



## **POLICIES AND PROCEDURES**

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7k is on a mission to create financial independence, preserve wealth and create an exceptional life for all our members.

## SECTION 2: INTRODUCTION

### 2.1 Purpose of the 7k Associate Agreement and the 7k Policies and Procedures

The purpose of the 7k Associate Agreement and the 7k Policies and Procedures is to:

- Define the relationship between 7k and its Associates;
- Set forth the rights, privileges, and obligations of 7k and its Associates;
- Establish standards of acceptable business conduct and ethics;
- Mitigate and protect 7k and its Associates from legal and regulatory risks;
- Facilitate equal opportunity for all involved; and
- Assist 7k Associates in building and protecting the long-term interest of their 7k businesses.

### 2.2 Interpretation

- Capitalized terms used in the 7k Policies and Procedures have the meanings set forth in Section II: Definitions.
- Words importing the singular shall include the plural, vice versa, words importing the masculine gender shall include the feminine and neuter genders.
- The headings in the 7k Policies and Procedures are inserted for ease of reference and shall not affect the construction or interpretation of any provisions herein.
- In the 7k Policies and Procedures, **"7k"**, **"7k Metals"** or **"Company"** as it is used herein, along with other literature, is to be considered synonymous, and can be used interchangeably.
- References to **"you"** are references to a Member, an Associate or a Customer, as the context may require. The expression **"person"** means any individual, corporation, partnership, association, limited liability company, trust, governmental or quasi-governmental authority or body or other entity or organization.
- References to a statute or statutory provision include that statute or provision as from time to time modified, re-enacted or consolidated, whether before or after the date of the 7k Agreement, so far as such modification, re-enactment or consolidation applies or is capable of applying to any transaction entered into in accordance with the 7k Agreement and (so far as liability thereunder may exist or can arise) shall include also any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which such statute or provision has directly or indirectly replaced.
- References to **"writing"** or **"written"** include both transitory and non-transitory form of visible reproduction of words (including electronic mail).
- References to **"termination"** of the 7k Agreement include the expiration of the Agreement.

### 2.3 Incorporation of Terms and Agreement

The 7k Policies and Procedures, the 7k Members Share Plan, and any other agreements, policies, guidelines, rules, programs and offers with or from 7k which are made available through any official literature or

media of 7k, in their present form and as may hereafter be amended or supplemented by 7k, are incorporated into, and form an integral part of, the 7k Independent Associate Application and Agreement ("7k Associate Agreement"). This shall constitute the entire agreement between 7k and you with respect to the subject matter thereof, and supersedes any and all prior communications, agreements, arrangements and understandings relating to the subject matter thereof.

It is the responsibility of each 7k Associate to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of the 7k Policies and Procedures. Throughout these Policies, when the term "7k Agreement" is used, it collectively refers to the 7k Independent Associate Application and Agreement (including the Terms and Conditions), the 7k Policies and Procedures, the 7k Members Share Plan, and the 7k Business Entity Addendum (if applicable).

7k Associates shall comply with all the terms and conditions set forth in the 7k Agreement, as well as comply with all applicable local, state, national or international laws, rules, regulations, codes and guidelines in the jurisdictions that 7k operates in. In the event of any inconsistency between the 7k Associate Application and the 7k Policies and Procedures, the latter shall prevail.

## **2.4 Changes to the Agreement**

7k reserves the right to amend the terms of the 7k Agreements, the 7k Members Share Plan, and its prices in its sole and absolute discretion. By executing the 7k Associate Agreement, an Associate agrees to abide by all amendments or modifications that the Company elects to make.

Amendments shall be effective thirty (30) days after the publication in writing that the 7k Agreement has been modified. Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment.

The continuation of an Associate's 7k business, the acceptance of any benefits under the 7k Agreement, or an Associate's acceptance of commissions or bonuses from 7k, or placing further orders with 7k, constitutes your acceptance of any and all such amendments. You agree to abide by any and all such amendments, and that your only remedy for not accepting any such amendments is to immediately terminate the 7k Agreement.

## **2.5 Policies and Provisions Severable**

If under any applicable and binding laws or rules of any applicable jurisdiction, any provision of the 7k Agreement (or part thereof), in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision will be deemed ineffective only to the extent of such invalidity, or unenforceable. This shall not invalidate or render unenforceable the remaining of that provision and any other provisions of the 7k Agreement.



Only the invalid portion(s) of the provision shall be severed, and the remaining terms and provisions shall remain in full force and effect. 7k shall have the rights to modify the invalid or unenforceable provision or portion thereof to the extent required to be valid and enforceable. All 7k Associates shall be bound by any such modification.

## **2.6 Waiver**

The Company never gives up its right to insist on compliance with the 7k Agreement and with the applicable laws governing the conduct of a business in the jurisdiction that 7k operates in. No failure of 7k to exercise any right or power under the 7k Agreement or to insist upon strict compliance by an Associate with any obligation or provision of the 7k Agreement, and no custom or practice of the parties at variance with the terms of the 7k Agreement, shall not constitute a waiver of the Company's right to demand exact compliance with the 7k Agreement. The existence of any claim or cause of action of an Associate against 7k shall not constitute a defense to the Company's enforcement of any term or provision of the 7k Agreement.

## **2.7 Company Use of Information and Likeness**

By submitting a 7k Independent Associate Application and Agreement that is accepted by 7k, the 7k Associate consents to allow 7k, its affiliates, and any related company to:

- Process and utilize the information submitted in the 7k Independent Associate Application and Agreement (as amended from time to time) for business purposes related to the 7k Members Share Plan;
- Disclose, now or in the future, Associate information to companies which 7k may, from time to time, deal with to deliver Information to the 7k Associate to improve its marketing, operational, and promotional efforts. 7k Associate has the right to access a member's personal information via his or her respective 7k Back Office, and to submit updates thereto; and
- Use, record, photograph, publish, reproduce, advertise, display, edit, and sell in any manner for all purposes, 7k associate's name, photograph, likeness, voice testimony, biographical information, image, and other Information related to an Associate's 7k business (collectively the "Likeness") in marketing, promotional, advertising and training materials, whether in print, radio or television broadcast, audio and video medias, on the internet, or in any other media within an unrestricted geographical areas, for unlimited exposures, without compensation, in perpetuity or any other consideration. There shall be no time limit on the validity of this understanding and subsequent release, nor will there be geographic limitation on where these contents or materials may be distributed. 7k associates waive the right to inspect or approve the finished product wherein his or her likeness may appear. 7k Associate further releases 7k from any liability or obligation that may arise as a result of the use of his or her likeness, including without limitation, claims for invasion of

privacy, infringement of right of publicity and defamation (including libel and slander)

### **SECTION 3: BECOMING AN ASSOCIATE**

#### **3.1 Requirements to become a 7k Associate**

To become an Associate each applicant must:

- Be of legal age and not a minor in the Country of residence;
- Be a legal residence and have the legal capacity to enter into the 7k Agreement in the United States or US Territories or Other Country that 7k is officially open for business;

##### **For residence of the United States or US Territories**

- Provide 7k with a valid Social Security or Federal Tax ID number.

##### **For residence of Another Country:**

- Provide 7k with the defined documentation proof of residency and/or tax status In the Country of residence, wherever you are enrolling; and
- Submit a properly completed 7k Independent Associate Application and Agreement to 7k online.

#### **3.2 Parental Consent**

Applicants who are up to twelve (12) months away from their legal age, may be considered to become an Associate by obtaining written consent from their parent or legal guardian. Please submit a duly completed Parental Consent Form together with the 7k Independent Associate Application and Agreement. 7k reserves the right to request verification and documentary proof of parental or custodial guardian relationship prior to acceptance of such application.

#### **3.3 Fee and Product Purchases**

With the exception of an enrollment fee, no person is required to purchase 7k products, services or sales aids, or to pay any charge or fee to become an Associate.

#### **3.4 Associate Benefits**

Once a 7k Independent Associate Application and Agreement has been accepted by 7k, the benefits of the 7k Members Share Plan and the 7k Associate Agreement are available to the new 7k Associate. These benefits include the right to:

- Promote and market the 7k Members Share Plan, its products or services in the Country, and such authority may be extended by 7k to include the other countries in which 7k is open for business (each an "**Other Country**");
- Participate in the 7k Members Share Plan (receive commissions and bonuses, if eligible);
- Sponsor other individuals as Members or Associates into the 7k Members Share Plan and thereby, build a 7k marketing organization and progress through the 7k Members Share Plan;
- Receive periodic 7k literature and other 7k communications;

- Participate in 7k-sponsored support, service, training, motivation and recognition functions, upon payment of applicable charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by 7k for its Associates.

### **3.5 Term and Renewal of Your Business**

The term of the 7k Associate Agreement is one (1) year from the date of acceptance by 7k (subject to Reclassification for Inactivity after six (6) months pursuant to Section 9).

7k Associate must renew their 7k Associate Agreement each year by paying the applicable renewal fee; or meet the pre-defined renewal qualifications on or before the anniversary date of their 7k Associate Agreement.

If the renewal fee is not paid, or if you failed to meet the pre-defined renewal qualifications within thirty (30) days after the expiration of the current term of the 7k Associate Agreement, the 7k Associate Agreement will be automatically terminated.

7k Associates may elect to utilize the Automatic Renewal Program ("ARP"). Under the ARP, the renewal fee will be charge to the Associate's credit card on file with the Company. 7k Associates without a credit card or bank account must renew by phone or mail before the expiration of the current term of their 7k Associate Agreement.

7k shall have the right in its sole and absolute discretion not to accept the 7k Agreement or any renewal of it.

## **SECTION 4: OPERATING A 7k BUSINESS**

### **4.1 Ethical Business Practices and Obligations**

7k Associates shall conduct their 7k business with the highest standard of integrity and professionalism throughout the 7k network of independent Associates and protect each 7k Associate's individual business, as well as 7k' as a whole.

#### **4.1.1**

7k Associates are committed to conduct the 7k business according to the following principles and will:

- Become familiar with 7k Policies and Procedures, 7k Members Share Plan, 7k marketing materials and literature made available by 7k;
- Present the 7k Members Share Plan in a manner which is consistent with the official 7k marketing materials and literature;
- Conduct the 7k business professionally, keep all commitments and uphold a positive mindset at all times;

- Be courteous, respectful and work in harmony with all other 7k Associates to help further the success of the overall 7k Members Share Plan and the success of all 7k Associates;
- Always remember that success is the result of honest effort. While working towards personal success, encourage and motivate all involved to sow the seed of diligent effort;
- Fulfill all obligations stated herein with regards to enrollment of other 7k Associates including training, motivation, and support; and
- Endeavor to observe the spirit in all of 7k rules and policies, acknowledging that they are "for my benefit" and the benefit of all involved.

#### **4.1.2**

7k Associate shall not:

- Engage in any high pressure selling and recruiting practices;
- Enroll minors or persons who are not capable of making an informed decision; and
- Order or purchase 7k products and/or service for other 7k Associates without the prior expressed permission of such persons.

#### **4.1.3**

7k Associates shall conduct all 7k business activities with a high standard of business ethics, and in a manner that will enhance the integrity and professionalism of all 7k Associates and uphold 7k's reputation as a whole. 7k Associates are further committed to conduct the 7k business according to the following:

- Not to offer or promote the 7k Members Share Plan, or in combination with, any other system, program, sales tools, or method of marketing other than that specifically set forth in the official 7k literature;
- Not to be engaged in competitive business and/or products, particularly, but not limited to, those businesses that employ the multi-level system network of sales and distribution, or direct selling of marketing and selling;
- Promote, market and sell only 7k products which he or she has purchased from 7k and such other products or services expressly approved by 7k for the operation of the 7k business;
- Not to alter, vary or in any way tamper with 7k products, services, business building or marketing materials and literatures supplied by 7k;
- Not to require or encourage other 7k Members, Associates, current customers or prospective customers to execute any agreement or contract other than the official 7k Agreements and contracts in order to become a 7k Associate;

- Not to require or encourage other 7k Members, Associates, current customers or prospective customers to make any purchase from, or payment to, any individual or other entity to participate in the 7k Members Share Plan other than those purchases or payments identified as recommended or required in the official 7k documents or literature;
- Not to use or attempt to use any 7k trade names, trademarks, service marks, product names, 7k derivatives or abbreviation without the prior written consent from 7k;
- Promote and preserve the goodwill and reputation associated with 7k business; Not to engage in any unlawful, deceptive, unethical, dishonest or fraudulent business or practice in relation to or in connection with his or her 7k business;
- Under no circumstances disparage, infringe or defame 7k, 7k business or any other 7k Associate in connection with the marketing of 7k program, products, services and/or business opportunity, or to misappropriate any confidential information (including, but not limited to, sales team Genealogy Reports, the identities of Members and Associates, contact information of Members and Associates, Associates' personal and group sales volumes, Associate rank and/or achievement levels, and other financial and business information.) of 7k for use by the 7k Associate or any others.
- Not to seek or attempt to circumvent the terms and conditions of the 7k Agreement or act in any manner which would bring 7k in disrepute.

#### **4.1.4**

Any effort by an Associate to convince or entice any 7k Member or Associate to discontinue or diminish purchasing 7k products, to move from one 7k marketing organization to another, to discontinue or diminish efforts to promote the 7k Members Share Plan, 7k Members Share Plan, its products, services and business opportunity, or to promote or pursue another direct selling opportunity, or to disparage 7k Members Share Plan, 7k Members Share Plan, its products, services and business opportunity is a material breach of the 7k Associate's responsibility and a material breach of the 7k Agreement.

## **4.2 ONE 7k Business Per Individual in a Household**

An Associate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one 7k business. No individual may have, operate or receive compensation from more than one 7k business.

Individuals of the same Household may maintain, own, and operate their own 7k Business. A "Household" is defined as spouses and dependent adult children living at or doing business at the same address. In the event that two members of the same Household elect to become Associates, one must be enrolled by the other. In the event that more than two members of the same Household elect to become

Associates, they must elect one Household member to enroll the others. In the event that members of the same Household elect to become Associates at different times, the Household member who joined 7k first must be the Enroller for all other Household members.

#### **4.3 Business Entities (applicable for the United States & US Territories)**

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a 7k Associate by submitting a 7k Independent Associate Application and Agreement along with a properly completed 7k Business Entity Registration Form and a properly completed IRS Form W-9 (for the United States and US Territories).

The Business Entity, as well as all shareholders, members, managers, partners, trustees, or other parties with any ownership (legal or equitable) interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties") are individually, jointly and severally liable for any indebtedness to 7k, compliance with the 7k Policies and Procedures, the 7k Associate Agreement, and other obligations to 7k.

#### **4.4 Independent Contractors Status and Representation**

Your relationship with 7k established under the 7k Agreement is that of an independent contractor. 7k Associates are not considered purchasers of a franchise, nor does the 7k Agreement between 7k and its Associates create an employee/employer relationship, legal representation, agency, partnership or joint venture. 7k Associates are strictly prohibited from suggesting, stating or implying, directly or indirectly in any manner, that their relationship is any other than as outlined above. 7k Associate shall hold 7k harmless from any claims, damages or liabilities arising out of such 7k Associate's business practices and/or conducts.

7k Associates are independent contractors. 7k does not dictate selling and/or marketing methods, specific hours, or effort levels, other than those required in Associate/Company interactions and except as stated herein. 7k Associates must comply with the terms of the 7k Associate Agreement, the 7k Policies and Procedures, applicable laws and acceptable marketing and business practices, as amended from time to time.

