

# MPGX TREME

## **POLICIES AND PROCEDURES v1.0**

### **1.0 INTRODUCTION**

#### **1.1 Mutual Commitment Statement**

MPGXtreme, LLC (“hereafter as “MPGXtreme” and the “Company”) recognizes that in order to develop a long-term and mutually rewarding relationship with its Business Owners (“Independent Brand Partner” or “ISR”) and Customers, MPGXtreme and the ISRs must acknowledge and respect the true nature of the relationship and support the Customers.

- A. In the spirit of mutual respect and understanding, MPGXtreme is committed to:
  - I. Provide prompt, professional and courteous service and communications to all of its ISRs and Customers;
  - II. Provide the highest level of quality products, at fair and reasonable prices;
  - III. Exchange or refund the purchase price of any product, service or membership as provided in our *Return Policy*;
  - IV. Deliver orders promptly and accurately.
  - V. Pay commissions accurately and on a timely basis;
  - VI. Expedite orders or checks if an error or unreasonable delay occurs;
  - VII. Roll out new products and programs with ISR input and planning;
  - VIII. Implement changes in the Compensation Plan or Policies and Procedures that affect the ISR with input from the ISRs;
  - IX. Support, protect and defend the integrity of the MPGXtreme Business Opportunity;
  - X. Offer ISRs an opportunity to grow with MPGXtreme with such growth guided by the principles of Servant Leadership.
- B. In return, MPGXtreme expects that its ISRs will:
  - I. Conduct themselves in a professional, honest, and considerate manner;
  - II. Present MPGXtreme Corporate and product information in an accurate and professional manner;
  - III. Present the Compensation Plan and Return Policy in a complete and accurate manner;

## MPGX TREME

- IV. Not make exaggerated income claims;
- V. Make reasonable effort(s) to support and train ISRs and Customers in their downline;
- VI. Not engage in cross-line recruiting, unhealthy competition or unethical business practices;
- VII. Provide positive guidance and training to ISRs and Customers in their downline while exercising caution to avoid interference with other downlines. As such, an ISR is discouraged from providing cross-line training to an ISR or Customer in a different organization without first obtaining consent of the ISR's or Customer's upline leader;
- X. Support, protect, and defend the integrity of the MPGXtreme Business Opportunity;
- XI. Accurately complete and submit the ISR Agreement and any requested supporting documentation in a timely manner.

### **1.2 MPGXtreme Policies and Compensation Plan Incorporated into the ISR Agreement**

- A. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the MPGXtreme Agreement, these Policies and Procedures, and the MPGXtreme Compensation Plan.
- B. It is the responsibility of the Sponsoring ISR to provide the most current version of these Policies and Procedures (available on the MPGXtreme website) and the MPGXtreme Compensation Plan to each applicant prior to his, her and/or its execution of an ISR Agreement.

### **1.3 Purpose of Policies**

- A. MPGXtreme is a direct sales company that markets products and services through a network of business owners. To clearly define the relationship that exists between ISRs and MPGXtreme, and to explicitly set a standard for acceptable business conduct, MPGXtreme has established these Policies and Procedures.
- B. MPGXtreme ISRs are required to comply with; (i) all of the Terms and Conditions set forth in the ISR Agreement, which MPGXtreme may amend from time to time in its sole discretion; (ii) all Federal, State, Provincial, Territorial, and/or local laws governing his, her and/or its MPGXtreme business; and (iii) these Policies and Procedures.
- C. MPGXtreme ISRs must review the information in these Policies and Procedures carefully. Should an ISR have any questions regarding a policy or rule, the ISR is encouraged to seek an

## MPGXTREME

answer from their Sponsor or any other upline ISR. If further clarification is needed the ISR may contact MPG Xtreme Customer Service.

### 1.4 Changes, Amendments, and Modifications

- A. Because Federal, State, and local laws, as well as the business environment, periodically change, MPG Xtreme reserves the right to amend the Agreement and the prices in its MPG Xtreme Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official MPG Xtreme Materials. *This provision does NOT apply to the arbitration clause found in Section 13, which can only be modified via mutual consent.*
- B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
  - I. Posting on the official MPG Xtreme website;
  - II. Electronic mail (e-mail); or
  - III. In writing through the MPG Xtreme newsletters or other MPG Xtreme communication channels.

### 1.5 Delays

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

### 1.6 Effective Date

These Policies and Procedures shall become effective as of August 1, 2022 and, at such time, shall automatically supersede any prior Policies and Procedures (the “old Policies and Procedures”), and, on that date, the old Policies and Procedures shall cease to have any force or effect.

## 2.0 BASIC PRINCIPLES

### 2.1 Becoming A MPG Xtreme ISR

- A. To become an ISR, an applicant must comply with the following requirements:
  - I. Be of the age of majority (not a minor) in his or her state of residence;
  - II. Reside or have a valid address in the United States, a U.S. territory, or Canada;

## MPGX TREME

- III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
- IV. Submit a properly completed and signed ISR Agreement to MPGXtreme;
- V. Not be a MPGXtreme employee, the Spouse of a MPGXtreme employee or related to an employee of MPGXtreme and living in the same household as such MPGXtreme employee.

### **2.2 New ISR Registration**

- A. A potential new ISR may self-enroll on the Sponsor's website. In such event, instead of a physically signed ISR Agreement, MPGXtreme will accept the Web-enrollment and ISR Agreement by accepting the "electronic signature" stating the new ISR has accepted the Terms and Conditions of such ISR Agreement. Please note that such electronic signature constitutes a legally binding agreement between the ISR and MPGXtreme.
- B. MPGXtreme reserves the right to require signed paperwork for any account, regardless of origin.
- C. If requested the signed ISR Agreement must be received by MPGXtreme within 14 days of enrollment.
- D. Signed documents, including, but not limited to, ISR personal agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been signed may lead to sanctions, up to and including involuntary termination of the ISR's position.

### **2.3 Rights Granted**

- A. MPGXtreme hereby grants to the ISR a non-exclusive right, based upon the Terms and Conditions contained in the ISR Agreement and these Policies and Procedures, to:
  - I. Purchase MPGXtreme products and services;
  - II. Promote and sell MPGXtreme products and services; and
  - III. Sponsor new ISRs and Customers in the United States and in countries where MPGXtreme may become established after the effective date of these Policies and Procedures.

### **2.4 Identification Numbers**

## MPGX TREME

- A. Each ISR is required to provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to MPGXtreme on the ISR Agreement. MPGXtreme reserves the right to withhold commission payments from any ISR who fails to provide such information or who provides false information.
- B. Upon enrollment, MPGXtreme will provide a MPGXtreme Identification Number to the ISR. This number will be used to place orders, structure organizations, and track commissions and bonuses.

