

**FREQUENSE, INC.**

**Statement of Policies &  
Procedures**

## **Table of Contents**

### **1.0 INTRODUCTION**

- 1.1 Mutual Commitment Statement**
- 1.2 Code of Ethics**
- 1.3 The Affiliate Agreement**
- 1.4 Amendments to the Affiliate Agreement**

### **2.0 BASIC PRINCIPLES**

- 2.1 Independent Contractor Status**
- 2.2 Becoming a Frequense Affiliate**
- 2.3 Affiliate Enrollment**

### **3.0 FREQUENSE AFFILIATE RESPONSIBILITIES**

- 3.1 Correct Address**
- 3.2 Training and Leadership**
- 3.3 Sponsorship**
- 3.4 Unethical Sponsoring**
- 3.5 Cross Sponsoring Prohibition**
- 3.6 Solicitation for Other Companies and Products**

### **4.0 AGREEMENTS & GENERAL UNDERSTANDINGS**

- 4.1 Rights Granted**
- 4.2 Frequense Account Renewals and Termination of the Affiliate Frequense Account Due to Nonpayment of the Annual Membership Renewal Fee**
- 4.3 Effect Termination**
- 4.4 Modifying an Affiliate's Frequense Account**
- 4.5 Unauthorized Transfer & Re-Enrollment**
- 4.6 Change of Sponsors for Affiliates**
- 4.7 Change of Organizations**
- 4.8 Placement Lounge**
- 4.9 Voluntary Termination**
- 4.10 Involuntary Termination**

