

Talk Fusion® POLICIES & PROCEDURES

Effective February 17, 2017

1. Policies and Compensation Plan Incorporated into Associate Agreement; Amendments.

These Policies and Procedures, in their present form and as amended at the sole discretion of Talk Fusion, Inc (hereafter "Talk Fusion" or the "Company"), are incorporated into the Talk Fusion Independent Associate Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Talk Fusion Independent Associate Agreement, the Policies and Procedures, and the Talk Fusion Compensation Plan. Independent Associates shall be referred to herein as "Associates." The Company reserves the right to amend the Agreement at its discretion. Amendments shall be effective 30 days after notice and publication of the amended provisions in the Associate's Back-Office, but amended policies shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. An Associate may cancel his/her Talk Fusion Business at any time pursuant to Section 33 of these policies.

2. Policies and Provisions Severable.

If any provision of the Agreement, in its current form or as amended, is held void or unenforceable, only the void or unenforceable portion(s) of the provision shall be severed from the Agreement and the remaining provisions shall remain in effect. The severed provision shall be reformed so that it is in compliance with the law and reflects the purpose of the original provision as closely as possible. The existence of any claim or course of action of an Associate against Talk Fusion shall not constitute a defense to Talk Fusion's enforcement of any term or provision of the Agreement.

3. Term and Renewal of a Talk Fusion Business.

The term of the Independent Associate Agreement is one year from the date of enrollment. Independent Associates ("Associate") must renew their Independent Associate Agreement each year. Associates will be reminded of their upcoming renewal through their Back-Offices. At that time, Associates may elect to cancel their business. If an Associate does not cancel, his or her business will be automatically renewed and the renewal fee will be charged to the credit card he/she has on file with the Company. Annual renewal fees are optional in North Dakota.

4. Independent Contractor Relationship.

Associates are independent contractors and not employees of Talk Fusion. In all written, graphic, or digital material used for Talk Fusion business purposes, Associates must represent themselves as a "Talk Fusion® Independent Associate." In verbal conversations with prospective Associates and Customers, Associates must likewise introduce themselves as an "Independent Talk Fusion Associate." Associates shall not lead anyone to believe that they are employees of Talk Fusion.

5. General Conduct.

Associates shall safeguard and promote the good reputation of Talk Fusion and its products, and must avoid all illegal, deceptive, misleading, unethical or immoral conduct or practices, and must exhibit high moral character in their personal and professional conduct. Associates shall not engage in any conduct that may damage the Company's goodwill or reputation. While it is impossible to specify all misconduct that would be contrary to this policy, and the following list is not a limitation on the standards of conduct to which Associates must adhere pursuant to this policy, the following standards specifically apply to Associates' activities:

- Because you are operating your own business, it is your responsibility to know and comply with applicable laws that impact your business;
- Deceptive conduct is always prohibited. Associates must ensure that their statements are truthful, fair, accurate, and are not misleading;

- If an Associate's Talk Fusion business is cancelled for any reason, the Associate must discontinue using the Talk Fusion name, and all other Talk Fusion intellectual property, and all derivatives of such intellectual property, in postings on all Social Media, websites, or other promotional material.
- Associates may not represent or imply that any state or federal government official, agency, or body has approved or endorses Talk Fusion, its program, or products.
- Associates must not engage in any illegal, fraudulent, deceptive, or manipulative conduct in the course of their business or their personal lives that, in the Company's sole discretion, could damage the Company's reputation or the culture that exists within the field sales force.

6. Social Media.

In addition to meeting all other requirements specified in these Policies, if an Associate utilizes any form of social media in connection with their Talk Fusion business, including but not limited to blogs, Facebook, Twitter, LinkedIn, YouTube, or Pinterest, the Associate agrees to each of the following:

- Associates are responsible for the content of all material that they produce and all of their postings on any social media site, as well as all postings on any social media site that they own, operate, or control.
- Associates may not make any social media postings, or link to or from any postings or other material that is sexually explicit, obscene, pornographic, offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise), is graphically violent, is solicitous of any unlawful behavior, that engages in personal attacks on any individual, group, or entity, or is in violation of any intellectual property rights of the Company or any third party.
- No product sales or enrollments may occur on or through any social media site. To process sales or enrollments, a social media site must link only to the Associate's Talk Fusion replicated website, Talk Fusion's corporate website or an official Talk Fusion corporate social media page.
- It is each Associate's responsibility to follow the social media site's terms of use.
- Any social media site that is directly or indirectly operated or controlled by an Associate that is used to discuss or promote Talk Fusion's products, or the Talk Fusion opportunity may not link to any website, social media site, or site of any other nature that promotes the products, services, or business program of any direct selling company other than Talk Fusion.
- During the term of this Agreement and for a period of 12 calendar months thereafter, an Associate may not use any social media site on which they discuss or promote, or have discussed or promoted, the Talk Fusion business or Talk Fusion's products to directly or indirectly solicit Talk Fusion Associates for another direct selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, an Associate shall not take any action on any social media site that may reasonably be foreseen to draw an inquiry from other Associates relating to the Associate's other direct selling business activities. Violation of this provision shall constitute a violation of the nonsolicitation provision in Policy 18.
- If an Associate creates a business page on any social media site to promote or relates to Talk Fusion, its products, or opportunity, the page may not promote or advertise the products or opportunity of any other network marketing business other than Talk Fusion and its products. If the Associate's Talk Fusion business is cancelled for any reason or if the Associate becomes inactive, the Associate must deactivate the page.

7. Associate Created Marketing Methods, Advertising, and Promotional Material (Sales Tools).

Associates must use only Talk Fusion approved sales aids, advertising, promotional materials, and marketing methods

(collectively "Sales Tools") when promoting the Talk Fusion business or Talk Fusion's products or services. These materials are available in the Document Library of Associate's Back-Office.

8. Trademarks and Copyrights.

The name "Talk Fusion" and other names as may be adopted by the Company are proprietary trade names, trademarks and service marks of Talk Fusion. The Company grants Associates a limited license to use its trademarks and trade names in promotional media for so long as the Associate's Agreement is in effect. Upon cancellation of an Associate's Agreement for any reason, the license shall expire and the Associate shall immediately discontinue all use of the Company's trademarks and trade names. Under no circumstances may an Associate use any of Talk Fusion's trademarks or trade names in any email address, website domain name, social media handle, social media name or address.

Talk Fusion commonly puts on live and recorded events as well as webinars and telephone conference calls. During these events Company executives, Associates, and guests appear and speak. The content of such events is copyrighted material that is owned exclusively by the Company. Associates may not record company functions for any reason, whether such event is live, a webinar, via conference call, or delivered through any other medium.

In addition, Company produced Sales Tools, videos, audios, podcasts, and printed material are also copyrighted. Associates shall not copy any such materials for their personal or business use without the Company's prior written approval.

9. Associate Web Sites.

Associates may not create their own websites to promote their Talk Fusion business or Talk Fusion's products and services. Official Talk Fusion supplied Replicated Websites are the only online forum through which Talk Fusion products may be sold and new Talk Fusion Associate enrollments may be transacted.

10. Retail Outlets.

To support the Company's direct selling method of distribution and to protect the independent contractor relationship, Associates agree that they will not display or sell Talk Fusion products or literature, or in any other way promote the Talk Fusion opportunity or products in any retail, wholesale, warehouse, or discount establishment. Notwithstanding the foregoing, Associates may display and sell Talk Fusion promotional literature at professional trade shows.

11. Change of Sponsor.

The only means by which an Associate may legitimately change his/her sponsor is by voluntarily canceling his/her Talk Fusion business in writing and remaining inactive for six (6) full calendar months. Following the six calendar month period of inactivity, the former Associate may reapply under a new sponsor. The Associate will lose all rights to his/her former downline organization upon his/her cancellation.

12. Waiver of Claims.

In cases wherein an Associate improperly changes his/her sponsor, Talk Fusion reserves the sole and exclusive right to determine the final disposition of the downline organization that was developed by the Associate in his/her second line of sponsorship. **ASSOCIATES WAIVE ANY AND ALL CLAIMS AGAINST TALK FUSION, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM TALK FUSION'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ASSOCIATE WHO HAS IMPROPERLY CHANGED HIS/HER SPONSOR.**

13. Product Claims.

Associates must not make claims, including but not limited to testimonials, about the functionality of Talk Fusion's products that are not contained in official Talk Fusion literature or posted on Talk Fusion's official website.