### **2.5 Renewals and Expiration of the ISR Agreement**

- A. An ISR must renew their Independent Brand Partner agreement annually. If the ISR allows his or her ISR Agreement to expire due to nonpayment, the ISR shall be automatically deactivated from Independent Brand Partner status to Customer status and will lose any and all rights to his, her or its downline organization unless the ISR re-activates within 60 days following the expiration of the Agreement.
- B. If the former ISR re-activates within the 60-day time limit, the ISR will resume the rank and position held immediately prior to the expiration of the ISR Agreement. However, such ISR's paid as level will not be restored unless he, she and/or an entity qualifies at that payout level in the new month. The ISR is not eligible to receive commissions for the time period that the ISR's position was expired.
- C. Any ISR who was terminated or whose Agreement has expired and lapsed the 60-day grace period is not eligible to re-apply for a MPGXtreme business for 12 months following the expiration of the ISR Agreement.
- D. The ISR must be "active" at least once every six (6) months by qualifying with 50 QV through personal orders or customer orders. The inactive ISR can be removed from the software and genealogy at the discretion of the company to maintain an active database and reduce excessive fees charged by the company third party software. The downline of an inactive or expired ISR will lose any and all rights to his, her or its downline organization .

### **2.6 Business Entities**

- A. A corporation, partnership, LLC, or trust (collectively referred to as a "Business Entity") may apply to be a MPGXtreme ISR. This ISR business and position will remain *temporary* until the proper documents are submitted. The Business Entity must submit one of the following documents: Certificate of Incorporation, Articles of Organization, Partnership Agreement or appropriate Trust documents. MPGXtreme must receive these documents within 14 days from the date the ISR Agreement was signed.
- B. A MPGXtreme ISR may change their status under the same Sponsor from an individual to a partnership, LLC, corporation, trust or from one type of business entity to another.

## MPGXTREME

### **2.7 Independent Business Relationship; Indemnification for Actions**

- A. The MPG Xtreme ISR is an independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, each ISR's success depends on his or her independent efforts.
- B. The Agreement between MPG Xtreme and its ISRs does not create an employer/employee relationship, agency, partnership, or joint venture between MPG Xtreme and the ISR.
- C. A MPG Xtreme ISR shall not be treated as an employee of MPG Xtreme for any purposes, including, without limitation, for Federal, State, or Provincial tax purposes. All ISRs are responsible for paying local, State, Provincial, and Federal taxes due from all compensation earned as an ISR of MPG Xtreme. Any other compensation received by ISRs from MPG Xtreme will be governed by applicable U.S. or Canadian tax laws (or the tax laws of any other applicable jurisdiction). The ISR has no express or implied authority to bind MPG Xtreme to any obligation or to make any commitments by or on behalf of MPG Xtreme. Each ISR, whether acting as management of a Business Entity or represented as an individual, shall establish his or her own goals, hours, and methods of operation and sale, so long as he or she complies with the Terms of the ISR Agreement, these Policies and Procedures and applicable State, Federal and Provincial laws.
- D. The MPG Xtreme ISR is fully responsible for all of his or her verbal and written communications made regarding MPG Xtreme products, services, and the Compensation Plan that are not expressly contained within official MPG Xtreme materials. ISRs shall indemnify and hold harmless MPG Xtreme, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by MPG Xtreme as a result of the ISR's unauthorized representations or actions. This Provision shall survive the termination of the MPG Xtreme ISR Agreement.

### **2.8 Insurance**

- A. Business Pursuits Coverage. MPG Xtreme encourages ISRs to arrange insurance coverage for their business. A homeowner's insurance policy does not cover business related injuries, or the theft of, or damage to, inventory or business equipment. MPG Xtreme ISRs need to contact their insurance agent to make certain their business property is protected. In most instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

### **2.9 Errors or Questions**

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

### **3.0 MPGXTREME' ISR RESPONSIBILITIES**

# MPGX TREME

## 3.1 Correct Addresses

- A. It is the responsibility of the ISR or Customer to make sure MPGXtreme has the correct shipping address before any orders are shipped.
- B. An ISR or Customer will need to allow up to 30 days for processing after the notice of address change has been received by MPGXtreme.
- C. An ISR or Customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

## 3.2 Training and Leadership

- A. Any MPGXtreme ISR who Sponsors another ISR into MPGXtreme must perform an authentic assistance and training function to ensure his or her downline is properly operating his or her MPGXtreme business. Sponsoring ISRs should have ongoing contact and communication with the ISRs in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voice-mail, e-mail, personal meetings, accompaniment of downline ISRs to MPGXtreme meetings, training sessions and any other related functions.
- B. A Sponsoring MPGXtreme ISR should monitor the ISRs in his or her downline organizations to ensure that downline ISRs do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such ISR should be able to provide documented evidence to MPGXtreme of his or her ongoing fulfillment of the responsibilities of a Sponsor.
- C. Upline ISRs are encouraged to motivate and train new ISRs about MPGXtreme's products and services, effective sales techniques, the MPGXtreme Compensation Plan and compliance with company Policies and Procedures.
- D. Marketing product is a required activity in MPGXtreme and must be emphasized in all recruiting presentations.
- E. We emphasize and encourage all ISRs to sell MPGXtreme's products and services to Customers.
- F. Use of Sales Aids. To promote both the products and the opportunity MPGXtreme offers, ISRs must use the sales aids and support materials produced by MPGXtreme. If MPGXtreme ISRs develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding ISRs' good intentions, they may unintentionally violate any number of statutes or regulations affecting the MPGXtreme business. These violations, although they may be relatively few in number, could jeopardize the MPGXtreme opportunity for all ISRs. Accordingly, ISRs must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the

## MPGX TREME

ISR receives specific written approval to use the material, the request shall be deemed denied. All ISRs shall safeguard and promote the good reputation of MPGXtreme and its products. The marketing and promotion of MPGXtreme, the MPGXtreme opportunity, the Compensation Plan, and MPGXtreme products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

### **3.3 Constructive Criticism; Ethics**

- A. MPGXtreme desires to provide its independent ISRs with the best products and services and Compensation Plan in the industry. Accordingly, MPGXtreme values constructive criticism and encourages the submission of written comments addressed to MPGXtreme Compliance Department.
- B. Negative and disparaging comments about MPGXtreme, its products or Compensation Plan, by ISRs made to MPGXtreme, in the Field or at MPGXtreme meetings or events, or disruptive behavior at MPGXtreme meetings or events, serve no purpose other than to dampen the enthusiasm of other MPGXtreme ISRs. MPGXtreme ISRs must not belittle MPGXtreme, other MPGXtreme ISRs, MPGXtreme products or services, the Compensation Plan, or MPGXtreme directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by MPGXtreme.
- C. MPGXtreme is committed to providing ISRs with a work environment free from harassment, intimidation, and abuse from other ISRs, employees, vendors, and any other individuals in the work place. At MPGXtreme, harassment of any kind will not be tolerated and is strictly prohibited, such as: derogatory or threatening comments, inappropriate sexual behavior including but not limited to unwelcome sexual advances or requests for sexual favors, displaying visual images of a sexual nature, physical or verbal harassment, or violent behavior. Employees are encouraged to report any type of harassment incidents immediately. MPGXtreme will not tolerate acts or threats of violence and will investigate all reports. You have a responsibility to act when you are aware of a threat or risk to any of our employees.
- D. **MPGXtreme endorses the following code of ethics:**
  - I. A MPGXtreme ISR must show fairness, tolerance, and respect to all people associated with MPGXtreme, regardless of race, gender, social class or religion, thereby fostering a “positive atmosphere” of teamwork, good morale and community spirit.
  - II. An ISR shall strive to resolve business issues, including situations with upline and downline ISRs, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
  - III. MPGXtreme ISRs must be honest, responsible, professional and conduct themselves with integrity.