7k Associates are not authorized to act on behalf of or for 7k nor bind 7k to any agreement, contract, expense, commitment, sponsorship and/or obligation. Under no circumstances shall an Associate represent directly or indirectly in any manner that might indicate or suggest he has influence over 7k's corporate decision, or authority or representation from 7k.

#### **4.5 Legal Compliance**

7k Associate must comply with all applicable local, state, national or international laws and regulations in conducting their 7k business and shall not engage in any activity which may bring disrepute to themselves or to 7k.

7k Associate shall operate their 7k business strictly in accordance with the terms and conditions of the 7k Agreement, such compliance being of the utmost importance to the successful operation of the 7k business and the protection of the goodwill attaching to 7k business and the 7k proprietary marks.

7k Associates shall not participate or engage in any unlawful practices.

**Adherence to Laws and Regulations for US Associates:**

7k Associates must comply with all federal, state, and local laws, regulations, ordinances, and codes in the conduct of their 7k business. Many cities or states may have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to 7k Associates because of the nature of their 7k business. However, 7k Associates must obey those laws that do apply to them. If a city or state official informs an Associate that an ordinance applies to him or her, the 7k Associate shall cooperate and immediately send a copy of the ordinance to the Compliance Department of 7k.

**4.6 Tax Responsibility**

As an independent contractor, 7k Associates are solely responsible for declaration and payment of personal income tax, applicable Goods and Services Tax (GST) or Value Added Tax (VAT), tax liabilities and fees that may accrue in connection with the Associate's 7k business or arising out of the 7k Agreement.

**Income Taxes for US Associates:**

Each 7k Associate is responsible for paying local, state, and federal taxes on any income generated as an Independent 7k Associate. We cannot and do not provide tax advice. Please consult your own tax accountant, tax attorney, or other tax professional. If an Associate's 7k business is tax exempt, the Federal tax identification number must be provided to 7k. At the end of each calendar year, 7k will issue an IRS Form 1099 Misc. (Non-employee Compensation) earning statement as required by law, for 7k Associates who:

- Have generated earnings of over \$600 in the previous calendar year.

**4.7 Sales Policy and Requirements**

The 7k Members Share Plan is based on the sale of 7k products and/or services to end consumers. 7k Associates must fulfill personal and team organization retail sales requirements (as well as meet other responsibilities set forth in the 7k Agreement) to be eligible for commissions, bonuses and advancement to higher levels of achievement. The following sales requirements must be satisfied for 7k Associates to be eligible for commissions:

- Associates must satisfy the Personal Volume, Group Sales Volume, and membership product purchase volume requirements to fulfill the requirements associated with their rank as specified in the 7k Members Share Plan. "Personal Sales Volume" includes purchases made by the 7k Associate and purchases made by the 7k Associate's personal Members.

"Group Volume" shall include the total Sales Volume of all 7k Associates in his or her marketing organization but shall not include the 7k Associate's Personal Sales Volume.

- 7k Associates must develop or maintain at least two (2) active Members.
- 7k Associates shall not sell any 7k products and/or services in combination with any other non-7k products or services.

#### **4.8 Geographical Territory Rights**

There shall be no exclusive geographic territory rights or special privileges granted to any 7k Associate or marketing organization to market and/or sell 7k products or services, and to conduct the 7k business opportunity, regardless if such Country is officially open for the 7k Members Share Plan.

There are no exclusive geographic territories for recruiting purposes nor shall any 7k Associates imply or state that he or she has any exclusive geographic territory rights. There are no geographic limitations on a 7k Associate's sponsoring except in those foreign countries that have not officially been opened by 7k.

#### **4.9 International Marketing**

7k Associates may promote and sell 7k products and services and enroll Members or Associates only in the countries in which 7k is authorized to officially conduct business, as announced in official Company literature.

7k Associates may promote, market and sell 7k products or services in any Other Country provided always that such 7k Associates comply with and abide by all applicable local laws, rules, regulations, codes and guidelines, applicable to 7k Associates of such Other Country ("Other Rules"). The Other Rules shall apply to such 7k Associate as if he or she is a 7k Associate of that Other Country. The Other Rules can be found in the 7k official website and it is the 7k Associate's responsibility to read, understand and familiarize with the Other Rules. However, 7k Associates may not ship or sell 7k products across any international border for the purpose of sales, resale or distribution in any Other Country. All orders for Other Countries shall be placed with and through the 7k Replicated Website and are subjected to the Other Rules.

In addition, no 7k Associate may, in any Unauthorized Country:

- Conduct sales, enrollments, meetings or trainings;
- Enroll or attempt to enroll potential Members or Associates; or
- Conduct any other activity for the purpose of selling 7k products, services, establishing a marketing organization, or promoting the 7k opportunity.

#### **4.10 Record Keeping**

7k Associates must comply strictly with record keeping in the jurisdiction where 7k operates in, as required by applicable laws or regulations. 7k Associates shall maintain complete and accurate records of 7k business transactions.



**Sales Receipts for US Associates:**

All Associates must provide their Members with two (2) copies of an official 7k sales receipt at the time of their initial sale or order. These receipts set forth the 7k Members Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. 7k Associates must maintain all retail sales receipts for sales to their Members for a period up to seven (7) years and furnish them to 7k at the Company's request. Records documenting the purchases of 7k Associates' Members will be maintained by 7k.

**Remember that Members must receive two (2) copies of the sales receipt. In addition, 7k Associates must orally inform the buyer of his or her cancellation rights.**

**4.II Activity Reports**

All information provided by 7k in sales team activity reports, including but not limited to personal and group sales volume (or any part thereof), and sales team sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, digital, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge backs; the information is not guaranteed by 7k or any persons creating or transmitting the information.

All personal and group sales volume information are provided "AS IS" without warranties, express or implied, or representations of any kind whatsoever. In particular but without limitation there shall be no warranties of merchantability, fitness for a particular use, or non-infringement.

To the fullest extent permissible under applicable laws, 7k and/or other persons creating or transmitting the information will in no event be liable to any 7k Associate or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to personal and/or group sales volume information (including but not limited to lost profits, commission, or bonuses, loss of opportunity, and damages that may result from inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the information), even if 7k or other persons creating or transmitting the information shall have been advised of the possibility of such damages.

To the fullest extent permitted by laws, 7k or other persons creating or transmitting the information shall have no responsibility or liability to you or anyone else under any tort, contract, negligence, strict liability, product liability or other theory with respect to any subject matter of this Agreement, or Terms and Conditions related thereto.

Access to and use of 7k's online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "AS IS". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy

is to discontinue use of and access to 7k' online and telephone reporting services and your reliance upon the information.

**4.12 Errors or Questions**

7k Associates should notify 7k in writing immediately, or within ten (10) business days of the date of the purported errors or incident in questions regarding commissions, bonuses, genealogy lists, reports, orders or charges.

7k will not be responsible for any errors, omissions or problems not reported within ten (10) business days.

**4.13 Requests for Records**

Any request from an Associate for copies of invoices, applications, sales team activity reports, or other records will require a fee of one dollar (\$1.00) per page per copy. This fee covers the expense of mailing and time required to research on the requested files and to make available copies of the records.

**4.14 Back Office Access**

7k makes available the online 7k Back Offices to its Associates. The 7k Back Office provides 7k Associates access to confidential and proprietary information that may be used solely and exclusively to promote the development of an Associate's 7k business and to increase sales of 7k and services.

The access to 7k Back Office is a privilege extended to all its active 7k Associates, this should not be construed as a right or entitlement. 7k reserves the right to deny 7k Associates' access to the 7k Back Office at its sole and absolute discretion.

**4.15 Re-Packaging, Re-labelling or Tampering Prohibition**

7k Associates, whether active or otherwise, shall not repackage, re-label or tamper with any 7k products. Nor shall the 7k products be removed from its original packaging and resold in any way or form other than its original condition.

**4.16 Sales/Resales Location of Products**

To maintain a standard of fairness and professionalism, 7k Associates, whether active or otherwise, may not display or sell 7k Products in any kind of retail settings or establishments, including, but not limited to, shops, stores, supermarket, retail outlets, drug stores, clinics, offices, agencies, establishments, flea markets, fairs, exhibitions, events or unapproved internet sites. 7k strictly prohibits the display of 7k products to the public without 7k's prior written approval.

Additionally, if an Associate receives written approval for the display and sales of 7k products, the 7k Associate must ensure that 7k products shall not be displayed or promoted alongside other non-7k products.

**4.17 Participation in Trade Shows, Expositions and Any Other Sales Forums**

7k Associates may participate, display and/or sell 7k products at trade shows and professional expositions. Before submitting a deposit to

the event promoter, 7k Associates must contact the 7k Marketing Department in writing and receive approval at least two (2) weeks prior to the event, as 7k's policy is to authorize only one (1) 7k business per event.

Final approval will be granted to the first 7k Associate who submits an official advertisement of the event, a copy of the contract signed by both the 7k Associate and the event official, and an official receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the 7k Marketing Department by emailing: [marketing@7kmetals.com](mailto:marketing@7kmetals.com).

At the event, 7k products, marketing materials and literature may not be displayed along with other non-7k products, services or opportunities of another company. Only 7k approved marketing materials and literature may be displayed or distributed.

7k further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the 7k Members Share Plan. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image which 7k wishes to portray.

7k Associates may not market or sell 7k products, services, or promote 7k Members Share Plan or Plan via live, or any types of auctions, including without limitation on the internet, social media or any kind of electronic applications (mobile Apps included).

7k will not be held liable for any losses, damages, or lack of success at approved events.

#### **4.18 Excess Inventory and Bonus Buying Prohibition**

7k Associates must never purchase more products than they can reasonably use or sell to retail customers in a month; and must not influence or attempt to influence any other 7k Associates to buy more products than they can reasonably use or sell to retail customers in a month.

- Bonus buying includes any mechanism or artifice to qualify for rank advancement, incentive, prizes, commission or bonuses that is not driven by bona fide product or service purchases by end user consumers.
- Bonus buying includes, but is not limited to, purchasing 7k products or services through a straw man, phantom entity, or other artifice. Any attempt, device or scheme whereby an Associate directly or through a third party purchases excess 7k products solely for the purpose of qualifying for commissions or bonuses is strictly prohibited and constitutes fraud or misconduct on the part of the 7k Associate.

Excess inventory and bonus buying constitutes a breach of the 7k Policies and Procedures, it is strictly prohibited.

#### **4.19 Participation in Other Network Marketing Programs**

7k imposes no restrictions on any 7k Associate's participation or sales activities in other direct selling, multi-level marketing, or network marketing entities, businesses, organizations, opportunities, or ventures (collectively referred to as a "network marketing business"); unless such activities or programs would cause or result in the breach of the 7k Agreement.

If an Associate is engaged in other network marketing business, it is the responsibility of the 7k Associate to ensure that his or her 7k business is operated entirely separate and apart from any other network marketing business. To this end, the following must be adhered to:

- 7k Associates must not sell, or attempt to sell, any competing non-7k programs, products or services to 7k Members or Associates. Any program, product or services in the same generic categories as 7k products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.
- 7k Associates shall not display 7k marketing, literature and promotional material, sales aids, products or services with or in the same location as, any non-7k marketing, literature, promotional material, sales aids, products or services.
- 7k Associates shall not offer the 7k Members Share Plan, products or services to prospective or existing 7k Members or Associates in conjunction with any non-7k programs, products or services.
- 7k Associates may not offer non-7k programs, opportunities, products or services at any 7k related meeting, seminar, convention, webinar, teleconference, or other event.

Breach of any of the subsections in 4.19 could result in 7k taking corrective measures and or/ disciplinary action towards the Associate as outlined in section 10.2.

#### **4.20 Crossline Recruiting Strictly Prohibited**

7k Associates are prohibited from crossline recruiting. The use of a spouse or relative's identity, trade names, DBAs, assumed names, entities such as LLCs or fictitious identification numbers, or any other device or contrivance to circumvent this policy is strictly prohibited.

7k Associates shall not demean, discredit, or defame other 7k Associates in an attempt to entice another 7k Member, Associate or prospective Associate to become part of his or her organization.

For the purpose of section 4.20, the term "Crossline Recruiting" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any way, either directly,

indirectly, or through a third party, another 7k Associate or Member to enroll, join, or otherwise participate in another 7k marketing organization, sales team, or line of sponsorship other than the one in which he or she originally enrolled.

Breach of any of the subsections in 4.20 could result in 7k taking corrective measures and or/disciplinary action towards the Associate as outlined in section 10.2.

#### **4.21 Non-solicitation**

7k Associates are free to participate in other direct selling, multi-level marketing, or network marketing entities, businesses, organizations, opportunities, or ventures (collectively referred to as a "network marketing business"). However, during the term of the 7k Agreement, any renewal or extension hereof, and for a period of twelve (12) calendar months following the termination or expiration of an Associate's 7k Agreement, for any reason whatsoever, an Associate (or former 7k Associate) may not on their own behalf, or on behalf of any other individual or other entity, attempt to hire, solicit, recruit or enroll any employee, associate, customer, supplier, service provider of 7k or any of its affiliates, or in any manner attempt to influence or induce any employee, associate, customer, supplier, service provider of 7k or any of its affiliates, to alter or terminate their engagement or business relationship with 7k or its affiliates or to join another network marketing business.

For the purposes of section 4.21, the term "recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any way (either directly, indirectly, or through a third party) another 7k Associate or Member to:

- Enroll, join, or otherwise participate in another network marketing business; or
- Terminate or alter his or her business or contractual relationship with 7k.

The term "recruit" also includes the above activities in the event that the 7k Associate's actions are in response to an inquiry made by another 7k Associate or Member. Solicitation includes, but is not limited to:

- Producing or offering any promotional materials for/from another network marketing company, which is used to solicit 7k Associates to such company;
- Promoting, marketing or selling of non-7k products or services which competes directly or indirectly with 7k products and services to 7k Members, Associates or customers;
- Introducing or presenting, directly or indirectly, another network marketing company business to any 7k Associate; or
- Offering any other company's products, services or business opportunity at any 7k meeting or event.

7k Associates and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective.

Therefore, 7k Associates and 7k agree that this non-solicitation provision shall apply nation- wide throughout the United States and to all international markets in which 7k Associates are located.

This provision shall survive the termination or expiration of the 7k Associate Agreement. Any violation of this subsection will result in 7k pursuing reparations for damages with may include; commissions paid from time of infraction.

#### **4.22 Actions of Household Members or Affiliated Parties**

If any member of an Associate's immediate household engages in any activity which, if per- formed by the 7k Associate, would violate any provision of the 7k Agreement, such activity will be deemed a violation by the 7k Associate and 7k may take disciplinary action pursuant to the 7k Policies and Procedures against the 7k Associate.

Similarly, if any individual who is associated in any way with a corporation, partnership, limited liability company, trust or other entity (collectively "Business Entity") violates the 7k Agreement, such action(s) will be deemed a violation by the Business Entity, and 7k may take disciplinary action against the Business Entity. Likewise, if an Associate enrolls in 7k as a 7k Business Entity, each Affiliated Party of the 7k Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the 7k Agreement.

#### **4.23 Targeting Other Direct Sellers**

7k does not condone 7k Associates specifically or consciously targeting the sales force of another direct sales company to sell 7k products or to become an Associates for 7k, nor does 7k condone 7k Associates solicitation or enticement of members of the sale force of another direct sales company to violate the terms of their contracts with those companies.

