

One Llama

STATEMENT OF POLICIES AND PROCEDURES

Effective October 22 , 2024

SECTION 1.0 – INTRODUCTION

- 1.1 MUTUAL COMMITMENT STATEMENT
- 1.2 POLICIES AND AFFILIATE & REFERRAL PROGRAM INCORPORATED INTO THE AFFILIATE AGREEMENT
- 1.3 PURPOSE OF POLICIES
- 1.4 CHANGES, AMENDMENTS, OR MODIFICATIONS
- 1.5 DELAYS
- 1.6 EFFECTIVE DATE

SECTION 2.0 –BASIC PRINCIPLES

- 2.1 BECOMING AN ONE LLAMA AFFILIATE
- 2.2 NEW AFFILIATE REGISTRATION BY INTERNET
- 2.3 IDENTIFICATION NUMBERS
- 2.4 RENEWALS AND EXPIRATIONS OF THE AFFILIATE AGREEMENT
- 2.5 BUSINESS ENTITIES AND CHANGE TO AFFILIATE GENEALOGY
- 2.6 INDEPENDENT BUSINESS RELATIONSHIP; INDEMNIFICATION OF ACTIONS
- 2.7 ERRORS OR QUESTIONS
- 2.8 GOVERNMENTAL APPROVAL OR ENDORSEMENT

SECTION 3.0 – ONE LLAMA AFFILIATE RESPONSIBILITIES

- 3.1 TRAINING AND LEADERSHIP
- 3.2 CONSTRUCTIVE CRITICISM; ETHICS
- 3.3 NON-DISPARAGEMENT
- 3.4 REPORTING POLICY VIOLATION
- 3.5 CROSS SPONSORING PROHIBITION
- 3.6 ADHERENCE TO THE ONE LLAMA AFFILIATE & REFERRAL PROGRAM
- 3.7 ADHERENCE TO LAWS, REGULATIONS AND ORDINANCES
- 3.8 COMPLIANCE WITH APPLICABLE INCOME TAX LAWS
- 3.9 ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED PARTIES
- 3.10 SOLICITATION FOR OTHER COMPANIES; OTHER BUSINESS RESTRICTIONS
- 3.11 PRESENTATION OF THE ONE LLAMA SALES OPPORTUNITY

SECTION 4.0 –PAYMENT OF COMMISSIONS AND BONUSES

- 4.1 BONUS AND COMMISSION QUALIFICATIONS
- 4.2 COMPUTATION OF COMMISSIONS AND DISCREPANCIES

SECTION 5.0 – PRIVACY

- 5.1 INTRODUCTION
- 5.2 EXPECTATION OF PRIVACY
- 5.3 EMPLOYEE ACCESS TO INFORMATION
- 5.4 RESTRICTIONS ON THE DISCLOSURE OF ACCOUNT INFORMATION
- 5.5 SECURITY AND SECURITY BREACHES
- 5.6 PRIVACY AND CONFIDENTIALITY
- 5.7 DATA MANAGEMENT RULE

SECTION 6.0 – PROPRIETARY INFORMATION AND TRADE SECRETS

- 6.1 BUSINESS REPORTS, LISTS, AND PROPRIETARY INFORMATION
- 6.2 OBLIGATION OF CONFIDENTIALITY
- 6.3 BREACH AND REMEDIES

SECTION 7.0 – ADVERTISING, PROMOTIONAL MATERIAL, USE OF ONE LLAMA NAMES AND TRADEMARKS

- 7.1 USE OF ONE LLAMA NAMES AND PROTECTED MATERIALS
- 7.2 E-MAIL LIMITATIONS
- 7.3 SOCIAL NETWORKING AND SOCIAL MEDIA
- 7.4 ADVERTISING AND PROMOTIONAL MATERIALS
- 7.5 TESTIMONIAL PERMISSION
- 7.6 TELEMARKETING LIMITATIONS

SECTION 8.0 – CHANGES TO AN AFFILIATE’S BUSINESS

- 8.1 MODIFICATION OF THE AFFILIATE AGREEMENT
- 8.2 CHANGE SPONSOR OR PLACEMENT FOR ACTIVE AFFILIATES
- 8.3 CHANGE SPONSOR OR PLACEMENT FOR INACTIVE AFFILIATES
- 8.4 BUSINESS TRANSFERS
- 8.5 TRANSFER UPON AN AFFILIATE’S DEATH
- 8.6 DIVORCE OF AN AFFILIATE
- 8.7 DISSOLUTION OF A BUSINESS ENTITY AFFILIATE
- 8.8 UNETHICAL SPONSORING
- 8.9 RESIGNATION OR VOLUNTARY TERMINATION
- 8.10 INVOLUNTARY TERMINATION
- 8.11 EFFECT OF CANCELLATION
- 8.12 REFUNDS TO AFFILIATES UPON CANCELLATION OR TERMINATION

SECTION 9.0 –LIMITATIONS OF LIABILITY

SECTION 10.0 – DISCIPLINARY SANCTIONS

- 10.1 IMPOSITION OF DISCIPLINARY ACTION – PURPOSE
- 10.2 CONSEQUENCES AND REMEDIES OF BREACH

SECTION 11.0 – GRIEVANCES AND DISPUTE RESOLUTION

- 11.1 GRIEVANCES
- 11.2 LIQUIDATED DAMAGES
- 11.3 DISPUTE RESOLUTION
- 11.4 GOVERNING LAW

SECTION 12.0 – MISCELLANEOUS

- 12.1 SEVERABILITY
- 12.2 WAIVER
- 12.3 SUCCESSORS AND CLAIMS

POLICIES AND PROCEDURES

1.0 INTRODUCTION

1.1 Mutual Commitment Statement

One Llama or simply the Company recognizes that in order to develop a long-term and mutually rewarding relationship with its independent business owners (“Affiliates”) and retail customers (“Customers”), Company and its Affiliates must acknowledge and respect the true nature of the relationship.

- A. In the spirit of mutual respect and understanding, Company is committed to:
 - I. Providing prompt, professional and courteous service and communications to all of its Affiliates and Customers;
 - II. Providing the highest level of quality services at fair and reasonable prices;
 - III. Paying commissions accurately and timely; and
 - IV. Offering Affiliates an opportunity to grow with the Company.
- B. In return, Company expects that its Affiliates will:
 - I. Conduct themselves in a professional, honest, and considerate manner;
 - II. Present Company and its services in an accurate and professional manner;
 - III. Present the Affiliate & Referral Program in a complete and accurate manner;
 - IV. Not make exaggerated or unsubstantiated income claims;
 - V. Make reasonable efforts to support Customers and to support and train Affiliates in their downline;
 - VI. Not engage in cross-line recruiting, unhealthy competition or unethical business practices;
 - VII. Provide positive guidance and training to Affiliates in their downline while exercising caution to avoid interference with other downlines;
 - VIII. Accurately complete and submit the Affiliate Agreement and any requested supporting documentation in a timely manner; and

Commented [SR1]: Are they “Agents” or “Affiliates”?
Need to have consistent terminology between this document and the Affiliate Agreement Terms & Conditions that I have also reviewed.

- IX. Refrain from acting in any way that may constitute harassment of any kind, such conduct may include, but not be limited to, derogatory or threatening comments, inappropriate sexual behavior including but not limited to unwelcomed sexual advances or requests for sexual favors, displaying visual images of a sexual nature, physical or verbal harassment, or violent behavior. Affiliates are strongly encouraged to report any type of harassment incidents immediately. Company will not tolerate acts or threats of violence or other violative actions and will investigate all reports and will not hesitate to discipline or terminate an Affiliate who is found to have violated this provision.

1.2 Policies and Affiliate & Referral Program Incorporated into the Affiliate Agreement

Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Policies and Procedures, the Company Privacy Policy, the Compensation Plan, the Affiliate Agreement, and if applicable, the Business Entity Registration Form.

1.3 Purpose of Policies

- A. Company markets products and services through a network of Affiliates or Affiliates. To clearly define the relationship that exists between Affiliates and Company and to explicitly set a standard for acceptable business conduct, Company has established these Policies and Procedures.
- B. Company Affiliates are required to comply with: (i) all of the terms and conditions set forth in the Agreement, which Company may amend from time to time in its sole discretion; and (ii) all federal, state and/or local laws governing their Company business.
- C. Company Affiliates must review the information in these Policies and Procedures carefully. Should an Affiliate have any questions regarding a policy or rule, the Affiliate may contact Company Customer Service.

