Policies and Procedures, Earning Plan, and the Hero Agreement, constitute the entire understanding and Agreement of the parties with respect to that subject matter. The Policies and Procedures, Earning Plan, and Hero Agreement may be amended at any time by any instrument in writing signed by an authorized officer of Club soteK.

10.2 - Governing Law, Jurisdiction, and Venue

Jurisdiction and venue of any matter shall reside in Chicago, Illinois. The laws of the State of Illinois shall govern all other matters relating to or arising from the Agreement unless the laws of the State in which a Hero resides expressly require the application of the laws of that state.

10.3 - Infringement

Club soteK disclaims and excludes all warranties regarding possible infringement of United States, or foreign patent, trademark, trade name, copyright, or the like caused by the Heroes actions. No Hero shall have any claim in connection therewith. Upon learning of any claim or suit relating to any of the matters discussed, the Hero shall immediately notify Club soteK.

10.4 - Severability

If under any applicable and binding law or rule of any applicable jurisdiction, any provision of the Agreement, including these Policies and Procedures, or any specification, standard or operating procedure which Club soteK has prescribed is held to be invalid or unenforceable, Club soteK shall have the right to modify the invalid or unenforceable provision, specification, standard or operating procedure, or any portion thereof to the extent required to be valid and enforceable. Each Hero shall be bound by any such modification. The modification will be effective only in the jurisdiction(s) in which it is required.

10.5 - Waiver

Club soteK never gives up its right to insist on compliance with these Policies and Procedures, the Hero Agreement, and all applicable laws governing the conduct of a business by its Heroes. Failure by Club soteK to exercise any right or power under the Agreement or to insist upon strict compliance by a Hero with any obligation or provision of the Agreement, shall not constitute a waiver of Club soteK's right to demand exact compliance hereafter, nor shall any custom or practice of the parties that is at variance therewith constitute a waiver. Any waiver by Club soteK of these Policies and Procedures or the Hero Agreement is only effective when in writing and signed by an authorized officer of Club soteK, specifically waiving the policy or breach. Club soteK's waiver of any particular policy or breach by a Hero shall not affect or impair Club soteK's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Hero, nor shall any delay or omission by Club soteK in exercising any right arising from a breach affect or impair Club soteK's rights as to that or any subsequent breach.

10.6 - Vendor Confidentiality

Club soteK's business relationships with its vendors and suppliers are confidential. A Hero shall not contact, directly or indirectly, or speak to or communicate with any representative of any supplier of Club soteK except at a Club soteK sponsored event at which the supplier is present at the request of Club

soteK. Violation of this regulation may result in termination of the Heroes distributorship or benefits and possible claims for damages if the vendor association is compromised by the Heroes contact.

10.7 - Amendments

Club soteK reserves the right to amend these Policies and Procedures, its prices, product availability, formulation, and Earning Plan, as it deems appropriate. Amendments will be posted online and any other means that Club soteK deems appropriate. Amendments are effective and binding on all Heroes as of the date they are issued. In the event of any conflict between these Policies and Procedures, the Hero Agreement, and any such, the amendment shall govern.

10.8 - Interpretation

Whenever the context reasonably permits, the singular shall include the plural, the plural shall include the singular, and the whole shall include any part thereof. Words in any gender shall be deemed to include the other genders. This Agreement is written in, and shall be governed by, the English language. In the event of any conflict between this English language version of the Agreement and any translation of this Agreement, the English language version shall control. Any section, paragraph or other headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

10.9 - No Government Endorsements

International, U.S. Federal and State, and foreign regulatory agencies do not approve or endorse direct selling programs. Therefore, Heroes may not represent or imply, directly or indirectly, that Club soteK program has been approved or endorsed by any such governmental agency.