Should 7k Associates engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an Associate alleging that he or she engaged in inappropriate recruiting activity of its sales force or Mem- bers, 7k will not pay any of the 7k Associate's defense costs or legal fees, nor will 7k indem- nify the 7k Associate for any judgement, award, or settlement.

#### **4.24 Unauthorized Communication**

In the excitement and enthusiasm of working a 7k business, an Associate may attempt to contact the Company's vendors, suppliers, or advisors with questions or ideas. Any such communication without the Company's prior written consent is strictly prohibited. Vendors, suppliers, and advisors are often not set up to handle a large volume of

contacts. Equally important, we must respect their rights to privacy. Questions regarding any of these Entities may be directed to 7k Support Team at [support@7kmetals.com](mailto:support@7kmetals.com).

It is strictly prohibited for 7k Associates to speak to media outlets.

#### **4.25 Confidential Information**

Without prejudice to the foregoing provisions, all information and materials disclosed or made known to you by 7k pertaining to the subject matter under the 7k Agreement, shall not be disclosed or otherwise disseminated by you without written approval of 7k, and such information and material shall not be used by you except in furtherance of the purposes of this Agreement.

"Confidential Information" includes, but is not limited to, sales team Genealogy Reports, the identities of 7k Members and Associates, contact information of 7k Members and Associates, Associates' personal and group sales volumes, Associate rank and/or achievement levels, and other financial and business information.

All Confidential Information (whether oral or in written or electronic form) is proprietary information of 7k and constitutes a business trade secret belonging to 7k. Confidential Information is, or may be available, to 7k Associates in their respective 7k Back Offices. 7k Associate access to such Confidential Information is password protected; and is confidential and constitutes proprietary information and business trade secrets belonging to 7k. Such Confidential Information is provided to 7k Associates in strictest confidence and is made available to 7k Associates for the sole purpose of assisting 7k Associates in working with their respective sales team organizations in the development of their 7k business.

All Confidential Information provided to an Associate are proprietary to and owned by 7k. All 7k Associates acknowledge that such information may contain information concerning the 7k Associate. This includes, but is not limited to, the sales team Genealogy Reports, the identities of 7k Members and Associates, contact information of 7k Members and Associates, Associates' personal and group sales volumes, Associate rank and/or achievement levels, and other financial and business information. By executing the 7k Agreement, the 7k Associate consents to 7k's use and dissemination of this Confidential Information therein, and any other information collected by 7k in connection with 7k business, including the enforcement of the terms of and its rights under the 7k Agreement. This includes the compliance with applicable laws in the various jurisdictions.

7k Associates may not use this information for any purpose other than for developing, managing, or operating their 7k business. 7k Associates should use the Confidential Information to assist, motivate, and train their sales team Associates

To protect the Confidential Information, 7k Associates shall not, on their own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any Confidential Information to any third party;
- Directly or indirectly disclose the password or other access code to his or her 7k Back Office;
- Use any Confidential Information to compete with 7k;
- For any purpose other than promoting his or her 7k business;
- Recruit or solicit any 7k Associate or Member listed on any 7k report or in the Associate's 7k Back Office, or in any manner attempt to influence or induce any 7k Associate or Member, to alter their business relationship with 7k; or
- Use or disclose to any person, partnership, association, corporation, or other entity any Confidential Information.

Upon non-renewal or termination of the 7k Agreement, 7k Associates must immediately discontinue all use of the Confidential Information and if requested by 7k promptly return all materials in their possession to 7k within five (5) business days of request at their own expense.

The obligation not to disclose Confidential Information shall survive cancellation or termination of the 7k Agreement and shall remain effective and binding irrespective of whether an Associate's 7k Agreement has been terminated, or whether the 7k Associate is or is not otherwise affiliated with 7k.

#### **4.26 Updates of Personal Information**

To ensure timely delivery of 7k products, services, support materials, commissions and bonuses, and tax related documents, it is important that the 7k files are current and kept up to date. It is thus in the interest of all 7k Associates to notify and update 7k's customer service department of any changes to email addresses, residential address and contact numbers at least two (2) weeks in advance. Alternatively, 7k Associates may update any such changes through their 7k Back Office.

#### **4.27 Leadership and Supervisory Responsibility**

7k compensation is based on the sales of 7k products or services to the end consumer. To qualify for compensation and bonuses, 7k Associates have an on-going responsibility to promote the 7k business opportunity, to support 7k's policies, programs and personnel, and to service, supervise, motivate and train their marketing organization to sell and market 7k products, services, and to promote the 7k business opportunity.

- Any 7k Associate who sponsors another Associate into 7k must perform a bona fide assistance, support, training and supervisory function to ensure that their sales team Associate continues to receive support and is operating his or her 7k business in accordance with the 7k Agreement.



- Support team Associates must have ongoing contact and communication with the 7k Associates in their sales team organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of sales team Associates to 7k meetings, training sessions, events, and other functions.
- Support team Associates are also responsible to motivate and train new 7k Associates in 7k product knowledge, effective sales techniques, the 7k Members Share Plan, and the compliance with 7k Policies and Procedures and applicable laws.
- 7k Associates should monitor the 7k Associates in their sales team organizations to be vigilant against sales team Associates making improper 7k products or business claims, violation of the 7k Policies and Procedures, or engaging in any illegal or inappropriate conduct.

#### **4.28 Increased Training Responsibilities**

As 7k Associates progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the 7k program. They will be called upon to share this knowledge with the less experienced 7k Associates.

#### **4.29 Ongoing Sales Responsibilities**

Regardless of their level of achievement, 7k Associates have an ongoing obligation to lead by example in personally promoting sales through the generation of new 7k Members and through servicing their existing 7k Members.

#### **4.30 Non-disparagement**

7k serves to provide its independent 7k Associates with the best 7k products, 7k Members Share Plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to 7k's customer service department. Remember, to best serve you, we must hear from you!

Negative comments and remarks made in the field by 7k Associates about the Company, its products, or Share Plan, serve no purpose other than to diminish the enthusiasm of other 7k Associates. For this reason, and to set forth the proper example for their sales team, 7k Associates must not disparage, demean, or make negative remarks about 7k, other 7k Associates, 7k products, the marketing and Share Plan, or 7k's directors, officers, or employees.

#### **4.31 Military Installations (applicable for the United States and US Territories)**

The offer, promotion, or sale of the goods and services, or the offer and promotion of the 7k opportunity on a military installation is not a right - it is a privilege. Even if an Associate lives on a military installation, he or she does not have the right to offer 7k products, services or opportunity to anyone on that installation without the permission of the installation Commander. For the purposes of the

U.S. Navy personnel and Navy Regulations, the definition of an "installation" also includes U.S. Navy vessels.

Any 7k Associate who wants to offer, promote, or sell 7k products, or offer and promote the 7k opportunity (these activities will be collectively referred to as "commercial solicitation activities") on a military installation must make an inquiry to the office of the installation Commander to determine whether the Commander has granted permission for 7k Associates to engage in such activities on the installation. If the Commander has not done so, the 7k Associate must contact 7k's Corporate Offices to ask the Company to obtain the Commander's permission. 7k Associates are prohibited from seeking such permission from any installation Commander. If obtained, the permission to engage in commercial solicitation activities on a military installation is granted only for one particular installation.

Any 7k Associate who intends to engage in commercial solicitation activities on a military installation must be aware of and become completely familiar with the applicable military Regulation or Instruction. There are many activities that are permissible in a civilian environment that are not permissible on a military installation. Some of these activities include, but are not limited to:

- Solicitation during enlistment or induction processing or during basic combat training, and within the first half of the one station unit training cycle.
- Solicitation of "mass," "group," or "captive" audiences.
- Making appointments with or soliciting military personnel during their normal-scheduled duty hours.
- Soliciting without an appointment in areas used for housing or processing transient personnel, or soliciting in barracks areas used as quarters.
- Use of official military identification cards or vehicle decals by active duty, retired, or reserve members of the military services to gain access to Army installations for the purpose of soliciting. (When entering the installation for the purpose of solicitation, 7k Associates with military identification cards and/or installation vehicle decals must present documentation issued by the installation authorizing solicitations.)
- Offering rebates to promote transaction or to eliminate competition.
- Any oral or written representations which suggest or appear that the military branch sponsors or endorses the Company or its Associates, or the goods, services, and commodities offered for sale.
- The designation of any agent or the use by any agent of titles (for example, "Battalion Insurance Counselor," "Unit Insurance Advisor," "Servicemen's Group Life Insurance Conversion Consultant") that in any manner states or implies any type of endorsement from the U.S. Government, the Armed Forces, or any State or Federal agency or Government entity.

- Entry into any unauthorized or restricted area.
- Distribution of literature other than to the person being interviewed.
- Contacting military personnel by calling a Government telephone, faxing to a Government fax machine, or sending e-mail to a Government computer, unless a pre-existing relation (that is, the military member is a current client or requested to be contacted) exists between the parties and the military member has not asked for the contact to be terminated.
- Soliciting door to door or without an appointment.

The foregoing items are not an all-inclusive list. There are many more prohibited activities that are addressed in the applicable military Regulation or Instruction. The violation of military Regulations or Instructions by one 7k Associate could jeopardize the ability of all 7k Associates to engage in commercial solicitation activities on a particular military installation or even the entire branch of the military involved (e.g., Army, Air Force, Navy, Marines, or Coast Guard).

## **SECTION 5: SPONSORING, SALES, TRANSFER AND ASSIGNMENT OF ORGANIZATION**

### **5.1 Sponsoring**

7k Associates are eligible to sponsor other individuals into their 7k sales organization in the United States, its territories and any Other Country officially open for business by 7k.

### **5.2 Disclosure of Policy**

Prior to sponsoring prospective new associates, 7k Associate must:

- Provide to and review with, or ensure that the prospective 7k Associate have online access to the most current and up-to-date version of the 7k Independent Associate Application and Agreement, 7k Policies and Procedures and the 7k Members Share Plan; and
- Emphasize in all presentations that no 7k Associates will be compensated solely for enrolling new Associates, as ultimately all compensation at 7k is based on the selling of 7k products or services to end consumers.

### **5.3 Sponsoring Online**

When sponsoring a new 7k Associate through the 7k Online Enrollment Process, the sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online application and 7k Agreement, 7k Policies and Procedures, and the 7k Members Share Plan. The sponsor may not fill out the online 7k Independent Associate Application and Agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

### **5.4 Change of Sponsor**

7k strongly discourages any changes in sponsorship and takes a serious view on any potential breach of policy. In order to protect all Sponsors, no 7k Associate may interfere with the relationship between another 7k Associate and his or her Sponsor in any way. An Associate may not offer, entice, encourage, solicit, recruit, or otherwise influence or attempt to persuade another 7k Associate to change his Sponsor or line of sponsorship, either directly or indirectly. Accordingly, the transfer of a 7k business from one sponsor to another is rarely permitted. 7k reserves the right in its sole and absolute discretion to accept or reject any request for change of sponsor. 7k's decision shall be final.

Requests for change of sponsorship must be submitted in writing to the 7k Compliance Department via email at [policy@7kmetals.com](mailto:policy@7kmetals.com). It must include valid and substantiated reasons for requesting the transfer. Transfers may only be considered in the following three circumstances:

#### **5.4.1 Misplacement**

In cases in which the new 7k Associate is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, an Associate may request transfer to another organization with his or her entire 7k marketing organization (if any) intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within three (3) business days from the date of enrollment.

The 7k Associate requesting the change has the burden of proving that he or she was placed beneath the incorrect sponsor. Such changes also require written permission from both the sponsor and the applicant and shall be directed to 7k Compliance Department. It is up to 7k discretion whether the requested change will be implemented.

#### **5.4.2 Support Team Approval**

The 7k Associate seeking to transfer submits a properly completed and fully executed 7k Sponsorship Transfer Form which includes the written approval of the immediate four (4) active mentoring team Associates in his or her marketing organization. Photocopied or facsimile signatures are not acceptable. All 7k Associate signatures must be notarized.

The 7k Associate who requests the transfer must submit a fee of fifty dollars (\$50.00) for administrative charges and data processing. If the transferring 7k Associate also wants to move any of the 7k Associates in his or her marketing organization, each sales team 7k Associate must also obtain a properly completed 7k Sponsorship Transfer Form and return it to 7k with the fifty dollars (\$50.00) change fee (i.e., the transferring 7k Associate and each 7k Associate in his or her marketing organization multiplied by fifty dollars (\$50.00) is the cost to move a 7k business.)

Sales team 7k Associates will not be moved with the transferring 7k Associate unless all of the requirements of this paragraph are met. Transferring 7k Associates must allow up to thirty (30) business days after the receipt of the 7k Sponsorship Transfer Forms by 7k for processing and verification of the change requests.

#### **5.4.3 Termination and Re-application**

An Associate may legitimately change organizations by voluntarily canceling his or her 7k business and remaining inactive (i.e., no purchases of 7k products for resale, no sales of 7k products and services, no sponsoring, no attendance at any 7k functions, participation in any other form of 7k Associate activity, or operation of any other 7k business, no income from the 7k business) for continuous period of twelve (12) full calendar months.

Following the twelve (12) calendar months of continuous inactivity, the former 7k Associate may reapply under a new sponsor, however, the former 7k Associate's sales team will remain in their original line of sponsorship.

Members or customers who have not signed the Associate Agreement and who have not personally enrolled other members or customers, are required to wait for a period of six (6) months.

### **5.5 Waiver of Claims**

In cases in which an Associate concerned has not receive written approval from 7k, or the appropriate sponsorship change procedures have not been followed and finalized, and a sales team organization has been developed in the secondary business by the 7k Associate, 7k reserves the sole and exclusive right to determine the final disposition of the sales team organization.

Resolving conflicts over the proper placement of a sales team that has been developed under an illegitimate organization that has improperly switched sponsors is often extremely difficult. Therefore, 7k Associate waive any and all claims against 7k, its officers, directors, owners, employees, and agents that relate to or arise from 7k's decision regarding the disposition of any sales team organization that develops below an organization that has improperly changed lines of sponsorship.

### **5.6 Sales, Transfer or Assignment of 7k Business**

Although a 7k business is a privately owned and independently operated business, the sale, transfer or assignment of a 7k business, and the sale, transfer, or assignment of an interest in a 7k Business Entity that owns or operates a 7k business, is subject to certain limitations. An account that has been inactive for a period of six months or longer will be considered ineligible for transfer, sale or re-assignment.

#### **5.6.1**

Prior to selling an independent 7k business or Business Entity interest, the selling 7k Associate must notify the 7k Compliance Department in writing and advise of the intent to sell the 7k business or 7k Business Entity interest at least fourteen (14) business days in advance. The selling 7k Associate must also receive a written approval from the 7k Compliance Department before proceeding with the sale. No changes in line of sponsorship can result from the sales or transfer of a 7k business. In the event that an Associate transfers, assigns, or sells his or her 7k business without the prior expressed written approval of the 7k Compliance Department, such transfer, assignment, or sale shall be voidable in the sole and absolute discretion of 7k.