## MPGXTREME

- IV. MPG Xtreme ISRs shall not make disparaging statements about MPG Xtreme, other ISRs, MPG Xtreme employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.
- E. MPG Xtreme may take appropriate action against an ISR if it determines, in its sole discretion, that an ISR's conduct is detrimental, disruptive, or injurious to MPG Xtreme or to other ISRs.

### **3.4 Reporting Policy Violation**

- A. An ISR who observes a policy violation by another ISR should submit a written and signed letter (e-mail will not be accepted) of the violation directly to the MPG Xtreme Corporate office. The letter shall set forth the details of the incident as follows:
  - I. The nature of the violation;
  - II. Specific facts to support the allegations;
  - III. Dates;
  - IV. Number of occurrences;
  - V. Persons involved; and
  - VI. Supporting documentation
- B. Once the matter has been presented to MPG Xtreme, it will be researched thoroughly by the Compliance Department and appropriate action will be taken if required.
- C. This section refers to the general reporting of Policy violations as observed by other ISRs for the mutual effort to support, protect, and defend the integrity of the MPG Xtreme business and opportunity. If an ISR has a grievance or complaint against another ISR which directly relates to his or her MPG Xtreme business, the Procedures set forth in these Policies must be followed.

### **3.5 Sponsorship**

- A. The Sponsor is the person who introduces an ISR or Customer to MPG Xtreme, helps them complete their enrollment, and supports and trains those in their downline.
- B. MPG Xtreme recognizes the Sponsor as the name(s) shown on the first:
  - I. Physically signed MPG Xtreme ISR Agreement on file; or
  - II. Electronically signed ISR Agreement from a website or a MPG Xtreme ISRs website.

## MPGXtreme

- C. An ISR Agreement that contains notations such as “by phone” or the signatures of other individuals (i.e. Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by MPGXtreme.
- D. MPGXtreme recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but MPGXtreme will not allow ISRs to engage in unethical sponsoring activities.
- E. All active ISRs in good standing have the right to Sponsor and enroll others into MPGXtreme. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one ISR will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first ISR who presented a comprehensive introduction to MPGXtreme products or business opportunity.

### **3.6 Cross Sponsoring Prohibition**

- A. “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an individual, or Business Entity, that already has a signed ISR Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by MPGXtreme, sanctions up to and including termination of an ISR’s position may be imposed.
- B. The use of a Spouse’s or relative’s name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this Policy is not permitted.
- C. This Policy does not prohibit the transfer of a MPGXtreme business in accordance with MPGXtreme Sale or Transfer Policy set forth in these Policies.

### **3.7 Adherence to the MPGXtreme Compensation Plan**

- A. An ISR must adhere to the Terms of the MPGXtreme Compensation Plan as set forth in these Policies and Procedures as well as in official MPGXtreme literature. Deviation from the Compensation Plan is prohibited.
- B. An ISR shall not offer the MPGXtreme opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official MPGXtreme literature.
- C. An ISR shall not require or encourage a current or prospective Customer or ISR to participate in MPGXtreme in any manner that varies from the Compensation Plan as set forth in official MPGXtreme literature.

## MPGX TREME

- D. An ISR shall not require or encourage a current or prospective Customer or ISR to make a purchase from or payment to any individual or other entity as a condition to participating in the MPGXtreme Compensation Plan, other than such purchases or payments required to naturally build their business.

### **3.8 Adherence to Laws and Ordinances**

- A. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to ISRs because of the nature of the business. However, ISRs must check their local laws and obey the laws that do apply to them.
- B. A MPGXtreme ISR shall comply with all Federal, State, Provincial and local laws and regulations in their conduct of his or her MPGXtreme business.

### **3.9 Compliance with Applicable Income Tax Laws**

- A. MPGXtreme will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US ISR whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of MPGXtreme products for resale, or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the ISR, and a minimum charge of \$20 may be assessed by MPGXtreme. Canadian T-4's will be sent to ISRs who earn more than \$500 or who received trips, prizes, or awards valued at \$500 or more. MPGXtreme ISRs are responsible for the payment of taxes on these trips, prizes, or awards provided to them by MPGXtreme.
- B. An ISR accepts sole responsibility for and agrees to pay all Federal, State, Provincial and local taxes on any income generated as an independent ISR, and further agrees to indemnify MPGXtreme from any failure to pay such tax amounts when due.
- C. If an ISR's business is tax exempt, the Federal Tax Identification number must be provided to MPGXtreme in writing.
- D. MPGXtreme encourages all ISRs to consult with a tax advisor for additional information for their business.

### **3.10 One MPGXtreme Business Per ISR**

- A. An ISR may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) MPGXtreme business. No individual may have, operate or receive compensation from more than one MPGXtreme businesses. Individuals of the same family unit may each enter into or have an interest in their own separate MPGXtreme businesses, only if each subsequent family position is placed front-line to the first family member enrolled. A "family unit" is defined as Spouses and dependent children living at or doing business at the same address.

## MPGX TREME

### 3.11 Actions of Household Members or Affiliated Parties

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

### 3.12 Solicitation for Other Companies or Products

- A. A MPGXtreme ISR may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the Term of this Agreement and for one (1) year thereafter, a MPGXtreme ISR may not recruit any MPGXtreme ISR or Customer for any other direct sales or network marketing business, unless that ISR or Customer was personally sponsored by such ISR.
- B. The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another ISR or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the ISR's actions are in response to an inquiry made by another ISR or Customer.
- C. However, you may sell **non-competing** products or services to only MPGXtreme Customers and ISRs you personally sponsored. Specifically, a non-competing company is defined as a Network Marketing company that does NOT sell dietary supplements.

Due to the visibility of our higher-ranking ISRs, MPGXtreme ISRs at the rank of Blue Diamond or above agree not to participate in **any** Network Marketing or party plan company, regardless if the company sells competing products or not.

- D. An ISR may not display or bundle MPGXtreme products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or ISR into believing there is a relationship between the MPGXtreme and non-MPGXtreme products and services.
- E. A MPGXtreme ISR may not offer any non-MPGXtreme opportunity, products or services at any MPGXtreme related meeting, seminar or convention, or immediately following a MPGXtreme event.

## MPGX TREME

- F. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between MPGXtreme and its ISRs and would inflict irreparable harm on MPGXtreme. In such event, MPGXtreme may, at its sole discretion, impose any sanction it deems necessary and appropriate against such ISR or such ISR's positions including termination, or seek immediate injunctive relief without the necessity of posting a bond.

### **3.13 Presentation of the MPGXtreme Opportunity**

- A. In presenting the MPGXtreme opportunity to potential Customers and ISRs, an ISR is required to comply with the following provisions:
- I. An ISR shall not misquote or omit any significant material fact about the Compensation Plan.
  - II. An ISR shall make it clear that the Compensation Plan is based upon sales of MPGXtreme products and services and upon the sponsoring of other ISRs.
  - III. An ISR shall make it clear that success can be achieved only through substantial independent efforts.
  - IV. A MPGXtreme ISR shall not make unauthorized income projections, claims, or guarantees while presenting or discussing the MPGXtreme opportunity or Compensation Plan to prospective ISRs or Customers.
  - V. An ISR may not make any claims regarding products or services of any products offered by MPGXtreme, except those contained in official MPGXtreme literature.
  - VI. An ISR may not use official MPGXtreme material to promote the MPGXtreme business opportunity in any country where MPGXtreme has not established a "presence."
  - VII. In an effort to conduct best business practices, MPGXtreme has developed the Income Disclosure Statement ("IDS"). The MPGXtreme IDS is designed to convey truthful, timely, and comprehensive information regarding the income that MPGXtreme ISRs earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective ISRs.