1.4 Changes, Amendments, or Modifications

- A. Because federal, state, and local laws, as well as the business environment, periodically change, Company reserves the right to amend the Agreement and the prices of Company products/services in its sole and absolute discretion. Notification of amendments shall appear in Official Company Materials and shall be effective as set forth in Section 1.4.B. below. Amended provisions shall not apply retroactively to conduct that occurred prior to the effective date of the amendment(s) except where indicated, and only in the event that the Affiliate expressly agrees to the amendment applying retroactively.

NOTWITHSTANDING ANYTHING TO THE CONTRARY ABOVE, ANY AMENDMENT BY THE COMPANY TO THE DISPUTE RESOLUTION SECTION HEREIN SHALL ONLY TAKE EFFECT UPON AN AFFILIATE’S EXPRESS AGREEMENT TO SUCH AMENDMENT. AN AFFILIATE MAY

INDICATE THEIR AGREEMENT TO SUCH PROPOSED AMENDMENT BY FOLLOWING THE INSTRUCTIONS ACCOMPANYING THE PROPOSED AMENDMENT THAT WILL APPEAR WHEN LOGGING IN TO THE CORPORATE WEBSITE OR THE AFFILIATE'S PERSONAL WEBSITE. COMPANY MAY TERMINATE THE AFFILIATE AGREEMENT OF ANY AFFILIATE WHO DOES NOT AGREE TO A PROPOSED AMENDMENT TO THE DISPUTE RESOLUTION SECTION WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF THE AMENDMENT. ANY SUCH AMENDMENT SHALL APPLY TO ALL CLAIMS BROUGHT BY COMPANY OR THE AFFILIATE ON OR AFTER THE EFFECTIVE DATE OF THE AMENDMENT, REGARDLESS OF THE DATE OF OCCURRENCE OR ACCRUAL OF ANY FACTS UNDERLYING SUCH CLAIM.

- B. For purposes of this Section and others within these Policies and Procedures, it is imperative for Affiliates to keep all contact information up to date for any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
- I. Posting on the official Company website;
 - II. Electronic mail (e-mail); or
 - III. In writing through Company newsletters or other Company communication channels.

1.5 Delays

Company shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, weather, pandemic, curtailment of a source of supply, or government decrees or orders.

1.6 Effective Date

These Policies and Procedures shall become effective as of October 22, 2024 ("Effective Date") with full force or effect.

2.0 BASIC PRINCIPLES

2.1 Becoming A One Llama Affiliate

- A. To become an Affiliate, an applicant must comply with the following requirements:
 - I. Be of the age of eighteen (18) or older;
 - II. Reside or have a valid address in the United States or a United States territory;
 - III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
 - IV. Submit a properly completed and signed Affiliate Agreement to Company; and
 - V. Provide an e-mail address that is not already associated with an existing Affiliate account.

2.2 New Affiliate Registration By Internet

- A. A potential new Affiliate may self-enroll on the Company corporate website or a Sponsor's replicated website. In such event, instead of a physically signed Affiliate Agreement, Company will accept the electronic Affiliate Agreement by way of web-enrollment and one's "electronic signature." This electronic signature signifies that the new Affiliate has accepted the terms and conditions of the Affiliate Agreement. Please note that such electronic signature constitutes a legally binding agreement between you and the Company.
- B. Company reserves the right to require signed paperwork for any account, regardless of origin.
- C. If requested, the signed Affiliate Agreement must be received by Company within seven (7) days of enrollment.
- D. Signed documents, including, but not limited to, the Affiliate Agreement and the Business Entity Registration form, are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been signed may lead to sanctions, up to and including involuntary termination of the Affiliate's business.

2.3 Identification Numbers

All Affiliates are required to provide their Social Security Number, Federal Employer Identification Number, or their Government Issued ID Number to the Company either on the Affiliate Agreement or

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

2.4 Renewals and Expiration of the Affiliate Agreement

- A. If the Affiliate allows their Affiliate Agreement to expire for any reason, the Affiliate will lose any and all rights to their downline organization unless the Affiliate re-activates within sixty (60) days following the expiration of the Agreement.
- B. If the former Affiliate re-activates within the 60-day time limit, the Affiliate will resume the rank and position held immediately prior to the expiration of the Affiliate Agreement. However, such Affiliate's paid as level will not be restored unless their position or their entity qualifies at that payout level in the new month. The Affiliate is not eligible to receive commissions for the time period that the Affiliate's business was expired.
- C. Any Affiliate who was terminated or whose Agreement has expired and lapsed the 60-day grace period is not eligible to re-apply for a Company business for twelve (12) months following the expiration of the Affiliate Agreement.
- D. The downline of the expired Affiliate will roll up to the immediate, active upline Sponsor, or as otherwise determined at Company's sole discretion so as to protect the integrity of the genealogy and to avoid any potential manipulation thereof.

2.5 Business Entities and Changes in Affiliate Genealogy

- A. A corporation, partnership, LLC, or trust (collectively referred to as a "Business Entity") may apply to be a Company Affiliate by submitting a properly completed Affiliate Agreement and a properly completed Business Entity Registration Form. This Affiliate business and position will remain *temporary* until the proper documents are submitted. The Business Entity Registration Form stipulates the specific documents necessary for submission, including but not limited to: Certificate of Incorporation, Articles of Organization, Affiliate Agreement or appropriate Trust documents. Company must receive these documents within seven (7) days from the date the Affiliate Agreement was signed.
- B. A Company Affiliate may change their status under the same Sponsor from an individual to a partnership, LLC, corporation, trust or from one type of business entity to another.
- C. **Changes to a Business Entity.** Each Affiliate must immediately notify the Company of any changes to the type of business entity they utilize in operating their Company business and the addition or removal of business associates. A Company business may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. The Affiliate Agreement form must be signed by all

of the shareholders, partners, or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to the Company.

- D. **One Company Business Per Affiliate.** An individual may operate or have an ownership interest, legal or equitable, as an individual, sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Company business. No individual may have, operate or receive compensation from more than one Company business. Individuals of the same family unit may not enter into or have an interest in separate Company businesses. Each family unit is limited to one Company business. A “family unit” is defined as spouses and dependent children living at or doing business at the same address.

2.6 Independent Business Relationship; Indemnification for Actions

- A. A Company Affiliate is an independent contractor and not a purchaser of a franchise or sales opportunity. Therefore, each Affiliate’s success depends on their independent efforts.
- B. The Agreement between Company and its Affiliates does not create an employer/employee relationship, agency, partnership, or joint venture between Company and the Affiliate.
- C. A Company Affiliate shall not be treated as an employee of Company for any purposes, including, without limitation, for federal or state tax purposes. All Affiliates are responsible for paying local, state, and federal taxes due from all compensation earned as an Affiliate of Company. Any other compensation received by Affiliates from Company will be governed by applicable U.S. tax laws (or the tax laws of any other applicable jurisdiction). The Affiliate has no express or implied authority to bind Company to any obligation or to make any commitments by or on behalf of Company. Each Affiliate, whether acting as management of a Business Entity or represented as an individual, shall establish their own goals, hours, and methods of operation and sale, so long as they comply with the terms of the Agreement and applicable federal, state and local laws and regulations.
- D. The Company Affiliate is fully responsible for all of their verbal and written communications made regarding Company products, services, and the Affiliate & Referral Program that are not expressly contained within Official Company materials. Affiliates shall indemnify and hold harmless Company, its directors, officers, employees, product suppliers and Affiliates from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by Company as a result of the Affiliate’s unauthorized representations or actions. This Provision shall survive the termination of the Company Affiliate Agreement.
- E. Affiliates may not answer the telephone by saying “One Llama” or by any other manner that would lead the caller to believe that they have reached the Company’s corporate offices. An Affiliate may only represent that they are a Company Affiliate. Therefore, all correspondence and business cards relating to or in connection with an Affiliate’s

Commented [SR2]: This is precisely why I recommend that you delete the language in section 1.3.C. that instructs Affiliates/Agents to get policy interpretations from other Affiliates/Agents.

Commented [SR3]: As noted above “Agreement” is defined to include the Policies.

Company business shall contain the Affiliate’s name followed by the term “Independent Affiliate.”