#### **5.6.2**

An Associate who wishes to sell his or her 7k business, or interest in a 7k Business Entity that owns or operates a 7k business, must meet the following criteria:

- The selling 7k Associate must offer 7k the right of first refusal to purchase the 7k business on the same terms as agreed upon with a third-party buyer, with price of the business reflecting a fair market value based on the performance of the business over the past six (6) months. 7k shall have fourteen (14) business days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- The buyer or transferee must meet all requirements and become a qualified 7k Associate. If the buyer is an active 7k Associate, he or she must first terminate his or her 7k business and wait six (6) calendar months from the date of the resignation, before he or she is eligible to acquire any interest in a different 7k business.
- Before the sales, transfer or assignment can be finalized and approved by 7k, any debt obligations the selling party has with 7k must be satisfied.
- The selling party must be in good standing and not in violation of any of the terms of the 7k Agreement in order to be eligible to sell, transfer or assign a 7k business.

#### **5.6.3**

Any 7k Associate who sells, transfers, or assigns his or her 7k business shall not be eligible to re-enroll as an Associate for a period of twelve (12) calendar months following the completion of the sales, transfer or assignment.

### **5.7 Succession**

Notwithstanding any other provisions of this section, upon the event of death or incapacitation of an Associate, such Associate's 7k business may be assigned or inherited by an individual who complies with the 7k guidelines, pursuant to a written approval of 7k or a valid will, or in accordance with the intestacy laws of the country, state or jurisdiction in which the 7k Associate resides. 7k will not recognize and accept such an assignment until the successor in interest has submitted the relevant supporting legal documentation. Accordingly,

an Associate should consult an attorney to assist in preparation of all legal documents and ensuring that such assignment complies with the laws. The successor shall be responsible for all costs relating to the succession of the 7k business.

#### **5.7.1 Transfer Upon Death of an Associate**

In the event of death of an Associate, the executor of the estate must write to 7k within ninety (90) days. Whenever a 7k business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all commissions and bonuses of the deceased 7k Associate's marketing organization. The successor(s) must provide 7k with the following:

- Certified copies of the death certificate;
- Certified copies of will, trust, letters of testamentary or another instrument; and
- Written instructions from the authorized executor to 7k specifying to whom the 7k business and income should be transferred.

The successor(s) shall meet the following requirements:

- Execute a 7k Associate Agreement;
- Comply with all terms and provisions of the 7k Agreement;
- Meet all of the qualifications for the deceased 7k Associate's status;
- Update all personal and/or business entity information, and provides 7k with an "address of record" to which all commission and bonus checks will be sent;

#### **For residents of the United States or US Territories:**

If the 7k business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. 7k will issue all commission and bonus checks and one IRS Form 1099-MISC to the business entity.

#### **5.7.2 Transfer Upon Incapacitation of an Associate**

To effectuate a transfer of a 7k business because of incapacity, the successor must provide to 7k within ninety (90) days the following:

- A notarized copy of an appointment as trustee;
- A notarized copy of the trust document or other documentation establishing the trustee's right to administer the 7k business; and
- A completed 7k Associate Agreement executed by the trustee.

7k reserves the right to review and request strict compliance to ensure its validity and legitimacy. The successor shall bear All costs involved (if any).

### **5.8 Changes to a Business Entity**

Each 7k Associate must immediately notify 7k of all changes to type of business entity they utilize in operating their businesses and the addition or removal of the 7k business Affiliated Parties.

### **5.9 Changes of an Affiliated Party in a Business Entity**

To prevent the circumvention of section 5.6 (Sale, Transfer or Assignment of 7k Business) and 5.4, (Change of Sponsor), if any 7k Affiliated Party wants to terminate their relationship with the 7k Business Entity or 7k, the 7k Affiliated Party must terminate his or her affiliation with the 7k Business Entity, notify 7k in writing that he or she has terminated their affiliation with the 7k Business Entity, and must comply with the provisions of section 5.6 (Sale, Transfer or Assignment of 7k Business). In addition, the 7k Affiliated Party foregoing their interest in the 7k Business Entity may not participate in any other 7k business for twelve (12) consecutive calendar months in accordance with section 5.4.3 (Termination and Re-application). If the 7k Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of section 5.6 (Sale, Transfer or Assignment of 7k Business).

The modifications permitted within the scope of this paragraph do not include a change of sponsorship. Changes of sponsorship are addressed in section 5.4 (Change of Sponsor). There is a fifty-dollar (\$50.00) fee for each change requested, which must be included with the written request and the completed 7k Independent Associate Application and Agreement. 7k may, at its discretion, require notarized documents before implementing any changes to a 7k business. Please allow up to thirty (30) business days after the receipt of the request by 7k for processing.

### **5.10 Separation of a 7k Business**

7k Associates sometimes operate their 7k businesses as husband-wife partnerships, regular partnerships, limited liability companies, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, limited liability company, partnership, trust or other Business Entity may dissolve, arrangements must be made to assure that any separation or division of the 7k business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship.

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

- One of the parties may, with consent of the other(s), operate the 7k business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize 7k to deal directly and solely with the other spouse or non-relinquishing shareholder, member, partner, or trustee.
- The parties may continue to operate the 7k business jointly on a "business-as-usual" basis, whereupon all compensation paid by 7k will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the de-



fault procedure if the parties do not agree on the format set forth above.

Under no circumstances will the sales team organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will 7k split commission and bonus checks between divorcing spouses or members of dissolving entities. 7k will recognize only one sales team organization and will issue only one commission check per 7k business per commission cycle. Commission checks shall always be issued to the same individual or entity.

If a former spouse has completely relinquished all rights in the original 7k business pursuant to a divorce, they are thereafter free to enroll under any sponsor of his or her choosing without waiting twelve (12) calendar months. In the case of 7k business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the 7k business must wait twelve (12) calendar months from the date of the final dissolution before re-enrolling as an Associate. In either case, the former spouse or business affiliate shall have no rights to any 7k Associates in their former organization or to any former 7k Member. They must develop the new business in the same manner as would any other new 7k Associate.

#### **5.II Roll-up of Marketing Organization**

When a vacancy occurs in a marketing organization due to the termination of a 7k business, the 7k Associate in the first level immediately below the terminated 7k Associate on the date of the termination will not be moved to the first level ("front line") of the terminated 7k Associate's sponsor. The position occupied by the terminated 7k Associate shall remain permanently vacant.

### **SECTION 6: COMMISSIONS, BONUSES AND PAYMENTS**

#### **6.1 Commission and Bonus Qualifications and Accrual**

7k Associate must be active and in compliance with the 7k Agreement to qualify for commissions and bonuses. So long as an Associate complies with the terms of the 7k Agreement, 7k shall pay commissions and bonuses to such 7k Associate in accordance with the 7k Compensation Plan. An Associate's commissions and bonuses constitute the entire consideration for the 7k Associate's efforts in generating sales and all activities related to generating sales (including building a sales team organization).

#### **6.2 Commission Payment**

The Company pays commissions via hard-copy commission checks, in-house accounts, or Payquicker direct deposit. Before commissions are paid, all 7k associates will be required to provide required tax information for reporting purposes. The minimum amount for which 7k will issue a commission is twenty-five dollars (\$25.00).

**Tax Withholdings for US Associates:**

If an Associate fails to provide his or her correct tax identification number or submit a W-9 form, 7k will deduct the necessary withholdings from the 7k Associate's commission checks as required by law.

**6.3. Adjustments for Return Products and Cancelled Services**

7k Associates receive commissions, bonuses or overrides based on the actual sales of 7k products and Memberships to end consumers. When a 7k Membership is cancelled or a 7k product is returned to 7k for a refund or is repurchased by the Company, any of the following may occur at the Company's discretion:

- The bonuses, commissions, or overrides attributable to the returned or repurchased 7k product(s) or cancelled 7k Membership will be deducted from payments to the 7k Associate and support team 7k Associates who received commissions, bonuses, or overrides on the sales of the refunded 7k product(s) or cancelled 7k Membership, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered;
- The 7k Associate or support team 7k Associates who earned commissions, bonuses, or overrides based on the sale of the returned 7k product(s) or cancelled 7k Membership will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until it is completely recovered; or
- The commissions, bonuses, or overrides attributable to the returned or repurchased 7k product(s) or cancelled 7k Membership may be deducted from any refunds or credits to the 7k Associate who received the commissions, bonuses, or overrides on the sales of the refunded 7k product(s) or cancelled 7k Membership.

**6.4 Forfeiture of Rights to Commissions and Bonuses**

Following an Associate's non-renewal of the 7k Associate Agreement, termination for inactivity, or voluntary or involuntary termination of the 7k Associate Agreement (all of these methods are collectively referred to as "termination"), the former 7k Associate shall have no right, title, claim or interest to the 7k marketing organization, which was operated, or any commission or bonus from the sales generated by the organization.

- An Associate whose 7k business is cancelled will lose all rights as an Associate. This includes the right to sell 7k products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the 7k Associate's former sales team organization.

- In the event of termination, 7k Associates agree to waive all rights they may have, including but not limited to property rights, to their former 7k sales team organization and to any commissions, bonuses or other remuneration derived from the sales and other activities of his or her former sales team organization.
- In the case of policy violation, an Associate whose business is terminated shall receive commissions and bonuses only for the last full pay period he or she was active prior to termination (less any amounts withheld during the investigation(s) preceding an involuntary termination).

## **6.5 Returned Checks**

All checks returned by an Associate's bank for insufficient funds will be re-submitted for payment. A twenty-five dollars (\$25.00) returned check fee will be charged to the account of the 7k Associate. After receiving a returned check from a 7k Member or an Associate, all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to 7k by an Associate for NSF checks and returned check fees will be withheld from subsequent commission and bonus checks.

## **6.6 Third Party Credit Cards and Bank Account**

An Associate shall not permit other 7k Associates or Members to use his or her credit card, or permit debits to his checking or savings account, to enroll in or to make purchases from the Company. An Associate shall not use the credit card, debit card of a third party, or make debits to the checking or savings account of a third party, to enroll in or to make purchases from the Company.

## **6.7 Sales Taxes**

7k is required to charge sales taxes on all purchases made by 7k Associates and Members, and remit the taxes charged to the respective states. Accordingly, 7k will collect and remit sales taxes on behalf of 7k Associates, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If an Associate has submitted, and 7k has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the 7k Associate (unless the state in question does not accept a Sales Tax Exemption Certificate and Sales Tax Registration License from a direct selling independent contractor). Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by 7k is not retroactive.

## **SECTION 7: PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE**

### **7.1 Product Guarantee**

#### **7.1.1 Memberships and Certified Coins**

7k offers:

- A three (3) days money-back guarantee on the 7k Memberships; and
- A refund, return and/or exchange on Numismatic coins [less a 10% restocking fee].

The refund, return and/or exchange policy for Numismatic coins only applies to 7k Members who contact and notify 7k's Members Service Department within forty-five (45) days from the date on which the 7k Member receives the item. All Numismatic coins must be kept in its original packaging and must be in re-sellable condition.

#### **For US Associates:**

Please call (208) 314-2587 or email [support@7KMetals.com](mailto:support@7KMetals.com)

#### **For all other international markets:**

Please contact 7k local or nearest regional office.

This product guarantee does not apply to any bullion products. The return of bullion products is addressed in Section 7.1.2. Shipping and handling charges are non-refundable.

Returns must be carefully packaged and the 7k Member is responsible for the cost of return shipping. 7k reserves the right, at its sole discretion, to reject any return that does not comply with these requirements.

#### **7.1.2 Bullion Buyback**

If you want to return bullion to 7k, please contact and notify 7k's Customer Service Department. You will receive instructions for shipping your bullion to 7k.

#### **For US Associates:**

Please call (208) 314-2587 or email [support@7KMetals.com](mailto:support@7KMetals.com)

#### **For all other international markets:**

Please contact 7k local or nearest regional office.

There is no contract or transaction until such time that 7k is in possession of the bullion. At that time 7k will inspect the bullion to ascertain type, quality standards, and quantity of the bullion received. 7k reserves the right to cancel any purchase order at any time and for any reason. All risk of loss in any purchase order transaction is borne by the associate, until 7k takes actual physical custody and control of each and all of the product(s) that are the subject of the purchase order.

If an exchange is requested, 7k reserves the right to find an acceptable replacement or make a refund if an acceptable replacement is not available.

You must contact 7k via email at: support@7kmetals.com to provide a tracking number so that we can confirm that the product is enroute. 7k Members are responsible for all costs related to shipping and insuring bullion products to 7k. The buy-back price will not be assigned to the purchase order until it is received at the 7k Corporate Office. 7k reserves the right to cancel the buyback for any reason at any time during the buyback process up to finalization of the buyback.

When 7k receives the package containing your purchase order items, and after 7k has confirmed the quality, quantity and otherwise the entire accuracy of the transaction, 7k will assign the order the current market buy-back price at the time the bullion is received and inspected. 7k will typically send you the payment due within seven to ten (7 - 10) Business Days in one of the following ways. You can select the payment method as described below that best suits your needs.

Payment options for purchase orders of less than \$5,000.00 (USD) are:

- Check sent via priority mail (you will bear the priority fee of USD95, which will be deducted);
- Check sent via first class mail (\$5.00 fee); or Funds sent by ACH (\$3.00 fee)
- Payment options for purchase orders of \$5,000.00 (USD) or more are:
- Bank Wire (you will bear the priority fee of USD25.00, which will be deducted); Check sent via priority mail (you will bear the priority fee of USD95, which will be deducted);
- Check sent via first class mail (\$5.00 fee); or
- Funds sent by ACH (\$3.00 fee)

Once 7k has received and inspected your package, 7k will present you with the buy-back price. You must accept via e-mail. Since spot pricing is subject to constant change, if an e-mail acceptance is not immediately received your buy-back price is subject to change. One buy-back price has been accepted (a) all prices are locked-in, and (b) there is a binding contract between us for your transaction and, as a result, you have no right to cancel purchase order(s).

All buy-back cancellations are subject to our Market Loss Policy plus a thirty-five dollar (\$35.00 USD) cancellation fee. Buy-back cancellations will be confirmed, and you will be responsible for shipping charges to return your own bullion. At that time, if any Market Loss to 7k has occurred, it will be calculated and added to the \$35.00 cancellation fee. If applicable, you agree that you shall have full responsibility and liability to 7k for any cancellation fee and/or Market Loss and you agree to remit immediately (upon notice) to 7k good funds for any cancellation fee and/or Market Loss. No future Orders may be permitted until any Market Loss is paid in full. Any Market Gain on purchase order cancellations vests in and shall remain the property of

7k, and 7k shall have no responsibility to you for Market Gain. Upon written confirmation by 7k of your payment of the \$35.00 cancellation fee plus the Market Loss, we will forgive further action against you and your responsibility for any breach by you and all resulting damages owed to 7k.

#### **7.1.3 Market Loss Policy**

When you buy from 7k, once we have issued a sales order confirmation number, you have a binding contract, the transaction price is locked-in and any corresponding market risk is transferred to you. This is a benefit to you because you know your price at your sales order confirmation time, and we believe this is one of the key benefits of transacting with 7k. If you default in your performance of payment, shipment or any other act required by you, we may cancel your sales order(s). If your sales order(s) is cancelled, you agree to bear full responsibility and liability to 7k for any market loss, plus a thirty-five dollar (\$35.00) cancellation fee. You must also pay, and bear full responsibility and liability to 7k for all fees and costs associated with 7k's efforts in collecting from you. Any market gain on sales order cancellations shall vest in and remain the property of 7k, and 7k shall have no responsibility to you for market gain. We reserve the right to cancel any Sales Order at any time and for any reason. All future sales orders will be held for shipment until any/all outstanding market loss and/ or cancellation fee balances have been paid in full.