14. Income Representations.

Associates must always present the Talk Fusion income opportunity in a fair and honest fashion. Associates must not overstate the income potential, must never represent that successor income is assured to those who join as Talk Fusion Independent Associates.

15. Income Disclosure Statement.

When presenting the Talk Fusion business to a prospective Associate, or in any case in which you are discussing the Talk Fusion income opportunity with a prospective Associate, the presenting Associate must provide the prospect(s) with the most current version of Talk Fusion's Income Disclosure Statement (the "IDS"). The IDS can be downloaded from Associate's Back-Offices. During the presentation, the Associate must make it clear that income is not guaranteed and must thoroughly review the current IDS with the prospect. If an Associate is presenting the Talk Fusion business to an audience using a slide or other visual presentation, one of the slides or pages of the presentation must contain the current IDS, and there may be no other graphics or text on the slide or presentation page. The presenting Associate must thoroughly discuss the IDS with the audience.

16. Compensation Plan and Program Claims.

When presenting or discussing the Talk Fusion Compensation Plan, you must make it clear to prospects that financial success in Talk Fusion requires commitment, effort, and sales skill. Conversely, you must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include, but are not limited to:

- It's a turnkey system.
- The system will do the work for you.
- Just get in and your downline will build through spillover.
- Just join and I'll build your downline for you.
- The Company does all the work for you.
- You don't have to sell anything.
- All you have to do is buy your products every month.

The above are just examples of improper representations about the Compensation Plan and the Company's 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 Associate without commitment, effort, and sales skill.

17. Media Inquiries.

Associates must not interact with the media regarding the Talk Fusion business or products. All inquiries from the media, including radio, television, print, online, or any other medium, shall be directed to Talk Fusion's marketing department.

18. Nonsolicitation.

Talk Fusion Associates are free to participate in other network marketing programs. However, during the term of this Agreement and for one year thereafter, with the exception of an Associate's personally sponsored downline Associates, an Associate may not directly or indirectly Recruit other Talk Fusion Associates for any other network marketing business. The term "Recruit" means the direct or indirect, actual or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, another Talk Fusion Associate to enroll or participate in another network marketing opportunity. Conduct constitutes recruiting even if the Associate's actions are in response to an inquiry made by another Associate or Customer.

If an Associate is engaged in other non-Talk Fusion business or Network Marketing program, it is the responsibility of the Associate to ensure that his or her Talk Fusion business is operated entirely separate and apart from all other businesses and/or Network Marketing programs. To this end, the Associate must not:

- Display Talk Fusion promotional material, sales aids, or products with or in the same location as, any non-Talk Fusion promotional material or sales aids, products or services (Pinterest and similar social media sites are exempt from this policy).
- Offer the Talk Fusion opportunity, products or services to prospective or existing Customers or Associates in conjunction with any non-Talk Fusion program, opportunity or products.
- Offer, discuss, or display any non-Talk Fusion opportunity, products, services or opportunity at any Talk Fusion related meeting, seminar, convention, webinar, teleconference, or other function.

Talk Fusion and Associate agree that any violation of this policy shall cause Talk Fusion irreparable harm for which there is no adequate remedy at law, and the injury to Talk Fusion shall outweigh the potential injury to Associate, and therefore Talk Fusion shall be entitled to emergency and permanent injunctive relief to prevent further violations of this policy.

19. Cross-Sponsoring.

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual who or entity that already has a current Customer or Associate Agreement on file with Talk Fusion, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited. Associates shall not demean, discredit or defame other Talk Fusion Associates in an attempt to entice another Associate to become part of the first Associate's marketing organization. This policy shall not prohibit the transfer of a Talk Fusion business in accordance with Section 34.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. Talk Fusion may take disciplinary action against the Associate that changed organizations and/or those Associates who encouraged or participated in the Cross Sponsoring. Talk Fusion may also move all or part of the offending Associate's downline to his or her original downline organization if the Company deems it equitable and feasible to do so. However, Talk Fusion is under no obligation to move the Cross Sponsored Associate's downline organization, and the ultimate disposition of the organization remains within the sole discretion of Talk Fusion. Associates waive all claims and causes of action against Talk Fusion arising from or relating to the disposition of the Cross Sponsored Associate's downline organization.