A copy of the IDS must be presented to a prospective ISR anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms "income claim" and/or "earnings representation" (collectively "income claim") include; (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of "statements of non-average earnings" include,

## MPGX TREME

“Our number one ISR earned over a million dollars last year” or “Our average ranking ISR makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher ranking ISRs is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

### 3.14 Sales Requirements are Governed by the Compensation Plan

- A. MPGXtreme ISRs may purchase MPGXtreme products and then re-sell them at any price they choose unless otherwise specified by MPGXtreme or by any/its product suppliers on a per product basis. MPGXtreme will provide suggested selling prices. There are no exclusive territories granted to anyone. No franchise fees are applicable to a MPGXtreme business.
- B. The MPGXtreme program is built on sales to the ultimate consumer. MPGXtreme encourages its ISRs to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. ISRs must never attempt to influence any other ISR to buy more products than they can reasonably use or sell to retail Customers in a month.
- C. ***Purchasing product solely for the purpose of collecting bonuses or achieving rank is prohibited.*** MPGXtreme retains the right to limit the amount of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

## 4.0 ORDERING

### 4.1 General Order Policies

- A. “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (b) the fraudulent enrollment of an individual or entity as an ISR or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as ISRs or Customers (“phantoms”); (d) purchasing MPGXtreme products or services on behalf of another ISR or Customer, or under another ISR’s or Customer’s ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

An ISR shall not use another ISR’s or Customer’s credit card or debit checking account to enroll in MPGXtreme or purchase products or services without the account holder’s *written permission*. Such documentation must be kept by the ISR indefinitely in case MPGXtreme needs to reference this.

## MPGX TREME

- B. Regarding an order with an invalid or incorrect payment, MPGXtreme will attempt to contact the ISR by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after 10 business days, the order will be canceled.
- C. If an ISR wants to move an order to another ISR's position, he or she must have prior authorization, of all parties involved. MPGXtreme will charge the ISR a \$20 fee for processing.
- D. Prices are subject to change without notice.
- E. An ISR or Customer who is a recipient of a damaged or incorrect order must notify MPGXtreme within 30 calendar days from receipt of the order and follow the Procedures as set forth in these Policies.

### **4.2 Insufficient Funds**

- A. All checks returned for insufficient funds will be re-submitted for payment. A \$35 fee will be charged to the account of the ISR or Customer for all returned checks and insufficient funds.
- B. Any outstanding balance owed to MPGXtreme by an ISR or Customer of the ISR from NSF (non-sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld by MPGXtreme from an ISR's future bonus and commission checks.
- C. All transactions involving returned checks or insufficient funds through ACH or credit card, which are not resolved in a timely manner by the ISR, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the Customer or ISR will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or ISR may be deemed ineligible to purchase MPGXtreme products or services or participate in the monthly auto ship.

### **4.3 Sales Tax Obligation**

- A. The ISR shall comply with all State, Provincial and local taxes and regulations governing the sale of MPGXtreme products and services.
- B. MPGXtreme will collect and remit sales tax on ISR orders unless an ISR furnishes MPGXtreme with the appropriate Resale Tax Certificate form. When orders are placed with MPGXtreme, sales tax is prepaid based upon the suggested retail price. MPGXtreme will remit the sales tax to the appropriate state, Provincial and local jurisdictions. The ISR may recover the sales tax when he or she makes a sale. MPGXtreme ISRs are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- C. MPGXtreme encourages each ISR to consult with a tax advisor for additional information for his or her business.

# MPGXTREME

## **5.0 PAYMENT OF COMMISSIONS & BONUSES**

### **5.1 Bonus and Commission Qualifications**

- A. An ISR must be active and in compliance with MPG Xtreme Policies and Procedures to qualify for bonuses and commissions. So long as an ISR complies with the Terms of the Agreement, MPG Xtreme shall pay commissions to such ISR in accordance with the Compensation Plan.
- B. MPG Xtreme will not issue a payment to an ISR without the receipt of a completed and signed MPG Xtreme ISR Agreement or Electronic Authorization.
- C. MPG Xtreme reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.

### **5.2 Computation of Commissions and Discrepancies**

- A. In order to qualify to receive commissions and bonuses, an ISR must be in good standing and comply with the Terms of the Agreement and these Policies and Procedures. Commissions, bonuses, overrides, and achievement levels are calculated each month.
- B. A MPG Xtreme ISR must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within 30 days of receipt. After the 30-day “grace period” no additional requests will be considered for commission recalculations.
- C. For additional information on payment of commissions, please review the Compensation Plan.

### **5.3 Adjustments to Bonuses and Commissions for Returned Products or ISR Memberships.**

- A. An ISR receives bonuses and commissions based on the actual sales of products and services to end consumers and to ISRs through product and service purchases. When a product or service is returned to MPG Xtreme for a refund from the end consumer or by an ISR, the bonuses and commissions attributable to the returned product or service will be deducted from the ISR who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.
- B. In the event that an ISR terminates his or her position, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by MPG Xtreme, the remainder of the outstanding balance may be offset against any other amounts that may be owed by MPG Xtreme to the terminated ISR.

## **6.0 REFUND POLICY**

## MPGXTREME

MPGXtreme offers a one hundred percent (100%) Sixty-day money back guarantee for all Customers. If a customer purchased a product or service and is not satisfied with the product or service, the Customer may request a refund from their ISR.

If you are not 100% satisfied with our products or are unable to sell them, you may return the items for a refund if neither you nor we have terminated the Agreement and the products or services were purchased within twelve (12) months and remain in resaleable condition. The refund shall be ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Upon MPGXtreme' receipt of the products and sales aids, the ISR will be reimbursed ninety percent (90%) of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same credit card account. The Company shall deduct from the reimbursement paid to the ISR any commissions, bonuses, rebates or other incentives received by the ISR which were associated with the merchandise that is returned.

### **6.1 Return Process**

- A. All returns, whether by a Customer, or ISR, must be made as follows:
  - I. Obtain Return Merchandise Authorization (“RMA”) from MPGXtreme;
  - II. Ship items to the address provided by MPGXtreme Customer service when you are given your RMA.
  - III. Provide a copy of the invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.
  - IV. Ship back product in manufacturer’s box exactly as it was delivered.
- B. All returns must be shipped to MPGXtreme pre-paid, as MPGXtreme does not accept shipping collect packages. MPGXtreme recommends shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer, or ISR. If returned product is not received at MPGXtreme Distribution Center, it is the responsibility of the Customer, or ISR to trace the shipment and no credit will be applied.
- C. The return of \$300 or more of products accompanied by a request for a refund within a calendar year, by an ISR, may constitute grounds for involuntary termination.

### **7.0 PRIVACY POLICY**

#### **7.1 Introduction**

# MPGXTREME

This Privacy Policy is to ensure that all Customers and ISRs understand and adhere to the basic principles of confidentiality.