#### **7.1.4 Associate Returns**

If an Associate returns more than two-hundred fifty dollars (\$250.00) for a refund in any twelve (12) consecutive calendar month period, the request will constitute the 7k Associate's voluntary termination of his 7k Associate Agreement, and the refund will be processed as an inventory repurchase pursuant to Section 7.3, and the 7k Associate Agreement will be terminated and the 7k business will be cancelled.

#### **7.1.5 General**

7k Members are solely responsible for all risks related to the returned products they ship to 7k. Until 7k confirms receipt of such product(s). 7k is not responsible or liable for products that are lost or damaged in transit, whether being shipped to or from 7k.

### **7.2 Rescission**

#### **7.2.1 Members**

Federal and state law requires that a Member who makes a purchase of \$25.00 or more in a transaction in which the 7k Associate is physically present with the Member (an "Applicable Transaction), has three (3) business days [five (5) business days for Alaska residents, and fifteen (15) business days in North Dakota for Individuals age 65 and older] (excluding Sundays and legal holidays) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form or sales receipt. 7k Associates must notify their personally

enrolled 7k Members that they have three (3) business days [five (5) business days for Alaska residents, and fifteen (15) business days in North Dakota for Individuals age 65 and older) within which to cancel their purchase or order of an Applicable Transaction, and receive a full refund upon return of the products in substantially as good condition as when they were delivered. 7k Associates should also notify their 7k Members about these time limits at the time they enroll as 7k Members and place their first order (if the transaction is an Applicable Transaction). Products shipped directly to a 7k Member by the Company must be returned to the Company and the refund will be issued to the 7k Member by the Company. 7k Members may contact the Company for a "call tag" that will provide return shipping back to the Company at no cost to the 7k Member.

#### **7.2.2 Informing Members**

For Applicable Transactions, 7k Associates **MUST** verbally inform their 7k Members of this right of rescission, they **MUST** provide their 7k Members with TWO (2) copies of a retail receipt at the time of the sale, and **MUST** highlight this cancellation rights stated on the receipt. If a 7k Member places an order online, the Company will provide the 7k Member with the receipt. 7k Associates must ensure that the date of the order or purchase is entered on the Retail Sales Receipt. All 7k Members must be provided with two (2) copies of an official 7k Retail Sales Receipt at the time of the sale. The back of the receipt provides the 7k Members with written notice of his rights to cancel the sales agreement.

### **7.3 Return of Inventory and Sales Aids by Associates Upon Termination**

Upon termination of an Associate's 7k Agreement, the 7k Associate may return products and sales aids that have been purchased from 7k (purchases from other 7k Associates or third parties are not subject to refund) that are in Resalable (see Definition of "Resalable" below) condition, and which have been purchased within one (1) year prior to the date of termination. Please see Section 7.4 for additional information regarding the return of inventory and sales aids.

Upon receipt of resalable sales aids, the 7k Associate will be reimbursed 90% of the net cost of the original purchase price. Upon receipt of resalable bullion and coins, the 7k Associate will be reimbursed 90% of the spot price on the day on which the return is authorized by 7k's Customer Service Department.

Neither shipping and handling charges incurred by an Associate when the products or sales aids were purchased, nor return shipping fees, will be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Associate was paid a commission, rebate, or any other form of compensation based on a product purchased, and such product is subsequently returned for a refund, the commission, rebate, or any other form of compensation that was paid based on that product purchase will be deducted from the amount of the refund.

7k products and sales aids shall be deemed "resalable" if each of the following elements is satisfied:

- Unopened and unused [in applicable];
- Packaging and labeling have not been altered or damaged;
- In a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and
- Returned to 7k within one (1) year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable. Replicated Website fees are not refundable except as required by applicable local, state, national or international laws.

#### **7.4 Procedures for All Returns**

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

- All items must be returned by the 7k Associate or Member who has purchased it directly from 7k.
- All items to be returned must have a Return Authorization Number which is obtained by contacting 7k's Customer Service Department. This Return Authorization Number must be written on each returned package.
- The return is accompanied by:
- The original packing slip with the completed (and signed Consumer Return information, if applicable);
- The item(s) in its/their original packaging or container.
- Proper shipping carton(s) and packing materials are to be used in packaging the items(s) being returned, and the best and most economical means of shipping is suggested. All returns must be shipped to 7k with pre-paid shipping. 7k does not accept shipping-collect packages. The risk of loss in shipping for returned items shall be on the 7k Associate. If the returned items are not received by the Company, it is the responsibility of the 7k Associate to trace the shipment.

No refund or replacement of any items will be made if the conditions of these rules are not met.

#### **7.5 Product Shipment**

Although most orders are shipped within one business day, in extreme circumstances shipment may take up to ninety (90) days from completed payment, depending upon the manner of delivery. Applicable taxes, as well as shipping and handling charges are not reflected. You are fully responsible for applicable taxes, and shipping and handling charges. Each package over \$500 requires a signature upon delivery. 7k fully insures all of its shipments. Should anything happen while your package is in transit to you it will be covered by our insurance policy.



However, we will not accept responsibility if you have left instructions with any carriers or delivery services to leave parcels unattended for you without the need for a signature, or if you have given the carrier instructions to leave your package with anyone other than the addressee. This includes but is not limited to a building manager, neighbor, a business mail room, drop-off location such as mailboxes, post office boxes, The UPS Store, the Military Postal Service, FedEx Facilities etc. Additionally, we will not assume responsibility for packages that are signed for by apartment/complex building management, a business mailroom, the Military Postal Service or any person(s) that are not the addressee listed on the order.

When we ship to you, if metals are lost or damaged in transit, 7k assumes responsibility to pursue any claim with the insurance company; provided, however, you agree to cooperate with us in filing a claim for damaged/lost merchandise in any manner we may reasonably request, including the signing of an Affidavit stating the circumstances surrounding the damaged/lost merchandise. If we determine the package is lost or damaged, we will file a claim. Once the claim is filed, we reserve the right to re-ship your items or refund your money at our discretion.

Please note that 7k will not be responsible for reimbursements or insurance claims on packages that are successfully delivered as addressed. Our liability and insurance ceases the moment the package is signed for or left at the specified delivery address. Any issues or problems with a shipment MUST be reported within 2 days, or else 7k may have to refute any claims.

In the event that a package becomes lost in transit, it is your responsibility to notify 7k within three (3) days of the anticipated delivery date. While 7k will make reasonable efforts to locate the package, 7k will not be held liable for packages lost in transit without notice within three (3) days of the anticipated delivery date. You are solely responsible for any packages, along with the contents and monetary value thereof, that are lost in transit without notification to 7k within three (3) days of the anticipated delivery date. 7k does provide signature required options and tracking on all shipments. It is the Associates' responsibility to choose proper options to ensure the safety of packages.

### **Shipping without Signature**

You can track your package's location at all times while in transit to its destination. With no signature required, all 7k liability of this order ceases upon successful delivery of the package.

### **Shipping without Signature**

You can track your package's location at all times while in transit to its destination. All 7k liability of this order ceases upon signature given. Please inspect your package before signing.

### **Shipment Packaging**

When mailing valuable precious metals, discretion and protection are key. Your products are securely wrapped in protective packaging, then placed in the shipping parcel along with packing material to prevent the products from shifting during shipping.

Please note: our return address and packaging do not give any indication of the valuable contents of the package, so you can rest assured that your packages will arrive safe and sound.

### **Shipment Tracking**

When you place an order at 7k, you can track your order's progress until your products are delivered to your doorstep. As soon as your order ships, typically within one business day of cleared payment, you will receive an email notification of shipment.

You can then follow along in the FedEx application or by tracking through the USPS. Our customers are fully informed of the location of their metals at all times between the package being picked up at our facility by the carrier and final delivery. You will know if your package will require a signature at delivery or not before finalizing your order at checkout.

### **More About Shipping Insurance**

To ensure complete customer confidence, every single package we ship is sent with full shipping insurance. This means that in the extremely unlikely case your package is lost or damaged in transit, you will receive a full refund or exchange. Please note that our insurance policies only extend to packages in transit - once the carrier obtains a signature or completes the delivery confirmation, our coverage ceases. Please note that failure to notify us of damage or tampering within 48 hours from signature or delivery date may impact our ability to cover your claim. See our Terms and Conditions for full details.

When ordering from 7k, you can be sure that your products are fully covered from our door- step to yours. Please contact us if you have any questions about our shipping or insurance.

## **7.6 Product Abandonment**

It is the responsibility of the Associate to maintain their personal contact information within their 7k Back Office profile. When products are returned to 7k due to the inability to deliver by the carrier, 7k will make reasonable attempts to contact the Associate using the contact information on file in the Back Office.

If 7k is unsuccessful in contacting the member or arranging for successful delivery of the product within 30 days from the date the product was returned to 7k the product will be moved to our vault and monthly notifications will continue to be sent to the Associate to pursue delivery.

Monthly storage and notification fees may apply. These fees will be required to be paid, in addition to shipping costs, prior to the delivery of the product to the Associate. The storage and notification fees will

cease being charged once they have accumulated to the value of the product, and the product will be taken back into 7k's inventory as payment for the services rendered.

## **SECTION 8: COPYRIGHTS AND PROTECTED MATERIALS, INTERNET, WEBSITES, SOCIAL MEDIA, ADVERTISING AND COMMUNICATION GUIDELINES**

### **8.1 Trademarks and Copyrights**

The name of 7k and other names as may be adopted by 7k are proprietary trade names, trademarks and service marks of 7k (collectively "marks"). As such, these marks are of great value to 7k and are supplied to 7k Associates for their use only in an expressly authorized manner.

7k will only allow the limited non-exclusive use of its marks, designs, logos or symbols, or any derivatives or abbreviation thereof, solely by an Associate in the furtherance or operation of a 7k business, consistent with the 7k Policies and Procedures.

7k will not allow the use of its marks, designs, logos or symbols, or any derivatives or abbreviation thereof, by any person, including 7k Associates, in any manner without its prior written permission.

Only 7k is authorized to produce and market 7k programs, products, services, marketing materials and literatures under the 7k marks. This includes, but is not limited to, presentation slides, overheads, charts, brochures, media contents, domain names, mobile applications, training, marketing and/or promotional materials, including souvenirs and novelties, such as, t-shirts, caps, mugs, pins, bookmarks, magnetic signs, banners, posters, etc. Use of the 7k Marks, designs, logos or symbols, or any derivatives or abbreviation thereof, in any manner, on any marketing materials and literatures not produced by 7k is strictly prohibited.

7k Associates are liable to 7k for any damages arising out of their misuse of 7k's Marks, copyrights and other intellectual property rights, in any form, except as explicitly defined in the 7k Policies and Procedures, or as otherwise approved in writing by 7k.

#### **8.1.1 7k Associate's Use of 7k's Name**

As an independent 7k Associate, you may use the 7k name in the following manner:

Associate's Name  
Independent 7k Associate

#### **Example:**

Alice Smith  
Independent 7k Associate

Or

Alice Smith  
7k Independent Associate

7k Associates may not use the name "7k" or "7k" in any form in your team name, a tagline, an external website name, your personal website address or extension, in an e-mail address, as a personal name, or as a nickname. Additionally, only use the phrase Independent 7k Associate in your phone greeting or on your answering machine to clearly separate your independent 7k business from 7k, LLC. For example, you may not secure the domain name www.buy7k.com, nor may you create an email address such as:

- 7kMetalssales@hotmail.com
- 7ksales@hotmail.com
- 7k.teamname@hotmail.com

#### **8.1.2 Independent 7k Associate Logo**

If you use a 7k logo in any communication, you must use the Independent 7k Associate version of the 7k logo. Using any other 7k logo requires prior written approval. Please see examples below:

#### **Logos Approved for 7k Associate Use:**

The approved logos are available through the Associates' back office.

### **8.2 Company Approved Marketing Materials**

To promote the 7k program, products, services, and the tremendous opportunity that 7k offers, 7k Associates must use the sales aids, business tools, and support materials produced or approved by 7k. The Company has carefully designed its products, product labels, 7k Members Share Plan, marketing and promotional materials to ensure that they are promoted in a fair and truthful manner, that they are substantiated, and the materials comply with all applicable local, state, national or international laws and regulations in the jurisdictions that 7k has an official presence.

7k Associates shall not, without the prior written consent of 7k, produce, re-produce, promote, or use any copyright protected or otherwise proprietary materials, whether or not such materials are owned by 7k or otherwise, including without limitation materials containing the Company's marks that are obtained directly from 7k.

### **8.3 Government Approval and/or Endorsement**

Regulatory agencies do not endorse direct selling programs, products or services. Unless expressly communicated in the official 7k program, products, services, marketing materials, literatures and/or

communication, 7k Associates may not accept endorsements by any third parties. 7k Associates may not state, directly or indirectly, that 7k, or the 7k program, products, services or the 7k Members Share Plan has been approved, evaluated or endorsed by any government agency, or make any claim regarding its program, products, services or the 7k Members Share Plan not expressly authorized in writing by 7k.

#### **8.4 Regulatory Guidance**

In addition to 7k Policies on Advertising, all applicable local, state, national or international laws, rules, regulations, codes and guidelines relating to the advertising and sales promotion of precious metals in the jurisdictions that 7k operates in, any and all information intended for the general public on any public media, strictly prohibits deceptive advertising, which includes any and all misleading, false and/or unsubstantiated advertising.

7k Associates must not use false or misleading statements or material omissions of information that may be construed as deceiving the public in any advertising, whether in print, written, electronic, verbal, or any other form of media considered advertising, in contravention of, or in violation of 7k Agreement in compliance with all regulatory requirements. 7k takes regulatory compliance very seriously and abides by them when creating any and all Company generated marketing initiatives.

#### **8.5 General Advertising Policy**

All 7k Associates shall safeguard and promote the good reputation of 7k, the 7k program, its products and services. Only 7k approved materials may be used in the placement of advertising in any print, radio, television, internet, mobile application, electronic or any other media. Before placing or submitting for advertising, 7k Associates must contact 7k's Compliance Department in writing and receive approval at least two (2) weeks prior to it being published or released. The 7k Compliance Department can be reached via email at [policy@7kmetals.com](mailto:policy@7kmetals.com).

7k Associates must submit detailed script, content and/or design of the intended advertising to the 7k Marketing Department, for review and approval. Such advertising must comply to all applicable local, state, national or international laws, rules, regulations, codes and guidelines. Once approved, no changes or amendments may be made thereafter. If any change or amendment is required whatsoever, a new submission is required. The earlier approval received shall be void.

7k reserves the right to refuse authorization or reject an application for advertising of any form or in any media, which it does not deem suitable for the promotion of 7k, 7k program, its products and services. This includes anytime the Associates' appearance or presentation is related to 7k or the promotion of its products.

The marketing and promotion of 7k, the 7k program, 7k Members Compensation Plan, its products and services, must uphold the image, integrity and professionalism of 7k at all times, and avoid all

discourteous, deceptive, misleading, unethical or immoral, or illegal conduct or practices.

#### **8.6 Esoteric, Non-Intuitive Content**

The laws regulating the use of advertising, claims, and information made available regarding direct selling, income opportunities, income claims, financial investments and/or investment in precious metals are vast, containing many esoteric indications and rationale that are not always intuitive or obvious, especially to the layperson.

7k is reticent to approve any 7k Associate generating such contents. Even when in such cases where an Associate generated "Third Party Materials" is approved, 7k may in its discretion deny or revoke the approval for any reason at any time, with no liability or recourse for expenses incurred by the 7k Associate to create, distribute, or repeal the said material. Once notified 7k Associate must discontinue any use of the said material immediately.