20. Handling Personal Information.

If you receive Personal Information from or about prospective Associates or Customers, it is your responsibility to maintain its security. You should shred or irreversibly delete the Personal Information of others once you no longer need it. Personal Information is information that identifies, or permits you to contact, an individual. It includes a Customer's, potential Customers, Associates and prospective Associates' name, address, email address, phone number, credit card information, social security or tax identification number and other information associated with these details.

21. Confidential Information.

"Confidential Information" includes, but is not limited to, the identities, contact information, and/or sales information relating to Talk Fusion's Associates and/or Customers: (a) that is contained in or derived from any Associates' respective Back-Office; (b) that is derived from any reports issued by Talk Fusion to Associates to assist them in operating and managing their Talk Fusion business; and/or (c) to which an Associate would not have access or would not have acquired but for his/her affiliation with Talk Fusion. Confidential Information constitutes proprietary business trade secrets belonging exclusively to Talk Fusion and is provided to Associates in strict confidence. Confidential Information shall not be directly or indirectly disclosed to any third party nor used for any purpose other than Associate's use in building and managing his/her Independent Talk Fusion business.

Any violation of this policy shall cause Talk Fusion irreparable harm for which there is no adequate remedy at law. The parties further agree that the harm to Talk Fusion shall outweigh any harm to the Associate if injunctive relief is awarded to the Company. Talk Fusion shall therefore be entitled to immediate and permanent equitable relief to prevent further

violations of this policy.

22. Product Inventory & Bonus Buying.

Associates may not carry an inventory of Talk Fusion products for resale. Upon purchase, products are accessible on the internet by the Customer. In addition, bonus buying is strictly prohibited. Bonus buying is the purchase of products for any reason other than bona fide resale or use, or any mechanism or artifice to qualify for rank advancement or maintenance, incentives, prizes, commissions or bonuses that are not driven by bona fide product purchases by end user consumers for actual use.

23. Actions of Affiliated Parties and Household Members.

The term "Business Entity" shall mean any corporation, partnership, limited liability company, trust or other entity that owns or operates a Talk Fusion independent business. The term "Affiliated Party" shall mean any individual, partnership, trust, limited liability company, or other entity that has an ownership interest in, or management responsibility for, a Business Entity.

A Business Entity and each Affiliated Party must comply with the Agreement. If a Business Entity and/or any Affiliated Party violates the Agreement, Talk Fusion may take disciplinary action against the Business Entity and/or against any or all of the Affiliated Parties. In addition, if a household family member of an Associate engages in conduct that would be a violation of the Agreement, the conduct of the household family member may be imputed to the Associate.

24. Negative Comments.

Complaints and concerns about Talk Fusion should be directed to the Customer Service Department. Associates must not disparage, demean, or make negative remarks to third parties or other Associates about Talk Fusion, its owners, officers, directors, management, other Talk Fusion Associates, the Marketing and Compensation Plan, or Talk Fusion's directors, officers, or employees. Disputes or disagreements between any Associate and Talk Fusion shall be resolved through the dispute resolution process, and the Company and Associates agree specifically not to demean, discredit, or criticize one another on the Internet or any other public forum.

25. Adjustment to Bonuses and Commissions.

Compensation stemming from product sales is fully earned when the applicable return, repurchase, and chargeback periods applicable to product sales have all expired. If a product is returned to Talk Fusion for a refund or is repurchased by the Company, or a chargeback occurs, the compensation attributable to the returned or repurchased product(s) will be recovered by the Company. Unearned compensation will be deducted, in the month in which the refund is issued or the chargeback occurs, and continuing every pay period thereafter until the commission is recovered, from the upline Associates who received bonuses and commissions on the sales of the refunded products.