## **5.0 BUSINESS ENTITIES**

### **5.1 Definition**

### **5.2 Indemnification for Actions**

### **5.3 Insurance**

## **6.0 POLICY VIOLATIONS**

### **6.1 Reporting Policy Violation**

### **6.2 Adherence to the Frequense Compensation Plan**

### **6.3 Adherence to Laws and Ordinances**

### **6.4 Compliance with Applicable Tax Laws**

### **6.5 One Frequense Account Per Affiliate**

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

### **6.7 Identification Numbers and Pay-Out**

### **6.8 Sale, Assignment, or Delegate Ownership**

### **6.9 Separating a Frequense Business**

### **6.10 Succession**

## **7.0 DISCIPLINARY ACTION**

### **7.1 Imposition of Disciplinary Action – Purpose**

### **7.2 Consequences and Remedies of Breach**

### **7.3 Suspension Procedures**

## **8.0 DISPUTE RESOLUTION**

### **8.1 Grievances Against Another Affiliate**

### **8.2 Mediating Disputes Between an Affiliate and Frequense**

### **8.3 Severability**

### **8.4 Waiver**

### **8.5 Governing Law**

### **8.6 Class Action Waiver**

## **9.0 PAYMENT OF COMMISSIONS & BONUSES**

### **9.1 Bonus and Commission Qualifications**

### **9.2 Computation of Commissions and Discrepancies**

**9.3 Adjustments to Bonuses and Commissions for Returned Products or Affiliate Memberships**

**10.0 ORDERING PRODUCT**

**10.1 General Product Ordering Policies**

**10.2 Sales to Customers**

**10.3 Insufficient Funds**

**10.4 Credit Card Purchases**

**10.5 Sales Tax Obligation**

**10.6 Refund Policy**

**10.7 Return Process**

**11.0 FREQUENSE OPPORTUNITY**

**11.1 Presentation of Compensation Plan**

**11.2 Sales Requirements Are Governed by the Compensation Plan**

**12.0 PROPRIETARY INFORMATION & TRADE SECRETS**

**12.1 Reports**

**12.2 Obligation of Confidentiality**

**12.3 Breach and Remedies**

**12.4 Return of Materials**

**13.0 PRIVACY POLICY**

**13.1 Introduction**

**13.2 Expectation of Privacy**

**13.3 Employee Access to Information**

**13.4 Restrictions on the Disclosure of Account Information**

**14.0 PRODUCT INSPECTION, QUALITY CONTROLS, ADVERTISING, PROMOTIONAL MATERIAL, USE OF FREQUENSE AND TRADEMARKS**

**14.1 Inspection, Product Care, and Quality Controls**

**14.2 Labeling, Packaging, and Displaying Products**

**14.3 Use of Company's Names and Protected Materials**

**14.4 Faxes and E-mail - Limitations**

**14.5 Internet and Third-Party Website Restrictions**

**14.6 Advertising and Promotional Materials**

**14.7 Testimonial Permission**

**14.8 Telemarketing - Limitations**

**15.0 INTERNATIONAL MARKETING**

**15.1 International Marketing Policy**

**16.0 AUTOSHIP CANCELLATION**

**17.0 SHIPPING POLICY**

## 1.0 INTRODUCTION

### 1.1 **Mutual Commitment Statement**

- a) **Frequense, Inc.**, (hereinafter referred to as (“Frequense” or “Company”) strives to develop a long-term and mutually rewarding relationship with its Affiliates and Customers. In the spirit of mutual respect and understanding, Frequense is committed to:
- (i) Providing prompt, professional, and courteous service to its Affiliates and Customers;
  - (ii) Providing the highest level of quality products, at fair and reasonable prices;
  - (iii) Exchanging or refunding the purchase price of any product, service, or membership as provided in Frequense’s return policies contained herein;
  - (iv) Delivering orders promptly and accurately;
  - (v) Paying commissions accurately and on a timely basis;
  - (vi) Expediting orders if an error or unreasonable delay occurs;
  - (vii) Maintaining a mutually beneficial Compensation Plan;
  - (viii) Implementing changes to the Compensation Plan or this Statement of Policies and Procedures (the “Policies and Procedures”) with input from Affiliates and/or Customers (Note: such changes will be effective thirty (30) days after the date any such changes are published by Frequense)
  - (ix) Supporting, protecting, and defending the integrity of the Frequense Business Opportunity;
- b) In return, Frequense expects that its Affiliates will:
- (i) Conduct themselves in a professional, honest, and considerate manner;
  - (ii) Present Frequense Corporate and Frequense product information in an accurate and professional manner;
  - (iii) Present the Compensation Plan and return and exchange policies in a complete and accurate manner;
  - (iv) Not make exaggerated income or product claims;
  - (v) Make reasonable effort(s) to support and train other Affiliates 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 Frequense Affiliates and Customers in their downline while exercising caution to avoid interference with other downlines. As such, an Affiliate is discouraged from providing cross-line training to other Affiliates Customers in a different Organization without first obtaining the consent of the Affiliate or Customer's upline leader;
- (viii) Support, protect, and defend the integrity of the Frequense business opportunity.

## 1.2 Code of Ethics

- a) Frequense desires to provide its Independent Affiliates with the best products and Compensation Plan in the industry. Accordingly, Frequense values constructive criticism and encourages the submission of written comments addressed to the Frequense Compliance Department.
- b) Affiliate's negative and disparaging comments about Frequense, its products, these Policies, or Compensation Plan, made to Frequense, or to the field or at any Frequense meeting and/or event, or disruptive behavior at any meeting and/or event, serve no purpose other than to dampen the enthusiasm of other Affiliates and Customers. Frequense Affiliates must not belittle Frequense, fellow Frequense Affiliates, Frequense products or services, the Compensation Plan, or any and all Frequense directors, officers, employees, product suppliers, or agents. Such conduct represents a material breach of these Policies and Procedures and may result in suspension or termination of the offending Affiliate Account.
- c) Frequense endorses the following code of ethics:
  - (i) A Frequense Affiliate must show fairness, tolerance, and respect to all people associated with Frequense, regardless of race, gender, social class, or religion, thereby fostering a "positive atmosphere" of teamwork, good morale, and community spirit.
  - (ii) An Affiliate shall strive to resolve business issues, including conflicts or disagreements with Upline and/or downline Organization Affiliate with tact, sensitivity, and goodwill, and take care not to create additional conflict.
  - (iii) Frequense Affiliates must be honest, responsible, professional, and conduct themselves with integrity.
  - (iv) Frequense shall not make disparaging statements about Frequense, other Affiliates, Frequense employees, product suppliers or agents, products, services, sales, and marketing campaigns, or the Compensation Plan.
  - (v) Frequense Affiliates shall not make statements that unreasonably offend, mislead or coerce others.
- d) Frequense may take appropriate action against an Affiliate if it determines, in its sole discretion, that an Affiliate's conduct is detrimental, disruptive, or injurious to Frequense or other Affiliates.