#### **8.7 Third Party Materials**

Accordingly, 7k Associates may only advertise or promote their 7k business using 7k approved materials. If you wish to design your own online or offline, marketing materials of any kind, your designs must be submitted to 7k's Marketing Department ([marketing@7kmetals.com](mailto:marketing@7kmetals.com)) for review, consideration and final approval. Unless otherwise explicitly approved in writing by 7k for use of such Third-Party Materials, it shall be deemed as non-approved materials.

Third party materials shall include, but is not limited to, brochures, pamphlets, business cards, presentations, trainings, sales or leadership products, materials, systems or programs, recordings, videos, e-Mail content, websites, biogs, newsletters, scripts, articles, banners, displays, mobile/phone applications or others applications of any kind, physical or electronic, whether or not such contents or materials are produced by the 7k Associate, another person or entity, or contain any trademarks, service marks or copyrights of 7k, which are not produced by 7k.

Notwithstanding if an Associate has received approval or authorization for such third-party materials, 7k Associates may not sell any third-party materials to other 7k Associates. 7k Associates may make available such approved third party materials to other 7k Associates free of charge at no cost.

7k reserves the right to rescind approval for any such third-party materials, and waive all claims for cost, damages, compensation and/or remuneration arising from or relating to such rescission.

7k shall not be liable nor be required to, nor will it defend or hold harmless any 7k Associate using non-approved marketing materials or third-party materials, in any form, that is found to be in breach of any applicable local, state, national or international laws, rules, regulations, codes and guidelines. Please read these provisions carefully. Full compliance with them is not only expected, but also necessary to avoid breach of any applicable local, state, national or international laws,

rules, regulations, codes and guidelines in the jurisdiction that 7k operates in.

#### **8.8 Production and Re-Production of 7k Marketing Materials**

7k Associates shall not, without the prior consent of 7k, produce, re-produce, promote, or use any copyright protected or otherwise proprietary materials, whether owned by 7k or otherwise, including without limitation materials containing the Company's marks that are obtained directly from 7k.

#### **8.9 Independent Associate Business Cards**

7k Associates must use the business cards designed or approved by 7k. 7k Associates may place order for their business cards through 7k, or if they wish to print them on their own, download the business card templates available on the 7k Back Office. If you wish to design your own business card, your designs must be submitted to 7k' Marketing Department (marketing@7kmetals.com) for review, consideration and final approval. 7k Associates must abide strictly to the guidelines on the use of the 7k name and Independent 7k Associate logo.

7k Associates may not use or present any unapproved business card, or a design or format which includes other non-7k businesses, products or services. All business card formats or designs which fails to adhere to the defined guidelines is a breach of the 7k Agreement. The professional image and integrity of 7k is non-negotiable. Such policy violation may result in the termination of your 7k business.

#### **8.10 Internet, Websites, Mobile Applications and New Technologies**

7k welcomes the use of the Internet, on-line platforms, mobile applications, new channels and/or technologies of any kind that may become available over time. Just as with any written, expressed or spoken advertising, 7k Associates must comply to all applicable local, state, national or international laws and regulations in the jurisdiction which 7k operates in. This encompasses Company-sponsored communities as well as those maintained by independent 7k Associates. It is the intention of 7k that these communities are used to provide community members with a forum for discussion, community building, and the exchange of ideas.

The 7k Members Share Plan, 7k Members Share Plan, its products and services may be marketed only through 7k approved websites, mobile applications or technology platforms. 7k prohibits all marketing efforts through Associate or Third-Party Websites, mobile applications or new media channels and/or technology of any kind that may become available over time.

#### **8.11 Replicated Website**

7k Associates are provided with a 7k Replicated Website, from which they can take orders, enroll new Members and Associates, place 7k Members on the AutoSaver Program, as well as manage their 7k business. 7k Associates may use only the 7k Replicated Websites to promote their 7k business and may not create their own websites to directly or indirectly promote 7k's program, products, services, or the 7k opportunity.

7k Associates receive a 7k Replicated Website subscription to facilitate online buying experience for their Members and enrollments for prospective Members and Associates. There is a ten dollar (\$10.00) monthly charge for the 7k Replicated Websites and other technology provided by 7k. 7k reserves the right to change this monthly charge within a reasonable range based on the value of technology offered without prior notice to 7k Associates.

As the 7k Replicated Websites reside on the 7KMetals.com domain, 7k reserves the right to receive analytics and information regarding the usage of your 7k Replicated Website.

7k Associates must abide by the following guidelines on the use of the 7k Replicated Web- site as set forth by 7k, including, but not limited to:

- By default, your 7k Replicated Website URL is [www.7KMetals.com/<distributorID#>](http://www.7KMetals.com/<distributorID#>). You are required to change this default ID and choose a uniquely identifiable website name that cannot:
  - Be confused with other portions of the 7k Corporate Website;
  - Mislead anyone into thinking they have landed on the 7k Corporate Page;
  - Be confused with any 7k name; and
  - Contain any discourteous, misleading, or off-color words or phrases that may damage 7k's image or reputation.
- 7k Associates may not tamper with the branding, artwork, look, feel or functionality of their 7k Replicated Website;
- 7k Associates may not use their 7k Replicated Website to promote, market or sell non-7k programs, products, services or income opportunities;
- 7k associates may not hyperlink their 7k Replicated Website to any other websites regardless if they are offering or promoting other non-7k programs, products, ser- vices or opportunities; and
- 7k Associates may not monetize their 7k Replicated Website or their registered external website through affiliate programs, pay-per-click or cost-per-impression adver- tising, selling ad space, accepting donations, accepting sponsored posts or articles, AdSense, or similar programs.

## **8.12 Domains Names and Addresses**

7k Associates are not allowed to use or register 7k or any of 7k's trade names, trademarks, service marks, copyrights, product names, or any derivatives or abbreviation foregoing, for the names and addresses of any Internet domain, email address, online aliases, social me- dia, online platform, electronic media, new channel and/or technology of any kind that may become available over time.

Additionally, 7k Associates cannot use or register names and addresses of any Internet domain, email address, online aliases, social media, online platform, electronic media, new channel and/or technology of



any kind that may become available over time; that could or may cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of 7k. Examples of the improper use of 7k include, but are not limited to any form of 7k showing up as the sender of an email, or suggestion in any manner, or examples such as:

- [www.My7KMetalsBiz.com](http://www.My7KMetalsBiz.com)
- [www.7KMetalsDreamTeam.com](http://www.7KMetalsDreamTeam.com)
- [www.ISell7KMetals.com](http://www.ISell7KMetals.com)
- [www.7kMetalsbyJaneDoe.com](http://www.7kMetalsbyJaneDoe.com)
- [www.7KMetalsMoney.net](http://www.7KMetalsMoney.net)
- [www.Janes7KMetalsOpportunity.net](http://www.Janes7KMetalsOpportunity.net)
- [www.my7kBiz.com](http://www.my7kBiz.com)
- [www.7kDreamTeam.com](http://www.7kDreamTeam.com)
- [www.7KInternational.com](http://www.7KInternational.com)
- [www.7KSingapore.com](http://www.7KSingapore.com)
- [sevenkdream.com](http://sevenkdream.com)

#### **8.13 Internet Sites**

7k Associates may not market or promote the 7k program, 7k Members Share Plan, its products and services on any e-commerce, auction, classified ad or social networking internet site and/or any mobile applications. This prohibition includes, but not limited to, internet sites that have their content based on user participation and user-generated contents, forums, message boards, blogs and podcasts such as amazon, eBay, Alibaba, AliExpress, Lazada, Groupon, Carousel, Market, Ool0, Rakuten, All Deals Asia, Facebook, Myspace, Craig's List, Twitter, YouTube, Wikipedia, Flickr, WordPress and Instagram.

#### **8.14 Social Media**

In addition to meeting all other requirements specified in the 7k Policies and Procedures, should you utilize any form of social media, including but not limited to Facebook, Twitter, LinkedIn, YouTube, or Pinterest, you agree to each of the following:

- No product sales or enrollments may occur on any social media site. To generate sales, a social media site must be linked only to your 7k Replicated Website;
- It is your responsibility to follow the social media site's terms of use. If the social media site does not allow its site to be used for commercial activity, you must abide by the 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 7k products or the 7k program may not be linked to any other internet, social media sites or applications of any other nature, other than the Associate's 7k Replicated Website.
- During the term of the 7k Agreement and for a period of twelve (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 7k program or 7k products to directly or indirectly solicit 7k Associates for another direct

selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, an Associate shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other 7k Associates relating to the 7k Associate's other direct selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision in Section 4.21.

- An Associate may post or "pin" photographs of 7k products on a social media site, but only photos that are provided by 7k and downloaded from the 7k Associate's Back Office may be used.
- If an Associate creates a business profile page on any social media site that promotes or relates to 7k, its program, products, or opportunity, the business profile page must relate exclusively to the Associate's 7k business and 7k products. If the Associate's 7k business is cancelled for any reason or if the 7k Associate becomes inactive, the 7k Associate must deactivate the business profile page.

#### **8.15 Digital Media Submission**

7k Associates may upload, submit or publish 7k-related video, audio or photo content that they develop and create so long as it aligns with 7k's values, contributes to the 7k community greater good, and is in compliance with the 7k Policies and Procedures. All submissions must clearly identify you as an Independent 7k Associate in the content itself and in the content description tag, must copy with all copyright/legal requirements, and must state that you are solely responsible for this content.

7k Associates may not upload, submit or publish any content not officially released for 7k Associates redistribution, (video, audio, presentation, any digital or electronic files) received from 7k or captured at official 7k events or in the premises owned, leased, or operated by 7k without the prior written permission from 7k.

#### **8.16 Mass Marketing**

Mass marketing is the maximum outreach with the broadcast or transmission of messages, emails or contents that will reach the largest number of people through whatever channels, technologies, online or offline platforms available. This is not limited to, unsolicited messages, emails, email flyers, Short Messaging Service (SMS), Multimedia Messaging Service (MMS), blogs, publications on all social media platforms.

Laws and regulations on personal data protection, anti-spamming, copyright, defamation, misrepresentation, and all other related areas may differ in different jurisdictions. The compounding difficulty is the fact that, by many laws, sending unsolicited messages, emails and/or mass marketing are illegal, and its potential consequences or implications can be very severe. Though there may be ways to disseminate or distribute such messages, emails or contents to potential customers legally, the in-depth knowledge, commitment, effort and resources required to comply with all applicable local, state, national or international laws and regulations in the various jurisdictions that 7k operates in can be exhaustive.

7k strictly prohibits 7k Associates from sending unsolicited messages, emails, or communications of any form. 7k Associates must abide by all applicable local, state, national or international laws, rules, regulations, codes and guidelines pertaining to **Personal Data Protection** and **Anti-Spamming** through all modes of communication, or transmission media.

In the United States or US Territories, applicable state and federal laws and regulations including, without limitation, the federal CAN SPAM Act. The CAN-SPAM Act regulates the transmission of all commercial e-mail messages, not just unsolicited messages.

7k Associates must abide by the following as set forth by 7k, including, but not limited to:

- 7k Associates may not, directly or indirectly send unsolicited messages, emails or contents to anyone without their prior expressed consent to receive such content, regardless if they have or may not have prior or existing personal or business relationship;
- 7k Associates shall not attempt to offer or solicit in the pretence of, data collections, surveys, research studies, contests, or lucky draws, when their actual intention is to promote 7k program, products and/or services;
- 7k Associates may not distribute content by use of distribution lists or to any person who has not given specific permission to be included in such a process; spamming or distribution of chain letters or junk mails are strictly prohibited;
- 7k Associates operating on-line websites, whether or not they collect personal information from individual consumers, shall keep the consumer informed of the intended use of the collected information at a prominent location on their website;
- 7k Associates sharing personal information collected on-line shall provide individual consumers with an opportunity to limit the dissemination of such information, and at the request of such consumer cease sharing such information;
- 7k Associates shall provide individual consumers with the option to cease further communication, if the consumer desire to do so. Upon receiving such requests, the 7k Associates shall immediately cease all communication; and
- 7k Associates may not distribute content that is unlawful, inappropriate, profane, defamatory, infringing, harassing, libellous, slanderous, abusive, threatening, harmful, vulgar, obscene or otherwise objectionable material or which may give rise to civil liability or otherwise violate any applicable local, state, national or international laws or regulations.

7k strictly prohibits 7k Associates from sending unsolicited messages, emails, or communications of any form. 7k Associates must abide by all applicable local, state, national or international laws, rules, regulations, codes and guidelines pertaining to **Personal Data Protection** and **Anti-Spamming** through all modes of communication, or transmission media.

#### **8.17 Messages Sent on Behalf of Associates**

7k may periodically send messages on behalf of 7k Associates, these may include commercial emails. By entering into the 7k Associate Agreement, 7k Associate agrees that 7k may send such messages and that the 7k Associate's physical, email or social media addresses will be included in such communications as outlined above.

7k Associates may opt-out of receiving future messages from the 7k program. 7k will respect and honor all opt-out requests generated as a result of such communications sent by the Company.

#### **8.18 Telephone Directory Listings**

7k Associates may list themselves as an "Independent 7k Associate" in the white or yellow pages of the telephone directory, or with online directories, under their own name. No 7k Associate may place telephone or online directory display ads using 7k or any of 7k's trade names, trademarks, service marks, copyrights, logos, product names, or any derivatives or abbreviation.

If an Associate wishes to post his or her name in a telephone or online directory, it must be listed in the following format:

Associate's Name  
Independent 7k Associate

Additionally, 7k Associates must observe and may not answer the telephone by saying "7k", "7k Incorporated", or in any other manner that would lead the caller into believing that he or she they reached 7k Corporate Offices.

#### **8.19 Telemarketing Techniques**

In the US and US Territories, the Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Similar, it is also common in many other countries to have such restriction, laws or regulation against telemarketing. Although 7k does not consider 7k Associates to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, 7k Associates must not engage in telemarketing in the operation of their 7k business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a 7k product or service, or to recruit them for the 7k opportunity. "Cold calls" made to prospective customers

(Members) or Associates that promote either 7k' products or services or the 7k opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Associate (a "prospect") is permissible under the following situations:

- If the 7k Associate has a prior established personal or business relationship with the prospect. An "established business relationship" is a relationship between an Associate and a prospect based on the prospect's purchase, rental, or lease of goods or services from the 7k Associate, or a financial transaction between the prospect and the 7k Associate, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- The prospect's voluntary inquiry or application regarding a product or service offered by the 7k Associate, within the three (3) months immediately preceding the date of such a call.
- If the 7k Associate receives written and signed permission from the prospect authorizing the 7k Associate to call. The authorization must specify the telephone number(s) which the 7k Associate is authorized to call.
- You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three (3) months. Bearing in mind, however, that if you engage in "card collecting" with everyone you meet and subsequently calling them, this may be considered as a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling "acquaintances," you must make such calls on an occasional basis only and not make this a routine practice.
- 7k Associates shall not use automatic telephone dialing systems or software relative to the operation of their 7k businesses.
- 7k Associates shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a "robocall") regarding or relating to the 7k products, services or opportunity.

## **8.20 Unauthorized Claims and Actions**

### **8.20.1 Indemnifications**

7k Associates are fully responsible for all of their verbal and written statements made regarding 7k Members Share Plan, products, services and the 7k Members Share Plan that are not expressly contained in the official 7k materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through Social Media, in print, or any other means of communication. 7k Associates agree to indemnify 7k and its directors, officers, employees, and agent, and hold them harmless from all liability including judgements, civil penalties, refunds, attorney fees, court costs, or lost business incurred by 7k as a result of the 7k Associate's unauthorized representations or actions. This provision shall survive the termination of the 7k Associate Agreement.