- F. **Sales Tax Obligations.** The Affiliate shall comply with all federal, state ,and local taxes and regulations governing the sale of Company products and services.
- G. Company will collect and remit sales tax on Affiliate orders unless an Affiliate furnishes Company with the appropriate Resale Tax Certificate form. When orders are placed with Company, sales tax is prepaid based upon the suggested retail price. Company will remit the sales tax to the appropriate state, provincial and local jurisdictions. The Affiliate may recover the sales tax when he or she makes a sale. Company Affiliates are responsible for any additional sales taxes due on products/services marked up and sold at a higher price.
- H. Company encourages each Affiliate to consult with a tax advisor for additional information for their business.

Commented [SR4]: Is this applicable? Are there sales taxes on your service?

2.7 Errors or Questions

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

2.8 Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Affiliates shall not represent or imply that the Company or its Affiliate & Referral Program have been approved, endorsed, or otherwise sanctioned by any government agency.

3.0 ONE LLAMA AFFILIATE RESPONSIBILITIES

3.1 Training and Leadership

- A. Any Company Affiliate who sponsors another Affiliate into Company must perform an authentic assistance and training function to ensure their downline is properly operating their Company business. Sponsoring Affiliates should have ongoing contact and communication with the Affiliates in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voicemail, e-mail, personal meetings, accompaniment of downline Affiliates to Company meetings, training sessions and any other related functions.
- B. A Sponsoring Company Affiliate should monitor the Affiliates in their downline organizations to ensure that downline Affiliates do not make improper product or

business claims or engage in any illegal or inappropriate conduct. Upon request, such Affiliate should be able to provide documented evidence to Company of their ongoing fulfillment of the responsibilities of a Sponsor.

- C. Upline Affiliates are encouraged to motivate and train new Affiliates about Company's products and services, effective sales techniques, the Company Affiliate & Referral Program and compliance with Company Policies and Procedures.
- D. Marketing product is a required activity in Company and must be emphasized in all recruiting presentations. In fact, the Company emphasizes and encourages all of its Affiliates to sell Company's services to Customers.
- E. To promote both the services and the opportunity Company offers, Affiliates must use the sales aids and support materials produced by Company or approved by the Company. If Company Affiliates develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding Affiliates' good intentions, they may unintentionally violate any number of statutes or regulations affecting the Company business. These violations, although they may be relatively few in number, could jeopardize the Company opportunity for all Affiliates. Accordingly, Affiliates must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the Affiliate receives specific written approval to use the material, the request shall be deemed denied. All Affiliates shall safeguard and promote the good reputation of Company and its products and services. The marketing and promotion of Company, the Company opportunity, the Affiliate & Referral Program, and Company products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

3.2 Constructive Criticism; Ethics

- A. **One Llama endorses the following Code of Ethics:**
 - I. An Affiliate must show fairness, tolerance, and respect to all people associated with Company, regardless of race, gender, sexual orientation, social class, religion, or otherwise, thereby fostering a "positive atmosphere" of teamwork, good morale and community spirit.
 - II. An Affiliate shall strive to resolve business issues, including situations with upline and downline Affiliates, by emphasizing tact, good will and taking care not to create additional problems.
 - III. Company Affiliates must be honest, responsible, professional and conduct themselves with integrity.

- IV. Company Affiliates shall always present accurate information like proper disclaimers when encouraging prospects to join the Company. Moreover, as an Affiliate you agree to never intimidate nor engage in unlawful recruiting practices.
- B. Company may take appropriate action against an Affiliate if it determines, in its sole discretion, that an Affiliate's conduct is detrimental, disruptive, or injurious to Company or to other Affiliates.

3.3 Non-Disparagement

In accordance with other provisions within these Policies and Procedures, Affiliates must not disparage, demean, or make negative remarks about the Company, other Company Affiliates, Company's products or services, the Affiliate & Referral Program, or Company's owners, board members, directors, officers, employees, or the like, or make statements that unreasonably offend, mislead or coerce others. Such conduct represents a material breach of these Policies and may result in Company sanctioning or otherwise disciplining the Affiliates in accordance with these Policies and Procedures as deemed appropriate by the Company at its sole discretion.

3.5 Cross Sponsoring Prohibition

- A. "Cross sponsoring" is defined as the enrollment into a different line of sponsorship of an individual, or Business Entity, that already has a signed Affiliate Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by Company, sanctions up to and including termination of an Affiliate's business may be imposed.
- B. The use of a spouse's or relative's name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, fictitious ID numbers, or otherwise to evade or circumvent this policy is not permitted and Company has the right to reject any Affiliate application or terminate any Affiliate Agreement.
- C. This policy does not prohibit the transfer of a Company business in accordance with Company Sale or Transfer Policy set forth herein.

3.6 Adherence to the One Llama Affiliate & Referral Program

- A. An Affiliate must adhere to the terms of the Company Affiliate & Referral Program as set forth in the Agreement as well as in Official Company literature. Deviation from the Affiliate & Referral Program is prohibited.
- B. An Affiliate shall not offer the Company opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in Official Company literature.

- C. An Affiliate shall not require or encourage a current or prospective Customer or Affiliate to participate in Company in any manner that varies from the Affiliate & Referral Program as set forth in Official Company literature.
- D. An Affiliate shall not require or encourage a current or prospective Customer or Affiliate to make a purchase from or payment to any individual or other entity as a condition to participating in the Company Affiliate & Referral Program, other than such purchases or payments required to naturally build their business.

3.7 Adherence to Laws, Regulations, and Ordinances

Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Affiliates because of the nature of the business. However, Affiliates must check their local laws and obey the laws that do apply to them. An Affiliate shall comply with all federal, state and local laws and regulations in operating their Company business.

3.8 Compliance with Applicable Income Tax Laws

- A. An Affiliate accepts sole responsibility for and agrees to pay all federal, state and local taxes on any income generated as an independent Affiliate, and further agrees to indemnify Company from any failure to pay such tax amounts when due.
- B. If an Affiliate's business is tax exempt, the Federal Tax Identification number must be provided to Company in writing.
- C. Company encourages all Affiliates to consult with a tax advisor for additional information for their business.

3.9 Actions of Household Members or Affiliated Parties

If any member of an Affiliate's immediate household engages in any activity which, if performed by the Affiliate, would violate any provision of the Agreement, such activity will be deemed a violation by the Affiliate and Company may take disciplinary action pursuant to these Policies and Procedures against the Affiliate. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Company may take disciplinary action against the Business Entity. Likewise, if an Affiliate enrolls in Company as a Business Entity, each affiliated party of the Business Entity shall be personally and individually bound to, and must comply with, the Terms and Conditions of the Agreement.

3.10 Solicitation for Other Companies; Other Business Restrictions

- A. A Company Affiliate may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities (collectively, "Network Marketing"). However, during the Term of this Agreement and for one (1) year

thereafter, a Company Affiliate may not recruit any Company Affiliate or Customer for any other Network Marketing business, unless that Affiliate or Customer was personally sponsored by such Affiliate. The preceding sentence shall not be construed to permit an Affiliate to recruit one of their downline Affiliates and Customers in an effort to have that Affiliate do the same. Company shall, in its sole discretion, have the ability to enforce this provision as it deems fit in order to fulfill both the purpose and the spirit of this non-Solicitation provision.

- B. The term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Affiliate or Customer to enroll or participate in any Network Marketing opportunity and the active role of discouraging others from enrolling within the Company opportunity. This conduct represents recruiting even if the Affiliate’s actions are in response to an inquiry made by another Affiliate or Customer. If any lawsuit, arbitration, or mediation is brought against an Affiliate alleging that they engaged in inappropriate recruiting activity of its sales force or Customers, the Company will not pay any of Affiliate’s defense costs or legal fees, nor will the Company indemnify the Affiliate for any judgment, award, or settlement.
- C. An Affiliate may not display or bundle Company products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Affiliate into believing there is a relationship between the Company and non-Company products and services.
- D. An Affiliate may not offer any non-Company opportunity, products or services at any Company related meeting, seminar or convention, or immediately following a Company event.
- E. An Affiliate may not offer any type of contact information connected to any Company Affiliate to another party with the intent of having the other party solicit that Affiliate to consider any product or income opportunity unrelated to Company.
- F. During the term of this Agreement, in order to avoid legal liability related to promotion of sales aids, you as an Affiliate may not sell training materials or sales aids including published books, eBooks, videos, or other general miscellaneous training aids to your Downline or other Affiliates.
- G. A violation of any of the provisions in this Section shall constitute unreasonable and unwarranted contractual interference between Company and its Affiliates and would inflict irreparable harm on Company. In such event, Company may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Affiliate or such Affiliate’s business including termination, or seek immediate injunctive relief without the necessity of posting a bond.