### **1.3 The Affiliate Agreement**

- a) Throughout these Policies & Procedures, when the term “Agreement” is used, it collectively refers to the most current version of the following along with any addendums or exhibits thereto: (i) Frequense Policies and Procedures; and (ii) Frequense Compensation Plan.
- b) It is the responsibility of the Sponsoring Affiliate to provide the most current version of these Policies and Procedures (available on the Frequense website), the Income Disclosure Statement, the Compensation Plan, and any and all social media guidelines or any other guidelines which may be implemented from time to time and any amendments thereto to their downline Affiliate. The Income Disclosure Statement is attached as Addendum 1 and is incorporated by reference for all purposes.

### **1.4 Amendments to the Affiliate Agreement**

- a) Because federal, state, and local laws, as well as the business environment, periodically change, Frequense reserves the right to amend the Agreement as set forth on its website in its sole and absolute discretion. Notification of amendments shall appear in official Frequense materials, Frequense website, social media outlets, and/or the Affiliate’s back office.
- b) Any such amendment, change, or modification shall be effective thirty (30) days following notice by one of the following methods:
  - (i) Posting on the official Frequense website;
  - (ii) Electronic mail (e-mail); or
  - (iii) Any Frequense communication channels or social media outlets (i.e., Facebook, Instagram, Twitter, and/or Frequense App).

## **2.0 BASIC PRINCIPLES**

### **2.1 Independent Contractor Status**

- a) A Frequense Affiliate is an independent contractor. An Affiliate is not a franchisee, joint venture Partner, business Partner, employee, or agent of Frequense, and an Affiliate is prohibited from stating or implying, whether orally or in writing, otherwise. An Affiliate has no authority to bind Frequense to any obligation. Frequense is not responsible for payment or co-payment of any employee benefits. An Affiliate is responsible for liability, health, disability, and workmen’s compensation insurance. A Frequense Affiliate is responsible for their own managerial decisions and expenditures including all estimated income and self-employment taxes. A Frequense Affiliate sets their own hours and determines how to conduct their Affiliate business, subject to the Frequense Affiliate Agreement and any other guidelines that may be implemented from time to time.

### **2.2 Becoming a Frequense Affiliate**

- a) To become an Affiliate, an applicant must:
  - (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, U.S. territory, or Canada in which Frequense is licensed to operate.
- (iii) Have a valid taxpayer identification number (i.e., Social Security Number, Federal Tax ID Number (EIN));
- (iv) Enter a verified mobile phone number that is not in use or associated with any other Frequense accounts, which will be verified through a verification code sent to the applicant's mobile phone number.
- (v) Acknowledge and agree to all communications sent by Frequense, (including but not limited to emails, texts, broadcasts, letters, etc.) with the choice to "opt-out" of these communications.

### **2.3 New Affiliate Enrollment**

- a) A potential new Affiliate may self-enroll on any Affiliate/Sponsor's website, subject to acceptance by Frequense of the applicant's online enrollment confirming the applicant has agreed to all terms and conditions of the Affiliate Agreement.
- b) Electronically submitted and/or signed documents, including, but not limited to, online submissions, automated credit card processing authorization documents, and the Affiliate Agreement are legally binding contracts that must not be altered, tampered with, or changed in any manner after they have been signed and/or submitted. False or misleading information, forged signatures, or alterations to any document, including business registration forms, may lead to sanctions, up to and including involuntary termination of the offending Affiliate's Account.
- c) An applicant enrolling with Frequense must identify a Sponsor in the online enrollment process. If the applicant later enrolls and identifies a different Sponsor, Frequense will not accept the later enrollment. Frequense reserves the right, at its sole discretion, to make the final decision with respect to any disputes regarding Affiliate enrollments and Sponsors.

## **3.0 FREQUENSE AFFILIATE RESPONSIBILITIES**

### **3.1 Correct Address**

- a) It is the responsibility of the Affiliate or Customer to make sure Frequense has the correct shipping address before any orders are shipped.
- b) An Affiliate and/or Customer will need to allow up to seventy-two (72) hours for processing after the notice of address change has been received by Frequense Support Team.

### **3.2 Training and Leadership**

- a) Sponsoring Affiliates should have ongoing contact and communication with the Affiliates in their downline Organizations. Examples of communication may include but are not limited to, newsletters, written correspondence, personal telephone calls, team conference calls, voicemail, e-mail, personal meetings, training sessions, events, workshops, and any other related functions.