### **8.20.2 Members Income and Lifestyle Claims**

When presenting or discussing the 7k Members Share Plan, 7k Associates must be honest and truthful, 7k strictly prohibits making false, misleading, deceptive, exaggerated, inaccurate and projections about your personal or other 7k Associates' earnings, rewards or income claims (collectively "income") received under the 7k Members compensation structure. 7k Associates shall not present past, potential or actual income claims to prospective Associates, nor shall 7k Associates reference their own income as indications of assured success to any others, without proper display or presentation of the 7k Income Disclosure Statement. Personal income claims, testimonials of other 7k Associates' success, lifestyle changes and hypothetical examples may not be used as supporting or marketing materials.

A lifestyle claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one's dreams, having everything one always wanted, and are phrased in terms of "opportunity" or "possibility" or "chance." Claims such as "My 7k income exceeded my salary after six months in the business," or "Our 7k business has allowed my wife to come home and be a full-time mom" also fall within the purview of "lifestyle" claims.

A hypothetical income claim exists when you attempt to explain the operation of the 7k Members Share Plan through the use of a hypothetical example. Certain assumptions are made regarding some or all of the following:

- Number of personally enrolled 7k Members and Associates;
- Number of sales team 7k Members and Associates;
- Average sales/purchase volume/sales volume per 7k Member and Associate; and
- Total organizational volume.

Applying these assumptions through the 7k Members Share Plan yields income figures which constitute hypothetical income claims.

7k Associates must make it clear to all prospects that financial success with 7k requires commitment and diligence as with all businesses. Conversely, 7k Associates must never directly or indirectly suggest that:

- The company or system will do the work for you;
- Just get in and your sales team will build through the spillover;
- Just join and I'll build your sales team for you; or
- You don't have to sell anything, all you have to do is to fulfill your monthly product purchase.

The above are merely examples of improper, inaccurate and misleading representations about the 7k Members Share Plan. 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 a 7k Associate without commitment and diligence. Individual success and income

results may vary significantly and are dependent on many factors, including the Associate's commitment, efforts, business experiences, knowledge and skills. 7k makes no warranty or representation as to the level of success, if any, 7k Associates may achieve by promoting the 7k Members Share Plan, selling its products or services, or in soliciting Associates or end consumers. Any earnings information or statements regarding income in the 7k Members Share Plan are solely to explain and the present the 7k Members Share Plan and are not representations or guarantees of any earnings or income.

Breach of any of the subsections in 8.20.2 could result in 7k taking corrective measures and or/disciplinary action towards the Associate as outlined in section 10.2.

### **8.20.3 Income Disclosure Statement**

7k corporate ethics compel us to do not merely what is legally required, but rather, to conduct the absolute best business practices. To this end, we have developed the 7k Income Disclosure Statement ("IDS"). The 7k IDS is designed to convey truthful, timely, and comprehensive information regarding the income that 7k Associates earn. In order to accomplish this objective, a copy of the 7k IDS must be presented to all prospective Associates. The failure to comply with this policy constitutes a significant and material breach of the 7k Associate Agreement and will be grounds for disciplinary sanctions, including termination, pursuant to Section X.I (Disciplinary Sanctions).

An Associate, when presenting or discussing the 7k Members Share Plan or 7k Members Share Plan to a prospective Associate, may not make income projections, income claims, or disclose 7k income (including the showing of checks, copies of checks, bank statements, back office income, or tax records) unless, at the time the presentation is made, the 7k Associate provides a current copy of the 7k Income Disclosure Statement (IDS) to the person to whom he or she is making the presentation. A copy of the 7k IDS must be presented to a prospective Associate (someone who is not a party to a current 7k Associate Agreement) anytime the 7k Members Share Plan is presented or discussed, or any type of income claim or earnings representation is made.

**In any non-public meeting** (e.g., a home meeting, one-on-one, regardless of venue) with a prospective Associate in which the 7k Members Share Plan is discussed or any type of income claim is made, you must provide the prospect with a copy of the 7k IDS.

**In any meeting that is open to the public** in which the 7k Members Share Plan is discussed or any type of income claims is made, you must provide every prospective Associate with a copy of the 7k IDS and you must display at least one (3 foot x 5 foot poster board) in the front of the room in reasonably close proximity to the presenter.

**In any meeting in which any type of video display is utilized** (e.g., monitor, television, projector, etc.) a slide of the 7k IDS must be displayed continuously throughout the duration of any discussion of the 7k Members Share Plan or the making of an income claim.

Copies of the 7k IDS may be printed or downloaded without charge from the 7k corporate website. 7k Associates who develop sales aids and tools in which the 7k Members Share Plan or income claims are present must incorporate the 7k IDS into each such sales aid or tool prior to submission to the Company for review.

#### **8.21 Media and Media Inquiries**

7k Associates are not corporate representatives or agents, as such **7k Associates must not attempt to respond to media inquiries, participate or grant radio, television, newspaper, magazine, tabloid, internet, interviews, on any media or platform, or use any public appearance or speaking arrangements, fund raising events, trade shows, or make any type of statement to the public media both online and offline to publicize and/or promote 7k, its program, products, services, or their independent 7k business, without the prior expressed written approval from 7k.**

This policy is to ensure that accurate and consistent information is provided to the public, as well as to uphold and the projection of the appropriate public image. Therefore, 7k Associate, may not, for any reason, discuss their 7k business with the media, nor act as spokespersons for 7k, nor discuss or talk to the media regarding 7k, its program, Share Plan, products and services.

**It is a breach of the 7k Agreement to provide any information to the media, regardless of whether such information is positive or negative, accurate or inaccurate. All inquiries from the media must be immediately referred to the 7k Corporate Office via [policy@7kmetals.com](mailto:policy@7kmetals.com).**

#### **8.22 Consent to Publication**

From time to time, at 7k events or other functions or occurrences, solely for the purposes of promoting the 7k program, products, services, the Company, or a combination thereof, 7k may take photos, record audio and/or video of the events, testimonials, sessions, or interviews and the like. The said photos, audios and/or videos may include images, likeness, and/or voice of any and/or all attendees of the event, function, or occurrence. Attendees may include, but are not limited to 7k Members, Associates, customers and prospective Members, Associates, customers, and/or any other guests (herein for the purposes of this provision, will be inclusively referred to as "Subject"). 7k Associate agrees and understands that it is his responsibility to disclose this provision to any guest that he or she invites to any Company event, function, or other occurrence.

Any such photography, videography, and or voice recording will be clearly disclosed to the Subject. The Company will use its best and reasonable efforts to ensure that no photos, videos and/or audio recordings will be gathered against the expressed wishes of the Subject. However, continued attendance by a Subject at any event, function, or occurrence where photos, video and/or audio recordings



are being captured will, in all cases be construed as an agreement and acceptance of the following:

- Subject grants permission to the rights of his or her name, photograph, likeness, voice testimony, biographical information, image, and other information (collectively the "Likeness") without compensation, in perpetuity, or any other consideration;
- Subject understands that his or her image, audio and/or video recordings may be edited, copied, exhibited, posted, published or distributed and summarily waives the right to inspect or approve the finished product wherein his or her likeness appears;
- Subject also understands that these images and/or recordings may be used in marketing, promotional, advertising and training materials, whether in print, radio or television broadcast, audio and video medias, on the internet, or in other media within an unrestricted geographical area, for unlimited exposures. There shall be no time limit on the validity of this understanding and subsequent release, nor will there be geographic limitation on where these contents or materials may be distributed; and
- Subject further releases 7k from any liability or obligation that may arise as a result of the use of his or her Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander).

#### **8.23 Company Sponsored Events**

The content of all Company sponsored events is copyrighted material. 7k Associates may not produce for sale or distribution any recorded Company events and speeches without the prior written permission from 7k nor may 7k Associates reproduce for sale or for personal use any recording of Company-produced audio or video presentations in any form.

### **SECTION 9: INACTIVITY, RECLASSIFICATION, AND TERMINATION**

#### **9.1 Effect of Termination**

So long as an Associate remains active and complies with the terms of the 7k Associate Agreement and the 7k Policies and Procedures, 7k shall pay commissions to such 7k Associate in accordance with the 7k Members Share Plan. Violations of the 7k Associate Agreement or violation of 7k's policies and procedures can result in an Administrative hold being placed on the Associate's account. This hold will result in the holding of all commissions and transactions pending the outcome of the policy review. An Associate's commissions and bonuses constitute the entire consideration for the 7k Associate's efforts in generating sales and all activities related to generating sales (including building a sales team organization).

Following an Associate's non-renewal of the 7k Associate Agreement, termination for inactivity, or voluntary or involuntary termination of the 7k Associate Agreement (all of these methods are collectively referred to as "termination"), the former 7k Associate shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization.

**An Associate whose business is cancelled will lose all rights as an Associate. This includes the right to sell 7k products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the 7k Associate's former sales team sales organization. In the event of termination, 7k Associates agree to waive all rights they may have, including but not limited to property rights, to their former sales team organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his former sales team organization.**

**A benefit of being a member with 7k is the ability to access a soundmoney wallet and private vaulting services. If an Associate cancels their membership or if membership is terminated by 7k, Associates will be allowed to withdraw assets from these services. 7k will make reasonable attempts to notify the Associate that their abilities to use these services has ended. 7k will also notify the Associate at the time of termination, that the Associate will be charged rental fees on a monthly basis for the storing of these assets until they are removed from these services.**

**7k reserves the right to deduct the rental fees from the assets being stored. If the Associate does not respond to requests to retrieve assets from the services after 120 days from the date of termination, the assets will be considered abandoned. Any unpaid rental fees will be deducted from the soundmoney wallet.**

Following an Associate's termination of his or her 7k Associate Agreement, the former 7k Associate shall not hold himself out as a 7k Associate and shall not have the right to sell 7k products or services. An Associate whose business is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to termination (less any amounts withheld during an investigation preceding an involuntary termination).

## **9.2 Termination Due to Inactivity**

### **9.2.1 Failure to Meet PY Quota**

**If an Associate fails to personally generate at least fifteen (15) PY/retail volume or a personal membership enrollment for three (3) consecutive months, the 7k Associate Agreement shall be canceled for inactivity.**

### **9.2.2 Business Inactivity Clause**

If an Associate has not earned a commission for twelve (12) consecutive months and becomes inactive as stated above, their

associated privileges and benefits will be restored upon renewing their membership.

#### **9.2.3 Failure to Pay Website/Technology Fees**

If an Associate fails to pay his or her 7k Replicated Website fees, or technology fees, he or she will be inactive and not eligible to earn commissions that month. If the 7k Replicated Website or technology fees are not paid for three (3) consecutive months, the 7k Associate's replicated site and other technology related tools will be cancelled.

#### **9.2.4 Reclassification Following Termination Due to Inactivity**

If an Associate is cancelled for inactivity, the 7k Associate Agreement will be terminated. If he or she is on the Company's AutoSaver program, the AutoSaver agreement shall remain in force. If the former 7k Associate is not on the AutoSaver, he or she will be eligible to continue purchasing 7k products directly from the company at the Direct Customer price as long as they maintain an active yearly membership.

### **9.3 Involuntary Termination**

An Associate's violation of any of the terms of the 7k Agreement, including any amendments that may be made by 7k in its sole discretion, may result in any of the Corrective Measures and Remedies in Section 10.2, including the involuntary termination of his or her 7k Associate Agreement. Termination shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the 7k Associate's last known address, email address, or fax number, or to his or her attorney, or when the 7k Associate receives actual notice of termination, whichever occurs first.

7k reserves the right to terminate all 7k Associate Agreements upon thirty (30) days written notice in the event that it elects to:

- Cease business operations;
- Dissolve as a corporate entity; or
- Terminate the distribution of its products via direct selling.

### **9.4 Voluntary Termination**

A participant in the 7k Members Share Plan has the rights to cancel at any time, regardless of reason. Such voluntary termination must be submitted in writing to the Company at its principal business address. The written notice must include the 7k Associate's signature, printed name, address, and 7k Associate's I.D. Number. In addition to written termination, 7k Associates who have consented to Electronic Contracting will cancel their 7k Associate Agreement should they withdraw their consent to contract electronically. If an Associate is also on the AutoSaver program, the 7k Associate's AutoSaver order shall continue unless the 7k Associate also specifically requests that his or her AutoSaver Agreement also be canceled.

### **9.5 Non-renewal**

An Associate may also voluntarily cancel his or her 7k Associate Agreement by failing to renew the 7k Agreement on its anniversary date, or by failing to pay his annual renewal fee. The Company may

also elect not to renew an Associate's 7k Agreement upon its anniversary date.

## **9.6 Exceptions to Activity Requirements**

7k understands that there may be times in life that 7k Associate needs to set priorities above the interest of the 7k business. The well-being of all 7k Associates is our utmost concern. As such, 7k will grant the Exceptions to Activity Requirements as follows:

### **9.6.1 Maternity**

A pregnant 7k Associate shall be exempt from meeting her Personal and Group Volume requirements for a period of three (3) months prior to and four (4) months following the birth of a child. The 7k Associate should notify 7k' Associate Services Department to request for a Conditional Waiver Form.

### **9.6.2 Compassionate Grounds**

A 7k Associate may be considered for exemption from meeting his or her Personal and/or Group Volume requirements for a defined period of time on compassionate grounds. Such as, but not limited to, following hospitalization, extended hospitalization, critical medical condition that does not permit active participation or operations of a business, care for a terminally ill immediate family member, and other unforeseeable situations in life that requires extended period of attention. The 7k Associate should approach 7k Customer Service Department to request for a Conditional Waiver Form.

Consideration for exemption from meeting Personal and/or Group Volume is on a case-by-case basis, 7k reserves the right to exercise such exemption request.

### **9.6.3 Military Deployment (applicable for US Associates Only)**

Military personnel shall be exempt from meeting their Personal Volume and Group Volume requirements for the duration of the deployment and three (3) full calendar months thereafter while deployed into a foreign country. The 7k Associate should notify 7k' Associate Services Department to request for a Conditional Waiver Form.

## **SECTION 10: POLICY VIOLATION, DISPUTE RESOLUTION & GENERAL PROVISIONS**

### **10.1 Grievances, Complaints and Policy Violation**

When an Associate has a grievance or complaint with another 7k Associate regarding any practice or conduct in relationship to their respective 7k businesses, the complaining 7k Associate should first report the problem to his Sponsor who should review the matter and try to resolve it with the other party's support team sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to 7k's Compliance Department. The Compliance Department will review the facts and seek an amicable resolution.

All 7k Associates are obligated to report any and all breaches of the 7k Policies and Procedures. Any such complaints will be promptly investigated, and appropriate actions will be taken. The identity of

anyone reporting such breaches will be protected and the best interests of both 7k as well as the reporting 7k Associate will be considered at all times during and after the said investigation, unless this is not allowed under any applicable laws.

Most breaches of the 7k Policies and Procedures occur through the lack of awareness or understanding on the part of the defaulting Associate. 7k Associates observing a breach should immediately point out the breach directly to the defaulting 7k Associate. 7k Associates who observed continued or repeated violations by another 7k Associate as outlined in the preceding, should report or bring to the attention such breach in writing to 7k's Compliance Department. Details such as dates, number of occurrences, and evidence along with any supporting testimony should be included.