Talk Fusion's Compensation Plan pays up to 60% of total company Sales Volume in commissions and bonuses to Independent Associates. If any payout calculation results in total payout exceeding 60% of Sales Volume, Team Bonuses will be adjusted on a pro-rated basis so that the total payout (all bonuses and commissions) is capped at no more than 60% of Sales Volume.

Talk Fusion reserves the right to withhold or reduce any Associate's compensation as it deems necessary to comply with any garnishment or court order directing Talk Fusion to retain, hold, or redirect such compensation to a third party.

26. Return of Merchandise and Sales Aids by Associates Upon Cancellation or Termination.

Upon cancellation or termination of an Associate's Agreement, the Associate may return tangible products and Sales Tools that he or she personally purchased from Talk Fusion within 12 months prior to the date of cancellation (the one year limitation shall not apply to residents of Maryland, Massachusetts, Wyoming and Puerto Rico) so long as the goods are in currently marketable condition. Upon the Company's receipt of returned goods and confirmation that they are in

currently marketable condition, the Associate 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. Goods are in "currently marketable condition" if they are unopened and 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, or which has passed its commercially reasonable usable or shelf-life, is not in currently marketable condition. The merchandise must be returned within 30 days from the date of cancellation/termination. Back-Office and Replicated Website fees are not refundable except as may be required under applicable state law.

27. Order Cancellation.

Federal and state law requires that Associates notify their retail customers that they have 10 days (this also includes Alaska residents, who typically have five business days; 15 days for North Dakota residents age 65 and over. Saturday is a business day, Sundays and legal holidays are not business days) within which to cancel their initial purchase and receive a full refund upon return of the products in substantially as good condition as when they were delivered. Associates shall verbally inform their customers of this right.

28. Montana Residents.

A Montana resident may cancel his or her Associate Agreement within 15 days from the date of enrollment, and may return his or her sales kit within such time period and is entitled to a full refund for the sales kit and for any other consideration he/she paid within such time period to participate in the program.

29. Disciplinary Sanctions.

Violation of the Agreement, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Associate that the Company reasonably believes may damage its reputation or goodwill, may result in the suspension or termination of the Associate's Talk Fusion business, and/or any other disciplinary measure that Talk Fusion deems appropriate to address the misconduct. In situations deemed appropriate by Talk Fusion, the Company may institute legal proceedings for monetary and/or equitable relief.

30. Indemnification.

Associates agree to indemnify Talk Fusion for any and all costs, expenses, consumer reimbursements, fines, sanctions, damages, settlements or payments of any other nature that Talk Fusion incurs resulting from or relating to any act or omission by Associate that is illegal, fraudulent, deceptive, negligent, unethical, or in violation of the Agreement. Talk Fusion may elect to exercise its indemnification rights through withholding any compensation due the Associate. This right of setoff shall not constitute Talk Fusion's exclusive means of recovering or collecting funds due Talk Fusion pursuant to its right to indemnification.

31. Effect of Cancellation.

An Associate whose business is cancelled for any reason will lose all Associate rights, benefits and privileges. This includes the right to represent yourself as an Independent Talk Fusion Associate, to sell Talk Fusion products and services and the right to receive commissions, bonuses, or other income resulting from his/her own sales and the sales and other activities of the Associate and the Associate's former downline sales organization. There is no whole or partial refund for Associate Kit fees or renewal fees if an Associate's business is cancelled.

32. Voluntary Cancellation.

A participant in this network-marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address or by cancelling his/her business through the Back-Office. The written notice must include the Associate's signature, printed name, address, and Associate I.D. Number. If an Associate is also a product subscriber, the Associate's product subscription shall continue unless the Associate also specifically

requests that his or her subscription also be canceled. An Associate may also voluntarily cancel his/her Talk Fusion business by failing to renew the Agreement on its annual anniversary date, by withdrawing consent to contract electronically.

If any Independent Associate or Customer is unsatisfied with an initial Product Package purchase, Talk Fusion offers a 100% ten (10) day money-back guarantee (unless otherwise required by law) from the date of purchase. Please note that \$39.00 one-time Independent Associate Cost, Product Package upgrades, wire transfer fees and sales and service taxes are non-refundable. Returns on the purchase price constitute a purchaser's voluntary request to cancel. All refunds will be processed within 7 business days from the date you receive your cancellation confirmation.