3.11 Presentation of the One Llama Sales Opportunity

- A. In presenting the Company opportunity to potential Customers and Affiliates, an Affiliate is required to comply with the following provisions:
- I. An Affiliate shall not misquote or omit any significant material fact about the Affiliate & Referral Program.
 - II. An Affiliate shall make it clear that the Affiliate & Referral Program is based upon sales of Company products and services.
 - III. An Affiliate shall make it clear that success can be achieved only through substantial independent efforts and must refrain from misrepresentations that include, but are not limited to:
 - a. It's a turnkey system;
 - b. The system will do the work for you;
 - c. Just get in and your downline will build through spillover;
 - d. The Company does all the work for you; or
 - e. All you have to do is buy Company products/services every month.The above are just examples of improper representations about the Affiliate & Referral Program. It is important that you do not make these, or any other representations, that could lead a prospect to believe that they can be successful as an Affiliate without commitment, effort, and sales skill. The Company reserves the right to determine what it considers an inappropriate income or Affiliate & Referral Program claim and discipline the offender accordingly.
 - IV. An Affiliate shall not make unauthorized income projections, claims, or guarantees while presenting or discussing the Company opportunity or Affiliate & Referral Program to prospective Affiliates or Customers.
 - V. An Affiliate may not make any claims regarding products or services of any offerings by Company, except those contained in official Company literature.
 - VI. An Affiliate may not use Official Company material to promote the Company sales opportunity in any country other than those officially permitted by Company.
- VII. When presenting or discussing the One Llama opportunity or Compensation Plan to a prospective Affiliates. Affiliates may not make income claims or earnings representations. Nor may Affiliates make lifestyle claims.
- VIII. The terms "income claim" and/or "earnings representation" (collectively "Income Claim") includes, but is not limited to, the following: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings

ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one Affiliate earned over a million dollars last year” or “Our average-ranking Affiliate makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher-ranking Affiliates is ten thousand dollars a month on the low end to thirty thousand dollars a month on the high end.”

- IX. A lifestyle income claim is a statement or depiction that infers or states that the Affiliates is able to enjoy a luxurious or successful lifestyle due to the income they earn from their Company business. Examples of prohibited lifestyle claims include, but are not limited to, the following types of representations:
 - a. That an Affiliates (or his/her spouse) was able to quit his/her job.
 - b. That an Affiliates was able to replace his/her income from a job.
 - c. That an Affiliates was able to pay for a child’s private school or college education due to his/her earnings.
 - d. That an Affiliates was able to acquire expensive or luxury material possessions (e.g., homes, cars, jewelry, boats, recreational vehicles, etc.).
 - e. That because of his/her earnings an Affiliates was able to travel to exotic or expensive destinations.

- X. The foregoing income claims restrictions apply to in-person presentations as well as promotional materials distributed by an Affiliates including social media postings..

4.0 PAYMENT OF COMMISSIONS & BONUSES

4.1 Bonus and Commission Qualifications

- A. An Affiliate must be Active and in compliance with Company Policies and Procedures to qualify for bonuses and commissions. So long as an Affiliate complies with the terms of the Agreement, Company shall pay commissions to such Affiliate in accordance with the Affiliate & Referral Program.
- B. Company will not issue a payment to an Affiliate without the receipt of a completed and signed Company Affiliate Agreement.
- C. In the even an Affiliate cancels their Affiliate Agreement, either voluntarily or involuntarily, compression shall occur within the genealogy with the downlines shifting up in order to maintain the sanctity of the Affiliate sponsorship structure.

4.2 Computation of Commissions and Discrepancies

- A. A Company Affiliate must review their monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After this 30-

day “grace period,” no additional requests will be considered for commission recalculations.

- B. For additional information on payment of commissions, please review the Affiliate & Referral Program.

5.0 PRIVACY

5.1 Introduction

This policy is to ensure that all Customers/Affiliates understand and adhere to the basic principles of confidentiality. For more information on the Company’s privacy practices and procedures, please refer to the Company Privacy Policy found on the corporate website.

Each Affiliate is responsible for keeping their Affiliate Information up to date and accurate and must immediately update any changes in their back office. It is particularly important that an Affiliate provides Company with their current email address, since email is one of the primary ways that Company and an Affiliate’s upline will communicate with the Affiliate. By entering into the Agreement, the Affiliate consents to the Company Privacy Policy (found on the corporate website) and to receiving emails from Company as well as from their upline. Each Affiliate may modify their Affiliate Information (e.g., update an address, phone number or email address) through the Affiliate Back-Office. Affiliate agrees that Company may share with Affiliate’s upline their name, telephone number, address, email address and select sales performance data for all Affiliates in their downline. No Social Security Number nor credit card number shall be shared with an Affiliate’s upline without separate express permission by Affiliate to allow such personal information sharing. By providing their email address and telephone number, Affiliate agrees to disclose their email address and telephone number to Company as well as to their upline. Affiliate further acknowledges that information provided to Company by Affiliate will be shared with and processed by Company corporate offices.

5.2 Expectation of Privacy

Company recognizes and respects the importance its Customers/Affiliates place on the privacy of their financial and personal information. Company will make reasonable efforts to safeguard the privacy of and maintain the confidentiality of its Customers’/Affiliates’ financial and account information and non-public personal information.

5.3 Employee Access to Information

Company limits the number of employees who have access to Customer’s/Affiliate’s nonpublic personal information.

5.4 Restrictions on the Disclosure of Account Information

Company will not share non-public personal information or financial information about current or former Customers/Affiliates with third parties, except as permitted or required by laws and regulations, court

orders, or to serve the Customers'/Affiliates' interests or to enforce its rights or obligations under the Agreement, or with express written permission from the accountholder on file.

5.5 Security and Security Breaches

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

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

5.6 Privacy and Confidentiality

All Affiliates are required to abide by the Company's Privacy Policy with regard to Affiliate and Customer information.

5.7 The Data Management Rule

The Data Management Rule (the "Rule") is intended to protect the Line of Sponsorship for the benefit of all Affiliates, as well as the Company. LOS information is information compiled by the Company that discloses or relates to all or part of the specific arrangement of sponsorship within the Company business,

including, without limitation, Affiliate lists, sponsorship trees, and all Affiliate information generated therefrom, in its present and future forms. The Company LOS, constitutes a commercially advantageous, unique, and proprietary trade secret (“Proprietary Information”), which it keeps proprietary and confidential and treats as a trade secret. Company is the exclusive owner of all Proprietary Information, which is derived, compiled, configured, and maintained through the expenditure of considerable time, effort, and resources by the Company and its Affiliates. Through this Rule, Affiliates are granted a personal, non-exclusive, non-transferable and revocable right by the Company to use Proprietary Information only as necessary to facilitate their business as contemplated under these Policies. The Company reserves the right to deny or revoke this right, upon reasonable notice to the Affiliate stating the reason(s) for such denial or revocation, whenever, in the reasonable opinion of the Company, such is necessary to protect the confidentiality or value of Proprietary Information. All Affiliates shall maintain Proprietary Information in strictest confidence and shall take all reasonable steps and appropriate measures to safeguard Proprietary Information and maintain the confidentiality thereof.

6.0 PROPRIETARY INFORMATION AND TRADE SECRETS

6.1 Business Reports, Lists, and Proprietary Information

By completing and signing the Company Affiliate Agreement, the Affiliate acknowledges that Business Reports, lists of Customer and Affiliate names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by Company pertaining to the business of Company (collectively, “Reports”), are confidential and proprietary information and trade secrets belonging to Company.

6.2 Obligation of Confidentiality

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

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

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

6.3 Breach and Remedies

The Affiliate acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Company and to independent Company businesses. Company and its Affiliates will be entitled to injunctive relief or to recover damages against any Affiliate who violates this provision in any action to

enforce its rights under this Section. The prevailing party shall be entitled to an award of attorney's fees, court costs and expenses.