- b) A Sponsoring Frequense Affiliate should monitor the Affiliates in his or her downline Organizations to ensure that downline Affiliates do not make improper product or business claims or engage in any illegal or inappropriate conduct. Upon request, an Affiliate must provide documented evidence to Frequense of his or her ongoing fulfillment of the responsibilities set forth in this Section 3.2.
- c) Up-line Affiliates are encouraged to educate and train new Affiliates about Frequense's products and services, effective sales techniques, the Compensation Plan, along with compliance with these Policies and Procedures, and any and all social media guidelines or any other guidelines issued by Frequense. Marketing product is a required activity in Frequense and must be emphasized in all Recruiting presentations.
- d) Use of Sales Aids. To promote Frequense products and the Frequense business opportunity, Affiliates are encouraged to use the sales aids and support materials produced or expressly authorized by Frequense. Affiliates may use and publish marketing materials they design only after such materials have been approved by Frequense. An Affiliate's unauthorized use of sales aids or promotional materials, including but not limited to Internet advertising, and social media marketing on Facebook, Instagram, and like, is a violation of these Policies and Procedures. Additionally, publishing marketing materials that violate any number of statutes or regulatory laws governing how Frequense's products or business opportunity may be marketed is a violation of these Policies and Procedures and may result in immediate termination of the publisher's Frequense Account. Any such violations could jeopardize the Frequense opportunity for all Affiliates. Accordingly, Affiliates must submit via email all sales aids, promotional materials, advertisements, websites, training material, and flyers, along with any other literature to Frequense's Compliance Department for approval prior to use at [compliance@frequense.com](mailto:compliance@frequense.com). Unless the Affiliate receives specific written approval to use the material(s), the request shall be deemed denied. All Affiliates shall safeguard and promote the good reputation of Frequense and its products. The marketing and promotion of Frequense, the Frequense opportunity, the Compensation Plan, and Frequense 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 Sponsorship**

- a) The Sponsor is the person who introduces an Affiliate or Customer to Frequense, helps them complete their enrollment, and supports and trains those in their downline.
- b) Frequense recognizes the Sponsor as the name shown on an applicant's first enrollment submission to Frequense.
- c) An applicant may not enroll with Frequense as an Affiliate without personally accepting and agreeing to the terms and conditions of the Frequense Agreement.
- d) Frequense recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but Frequense will not allow Affiliates to engage in unethical sponsoring activities.
- e) All active Affiliates in good standing have the right to Sponsor and enroll others into Frequense. While engaged in sponsoring activities, it is not uncommon to encounter

situations when more than one Affiliate will approach the same prospect. In this scenario, the new prospect should be Sponsored by the first Affiliate who presented a comprehensive introduction to Frequense products or business opportunity.

- f) In the event of a dispute regarding Sponsorship, Frequense reserves the right to designate a prospect's Sponsor and all such determinations are final.

### **3.4 Unethical Sponsoring**

- a) Unethical sponsoring activities include but are not limited to, enticing, bidding, or engaging in unhealthy competition by attempting to acquire a prospect or new Affiliate away from a fellow Affiliate or influencing another Affiliate to transfer to a different sponsor.
- b) Allegations of unethical sponsoring must be reported in writing to the Frequense Compliance Department within the first 30 days of the new Affiliate enrollment in question. If the reports are substantiated, Frequense may transfer the Affiliate or the Affiliate's downline to another Sponsor or Organization without approval from the current up-line Sponsor. Frequense remains the final authority in such cases.
- c) Frequense prohibits the unauthorized manipulation of the Frequense Compensation Plan and/or marketing plan to trigger commissions or cause the promotion of a downline Affiliate in an unearned manner (hereinafter, "Stacking."). For example, Stacking occurs when a Sponsor places an Affiliate(s) under an inactive downline without the Affiliate's knowledge in order to trigger unearned qualification for commissioning purposes. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense that may result in the immediate termination of Accounts of all Affiliates, individuals, and/or entities found to be involved.
- d) Any Affiliate who solicits or entices members of another direct sales company to sell or distribute Frequense products and services bears the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an Affiliate alleging that they engaged in inappropriate Recruiting of another company's sales force or customers, Frequense will not pay any of the Affiliate's defense costs or legal fees, nor will Frequense indemnify the Affiliate for any judgment, award, or settlement.