## **7.2 Expectation of Privacy**

- A. MPG Xtreme recognizes and respects the importance its Customers and ISRs place on the privacy of their financial and personal information. MPG Xtreme will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers', and ISRs' financial and account information and nonpublic personal information.
- B. By entering into the ISR Agreement, an ISR authorizes MPG Xtreme to disclose his or her name and contact information to uplines ISRs solely for activities related to the furtherance of the MPG Xtreme business. An ISR hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline organization and conducting the MPG Xtreme business.

## **7.3 Employee Access to Information**

MPG Xtreme limits the number of employees who have access to Customer's and ISRs' nonpublic personal information.

## **7.4 Restrictions on the Disclosure of Account Information**

- A. MPG Xtreme will not share non-public personal information or financial information about current or former Customers or ISRs with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers', or ISRs' interests or to enforce its rights or obligations under these Policies and Procedures, or ISR's Agreement or with written permission from the accountholder on file.

## **8.0 PROPRIETARY INFORMATION AND TRADE SECRETS**

### **8.1 Business Reports, Lists, and Proprietary Information**

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

### **8.2 Obligation of Confidentiality**

- A. During the Term of the MPG Xtreme ISR Agreement and for a period of five (5) years after the termination or expiration of the ISR Agreement between the ISR and MPG Xtreme, the ISR shall not;

## MPGXTREME

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

### **8.3 Breach and Remedies**

- A. The ISR acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to MPG Xtreme and to independent MPG Xtreme businesses. MPG Xtreme and its ISRs will be entitled to injunctive relief or to recover damages against any ISR who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees, court costs and expenses.

### **8.4 Return of Materials**

- A. Upon demand by MPG Xtreme, any current or former ISR will return the original and all copies of all "Reports" to MPG Xtreme together with any MPG Xtreme confidential information in such person's possession.

## **9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS**

### **9.1 Labeling, Packaging, and Displaying Products**

- A. A MPG Xtreme ISR may not re-label, re-package, refill, or alter labels of any MPG Xtreme product, or service, information, materials or program(s) in any way. MPG Xtreme products and services must only be sold in their original containers from MPG Xtreme. Such re-labeling or re-packaging violates Federal, and State and Provincial laws, which may result in criminal or civil penalties or liability.
- B. A MPG Xtreme ISR shall not cause any MPG Xtreme product or service or any MPG Xtreme trade name to be sold or displayed in retail establishments.
- C. An ISR may sell MPG Xtreme products and services and display the MPG Xtreme trade name at any appropriate display booth (such as trade shows) upon *prior written approval* from MPG Xtreme.

## MPGX TREME

- D. MPGXtreme reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the MPGXtreme opportunity.

### 9.2 Use of Company Names and Protected Materials

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

## MPGX TREME

- F. Certain photos and graphic images used by MPGXtreme in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to ISRs. If an ISR wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- G. A MPGXtreme ISR shall not appear on or make use of television or radio, or make use of any other media to promote or discuss MPGXtreme or its programs, products or services without prior written permission from the MPGXtreme Compliance Department.
- H. An ISR may not produce for sale or distribution any Company event or speech, nor may an ISR reproduce MPGXtreme audio or video clips for sale or for personal use without prior written permission from the MPGXtreme Compliance Department.
- I. MPGXtreme reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected ISR.
- J. An ISR shall not promote non-MPGXtreme products or services in conjunction with MPGXtreme products or services on the same websites or same advertisement without prior approval from MPGXtreme Compliance.
- K. Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by MPGXtreme may not be made except those contained in official MPGXtreme literature. In particular, no ISR may make any claim that MPGXtreme products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate MPGXtreme policies, but also they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

### **9.3 Faxes and E-mail - Limitations**

- A. Except as provided in this section, an ISR may not use or transmit unsolicited faxes, email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her MPGXtreme business. The exceptions are;
  - I. Faxes or e-mailing any person who has given prior permission or invitation;
  - II. Faxing or e-mailing any person with whom the ISR has established a prior business or personal relationship.
- B. In all States, Provinces or Territories where prohibited by law, an ISR may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe

## MPGXTREME

text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.

- C. All faxes, e-mail or computer broadcasted documents subject to this provision shall include each of the following;
- I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
  - II. A clear return path or routing information;
  - III. The use of legal and proper domain name;
  - IV. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
  - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - VI. The true and correct name of the sender, valid senders’ fax or e-mail address, and a valid sender physical address;
  - VII. The date and time of the transmission;
  - VIII. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, a MPG Xtreme ISR shall not transmit any further documents to that recipient.
- D. All e-mail or computer broadcasted documents subject to this provision shall not include any of the following;
- I. Use of any third-party domain name without permission;
  - II. Sexually explicit materials.

### **9.4 Internet and Third-Party Website Restrictions**

- A. An ISR may not use or attempt to register any of MPG Xtreme's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company’s name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- B. A MPG Xtreme ISR may not sell MPG Xtreme products, services or offer the Business Opportunity using “online auctions,” such as eBay®, Amazon.com, or similar websites and that

## MPGX TREME

you will never help anyone else to do so.

- C. All ISRs are provided with an approved company replicated website to inform potential new customers about the products, and to accept orders and enrollments online. Therefore, third-party websites are highly discouraged. A third-party website is personal website that is hosted on non-MPGXtreme servers and has no affiliation with MPGXtreme. Any ISR who wishes to develop their own third-party website must submit a properly completed third-party website Application and Agreement along with the proper Website registration fee and receive MPGXtreme's prior written approval before going live with their third-party website. Third-party websites must adhere to MPGXtreme's advertising policies. Moreover, no orders may be placed through third-party websites, and no enrollments may occur through a third-party website. If you wish to use any third-party website, you must do the following:
  - a. Identify yourself as an ISR for MPGXtreme;
  - b. Use only the approved images and wording authorized by MPGXtreme;
  - c. Adhere to the branding, trademark, and image usage policies described in this document.
  - d. Adhere to any other provision regarding the use of a third-party website described in this document;
  - e. Agree to give the Compliance Department at MPGXtreme access to the third-party website and, if the website is password protected, the Compliance Department must receive passwords or credentials allowing unlimited access.
  - f. Agree to modify your website to comply with current or future MPGXtreme policies.
- D. All marketing materials used on an ISR's third-party website must be provided by MPGXtreme or approved in writing by MPGXtreme.
- E. To avoid confusion, the following three elements must also be prominently displayed at the top of every page of your third-party website:
  - 1. The MPGXtreme ISR Logo
  - 2. Your Name and Title
  - 3. MPGXtreme Corporate Website Redirect Button
- F. An ISR may not use third-party sites that contain materials copied from corporate sources (such as MPGXtreme brochures, CDs, videos, tapes, events, presentations, and corporate websites). This Policy ensures brand consistency, allows Customers and ISRs to stay up-to-date with changing products, services and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.
- G. MPGXtreme products may be displayed with other products or services on an ISR's third-party website so long as the other products and services are consistent with MPGXtreme values and are not marketed or sold by a competing network-marketing company.