7.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF ONE LLAMA NAMES AND TRADEMARKS

7.1 Use of One Llama Names and Protected Materials

- A. A Company Affiliate must safeguard and promote the good reputation of Company and the products and services it markets. The marketing and promotion of Company, the Company sales opportunity, the Company Affiliate & Referral Program, and Company products and services will be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.
- B. All promotional materials supplied or created by Company must be used in their *original* form and cannot be changed, amended or altered except with prior written approval from the Company Compliance Department.
- C. The name of Company, each of its product and service names and other names that have been adopted by Company in connection with its business are proprietary trade names, trademarks and service marks of Company. As such, these marks are of great value to Company and are supplied to Affiliates for their use only in an expressly authorized manner.
- D. A Company Affiliate's use of the name "One Llama," or other related names is restricted to protect Company proprietary rights, ensuring that the Company protected names will not be lost or compromised by unauthorized use. Use of the Company name on any item not produced by Company is prohibited except as follows:
 - I. [Affiliate's name] Independent One Llama Affiliate; or
 - II. [Affiliate's name] Independent Affiliate of One Llama services.
- E. Further procedures relating to the use of the Company name are as follows:
 - I. All stationary (i.e., letterhead, envelopes, and business cards) bearing the Company name or logo intended for use by the Affiliate must be approved in writing by the Company Compliance Department.
 - II. Company Affiliates may list "Independent One Llama Affiliate" or "One Llama Independent Affiliate" in online directories under their own name.
 - III. Company Affiliates may not use the name One Llama, or any form thereof, in answering their telephone, creating a voicemail message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent One Llama Affiliate."

- F. Certain photos and graphic images used by Company in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Affiliates. If an Affiliate wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- G. A Company Affiliate shall not appear on or make use of television or radio or make use of any other media to promote or discuss Company or its programs, products or services without prior written permission from the Company Compliance Department.
- H. An Affiliate may not produce for sale or distribution any Company event or speech, nor may an Affiliate reproduce Company audio or video clips for sale or for personal use without prior written permission from the Company Compliance Department.
- I. Company reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Affiliate.
- J. An Affiliate shall not promote non-Company services in conjunction with Company products or services on the same websites or same advertisement without prior approval from the Company Compliance Department.

7.2 E-mail Limitations

- A. Except as provided in this Section, an Affiliate may not use or transmit email, mass email distribution, or “spamming” that advertises or promotes the operation of their Company business. The exceptions are:
 - I. E-mailing any person who has given prior permission or invitation;
 - II. E-mailing any person with whom the Affiliate has established a prior business or personal relationship.
- B. In all states where prohibited by law, an Affiliate may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this Section.
- C. All e-mail or computer broadcasted documents subject to this provision shall include each of the following:
 - I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;

- II. A clear return path or routing information;
 - III. The use of legal and proper domain name;
 - IV. A clear and obvious notice of the opportunity to decline to receive further commercial e-mail messages from the sender;
 - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
 - VI. The true and correct name of the sender, valid senders' e-mail address, and a valid sender physical address;
 - VII. The date and time of the transmission; and
 - VIII. Upon notification by recipient of their request not to receive further e-mailed documents, a Company Affiliate shall not transmit any further documents to that recipient.
- D. All e-mail or computer broadcasted documents subject to this provision shall not include any of the following;
- I. Use of any third party domain name without permission;
 - II. Sexually explicit materials.

7.3 Social Networking and Social Media

- A. Affiliates may join social networking and/or social media sites, online forums, discussion groups, and blogs to leverage the power of the Company brand and to communicate the benefits of the Company products and sales opportunity. Online social pages belonging to an Affiliate may be used to drive traffic to a Replicated Website or to the Company Corporate Website.
- B. Company-dedicated accounts on social media may never be used to promote other business opportunities, other products or services, etc. An Affiliate may post suggestions to visit, like, or follow the business page on their personal page. An Affiliate may also post artwork or other tangential-to-business posts on their personal pages, but no enticements, ads, offers, non-Company product announcements, etc. may be posted on the personal pages.
- C. Social networks and social media sites include but are not limited to such sites as Facebook, Instagram, Pinterest, LinkedIn, X, etc. Affiliates may use their own social networking profiles to advertise and promote their Company businesses and the Company

products, and direct traffic to their respective Replicated Website or the Company Corporate Website. However, no actual sales of Company products may be processed on social networking profiles or groups and no pricing may be shown on an image or in the text of a post. Banner ads and images used on these sites must be current and must come from the Company approved library.

- D. As provided in Section 3.11 above, Affiliates agree that they SHALL NOT make any posts or comments on any social media site that contain income claims, earnings representations, or lifestyle claims.
- E. PROFILES AN AFFILIATE GENERATES IN ANY SOCIAL COMMUNITY WHERE COMPANY IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE AFFILIATE AS A COMPANY AFFILIATE, and when an Affiliate participates in those communities, Affiliate must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Company's sole discretion, and offending Affiliates will be subject to disciplinary action.
- F. Affiliates are personally responsible for their postings and all other online activity that relates to Company. Therefore, even if an Affiliate does not own or operate a blog or social media site, if an Affiliate makes a post that relates to Company or which can be traced to the Company, the Affiliate is responsible for the posting. Affiliates are also responsible for postings which occur on any blog or social media site that the Affiliate owns, operates or controls. Company reserves the right to require the removal of non-compliant or infringing posts from any Affiliate's social media pages and may terminate the Affiliate Agreement of any Affiliate who materially or repeatedly breaches this Section. Postings that are false, misleading or deceptive are strictly prohibited. This includes, but is not limited to, false or deceptive postings relating to the Company, Company income opportunity, Company products, and/or Affiliate information and credentials. Further, Affiliates **MAY NOT** make any posting, or link to any posting or other material, that:
 - I. Is sexually explicit, obscene, or pornographic;
 - II. Is profane, hateful, threatening, defamatory, libelous, harassing or discriminatory in any way, shape or form;
 - III. Is solicitous of any unlawful behavior;
 - IV. Engages in personal attacks on any individual, group or entity;
 - V. Is in violation of any intellectual property rights of the Company or any third party; or
 - VI. Is not consistent with the standards as set forth in these Policies and Procedures.

- G. Anonymous postings or use of an alias on any social network or media site is prohibited, and offending Affiliates will be subject to disciplinary action.
- H. Affiliates may not use blog spam, spandexing or any other mass-replicated methods to leave blog comments. Comments Affiliates create or leave must be useful, unique, relevant and specific to the blog's article.
- I. Affiliates must disclose their full name on all social network and media postings, and conspicuously identify themselves as an independent Affiliate for Company.
- J. As a Company Affiliate, it is important to not converse with any person who places a negative post against you, other Affiliates, or Company. Report negative posts to the Company Compliance Department. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Company, and therefore damages the reputation and goodwill of Company.
- K. The distinction between a social networking and/or media site and a third-party website may not be clear-cut. Because some social networking and/or media sites are particularly robust, Company therefore reserves the sole and exclusive right to classify certain sites as third-party websites and require that Affiliates using, or who wish to use, such sites adhere to the Company's policies relating to third-party websites.
- L. If your Company business is cancelled for any reason, you must discontinue using the Company name, and all of Company's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all social websites that you utilize. If you post on any social website on which you have previously identified yourself as an independent Company Affiliate, you must conspicuously disclose that you are no longer an independent Company Affiliate. Absent such disclosure, Affiliate comments and actions may be construed as being taken on behalf of Company and Affiliate shall be responsible for indemnifying Company for such actions if any action is taken against Company.
- M. Failure to comply with these Policies for conducting business online may result in the Affiliate losing their right to advertise and market Company products, services and Company's sales opportunity online in addition to any other disciplinary action available under these Policies and Procedures.

7.4 Advertising and Promotional Materials

- A. Advertising and all forms of communications must adhere to principles of honesty and propriety.

- B. All advertising, including, but not limited to, print, Internet, social media, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Company Compliance Department. Further, all requests for approval for advertising must be directed in writing to the Company Compliance Department.
- C. Company approval is not required to place blind ads that do not mention Company, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials. However, an Affiliate may not purchase (or encourage or solicit any third party to purchase) any term containing Company's name, its products, programs, trademarks, copyright and any other protected material as a meta-tag, keyword, paid search term, sponsored advertisement or sponsored link in markets in which Company conducts business.
- D. Company reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations and may require the removal of such advertisements from the marketplace without obligation to the affected Affiliate.

7.5 Testimonial Permission

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

7.6 Telemarketing Limitations

- A. A Company Affiliate must not engage in telemarketing in relation to the operation of the Affiliate's Company business. The term "telemarketing" means the placing of one or more telephone calls, text messages or any other messaging service to an individual or entity to induce the purchase of Company products or services, or to recruit them for the Company opportunity.
- B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have laws that restrict telemarketing practices. Both federal agencies, as well as a number of states have "do not call" regulations as part of their telemarketing laws.