### **3.5 Cross Sponsoring Prohibition**

- a) "Cross sponsoring" is defined as the enrollment into a different Line of Sponsorship of an individual, or Business Entity, that was already previously enrolled as an Affiliate. Actual or attempted Cross Sponsoring is strictly prohibited and may result in termination of the offending Affiliate's Account.
- b) Enrollment through the use of a Spouse or relative's name, trade name, assumed name, Business Entity, or fictitious identification of any kind to evade or circumvent this Cross Sponsoring Policy is strictly prohibited.
- c) This Policy does not prohibit the transfer of a Frequense Account and business in accordance with the Transfer of Sale or Transfer Policy set forth in these Policies.

### **3.6 Solicitation for Other Companies or Products**

- a) A Frequense Affiliate and/or Customer may participate in other direct sales, multilevel, network marketing, or relationship marketing businesses or marketing opportunities, as long as it is not a Competing Product as defined herein. However, during the Term of this Agreement and for six (6) months thereafter, a Frequense Affiliate may not recruit any fellow Frequense Affiliate or Customer for any other direct sales or network marketing business, unless that fellow Affiliate or Customer was personally sponsored by such Affiliate.
- b) The term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Affiliate, or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Affiliate’s actions are in response to an inquiry made by another Affiliate or Customer.
- c) During the term of this Agreement, any Frequense Affiliate must not sell or entice others to sell, any competing products or services, including training materials, to Frequense Customers or Affiliates. Subject to the definition of Competing Products in the Glossary below, any product or service in the same category as a Frequense product or service is deemed to be competing regardless of differences in cost or quality.
- d) An Affiliate may sell non-competing products or services to the Frequense Customers or Affiliates that they personally sponsored.
- e) An Affiliate may not display or bundle Frequense products or services, in sales literature, on a website, or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Affiliate into believing there is a relationship between the Frequense and non-Frequense products and services.
- f) A Frequense Affiliate may not offer any non-Frequense opportunity, products, or services at any Frequense-related meeting, live or virtual, event, seminar, or convention that other Frequense Affiliates or Customers are known to be attending, or immediately following a Frequense event.
- g) A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Frequense and its Affiliates and would inflict irreparable harm on Frequense. In such event, Frequense may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Affiliate or such Affiliate’s positions including termination, or seek immediate injunctive relief without the necessity of posting a bond in addition to any other legal remedies to which Frequense may be entitled.

## **4.0 AGREEMENTS & GENERAL UNDERSTANDINGS**

### **4.1 Rights Granted**

- a) Frequense hereby grants to the Affiliate a non-exclusive right, based upon the terms and conditions contained in the Agreement to:
  - (i) Purchase Frequense products and services;

- (ii) Promote and sell Frequense products and services; and
  - (iii) Sponsor new Affiliates and Customers in countries where Frequense is currently authorized to do business or becomes authorized to do business in the future.
- b) No feature of the Compensation Plan constitutes a personal purchase requirement to become an Affiliate, move up in rank, or otherwise fully participate in the Compensation Plan. No product purchase is required of anyone at any time to fully participate as an Affiliate.

#### **4.2 Frequense Account Renewals and Termination of the Affiliate Frequense Account Due to Nonpayment of the Annual Membership Renewal Fee.**

- a) An Affiliate must pay a membership fee upon enrolling with Frequense and a membership renewal fee on an annual basis thereafter. If an Affiliate fails to pay the annual membership renewal fee within sixty (60) days of when it is due, the Affiliate Account will be terminated and the Affiliate will lose any and all rights to the Account downline Organization, and any commissions and/or bonuses associated therewith. The Affiliate shall not be eligible to re-enroll with Frequense as an Affiliate for six (6) months following termination of the Account. Upon termination of the Account, the downline Organization will roll up to the immediate, active Upline Sponsor.
- b) If an Affiliate pays the membership renewal fee after it is due but within the sixty (60) day grace period set forth in Section 4.2(a) above, the Affiliate will resume the rank and positions held immediately prior to the membership renewal fee due date. However, such Affiliate's paid as level will not be restored unless that Affiliate qualifies at that level in the new month. The Affiliate is not eligible to receive commissions or bonuses for any part of the sixty (60) day grace period that the annual membership renewal fee is unpaid.
- c) By enrolling as an Affiliate, you consent to Frequense charging your card an annual membership fee. This fee will be charged each year you elect to remain an Affiliate. If you would like to cancel your membership or otherwise modify the method of payment or recurring charge, you may do so by contacting Frequense at [support@frequense.com](mailto:support@frequense.com).