## MPGX TREME

- H. If the independent MPGXtreme business of an ISR who has received authorization to create and post a third-party website is voluntarily or involuntarily canceled for any reason, or if MPGXtreme revokes its authorization allowing the ISR to maintain a third-party website, the ISR shall assign the URL to his/her third-party website to MPGXtreme within three (3) days from the date of the cancellation and/or re-direct all traffic to the site as directed by the MPGXtreme. MPGXtreme reserves the right to revoke any ISR's right to use a third-party website at any time if MPGXtreme believes that such revocation is in the best interest of MPGXtreme, its ISRs, and Customers. Decisions and corrective actions in this area are at MPGXtreme's sole discretion.
- I. Social Media sites may not be used to sell or offer to sell MPGXtreme products or services. PROFILES AN ISR GENERATES IN ANY SOCIAL COMMUNITY WHERE MPGX TREME IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE ISR AS A MPGX TREME ISR, and when an ISR participates in those communities, ISRs must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at MPGXtreme's sole discretion, and offending ISRs will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the MPGXtreme approved library. If a link is provided, it must link to the posting ISR's Replicated website or an approved third-party website.
- J. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending ISRs will be subject to disciplinary action.
- K. ISRs may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments ISRs create or leave must be useful, unique, relevant and specific to the blog's article.
- L. ISRs must disclose their full name on all Social Media postings, and conspicuously identify themselves as an independent ISR for MPGXtreme. Anonymous postings or use of an alias is prohibited.
- M. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the MPGXtreme income opportunity, MPGXtreme's products and services, and/or your biographical information and credentials.
- N. ISRs are personally responsible for their postings and all other online activity that relates to MPGXtreme. Therefore, even if an ISR does not own or operate a blog or Social Media site, if an ISR posts to any such site that relates to MPGXtreme or which can be traced to MPGXtreme, the ISR is responsible for the posting. ISRs are also responsible for postings which occur on any blog or Social Media site that the ISR owns, operates, or controls.
- O. As a MPGXtreme ISR, it is important to not converse with any person who places a negative post against you, other ISRs, or MPGXtreme. Report negative posts to MPGXtreme at support@MPGXtreme.com.com. Responding to such negative posts often simply fuels a

## MPGX TREME

discussion with someone carrying a grudge that does not hold themselves to the same high standards as MPGXtreme, and therefore damages the reputation and goodwill of MPGXtreme.

- P. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, MPGXtreme therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that ISRs using, or who wish to use, such sites adhere to the MPGXtreme's policies relating to third-party websites.
- Q. If your MPGXtreme business is cancelled for any reason, you must discontinue using the MPGXtreme name, and all of MPGXtreme's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent MPGXtreme ISR, you must conspicuously disclose that you are no longer an independent MPGXtreme ISR.
- R. Failure to comply with these Policies for conducting business online may result in the ISR losing their right to advertise and market MPGXtreme products, services and MPGXtreme's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.

### **9.5 Advertising and Promotional Materials**

- A. You may not advertise any MPGXtreme products or services at a price LESS than the highest company published, established retail price of ONE offering of the MPGXtreme product or service plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.
- C. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the MPGXtreme Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the MPGXtreme Compliance Department.
- E. MPGXtreme approval is not required to place blind ads that do not mention MPGXtreme, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. MPGXtreme reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations, and may require

## MPGX TREME

the removal of such advertisements from the marketplace without obligation to the affected ISR.

### 9.6 Testimonial Permission

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

### 9.7 Telemarketing - Limitations

- A. A MPGXtreme ISR must not engage in telemarketing in relation to the operation of the ISR's MPGXtreme business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of MPGXtreme products or services, or to recruit them for the MPGXtreme opportunity.
- B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have laws that restrict telemarketing practices. Both Federal agencies, as well as a number of States have "do not call" regulations as part of their telemarketing laws.
- C. While an ISR may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the ISR to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).
- D. "Cold calls" or "state-to-state calls" made to prospective Customers, or ISRs that promote either MPGXtreme products, services or the MPGXtreme opportunity is considered telemarketing and is prohibited.
- E. Exceptions to Telemarketing Regulations

A MPGXtreme ISR may place telephone calls to prospective Customers, or ISRs under the following limited situations;

- I. If the ISR has an established business relationship with the prospect;

## MPGX TREME

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

### **10.0 INTERNATIONAL MARKETING**

#### **10.1 International Marketing Policy**

- A. A MPGXtreme ISR is authorized to sell MPGXtreme products and services, to Customers and ISRs only in the countries in which MPGXtreme is authorized to conduct business, according to the Policies and Procedures of each country. MPGXtreme ISRs may not sell products or services in any country where MPGXtreme products and services have not received applicable government authorization or approval.
- B. An ISR may not, in any unauthorized country, conduct sales, enrollment or training meetings, enroll or attempt to enroll potential Customers, or ISRs, nor conduct any other activity for the

## MPGXTREME

purpose of selling MPG Xtreme products and services, establishing a sales organization, or promoting the MPG Xtreme business opportunity.

### **11.0 CHANGES TO AN ISR BUSINESS**

#### **11.1 Modification of the ISR Agreement**

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

#### **11.2 Change Sponsor for Active ISRs**

- A. Maintaining the integrity of the organizational structure is mandatory for the success of MPG Xtreme and our independent ISRs. As such, under exceptional circumstances at the discretion of the Company, a request to correct a possible sponsor error may only be made within the first 7 days of initial enrollment as an ISR.
- B. To change or correct the Sponsor, an ISR must comply with following procedures;
  - I. Submit a Sponsor Transfer Form;
  - II. Submit a MPG Xtreme ISR Agreement showing the correct Sponsor, and any appropriate supporting documentation;
  - III. The ISR Agreement must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first Agreement.
- C. Upon approval, the ISR’s downline, if any, will transfer with the ISR.
- D. If one transfer has already been made, a \$20 fee will be assessed for the second and for each transfer thereafter.
- E. After the first 7 days from initial enrollment, MPG Xtreme will honor the Sponsor as shown:
  - I. On the most recently signed ISR Agreement on file; or
  - II. Self-enrolled on the website (i.e., electronically signed Web Agreement).
- F. MPG Xtreme retains the right to approve or deny any requests to change Sponsor, and to correct any errors related thereto at any time and in whatever manner it deems necessary.

## MPGXTREME

### 11.3 Change Sponsor for Inactive ISRs

- A. At the discretion of MPG Xtreme, ISRs who did not participate in an auto ship or have not ordered products or services for at least 12 months, and who have not tendered a letter of resignation, are eligible to re-enroll in MPG Xtreme under the Sponsor of their choice.
- B. Upon written notice to MPG Xtreme that a former ISR wishes to re-enroll, MPG Xtreme will “compress” (close) the original account. A new MPG Xtreme ID number will then be issued to the former ISR.
- C. Such ISR does not retain former rank, downline, or rights to commission checks from his or her former organizations.
- D. MPG Xtreme reserves the right to correct Sponsor errors at any time and in whatever manner it deems necessary.

### 11.4 Change Organizations

- A. If a MPG Xtreme ISR wishes to transfer organizations, he or she must submit a letter of resignation to the MPG Xtreme Customer Service Department and remain inactive (place no orders, or be on an auto ship) with or in MPG Xtreme for 6 months from the receipt of the letter before being eligible to re-enroll under a different Sponsor.
- B. MPG Xtreme retains the right to approve or deny any request to re-enroll after an ISR’s resignation.
- C. If re-enrollment is approved, the former ISR will be issued a new MPG Xtreme ID number and will be required to submit a new ISR Agreement. The ISR will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.
- D. Transfers may not be done outside of the original organization.