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

A Company Affiliate may place telephone calls to prospective Customers, or Affiliates under the following limited situations:

- I. If the Affiliate has an established business relationship with the prospect;
 - II. In response to the prospect’s personal inquiry or application regarding a product or service offered by the Company Affiliate, within three (3) months immediately before the date of such a call;
 - III. If the Affiliate receives written and signed permission from the prospect authorizing the Affiliate to call;
 - IV. If the call is to family members, personal friends, and acquaintances. However, if an Affiliate makes a habit of collecting business cards from everyone they meet and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption;
 - V. Company Affiliates engaged in calling “acquaintances,” must make such calls on an occasional basis only and not as a routine practice.
- F. An Affiliate shall not use automatic telephone dialing systems or automatic messaging services in the operation of his or her Company businesses.
 - G. Failure to abide by Company policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Affiliate’s business, up to and including termination of the business.
 - H. By signing the Affiliate Agreement, or by accepting commission checks, other payments or awards from Company, an Affiliate gives permission to Company and other Affiliates to contact them as permitted under the Federal Do Not Call regulations.
 - I. In the event an Affiliate violates this Section, Company reserves the right to initiate legal proceedings to obtain monetary or equitable relief.

8.0 CHANGES TO AN AFFILIATE’S BUSINESS

8.1 Modification of the Affiliate Agreement

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

8.2 Change of Sponsor or Placement for Active Affiliates

- A. Maintaining the integrity of the organizational structure is mandatory for the success of Company and our independent Affiliates. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first thirty (30) days of initial enrollment as an Affiliate. Furthermore, such changes may only occur within the same organization.
- B. Sponsors may make “Placement changes” from one Affiliate to another for personally Sponsored (frontline) Affiliates during the first thirty (30) days of enrollment.
- C. New Affiliates or their original Sponsor may request a change of Sponsor or Placement within the first thirty (30) days of enrollment for the purpose of structuring an organization. The new Affiliate Agreement must be received within the calendar month for commission calculations to be effective with the requested change.
- D. Company retains the right to approve or deny any requests to change Sponsor or Placement, and to correct any errors related thereto at any time and in whatever manner it deems necessary.
- E. Please note that decisions made for any change request (sponsor or placement) are at the sole discretion of the Company and the acceptance of one change will never constitute the acceptance of future changes for that Affiliate or any other regardless of similarity in situation.

8.3 Change Sponsor or Placement for Inactive Affiliates

- A. At the discretion of Company, Affiliates who remained inactive for a period of twelve (12) months, and who have not tendered a letter of resignation, are eligible to re-enroll in Company under the Sponsor/Placement of their choice.

- B. Upon written notice to Company that a former Affiliate wishes to re-enroll, Company will “compress” (close) the original account. A new Company ID number will then be issued to the former Affiliate.
- C. Such Affiliate does not retain former rank, downline, or rights to commission checks from their former organizations.
- D. Company reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

8.4 Business Transfers

Affiliates in Good Standing who wish to sell or transfer their business must receive the Company’s prior written approval before the business may be transferred. A business that is on disciplinary probation, suspension, or under disciplinary investigation is not in Good Standing and may not be transferred unless and until the disciplinary matter is resolved. Requests to transfer a business must be submitted in writing to the Compliance Department at contact@onellama.com. The request to transfer will be denied if the business is not in Good Standing or if there is another reasonable reason for denying the request. **Prior to transferring a business to a third party, the Affiliate must offer Company the right of first refusal to purchase the business on the same terms as negotiated with a third party. The Company shall have 30 days to exercise its right of first refusal.** An Affiliate who has transferred his or her independent Company business to a third party must wait a minimum of six (6) months from the date of the transfer before re-enrolling as an Affiliate.

8.5 Transfer Upon an Affiliate’s Death

Upon the death of an Affiliate, the Affiliate’s Company business may be passed to his/her heirs. The beneficiary or transferee of the business must notify the Company of their intention to receive the transfer of the business within six (6) months of the date of death. If the Company receives no such notification within such time period, the Agreement shall be automatically cancelled and the organization of the deceased Affiliate will “roll up” to the active Upline Sponsor on record. Prior to the actual transfer of the business, the beneficiary or transferee must provide the Company with certified letters testamentary or letters of administration and written instructions of the executor of the estate, or an order of the court, that provides direction on the proper disposition of the business. The beneficiary must also execute and submit to the Company an Affiliate Agreement within 30 days from the date on which the business is transferred by the estate to the beneficiary or transferee, or the Agreement will be cancelled, and the organization of the deceased Affiliate will “roll up” to the active Upline Sponsor on record. Because the Company cannot divide commissions among multiple beneficiaries or transferees, if there are multiple beneficiaries or transferees of the business, the beneficiaries or transferees must form a Business Entity and submit an Affiliate Agreement in the name of the Business Entity. Upon the completion of these requirements, the Company will transfer the business and issue commissions to the individual beneficiary or Business Entity. During the pendency of the actual transfer of the business, commission and bonus payments (if any are earned) will be issued in the name of the estate of the deceased Affiliate. The beneficiary of the business shall be responsible for the payment of all monthly and renewal fees that may have accrued but not been paid during the pendency of the transfer. Failure to pay these fees shall result in the termination of the Agreement.

8.6 Divorce of an Affiliate

The Company is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in the event an Affiliate divorces his or her spouse, any settlement or divorce decree must award the business in its entirety to one of the spouses. The Company will recognize as the owner of the business the former spouse to whom the business is awarded pursuant to a legally binding settlement agreement or decree of the court. The former spouse who receives the Company business must also execute and submit an Affiliate Agreement within 30 days from the date on which the divorce becomes final or the Agreement will be terminated, and the organization of the terminated Affiliate will “roll up” to the active Upline Sponsor on record.

8.7 Dissolution of a Business Entity Affiliate

If a Business Entity that operates a Company business dissolves, the owners of the Business Entity must instruct the Company on the identity of the proper party who is to receive the business. The Company business must be awarded to a single individual or entity that was previously recognized by the Company as an owner of the Business Entity; the Company cannot divide the business among multiple parties or issue separate commission payments. The recipient of the Company business must also execute and submit an Affiliate Agreement to the Company within 30 days from the date of the dissolution of the Business Entity or the Agreement will be cancelled. If the Business Entity wishes to sell or transfer its Company business to an individual or entity who was not previously recognized by the Company as an owner of the Business Entity, it must do so pursuant to Section 8.4.

8.8 Unethical Sponsoring

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Affiliate from another Affiliate or influencing another Affiliate to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported in writing to the Company Compliance Department within the first ninety (90) days of enrollment. If the reports are substantiated, Company may transfer the Affiliate or the Affiliate’s downline to another Sponsor, Placement or organization without approval from the current upline Sponsor or Placement Affiliates. Company remains the final authority in such cases.
- C. **Company prohibits the act of “Stacking.”** Stacking is the unauthorized manipulation of the Company compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Affiliate in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without their knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent consultant positions of all individuals and/or entities found to be directly involved.

- D. Should Affiliates engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Company products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an Affiliate alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, Company will not pay any of Affiliate's defense costs or legal fees, nor will Company indemnify the Affiliate for any judgment, award, or settlement.

8.9 Resignation/Voluntary Termination

- A. An Affiliate may immediately terminate their business by submitting a written notice or email to the Company Compliance Department. The written notice must include the following:
 - I. The Affiliate's intent to resign and date of resignation;
 - II. Company Identification Number and reason for resigning; and
 - III. Signature.
- B. A Company Affiliate may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Affiliate who has voluntarily resigned is not eligible to reapply for a business or have any financial interest in a or any Company business for six (6) months from the receipt of the written notice of resignation.

8.10 Involuntary Termination

- A. Company reserves the right to terminate an Affiliate's business for, but not limited to, the following reasons:
 - I. Violation of any term or provision of the Agreement;
 - II. Violation of any applicable law, ordinance, or regulation regarding the Company business; or
 - III. Engaging in unethical business practices or violating standards of fair dealing.
- B. Company will notify the Affiliate in writing, at their last known home address or e-mail address of its intent to terminate the Affiliate's business and the reasons for termination.
- C. If the Affiliate wishes to provide documentation to appeal Company's decision, Affiliate must do so within three (3) business days from the date of termination notice. Company shall then make a decision on whether or not to rescind termination.