33. Cancellation for Inactivity.

If an Associate fails to earn a commission for six consecutive months, his/her Associate Agreement and Talk Fusion business will be cancelled for inactivity. If an Associate also subscribes to the Company's products, the Associate's monthly subscription shall continue unless the Associate also specifically requests that his or her subscription also be canceled. The former Associate will then be classified as a retail customer. If the former Associate wishes to re-enroll as an Associate, he or she must submit a new application and will be placed at the bottom of the binary tree. Please note: Associates who have pre-paid for their Monthly Plan for a minimum of 1 year will not be reclassified as a Customer through the term of their prepayment.

34. Business Transfers.

Associates in good standing who wish to sell or transfer their business must receive Talk Fusion's prior written approval before the business may be transferred. Requests to transfer a business must be submitted in writing to support@talkfusion.com. It is within Talk Fusion's discretion whether to allow a business sale or transfer, but such authorization shall not be unreasonably withheld. However, no business that is on disciplinary probation, suspension, or under disciplinary investigation may be transferred unless and until the disciplinary matter is resolved. Prior to transferring a business to a third party, the Associate must offer Talk Fusion the right of first refusal to purchase the business on the same terms as negotiated with a third party. The Company shall have ten days to exercise its right of first refusal.

35. Transfer Upon an Associate's Death.

An Associate may devise his/her business to his/her heirs. Because Talk Fusion cannot divide commissions among multiple beneficiaries or transferees, the beneficiaries or transferees must form a business entity (corporation, LLC, partnership, etc.), and Talk Fusion will transfer the business and issue commissions to the business entity. In the case of a business transfer via testamentary instrument, the beneficiary of the business must provide Talk Fusion with certified letters testamentary and written instructions of the trustee 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 a Talk Fusion Associate Agreement within 30 days from the date on which the business is transferred by the estate to the beneficiary or the business will be cancelled.

36. Business Distribution Upon Divorce.

Talk Fusion is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in divorce cases, any settlement or divorce decree must award the business in its entirety to one party. Talk Fusion will recognize as the owner of the business the former spouse to who is awarded the business pursuant to a legally binding settlement agreement or decree of the court. The former spouse who receives the Talk Fusion business must also execute and submit a Talk Fusion Associate Agreement within 30 days from the date on which the divorce becomes final or the business will be cancelled.

37. Dissolution of a Business Entity.

Talk Fusion is not able to divide commissions among multiple parties, nor is it able to divide a downline organization. Consequently, in the event that a business entity that operates a Talk Fusion 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 Talk

Fusion 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. If the business entity wishes to sell or transfer its Talk Fusion business, it must do so pursuant to Policy 34. In addition, the recipient of the Talk Fusion business must also execute and submit a Talk Fusion Associate Agreement to the Company within 30 days from the date of the dissolution of the business entity or the Talk Fusion business will be cancelled.

38. Inducing Associates to Violate Policy.

Associates must not induce, encourage, or assist another Associate to violate the Agreement in any fashion.

39. Reporting Mistakes or Discrepancies.

If an Associate believes there has been a mistake or discrepancy in his/her compensation, in the structure or composition of his/her downline organization, or any other mistake by the Company that has impacted his/her income, it is the Associate's responsibility to bring it to the Company's attention in writing no later than 60 days from the date on which the error occurred. While Talk Fusion will use its best efforts to rectify mistakes, the Company shall not be responsible for correcting errors, making changes, or making financial remuneration for errors that are reported more than 60 days after the error occurs.

40. International Activities.

Associates may not sell Talk Fusion products in any international market, or conduct business activities of any nature, in any foreign country that the Company has not announced is officially open for business.