#### **4.3 Effect of Termination**

- a) Following voluntary or involuntary termination of an Affiliate's Frequense Account (collectively, "termination") such Affiliate:
- (i) Shall have no right, title, claim, or interest to any commission or bonus from the sales generated by the Affiliate's former Organization or any other payments in association with the Affiliate's terminated Account;
  - (ii) Effectively waives any and all claims to property rights or any interest in or to the Affiliate's former Downline Organization; and
  - (iii) Shall receive commissions and bonuses only for the last full pay period in which the Affiliate was active prior to termination, less any amounts withheld during an investigation preceding an involuntary termination, and less any other amounts owed to Frequense.

- (iv) Upon termination or dormancy due to inactivity for one (1) year or more, the Affiliate forfeits all funds in its commissions and/or Pay-Out Accounts and authorizes Frequense to seize funds and close the Accounts.

#### **4.4 Modifying an Affiliate's Frequense Account**

- a) An Affiliate may modify his or her existing Frequense Account to add a Spouse or partner to the Affiliate's Account or change the form of ownership from an individual to a Business Entity by submitting a written request to Frequense's Support Department to make such modification.

#### **4.5 Unauthorized Transfer & Re-Enrollment**

- a) In the event an Affiliate discovers that an Affiliate in their downline has re-enrolled under a different Affiliate, the Affiliate has thirty (30) days from the date the downline Affiliate enrolled under a new Affiliate to notify the Frequense Compliance department and request the downline Affiliate be transferred back to his/her downline. Upon the expiration of the thirty (30) day notice period, the right to re-claim a new Affiliate to his or her downline will be waived.

#### **4.6 Change of Sponsors for Affiliate**

- a) Sponsor changes/corrections may be requested within a period of 72 hours from the time of enrollment. Such adjustments require written permission directed to the Support Department submitted from the personal back office of the Sponsor as well as the Affiliate to be moved and in some cases the Upline Affiliate.
- b) Sponsor changes are generally not permitted. However, sponsor corrections can be made if they are reported to the Support Department within seventy-two (72) hours from the time of enrollment. Sponsor corrections must be requested from the Affiliate's back office of the current (original) Sponsor, stating the reason that the correction needs to be made.
- c) At the discretion of Frequense, Affiliates who have not ordered products or services for at least six (6) months, and whose Account has not been terminated, are eligible to re-enroll in Frequense under the Sponsor of their choice.
- d) When a former Affiliate re-enrolls with Frequense, Frequense will "compress" (close) the Affiliate's original Account, and a new Frequense User ID number will be issued to the Affiliate. In this scenario, an Affiliate does not retain former rank, downline Organization, or rights to commissions from the Affiliate's former Frequense business or Account.
- e) Frequense reserves the right to correct Sponsor errors at any time and in whatever manner it deems necessary in its sole discretion.

#### **4.7 Change Organizations**

- a) If an Affiliate wishes to change Organizations within Frequense, he or she must submit a notice of voluntary termination to the Frequense Customer Support Department in accordance with Section 4.8 (below) and remain inactive (place no orders or be on an auto-

ship) with or in Frequense for six (6) months from the receipt of the notice before being eligible to re-enroll under a different Sponsor.

- b) Frequense retains the right to approve or deny any request to re-enroll after an Affiliate's termination. Affiliates within the same downline Organization simultaneously submitting notices of voluntary termination to transfer Organization in accordance with Section 4.7(a) will be deemed an abuse of these Policies.
- c) If re-enrollment is approved, the former Affiliate will be issued a new Frequense User ID after accepting and agreeing to the terms of the Affiliate Agreement in effect at that time. The re-enrolled Affiliate will not be entitled to keep any former rank, downline, or rights to commissions associated with the Affiliate's prior Frequense User ID/Account.

#### **4.8 Placement Lounge**

- a) When you personally enroll an Affiliate, they are automatically placed in your Placement Lounge for up to sixty (60) days.
- b) The Affiliate has up to sixty (60) days to place the new Affiliate into an open position in their placement tree. Upon the expiration of the sixty (60) days, this option expires indefinitely. Once the Affiliate in your Placement Lounge has been placed, they cannot be moved again.