Any violations, whether material or not, of the advertising, use of 7k's name, and any section of the 7k Agreement must be referred directly to the 7k Compliance Department. Failure of the Company to enforce any of the 7k Policies and Procedures with one 7k Associate does not waive the right of 7k to enforce any such provision against that same 7k Associate or any other 7k Associate. It is the obligation of every 7k Associate to maintain the integrity of the 7k Policies and Procedures to ensure fairness and equal opportunities to all 7k Associates.

To the fullest extent permitted by law, 7k and its affiliates, officers, directors, employees and other 7k Associate shall not be liable for, and 7k Associate hereby releases the foregoing from, and waives any and all claims for loss of profits, indirect, direct, incidental, special, consequential or exemplary damages and/or any other loss that may arise out of any claims whatsoever relating to 7k's performance, non-performance, act of omission with respect to the operation of the 7k Associate's business, including without limitation, the enrollment and acceptance of a 7k Associate into the 7k Members Share Plan, or the payment of commissions and bonuses, or any other matter between the 7k Associates and 7k whether in contract, tort or strict liability.

## **10.2 Corrective Measures and Remedies**

7k adopts a zero-tolerance approach to breach of the 7k Agreement to protect the long-term interest of all involved. Violation of the 7k Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Associate that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Associate's 7k business), may result, at 7k's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the 7k Associate to take immediate corrective measures;
- Imposition of a fine, which may be withheld from commission and bonus checks; Loss of rights to one or more commission or bonus checks;

- 7k may withhold from an Associate all or part of the 7k Associate's commissions and/ or bonus during the period that 7k is investigating any conduct allegedly violative of the 7k Agreement. If an Associate's business is canceled for disciplinary reasons, the 7k Associate will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's 7k Associate Agreement for one or more pay periods;
- Permanent or temporary loss of, or reduction in, the current and/or lifetime rank of an Associate (which may subsequently be re-earned by the 7k Associate);
- Transfer or removal of some or all of an Associate's sales team 7k Associates from the offending 7k Associate's sales team organization.
- Involuntary termination of the offender's 7k Associate Agreement;
- Suspension and/or termination of the offending Associate's 7k website or website access;
- Any other measure expressly allowed within any provision of the 7k Agreement or which 7k deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the 7k Associate's policy violation or contractual breach; and
- In situations deemed appropriate by 7k, the Company may institute legal proceedings for monetary and/or equitable relief.

### **10.3 Mediation**

Prior to instituting an arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the 7k Agreement through non-binding mediation.

One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediation shall occur within sixty (60) days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorneys' fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the relevant dispute resolution venue as assigned or defined by the jurisdiction where the 7k Associates enrolled in the 7k Program. As in the case of the United States and US Territories, mediation shall be held in the City of Idaho Falls, Idaho. Such mediation shall last no more than two (2) business days.

### **10.4 Arbitration For the United States and US territories:**

Any dispute, controversy, claims arising out of or relating to the 7k Agreement, or the breach thereof, including any questions regarding its existence, validity or termination, if not resolved by mutual agreement or mediation, shall be referred to and finally resolved by

arbitration. **The Parties waive all rights to trial by jury or to any court.**

The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") or JAMS Endispute ("JAMS") under their respective rules and procedures. The Commercial Arbitration Rules and Mediation Procedures of the AAA are available on the AAA's website at [www.adr.org](http://www.adr.org). The Streamlined Arbitration Rules & Procedures are available on the JAMS website at [www.jam-sadr.com](http://www.jam-sadr.com). Copies of AAA's Commercial Arbitration Rules and Mediation Procedures or JAM's Streamlined Arbitration Rules & Procedures will also be emailed to the 7k Associates upon request to 7k' Compliance Department.

Notwithstanding the rules of the AAA or JAMS, 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 arbitration shall occur within one hundred and eighty (180) days from the date on which the arbitrator is appointed, and shall last no more than five (5) business days; and
- The Parties shall be allotted equal time to present their respective cases, including cross-examinations.

All arbitration proceedings shall be held in Idaho Falls, Idaho. There shall be one arbitrator selected from the panel that the Alternate Dispute Resolution service provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The arbitration shall occur within one hundred and eighty (180) days from the date on which the arbitration is filed and shall last no more than five (5) business days. The parties shall be allotted equal time to present their respective cases. The decision of the arbitrator shall be final and binding on the parties and may if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive the cancellation or termination of the 7k Agreement.

The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim;
- 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.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary

injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect its intellectual property rights, and/or to enforce its rights under the non-solicitation provision of the 7k Agreement.

**For international markets:**

Any dispute, controversy, claims arising out of or relating to the 7k Agreement, or the breach thereof, including any questions regarding its existence, validity or termination, if not resolve by mutual agreement or mediation, shall be referred to and finally resolved by arbitration in the country or jurisdiction in which the 7k Associates operates or conducts his 7k business, in accordance with the Arbitration Rules of the country or jurisdiction for the time being in force, which rules are deemed to be incorporated by reference into this policy. The arbitration tribunal shall consist of one arbitrator to be appointed by the Chairman of the Country/ Jurisdiction's Arbitration Center, and the language of the arbitration shall be English. To the extent permitted by law, the prevailing party in any proceeding (whether in arbitration or court proceedings or otherwise) shall be entitled to an award of legal fees and costs on an indemnity basis.

**10.5 Governing Law, Jurisdiction, and Venue (For US Associates) For the United States and US territories:**

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Bonneville County, State of Idaho. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Idaho shall govern all other matters relating to or arising from the 7k Agreement.

**For international markets:**

The 7k Agreement shall be governed by the laws of the country or jurisdiction in which 7k operates or conducts in.

**10.6 Certain Residents Only (applicable for US Associates Only)**

The following provision applies only to 7k Associates who are residents of:

**10.6.1 Montana Residents**

Further to Section 7.3 on the Return of Inventory and Sales Aids by associates Upon Termination, Montana resident may cancel his 7k Associate Agreement within fifteen (15) days from the date of enrollment and may return any items purchased for a full refund within such time period.

**10.6.2 Louisiana Residents**

Further to the Section 10.4 on Arbitration, residents of the State of Louisiana shall be entitled to bring an action against 7k in their home forum and pursuant to Louisiana law.

**10.7 Privacy Policy**

All 7k Associates must comply with all applicable local, state, national or international laws and regulations relating to privacy, data protection and security. 7k Associates must take appropriate steps to safeguard and protect all private information provided by current and



prospective Members, Associates and Customers. 7k Associates recognize and acknowledge that such information in strictest confidence shall never be shared without the prior expressed consent or permission of the individual. 7k Associates are responsible for the secure handling and storage of such private information. No mobile information will be shared with third parties/affiliates for marketing/promotional purposes. All the above categories exclude text messaging originator opt-in data and consent; this information will not be shared with any third parties.

#### **10.8 Anti-Money Laundering and Anti-Terrorism Financing Policy**

7k strictly prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with all applicable local, state, national or international laws.

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds, so that such proceeds appear to have been derived from legitimate origins or constitute legitimate assets.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be criminal purposes. Legitimate sources of funds are key difference between terrorist financiers and traditional criminal organizations. In addition to charitable donations, legitimate sources include foreign government sponsors, business ownership and personal employment. Although the motivation differs between traditional money launderers and terrorist financiers, the actual methods used to fund terrorist operations can be the same as or similar to methods used by other criminals to launder funds. Funding for terrorist attacks does not always require large sums of money and the associated transactions may not be complex.

#### **10.9 Force Majeure**

For the purposes of these Policies and Procedures, the term Force Majeure shall mean any event, cause or occurrence or series of events, causes or occurrences beyond the control of 7k. Such events, cause or occurrence includes natural disaster, war, telecommunication outage, civil unrest, riot, strike, terrorist act, explosion, flood, fire, hostilities, chemical or biological contamination, epidemic or pandemic, international or political crisis, and any government decrees or orders or curtailment of a party's usual source of supply.

In the event that 7k fails or delays in the performance of its obligations under the 7k Agreement due to Force Majeure Event, 7k will notify the 7k Associate of such Force Majeure Event. Nonetheless, all parties shall still endeavor their best effort to continue to perform and fulfill their respective obligations.

7k shall not be liable to any person for any loss or damage resulting from any failure or delay in the performance of the 7k Agreement or any part thereof, or its ability to perform its obligations hereunder, if such failure or delay caused directly, in whole or in part, by any Force

Majeure Event. Once the Force Majeure Event has ended, 7k will resume and perform all its obligations in accordance with the 7k Agreement.

Should a Force Majeure Event continue for a period of sixty (60) days or longer after the aforesaid notice, 7k may terminate the 7k Agreement by giving at least a thirty (30) days' prior notice, provided that such termination notice shall become void if 7k is able to resume and continue to fully perform its obligations before the expiration of the mentioned thirty (30) days' termination notice.

#### **10.10 Indemnification**

Without prejudice to any other rights available under the law or this Agreement, 7k Associates agree to indemnify and hold harmless 7k, its shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expenses including, but not limited to, court costs and attorney's fees, asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, the 7k Associate's:

- Activities as an Associates;
- Breach of any terms or conditions of the 7k Associate Agreement, or the 7k Policies and Procedures; and/or
- Violation of or failure to comply with any applicable local, state, national or international laws or regulations.

#### **10.11 Surviving Provisions**

The termination of the 7k Agreement for whatever reasons, without prejudice to any other rights or remedies which 7k may be entitled to hereunder or at law and shall not affect any accrued rights or liabilities of either party nor the coming into or continuance in force of any provision which by its terms, is intended to survive termination or expiration of the 7k Agreement shall so survive, including, without limitation, the arbitration, non-competition, non-solicitation, trade secrets, confidential information covenants contained in the 7k Policies, and all policies (except Section 10.9, Force Majeure), and the definitions, which shall remain in full force and effect notwithstanding such termination.

### **SECTION II: DEFINITIONS**

#### **Active Member:**

A Member who purchases 7k products or services during a particular month, and whose account has been paid for the ensuing year.

#### **Active Associate:**

An Associate who has received a commission during the preceding six months.

#### **Active Rank:**

The term "active rank" refers to the current rank of an Associate, as determined by the 7k Members Share Plan, for a particular pay period. To be considered "active" relative to a particular rank, an Associate must meet the criteria set forth in the 7k Members Share Plan for his respective rank. (See the definition of "Rank" below.)

**Affiliated Party:**

A shareholder, member, partner, manager, trustee, or other parties with any ownership interest in, or management responsibilities for, a Business Entity.

**Agreement:**

The contract between the Company and each 7k Associate includes the 7k Independent Associate Application and Agreement Terms and Conditions, the 7k Policies and Procedures, the 7k Members Share Plan, and the Business Entity Addendum (where appropriate), all in their current form and as amended by 7k in its sole and absolute discretion. These documents are collectively referred to as the "Agreement."

**Business Day:**

In the US: Is a day other than a Saturday, a Sunday or a day that is a holiday under the federal law of the United States of America.

Other International: Is a non-working day, or a national gazette rest day or public holiday.

**Cancel:**

The termination of an Associate's business. Termination may be either voluntary, involuntary, through non-renewal or inactivity.

**Enroll:**

The act of introducing a prospective Associate to 7k and assisting them to execute a 7k Independent Associate Application and Agreement and thereby become a 7k Associate. (Also see the definition of "Sponsor.") These activities are called "enrolling."

**Enroller:**

The person who enrolls a prospective Associate into 7k.

**Group Volume:**

The commissionable value of services and products purchased by the 7k Members and Associates in the sales team of a particular Associate.

**Immediate Household:**

Spouses, heads-of-household, and dependent family members residing in the same residence.

**Level:**

The layers of sales team 7k Members and Associates in a particular 7k Associate's sales team. This term refers to the relationship of an Associate relative to a particular support team 7k Associate, determined by the number of Associates between them who are related by sponsorship. For example, if A enrolls B, who enrolls C, who enrolls D, who enrolls E, then E is on A's fourth level.

**Market Gain:**

When a sales order or sale, as the case may be, is cancelled by 7k market gain occurs when the fair market value of the product(s) on the date of the cancelled sales order or sale is greater than the original sales price of the product(s) as it appears on the cancelled sales order. When a purchase order or purchase, as the case may be, is cancelled by 7k, market gain occurs when the fair market value of the product(s) on the date of the cancelled purchase order or purchase is less than the original purchase price of the product(s) as it appears on the cancelled purchase order.

**Market Loss:**

When a sales order or sale, as the case may be, is cancelled by 7k, market loss occurs when the fair market value of the product(s) on the date of the cancelled sales order or sale is less than the original sales price of the product(s) as it appears on the cancelled sales order. When a purchase order or purchase, as the case may be, is cancelled by 7k, market loss occurs when the fair market value of the product(s) on the date of the cancelled purchase order or purchase is greater than the original purchase price of the product(s) as it appears on the cancelled purchase order.

**Official 7k Materials:**

Literature, audio or video tapes, websites, and other materials developed, printed, published and/or distributed by 7k to 7k Associates.

**Other Country:**

Refers to countries outside the United States and US Territories that 7k is officially open for business.

**Other Rules:**

When a 7k Associate conducts the 7k business in the Other Country, he shall comply with and abide by all applicable local laws, rules, regulations, codes and guidelines, applicable to 7k Associates of such Other Country ("Other Rules"). The Other Rules shall apply to such 7k Associate as if he is a 7k Associate of that Other Country.

**Personal Production:**

Moving 7k products or services to an end consumer for actual use.

**Personal Volume:**

The commissionable value of products purchased by: (1) an Associate; and (2) the 7k Associate's personally-enrolled Members.

**Rank:**

The "title" that an Associate holds pursuant to the 7k Members Share Plan. "Title Rank" refers to the highest rank an Associate has achieved in the 7k Members Share Plan at any time. "Paid As" rank refers to the rank at which an Associate is qualified to earn commissions and bonuses during the current pay period.

**Recruit:**

For purposes of 7k' Non-solicitation (Section 4.2I), the term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another 7k Associate or Member to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

**Replicated Website:**

A website provided by 7k to 7k Associates which utilizes website templates developed by 7k.

**Resalable:**

Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied:

- They are unopened and unused;
- Packaging and labeling has not been altered or damaged;
- They are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price;
- It is returned to 7k within one (1) year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, promotional or seasonal item, shall not be resalable.

**Retail Sales:**

Sales to a Member.

**Sales Team:**

Your sales team (or sales team organization) consists of the 7k Associates you personally enroll or sponsor (your first level Associates), the 7k Associates that first level Associates enroll or sponsor, as well as the 7k Associates that are subsequently enrolled or sponsored beneath them.

**Sales Team Leg:**

Each one of the individuals personally enrolled immediately underneath you and their respective marketing organizations represents one "leg" in your marketing organization.

**Social Media:**

Any type of online media that invites, expedites or permits conversation, comment, rating, and/or user generated content, as opposed to traditional media, which delivers content but does not allow readers/viewers/listeners to participate in the creation or development of content, or the comment or response to content. Examples of Social Media include, but are not limited to, blogs, chat rooms, Facebook, MySpace, Twitter, LinkedIn, Delicious, and YouTube.

**Sponsor:**

An Associate under whom an Enroller places a new Associate or Member, and is listed as the Sponsor on the 7k Associate or Member Application and Agreement.

**Support Team:**

This term refers to the 7k Associate or Associates above a particular 7k Associate in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular 7k Associate to the Company.