- D. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by Company. The former Affiliate shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Company products or services. Company will notify the active upline Sponsor within ten (10) days after termination. The organization of the terminated Affiliate will “roll up” to the active Upline Sponsor on record.
- E. The Company Affiliate who is involuntarily terminated by Company may not reapply for a business, either under their present name or any other name or entity, *without the express written consent of an officer of Company following a review by the Company Compliance Committee*. In any event, such Affiliate may not reapply for a business for twelve (12) months from the date of termination.

8.11 Effect of Cancellation

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

8.12 Refunds to Affiliates Upon Cancellation or Termination

- A. Within 30 days from the cancellation or termination of an Affiliate’s Agreement, the Affiliate may return products and Sales Tools that he or she personally purchased from the Company during the 12-month period preceding the date of cancellation or termination for a refund so long as the goods are in Currently Marketable Condition. (The one-year limitation shall not apply to residents of Louisiana, Maryland, Massachusetts and Wyoming and Puerto Rico). Upon the Company’s timely receipt of returned goods and confirmation that they are in Currently Marketable Condition, the Affiliate will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. Back-Office and Replicated Website fees are not refundable except as may be required under applicable state law.

- B. Company products and Sales Tools returned to the Company are in Currently Marketable Condition if they are unopened, unused, and packaging and labeling has not been altered or damaged. Merchandise that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, is not in Currently Marketable Condition.
- C. A Montana resident who cancels the Agreement within 15 days from the date on which this application is submitted is entitled to a full refund for the affiliate marketing kit and for any other consideration he/she paid within such time period to participate in the program.
- D. If a resident of Louisiana, Massachusetts, or Wyoming cancels the Agreement, upon receipt of a written request from such canceling Affiliate, the Company will refund 90% of the costs incurred by such canceling Affiliate to participate in the program during the one-year period immediately preceding the date of the cancellation.
- E. If a resident of Maryland cancels the Agreement for any reason within 3 months after the date of receipt of goods or services first ordered, upon cancellation, the Company shall repurchase the goods, and the repurchase price shall be at least 90% of the original price paid by the Affiliate.
- F. A Puerto Rico resident may cancel this Agreement at any time within 90 days from the date of enrollment, or at any time upon showing the Company's noncompliance with any of the essential obligations of the distribution contract or any act or omission by the Company adversely affecting the interests of the cancelling Affiliate in the development of the market of the properties or services. Such cancellation must be sent to the Company in writing and sent via registered mail. If a Puerto Rico resident cancels under these conditions, the Company shall: (a) Reacquire the total of the products that he/she purchased from the Company which are in his/her possession and in good condition at a price of not less than ninety percent (90%) of their original net cost; (b) Return to the cancelling Affiliate not less than ninety percent (90%) of the original net cost of any services that he/she acquired from the Company; (c) Return 90% of any sum paid by the cancelling Affiliate for the purpose of participating in the business.

9.0 LIMITATIONS OF LIABILITY

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY OR ANY FAILURE OF ESSENTIAL PURPOSE, IN NO EVENT SHALL AN AFFILIATE OR COMPANY (INCLUDING ANY OF ITS RELATED PARTIES (AS DEFINED BELOW) BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, HOWEVER CAUSED, ARISING OUT OF OR RELATED TO THE AFFILIATE AGREEMENT OR THE SUBJECT MATTER HEREOF (INCLUDING BUT NOT LIMITED TO THE COMPANY PRODUCTS, THE PROGRAM, COMPANY MARKETING MATERIALS OR COMPANY BUSINESS SUPPLIES), WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHER THEORY OF LIABILITY (INCLUDING BUT NOT

LIMITED TO NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE AFFILIATE OR COMPANY (OR ANY OF ITS RELATED PARTIES) HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN JURISDICTIONS THAT DO NOT GIVE EFFECT TO LIMITED LIABILITY OR EXCULPATORY CLAUSES, THIS PROVISION IS NOT APPLICABLE. IN JURISDICTIONS THAT ALLOW FOR EXCULPATORY OR LIMITED LIABILITY CLAUSES IN A LIMITED MANNER, THIS PROVISION IS APPLICABLE TO THE FULLEST EXTENT ALLOWED BY THE LAW OF SUCH JURISDICTION.

10.0 DISCIPLINARY SANCTIONS

10.1 Imposition of Disciplinary Action - Purpose

It is the spirit of Company that integrity and fairness should pervade among its Affiliates, thereby providing everyone with an equal opportunity to build a successful business. Therefore, Company reserves the right to impose disciplinary sanctions at any time, when it has determined that an Affiliate has violated the Agreement as may be amended from time to time by Company.

10.2 Consequences and Remedies of Breach

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

VIII. Legal proceedings for monetary or equitable relief.

11.0 GRIEVANCES & DISPUTE RESOLUTION

11.1 Grievances

- A. If a Company Affiliate has a grievance or complaint against another Affiliate regarding any practice or conduct relating to their respective Company businesses, they are encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the Company Compliance Department as outlined below in this Section.
- B. The Company Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Affiliates involved.
- C. Company will confine its involvement to disputes regarding Company business matters only. Company will not decide issues that involve personality conflicts or unprofessional conduct by or between Affiliates outside the context of a Company business. These issues go beyond the scope of Company and may not be used to justify a Sponsor or Placement change or a transfer to another Company organization.
- D. Company does not consider, enforce, or mediate third party agreements between Affiliates, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:
 - I. The Affiliate should submit a written letter of complaint (e-mail will not be accepted) directly to the Company Compliance Department. The letter shall set forth the details of the incident as follows:
 - a. The nature of the violation;
 - b. Specific facts to support the allegations;
 - c. Date(s) and number(s) of occurrences;
 - d. Persons involved; and
 - e. Supporting documentation.
 - II. Upon receipt of the written complaint, Company will conduct an investigation according to the following procedures:
 - a. The Compliance Department will send an acknowledgment of receipt to the complaining Affiliate.

- b. The Compliance Department will provide a verbal or written notice of the allegation to the Affiliate under investigation. If a written notice is sent to the Affiliate, they will have five (5) business days from the date of the notification letter to present all information relating to the incident for review by Company.
- c. The Compliance Department will thoroughly investigate the complaint and consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case-by-case basis, and the length of time to reach a resolution will vary.
- d. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during that time. Affiliate calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.

E. Company will make a final decision and timely notify the Company Affiliates involved.

11.2 Liquidated Damages

In any case which arises from or relates to the wrongful termination of the Agreement and/or a Affiliate’s business, Company and the Affiliate agree that damages will be extremely difficult to ascertain. Therefore, the Company and the Affiliate stipulate that if the involuntary termination of the Agreement and/or loss of Affiliate’s Company business is proven and held to be wrongful under any theory of law, the Affiliate’s sole remedy will be liquidated damages calculated as follows:

- a. Liquidated damages will be in the amount of their gross compensation that they earned pursuant to the Company’s Affiliate & Referral Program in the twelve (12) months immediately preceding the termination.
- b. In any action arising from or relating to the Agreement, the Company business, or the relationship between the Company and an Affiliate, both Parties waive all claims for incidental and/or consequential damages, even if the other Party has been apprised of the likelihood of such damage. The Company and Affiliate further waive all claims to exemplary and punitive damages.

11.3 Dispute Resolution

- A. **THIS PROVISION CONTAINS AN AGREEMENT THAT AFFECTS HOW CLAIMS AN AFFILIATE MAY HAVE AGAINST COMPANY, OR CLAIMS COMPANY MAY HAVE AGAINST AN AFFILIATE, WILL BE RESOLVED. THE PARTIES UNDERSTAND AND AGREE THAT THIS DISPUTE RESOLUTION AGREEMENT OPERATES AS A SEPARATE AND DISTINCT AGREEMENT THAT IS SEVERABLE FROM THE REMAINDER OF THE AFFILIATE AGREEMENT AND IS ENFORCEABLE REGARDLESS OF THE**

ENFORCEABILITY OF ANY OTHER PROVISION OF THE AFFILIATE AGREEMENT OR THE AFFILIATE AGREEMENT AS A WHOLE. CONSIDERATION FOR THIS DISPUTE RESOLUTION AGREEMENT INCLUDES, WITHOUT LIMITATION, THE PARTIES' MUTUAL AGREEMENT TO ARBITRATE CLAIMS. THE PARTIES FURTHER UNDERSTAND AND AGREE THAT THE UNENFORCEABILITY OF THE AFFILIATE AGREEMENT IN WHOLE OR IN PART SHALL NOT SUPPORT A FINDING THAT THIS DISPUTE RESOLUTION AGREEMENT IS UNENFORCEABLE. THE FEDERAL ARBITRATION ACT ("FAA") SHALL GOVERN THIS DISPUTE RESOLUTION AGREEMENT WITHOUT GIVING EFFECT TO ANY STATE LAW TO THE CONTRARY.