#### **4.9 Voluntary Termination**

- a) An Affiliate may immediately terminate his or her Account and Frequense business associated therewith by submitting a written notice via email to the Frequense Support Department [support@frequense.com](mailto:support@frequense.com). The written notice must include the following:
  - (i) Statement of the Affiliate's intent to terminate the Account;
  - (ii) Date of termination;
  - (iii) Affiliate's Frequense User ID;
  - (iv) Reason(s) for terminating the Account, and
  - (v) Affiliate's signature.
- b) An Affiliate may not use voluntary termination as a way to immediately change Sponsors. An Affiliate who has voluntarily terminated an Account is not eligible to re-enroll with Frequense or have any financial interest in any Frequense business for six (6) months from the receipt of the written notice of termination. A terminated Affiliate who promotes Frequense products or services during the six (6) month waiting period by using another Affiliate's or Customer's referral code is in violation of the provision and shall not be permitted to re-enroll until six (6) months following any such offending conduct has ceased.

#### **4.10 Involuntary Termination**

- a) Frequense reserves the right to terminate an Affiliate's position for, but not limited to, the following reasons:

- (i) Violation of any provision of the Affiliate Agreement;
  - (ii) Violation of any applicable law, ordinance, or regulation related to the Affiliate's Frequense business;
  - (iii) Engaging in unethical business practices or violating standards of fair dealing; or
  - (iv) Returning over \$500 worth of Frequense products, services, and/or sales tools for a refund within a twelve (12) month period.
  - (v) Affiliate initiates, joins, or otherwise voluntarily participates in a lawsuit against Frequense, its directors, officers, employees, and/or agents.
- b) Frequense will notify the Affiliate in writing via email certified mail, return receipt requested, or overnight documented mail, at the Affiliate's last known address of the Affiliate's intent to terminate the Affiliate's position and the reasons for termination. The involuntary termination will be effective date as of the written notice.
  - c) The former Affiliate shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Frequense products or services. Frequense will notify the active Upline Sponsor within ten (10) days after termination. The Organization of the terminated Affiliate will "roll up" to the active Upline Sponsor on record.
  - d) The Affiliate who is involuntarily terminated by Frequense may not re-enroll as an Affiliate, either under his or her present name or any other name or Business Entity, without the express written consent of an officer of Frequense, following a review by the Frequense Compliance Committee. If such consent is granted, the Affiliate may not re-enroll as an Affiliate for twelve (12) months following the date of termination.

## **5.0 BUSINESS ENTITIES**

### **5.1 Definition**

- a) A corporation, partnership, limited liability company, or trust (collectively, a "Business Entity") may apply to be a Frequense Affiliate.
- b) A Frequense Affiliate may change their status under the same Sponsor from an individual to a Business Entity in accordance with Section 4.4 of these Policies.

### **5.2 Indemnification for Actions**

- a) An Affiliate is fully responsible for all of his or her verbal and written communications made regarding Frequense products, services, and the Compensation Plan that are not expressly contained within official Frequense materials. Affiliates shall indemnify and hold harmless Frequense, its directors, officers, employees, product suppliers, and agents from any and against all liability including judgments, civil penalties, refunds, lawyer fees, and court costs incurred by Frequense as a result of the Affiliate's unauthorized representations or actions. This provision shall survive the termination of the Frequense Affiliate Agreement and a Frequense Account.



### **5.3 Insurance**

- a) Frequense encourages Affiliates to obtain insurance coverage for their Frequense business. A homeowner's insurance policy does not cover business-related injuries, or the theft of, or damage to, inventory or business equipment. Affiliates should contact their insurance agent to make certain their business property is protected. In many instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

## **6.0 POLICY VIOLATIONS**

### **6.1 Reporting Policy Violation**

- a) An Affiliate who observes a violation of these Policies and Procedures by another Affiliate or Customer should submit any such violation(s) to the Frequense Compliance Department via email to [compliance@frequense.com](mailto:compliance@frequense.com). The email should include:
  - (i) The nature of the violation(s);
  - (ii) Specific facts to support the allegations;
  - (iii) Dates;
  - (iv) Number of occurrences;
  - (v) Persons involved; and
  - (vi) Supporting documentation.
- b) The Compliance Department will investigate the reported violations(s) and Frequense will take appropriate action if warranted.

### **6.2 Adherence to the Frequense Compensation Plan**

- a) An Affiliate must adhere to the terms of the Frequense Compensation Plan.
- b) An Affiliate shall not offer the Frequense opportunity through or in combination with, any other system, program, or method of marketing other than that specifically set forth in Official Frequense Literature.
- c) An Affiliate shall not require or encourage a current or prospective Affiliate to participate in Frequense in any manner that varies from the Compensation Plan as set forth in official Frequense literature.
- d) An Affiliate shall not require or encourage a current or prospective Affiliate to make a purchase from or payment to any individual or other entity as a condition to participating in the Frequense Compensation Plan.