41. Dispute Resolution.

The following comprehensive approach to dispute resolution shall apply to all disputes between Associates and the Company:

a. Confidential Mediation. Subject to the exceptions in these policies, prior to bringing legal action for disputes that arise from or relate to the Agreement or the Talk Fusion business, the parties shall attempt in good faith to resolve the dispute through confidential non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. If the Parties cannot agree on a mediator within 30 days from the date on which the complaining party submits a written request to the other party seeking mediation, the complaining party shall request the American Arbitration Association ("AAA") to appoint a mediator. The mediation shall occur within 90 days from the date on which the complaining party submits a written request to the other party seeking mediation. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Claims seeking \$15,000.00 or more shall be held with the parties and the mediator physically present in the same location in Brandon, Florida and shall last no more than two business days unless the parties agree otherwise. Claims for less than \$15,000.00 may be held telephonically, but may be held in person if the parties mutually agree to do so, and shall last no more than one business day unless the parties agree otherwise. Neither party shall be represented by an attorney in any mediation in which the claim is for less than \$15,000.00. However, if one party is an attorney acting on his/her/its own behalf, the other party shall have the right to be represented by his/her/its attorney at the mediation as well.

b. Confidential Arbitration. Except as otherwise provided in the Agreement, if a claim is not resolved through mediation, any controversy or claim seeking \$15,000.00 or more in damages that arises out of or relates to the Agreement, the breach thereof, or the Talk Fusion business shall be settled through binding confidential arbitration. The Parties waive rights to trial by jury or to any court. The arbitration shall be filed with, and administered by, the American Arbitration Association in accordance with the AAA's Commercial Arbitration Rules and Mediation Procedures, which are available on the AAA's website at www.adr.org. Copies

of the AAA's Commercial Arbitration Rules and Mediation Procedures will also be emailed to Associates upon request to Talk Fusion's Customer Service Department. Notwithstanding the rules of the AAA, unless otherwise stipulated by the Parties, the following shall apply to all Arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- The Federal Arbitration Act shall govern all matters relating to arbitration, including the enforceability of this arbitration provision. The law of the State of Florida, without regard to principles of conflicts of laws, shall govern all other matters relating to or arising from the Agreement and the Talk Fusion business;
- The arbitration hearing shall commence no later than 365 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- The Parties shall be allotted equal time to present their respective cases.

All arbitration proceedings shall be held in a location selected by the parties. If the parties cannot agree on a suitable location, it will be held in the county in which the respondent to the action resides (if an individual) or has its principal place of business (if a business entity). The parties may select a mutually agreeable arbitrator. If the parties do not agree on an arbitrator within 60 days from the date on which the arbitration is filed, the petitioner shall request that the AAA appoint an arbitrator. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court having jurisdiction over either of the parties. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties, their respective agents and attorneys, and the arbitrator shall maintain the confidentiality of the arbitration proceedings and shall not disclose to any third party:

- The substance of, facts underlying, or basis for, the controversy, dispute, or claim;
- The substance or content of any settlement offer or settlement discussions or offers associated with the dispute;
- The pleadings, the content of any pleadings, and exhibits to the pleadings, filed in any arbitration proceeding;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award;
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

c. **Liquidated Damages for Breach of Confidentiality Obligations.** If a Party violates its confidentiality obligations under the mediation or arbitration policies, the nonbreaching party shall incur significant damages to its reputation and goodwill that shall not be readily calculable. Therefore, if a Party, its attorneys or agents breach the confidentiality provisions of this policy, the nonbreaching Party shall be entitled to liquidated damages in the amount of \$25,000.00 per violation. Every disclosure of each allegation, pleading, claim or other prohibited disclosure shall constitute a separate violation. The Parties agree that this liquidated damage amount is reasonable and waive all claims and defenses that it constitutes a penalty. The confidentiality obligations in this dispute resolution policy shall not restrict a party or its counsel acting in good faith from discussing a claim with an individual to determine if he/she is a witness to the action and as necessary to elicit relevant testimony from the witness) or from discussing or showing documentary or other evidence as necessary to prepare the witness for testimony or to ascertain the extent of the witnesses knowledge of the facts relevant to the case. However, neither party shall allow a witness or prospective to retain copies of any documents, evidence, or pleadings related to the matter.