Any controversy, claim or dispute of whatever nature arising between Affiliate, on the one hand, and Company and/or the Related Parties (as defined in subsection F below), on the other, including but not limited to those arising out of or relating to the Affiliate Agreement including these Policies and Procedures or the breach thereof, the sale, purchase or use of the Company products/services, or the commercial, economic or other relationship of Affiliate and Company and/or the Related Parties (for purposes of this Section, each a "party"), whether such claim is based on rights, privileges or interests recognized by or based upon statute, contract, tort, common law or otherwise ("Dispute"), and any Dispute as to the arbitrability of a matter under this provision, shall be settled through negotiation, mediation or arbitration, as provided herein.

- B. **Negotiation and Mediation.** If a Dispute arises, the Parties shall first attempt in good faith to resolve it promptly by negotiation. Any of the Parties involved in the Dispute may initiate negotiation by providing notice (the "Dispute Notice") to each involved Party setting forth the subject of the Dispute and the relief sought by the Party providing the Dispute Notice and designating a representative who has full authority to negotiate and settle the Dispute. Within ten (10) Business Days after the Dispute Notice is provided, each recipient shall respond to all other known recipients of the Dispute Notice with notice of the recipient's position on and recommended solution to the Dispute, designating a representative who has full authority to negotiate and settle the Dispute. Within twenty (20) Business Days after the Dispute Notice is provided, the representatives designated by the Parties shall confer either in person at a mutually acceptable time and place or by telephone, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute. At any time twenty (20) Business Days or more after the Dispute Notice is provided, but prior to the initiation of arbitration, regardless of whether negotiations are continuing, any Party may submit the Dispute to JAMS for mediation by providing notice of such request to all other concerned Parties and providing such notice and a copy of all relevant Dispute Notices and notices responding thereto to JAMS. In such case, the Parties shall cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in promptly scheduling the mediation proceedings and shall participate in good faith in the mediation either in person at a mutually acceptable time and place or by telephone, in accordance

with the then-prevailing JAMS's mediation procedures and this Section, which shall control.

- C. **Arbitration.** Any Dispute not resolved in writing by negotiation or mediation shall be subject to and shall be settled exclusively by final, binding arbitration before a single arbitrator or, for Disputes in excess of two million dollars (\$2,000,000 USD), a panel of three arbitrators, in New York County, in the State of New York in accordance with the then-prevailing Comprehensive Arbitration Rules of JAMS, Inc. No Party may commence Arbitration with respect to any Dispute unless that Party has pursued negotiation and, if requested, mediation, as provided herein, provided, however, that no Party shall be obligated to continue to participate in negotiation or mediation if the Parties have not resolved the Dispute in writing within sixty (60) Business Days after the Dispute Notice was provided to any Party or such longer period as may be agreed by the Parties. Unless otherwise agreed by the Parties, the mediator shall be disqualified from serving as an arbitrator in the case. The Parties understand and agree that if the arbitrator or arbitral panel awards any relief that is inconsistent with the Limitation of Liability provision of these Policies and Procedures, such award exceeds the scope of the arbitrator's or the arbitral panel's authority, and any Party may seek a review of the award in the exclusive jurisdiction and venue of the courts in New York County, in the State of New York

Notwithstanding the foregoing, venue and jurisdiction for any claims or disputes arising under or relating to the Affiliate Agreement brought by residents of Louisiana shall be established pursuant to Louisiana law.

The parties consent to exclusive jurisdiction and venue of any matter not subject to arbitration in the courts in New York County, in the State of New York or the United States District Court for the Southern District of New York

- D. **Arbitration Opt-Out.** Affiliates who do not want to be subject to this Arbitration Agreement may opt out by notifying One Llama in writing of their desire to opt out within thirty (30) days of the Affiliate's execution of the Affiliate Agreement. Acceptable forms of notice include sending an email to One Llama at (contact@onellama.com) or by sending a letter dated and signed by the Affiliate to the following address:

One Llama Inc.
Attn: Legal Department
1080 Old Country Rd. #1042
Westbury, NY 11590

Either email or letter must clearly state the Affiliate's name and the intent to opt out of this Arbitration Agreement.

One Llama reserves the right to terminate the Agreement of any Affiliate who chooses to opt out of the Arbitration Agreement.

- D. **Waiver of Class Action and Jury Trial. THE NEGOTIATION, MEDIATION OR ARBITRATION OF ANY DISPUTE SHALL BE LIMITED TO INDIVIDUAL RELIEF ONLY AND SHALL NOT INCLUDE CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. IN ANY ARBITRATION OF A DISPUTE, THE ARBITRATOR OR ARBITRAL PANEL SHALL ONLY HAVE THE POWER TO AWARD INDIVIDUAL RELIEF AND SHALL NOT HAVE THE POWER TO AWARD ANY CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. THE PARTIES UNDERSTAND AND AGREE THAT EACH IS WAIVING THE RIGHT TO TRIAL BY JURY OR TO PARTICIPATE IN A CLASS, COLLECTIVE OR OTHER REPRESENTATIVE ACTION.**
- F. Although the Affiliate Agreement is made and entered into between Affiliate and Company, Company affiliates, owners, members, managers and employees (“Related Parties”) are intended third-party beneficiaries of the Affiliate Agreement for purposes of the provisions of the Affiliate Agreement referring specifically to them, including this agreement to negotiate, mediate and arbitrate. The Parties acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between Affiliate and Company, and the Parties further acknowledge that nothing contained herein shall be argued by either of them to constitute any waiver by the Related Parties of any defense which Related Parties may otherwise have concerning whether they can properly be made a party to any dispute between the other parties.
- G. To the fullest extent allowed by law: (i) the costs of negotiation, mediation and arbitration, including fees and expenses of any mediator, arbitrator, JAMS, or other persons independent of all Parties acting with the consent of the Parties to facilitate settlement, shall be shared in equal measure by Affiliate, on the one hand, and Company and any Related Parties involved on the other, except where applicable law requires that Company bear any costs unique to arbitration (which Company shall bear); and (ii) the arbitrator or arbitral panel or, in the case of provisional or equitable relief or to challenge an award that exceeds arbitral authority as described in this Section, the court, shall award reasonable costs and attorneys’ fees to the person or entity that the arbitrator, arbitral panel, or court finds to be the prevailing party; provided, however, that if fees are sought under a statute or rule that sets a different standard for awarding fees or costs, then that statute or rule shall apply.
- H. Nothing in these Policies and Procedures shall prevent Company from applying for or 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 Company interests or its Confidential Information prior to, during or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.
- I. Any Party may seek specific performance of this Section, and any Party may seek to compel each other Party to comply with this Section by petition to any court of competent

jurisdiction. For purposes of any provisional or equitable relief sought under this Section, the Parties consent to exclusive jurisdiction and venue in the courts in Manhattan County in the State of New York or the United States District Court for the Southern District of New York. The pendency of mediation or arbitration shall not preclude a Party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the Parties agree not to defend against any application for provisional relief on the ground that mediation or arbitration is pending.

Commented [SR5]: See above comment.

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

11.4 Governing Law

This Agreement is to be construed in accordance with and governed by the laws of the State of New York, without regard to its choice of law principles, and the Federal Arbitration Act shall govern the Dispute Resolution Agreement of these Policies and Procedures and the Affiliate Agreement without giving effect to any state law to the contrary.

12.0 MISCELLANEOUS

12.1 Severability

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

12.2 Waiver

- A. Only an officer of Company can, in writing, affect a waiver of the Company Policies and Procedures. Company's waiver of any particular breach by an Affiliate shall not affect Company's rights with respect to any subsequent breach, nor shall it affect the rights or

obligations of any other Affiliate. A waiver in one instance does not constitute a waiver at any other point for that Affiliate or for any other Affiliate likely situated.

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

12.3 Successors and Claims

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