### 11.5 Unethical Sponsoring

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new ISR from another ISR or influencing another ISR to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported in writing to the MPG Xtreme Compliance Department within the first 90 days of enrollment. If the reports are substantiated, MPG Xtreme may transfer the ISR or the ISR’s downline to another sponsor or organization without approval from the current up-line Sponsor. MPG Xtreme remains the final authority in such cases.
- C. MPG Xtreme prohibits the act of “Stacking.” Stacking is the unauthorized manipulation of the MPG Xtreme compensation system and/or the marketing plan in order to trigger commissions

## MPGXTREME

or cause a promotion off a downline ISR in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent consultant positions of all individuals and/or entities found to be directly involved.

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

### 11.6 Sell, Assign or Delegate Ownership

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for MPG Xtreme to place restrictions on the transfer, assignment, or sale of a position.
- B. A MPG Xtreme ISR may not sell or assign his or her rights or delegate his or her position as an ISR without *prior written approval* by MPG Xtreme, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of MPG Xtreme.
- C. Should the sale be approved by MPG Xtreme, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.
- D. To request corporate authorization for a sale or transfer of a MPG Xtreme position, the following items must be submitted to the MPG Xtreme Compliance Department;
  - I. A Sale/Transfer of position Form properly completed, with the requisite signatures.
  - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
  - III. A MPG Xtreme ISR Agreement completed and signed by the Buyer;
  - IV. Payment of the \$100 administration fee;
  - V. Any additional supporting documentation requested by MPG Xtreme.
- E. Any debt obligations that either Seller or Buyer may have with MPG Xtreme must be satisfied prior to the approval of the sale or transfer by MPG Xtreme.
- F. A MPG Xtreme ISR who sells his or her position is not eligible to re-enroll as a MPG Xtreme ISR in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

## MPGX TREME

### 11.7 Separating a MPGXtreme Business

- A. Pending a divorce or dissolution of a partnership or other business entity, the parties must adopt one of the following methods of operation;
  - I. One of the parties may, with the written consent of the other(s), operate the MPGXtreme business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize MPGXtreme to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee;
  - II. The parties may continue to operate the MPGXtreme business jointly on a “business as usual” basis, whereupon all compensation paid by MPGXtreme will be paid in the name designated as the ISRs or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, MPGXtreme will pay compensation to the name on record and in such event, the ISR named on the account shall indemnify MPGXtreme from any claims from the other business owner(s) or the other Spouse with respect to such payment.
- B. MPGXtreme recognizes only one Downline organization and will issue only one commission check per MPGXtreme business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will MPGXtreme split commission and/or bonus checks.
- C. If a relinquishing Spouse, partner or owner of the business has completely relinquished (“Relinquishing Party”), in writing, all rights to the original MPGXtreme business, he or she may immediately thereafter re-enroll under the Sponsor of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any ISR or active Customer in the former organization, and must develop a new business in the same manner as any other new MPGXtreme ISR. An ISR in the Relinquishing Party’s former Downline who wishes to transfer to the Relinquishing Party’s new organization or to any other organization, must comply with the requirements in Section 13.5.

### 11.8 Succession

- A. Upon the death or incapacity of an ISR, the ISR’s business may be passed on to his or her legal successors in interest (successor). Whenever a MPGXtreme business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased ISR’s sales organization. The successor must:
  - I. Complete and sign a new MPGXtreme ISR Agreement;
  - II. Comply with the Terms and provisions of the ISR Agreement; and
  - III. Meet all of the qualifications for the last rank achieved by the former ISR.
- B. Bonus and commission checks of a MPGXtreme business transferred based on this section will be paid in a single check to the successor. The successor must provide MPGXtreme with an

## MPGX TREME

“address of record” to which all bonus and commission Payments will be sent. Payments will be based on the current performance of the position, not the highest rank or volume achieved.

- C. If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a Federal taxpayer identification number. MPGXtreme will issue all bonus and commission payments and one 1099 Miscellaneous Income Tax form to the managing business entity only.
- D. Appropriate legal documentation must be submitted to MPGXtreme Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a MPGXtreme business, the successor must provide the following to MPGXtreme Compliance Department;
  - I. A certified copy of the death certificate; and
  - II. A notarized copy of the will or other appropriate legal documentation establishing the successor’s right to the MPGXtreme business.
- E. To complete a transfer of the MPGXtreme business because of incapacity, the successor must provide the following to the MPGXtreme Compliance Department;
  - I. A notarized copy of an appointment as trustee;
  - II. A notarized copy of the trust document or other appropriate legal documentation establishing the trustee’s right to administer the MPGXtreme business; and
  - III. A completed ISR Agreement executed by the trustee.
- F. If the successor is already an existing ISR, MPGXtreme will allow such ISR to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the 6-month period, the ISR must have compressed (if applicable), sold or otherwise transferred either the existing position or the inherited position.
- G. If the successor wishes to terminate the MPGXtreme position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, MPGXtreme may grant a 1 month bereavement waiver and pay out at the last “paid as” rank.

### **11.9 Resignation/Voluntary Termination**

- A. An ISR may immediately terminate his or her position by submitting a written notice or email to the MPGXtreme Compliance Department compliance [at]MPGXtreme.com. The written notice must include the following;
  - I. The ISR’s intent to resign;
  - II. Date of resignation;
  - III. MPGXtreme Identification Number;

## MPGX TREME

- IV. Reason for resigning; and
  - V. Signature.
- B. A MPGXtreme ISR may not use resignation as a way to immediately change Sponsor. Instead, the ISR who has voluntarily resigned is not eligible to reapply for a position or have any financial interest in a or any MPGXtreme business for 6 months from the receipt of the written notice of resignation.

### 11.10 Involuntary Termination

- A. MPGXtreme reserves the right to terminate an ISR's position for, but not limited to, the following reasons;
- I. Violation of any Terms or Conditions of the ISR Agreement;
  - II. Violation of any provision in these Policies and Procedures;
  - III. Violation of any provision in the Compensation Plan;
  - IV. Violation of any applicable law, ordinance, or regulation regarding the MPGXtreme business;
  - V. Engaging in unethical business practices or violating standards of fair dealing; or
  - VI. Returning over \$300 worth of products, services and/or sales tools for a refund within a 12-month period.
- B. MPGXtreme will notify the ISR in writing *by certified mail, return receipt* requested or *overnight documented mail*, at his or her last known address of its intent to terminate the ISR's position and the reasons for termination. The ISR will have 15 calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice. MPGXtreme will then have 30 calendar days from the date of receipt of the ISR's response to render a final decision as to termination.
- C. If a decision is made by MPGXtreme to terminate the ISR's position, MPGXtreme will inform the ISR in writing that the position is terminated effective as of the date of the written notification. The ISR will then have 15 calendar days from the date of mailing of such notice to appeal the termination in writing. MPGXtreme must receive the ISR's written appeal within 20 calendar days of the date of the MPGXtreme termination letter. If the written appeal is not received within this time period, the termination will be considered final.
- D. If the ISR does file a timely appeal of termination, MPGXtreme will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the ISR of its decision. The decision of MPGXtreme is then considered final and not subject to further review.
- E. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by MPGXtreme. The former ISR shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any MPGXtreme products or services. MPGXtreme will notify the active Upline

## MPGX TREME

Sponsor within 10 days after termination. The organization of the terminated ISR will “roll up” to the active Upline Sponsor on record.