d. **Disputes Not Subject Arbitration or Mediation**

- **Equitable Relief.** Notwithstanding the foregoing arbitration agreement, nothing in the Agreement shall prevent either party from applying to and obtaining from the court a temporary restraining order, preliminary or permanent injunction, or other equitable relief to safeguard and protect the party's intellectual property, trade secrets, and/or confidential information, including but not limited to enforcement of its rights under the Nonsolicitation provisions of the Agreement.
- **Claims for Damages Under \$15,000.00.** Claims seeking damages for less than \$15,000.00 are not subject to the arbitration provisions of this Agreement (but are subject to the mediation, jurisdiction and venue requirements). The prevailing party to any litigation seeking damages for less than \$15,000.00 shall be entitled to an award of reasonable attorney fees and litigation expenses.
- **Small Claims.** An Associate may seek remedies in small claims court for disputes or claims within the scope of the jurisdiction of the small claims court in the jurisdiction in which he/she resides, and need not engage in the mediation or arbitration process, so long as the small claims action he/she files is the only forum in which the dispute is pending.
- **Enforcement of an Arbitration Award.** A Party may apply to a court for judicial enforcement of an arbitration award. The Parties consent to exclusive jurisdiction and venue in the courts residing in Hillsborough County, State of Florida or the United States District Court for the Middle District of Florida, Tampa Division, to enforce an arbitration award. If an action is brought to enforce an arbitration award, the prevailing party to the action shall be entitled to an award of reasonable attorney fees and litigation expenses.

e. Class Action Waiver. All disputes arising from or relating to the Agreement, or arising from or relating to the Talk Fusion business, shall be brought and proceed on an individual basis. The parties waive their rights to pursue any arbitration or lawsuit against the other party and/or their respective owners, officers, directors and agents, on a class or consolidated basis.

f. Liquidated Damages. In any case which arises from or relates to the wrongful termination of an Associate's Agreement and/or independent business, the parties agree that damages will be extremely difficult to ascertain. Therefore, the parties stipulate that if the involuntary termination of an Associate's Agreement and/or loss of their independent business is proven and held to be wrongful under any theory of law, Associate's sole remedy shall be liquidated damages calculated as follows:

- For Associates at the Commission Rank of Bronze through Double Diamond liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to Talk Fusion's Compensation Plan in the twelve (12) months immediately preceding the termination.
- For Associates at the Commission Rank of Triple Diamond through Presidential Blue Diamond liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to Talk Fusion's Compensation Plan in the eighteen (18) months immediately preceding the termination.
- For Associates at the Commission Rank of Ambassador Blue Diamond through Imperial Blue Diamond liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to Talk Fusion's Compensation Plan in the twenty-four (24) months immediately preceding the termination.

Gross compensation shall include commissions and bonuses earned by the Associate pursuant to Talk Fusion's Compensation Plan as well as retail profits earned by Associate for the sale of Talk Fusion merchandise. However, retail profits must be substantiated by providing the Company with true and accurate copies of fully and properly completed retail receipts provided by Associate to customers at the time of the sale. The Parties agree that the foregoing liquidated damage schedule is fair and reasonable.

An Associate's "Commission" rank is the rank or title at which they actually qualified to earn compensation under the Talk Fusion Compensation Plan during a pay-period. For purposes of this Policy, the relevant pay-period to determine an Associate's Commission Rank is the pay-period during which the Associate's business is placed on suspension or terminated, whichever occurs first. The "Commission" rank differs from the "Recognition Rank," which is the highest title or rank that an Associate has ever been paid under the Talk Fusion Compensation Plan.

g. Damage Waiver. In any action arising from or relating to the Agreement, the 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 parties further waive all claims to exemplary and punitive damages.

h. Governing Law, Jurisdiction and Venue. Jurisdiction and venue relating to a dispute arising from or relating to this Agreement or from the business relationship between the parties, that is not subject to arbitration shall reside exclusively in Hillsborough County, State of Florida or the United States District Court for the Middle District of Florida (Tampa Division). The law of the State of Florida shall govern actions brought before a court.

i. Louisiana Residents. Notwithstanding the foregoing, and the arbitration provision set forth above, residents of the State of Louisiana shall be entitled to bring an action in their home forum and pursuant to Louisiana law.