- F. The MPGXtreme ISR who is involuntarily terminated by MPGXtreme may not reapply for a position, either under his or her present name or any other name or entity, without the *express written consent of an officer of MPGXtreme*, following a review by the *MPGXtreme Compliance Committee*. In any event, such ISR may not re-apply for a position for 12 months from the date of termination.

### 11.11 Effect of Cancellation

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

## 12.0 DISCIPLINARY SANCTIONS

### 12.1 Imposition of Disciplinary Action - Purpose

- A. It is the spirit of MPGXtreme that integrity and fairness should pervade among its ISRs, thereby providing everyone with an equal opportunity to build a successful business. Therefore, MPGXtreme reserves the right to impose disciplinary sanctions at any time, when it has determined that an ISR has violated the Agreement or any of these Policies and Procedures or the Compensation Plan as they may be amended from time to time by MPGXtreme.

### 12.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following;
  - I. Monitoring an ISR’s conduct over a specified period of time to assure compliance;
  - II. Issuance of a written warning or requiring the ISR to take immediate corrective action;
  - III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments (“Commission Hold”) until the matter causing the Commission Hold is resolved or until MPGXtreme receives adequate additional assurances from the ISR to ensure future compliance;
  - IV. Suspension from participation in Company or ISR events, rewards, or recognition;

## MPGXTREME

- V. Suspension of the MPG Xtreme ISR Agreement and position for one or more pay periods;
- VI. Involuntary termination of the ISR's Agreement and position;
- VII. Any other measure which MPG Xtreme deems feasible and appropriate to justly resolve injuries caused by the ISR's Policy violation or contractual breach; OR
- VIII. Legal proceedings for monetary or equitable relief.

### **13.0 DISPUTE RESOLUTION**

#### **13.1 Grievances**

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

## MPGX TREME

- a. The Compliance Department will send an acknowledgment of receipt to the complaining ISR;
  - b. The Compliance Department will provide a verbal or written notice of the allegation to the ISR under investigation. If a written notice is sent to the ISR, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by MPGXtreme
  - c. The Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case by case basis, and the length of time to reach a resolution will vary.
  - d. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. ISR calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- F. MPGXtreme will make a final decision and timely notify the MPGXtreme ISRs involved.

### 13.2 Arbitration

- A. **Any controversy or claim arising out of or relating to the MPGXtreme ISR agreement, these Policies and Procedures, or the breach thereof, the ISR’s business or any dispute between MPGXtreme and the ISR, shall be settled by binding and confidential arbitration administered by the American Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Any such arbitration shall be held in Grand Island, Nebraska. There shall be one arbitrator, who shall have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the American Arbitration Association.
- B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including reasonable attorney’s fees and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.
- C. This agreement to arbitration shall survive any termination or expiration of the ISR agreement.
- D. Nothing in these Policies and Procedures shall prevent MPGXtreme from applying for or obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect MPGXtreme interests or its Confidential Information prior to, during or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

## MPGX TREME

- E. **NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.**
- F. These Policies and Procedures and any arbitration involving an ISR and MPGXtreme shall be governed by and construed in accordance with the laws of the state of Nebraska, without reference to its principles of conflict of laws.

### 13.3 Damages

- A. In any case which arises from or relates to the wrongful termination of the ISR Agreement and/or an ISR's MPGXtreme business, the MPGXtreme and ISR agree that damages will be extremely difficult to ascertain. Therefore, the Company and ISR stipulate that if the involuntary termination of the ISR Agreement and/or loss of the ISR's MPGXtreme business is proven and held to be wrongful under any theory of law, the ISR's sole remedy shall be liquidated damages calculated as follows:
  - I. For ISR's at the "Paid As" rank of Emerald or above (with the exception of paragraph II below), liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the MPGXtreme Compensation Plan in the twelve (12) months immediately preceding the termination.
  - II. For ISR's at the "Paid As" rank of Diamond, liquidated damages shall be in the amount of his/her gross compensation that he/she earned pursuant to the MPGXtreme Compensation Plan in the twenty-four (24) months immediately preceding the termination.
- B. In any action arising from or relating to the Agreement, the MPGXtreme business, or the relationship between the Company and ISR, both parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The Company and ISR further waive all claims to exemplary and punitive damages.

### 13.4 Severability

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

### 13.5 Waiver

- A. Only an officer of MPGXtreme can, in writing, affect a waiver of the MPGXtreme Policies and Procedures. MPGXtreme's waiver of any particular breach by an ISR shall not affect

## MPGXTREME

MPGXtreme's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other ISR.

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

### **13.6 Successors and Claims**

The agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

### **14.0 GOVERNING LAW**

These Policies and Procedures shall be governed by and construed in accordance with the Laws of the State of Nebraska and the exclusive jurisdiction of the United States courts.

### **15.0 MPGXtreme GLOSSARY OF TERMS**

**ACTIVE ISR:** An ISR who satisfies the minimum volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

**AGREEMENT:** The contract between the Company and each ISR; includes the ISR Agreement, the MPGXtreme Policies and Procedures, and the MPGXtreme Compensation Plan, all in their current form and as amended by MPGXtreme in its sole discretion. These documents are collectively referred to as the "Agreement."

**CANCEL:** The termination of an ISR's business. Cancellation may be either voluntary, involuntary, or through non-renewal.

**COMPENSATION PLAN:** The guidelines and referenced literature for describing how ISRs can generate commissions and bonuses.

**CUSTOMER:** A Customer who purchases MPGXtreme products and does not engage in building a business or retailing product.

**INDEPENDENT BRAND PARTNER:** An individual who purchases product, generates retail sales and business building commissions.

**LINE OF SPONSORSHIP (LOS):** A report generated by MPGXtreme that provides critical data relating to the identities of ISRs, sales information, and enrollment activity of each ISR's organization. This report contains confidential and trade secret information which is proprietary to MPGXtreme.

**ORGANIZATION:** The Customers and ISRs placed below a particular ISR.

## MPGXTREME

**OFFICIAL MPGXTREME MATERIAL:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by MPG Xtreme to ISRs.

**RECRUIT:** For purposes of MPG Xtreme’s Conflict of Interest Policy, the term “Recruit” means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another MPG Xtreme ISR or Customer to enrol or participate in another multilevel marketing, network marketing, or direct sales opportunity.

**RESALABLE:** Products shall be deemed “resalable” if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labelling has not been altered or damaged, 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current MPG Xtreme labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SPONSOR:** An ISR who enrolls a Customer, Retailer, or another ISR into the Company, and is listed as the Sponsor on the ISR Agreement. The act of enrolling others and training them to become ISRs is called “sponsoring.”

**UPLINE:** This term refers to the ISR or ISRs above a particular ISR in a sponsorship line up to the Company. It is the line of sponsors that links any particular ISR to the Company.