### **6.3 Adherence to Laws and Ordinances**

- a) Many cities, counties, and townships have laws regulating certain home-based businesses. Affiliates and Customers shall comply with all federal, state, and local laws, ordinances, and regulations in conducting his or her Frequense business.
- b) An Affiliate understands and agrees that he/she/it is solely responsible for any and all fines and liabilities incurred as a result of the Affiliate's or Customer's violation(s) of applicable laws, regulations, and/or ordinances.

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

- a) An Affiliate accepts sole responsibility for and agrees to pay all federal, state, provincial, and local taxes on any income generated as an Affiliate, and further agrees to indemnify Frequense from any failure to pay such taxes when due. Frequense encourages Affiliates to consult with his/her/its tax advisor(s) to ensure they are compliant with all applicable laws and understand your tax consequences as an independent contractor. At the end of each calendar year, Frequense will issue to each Affiliate IRS Form 1099, or other applicable documentation required by law, for non-employee compensation of an Affiliate.
- b) If an Affiliate's business is tax-exempt, the Federal Tax-ID (EIN) must be provided to Frequense in writing along with any additional documentation requested reflecting such status.
- c) Frequense is required to charge and remit sales tax to the various states or provinces based on the retail price, including receipt of trips, prizes, or awards in the amount of \$600.00 or more.

### **6.5 One Frequense Business Affiliate**

- a) An Affiliate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Frequense Account. No individual (together with their spouse) may have, operate, or receive compensation from more than one Frequense Account and business associate therewith. Individuals of the same Family Unit, excluding spouses, may each enter into or have an interest in their own separate Frequense Account, only if each subsequent family position is placed frontline to the first family member enrolled. Each position must build their position separate and independent of the other or the position will be deemed to be stacking.

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

- a) If any member of an Affiliate's immediate household engages in any activity which, if performed by the Affiliate, would violate any provision of the Affiliate Agreement, such activity will be deemed a violation by the Affiliate, and Frequense may take disciplinary action pursuant to these Policies and Procedures against the Affiliate. Likewise, if an Affiliate is a Business Entity, any owner, member, officer, and/or Affiliate of that Business Entity shall be personally and individually bound to and must comply with, the Affiliate Agreement.

## **6.7 Identification Numbers and Pay-Out**

- a) Each Affiliate is required to provide a Social Security Number or Federal Tax ID if located in the United States or any of its territories to Frequense at the time the Affiliate initiates a transfer of funds or earnings accumulated in the Affiliate's Wallet. The transferring and disbursement of commission payments or bonuses acquired is known as a "Pay-Out" and Frequense reserves the right to withhold Pay-Out from any Affiliate who fails to provide a valid Social Security Number or Federal Tax ID (EIN) or who provides false information.
- b) Upon enrollment, Frequense will provide a Frequense User ID to the Affiliate. This number will be used to place orders, structure Organizations, and track commissions and bonuses.

## **6.8 Sell, Assign, or Delegate Ownership**

- a) In order to preserve the integrity of the hierarchical structure, it is necessary for Frequense to place restrictions on the transfer, assignment, or sale of an Affiliate's Frequense Account and business associated therewith.
- b) An Affiliate may not sell, assign, or transfer his or her rights or delegate his or her Account as an Affiliate without Frequense's prior written approval, which will not be unreasonably withheld. All parties involved in any transaction described in Section 6.8 must be in good standing with Frequense to be eligible for any proposed sale, assignment, or transfer. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Frequense.
- c) Any approved buyer/assignee/transferee shall assume the position of the Affiliate at the current qualified title but at the current "paid as" rank, at the time of the sale and acquire the Affiliate's downline Organization.
- d) To the sale, transfer, or assignment of a Frequense position, an Affiliate must request a "Sale/Transfer of Position Form" from Frequense's Support Department and submit the following items to Frequense's Compliance Department:
  - (i) a fully executed, dated, and properly completed Frequense Sale/Transfer of Position Form;
  - (ii) a fully executed, dated, and notarized agreement between the Affiliate and the proposed buyer/transferee/assignee; and.
  - (iii) any additional supporting documentation requested by Frequense.
- e) Any debt obligations that any party involved in the proposed transaction may have with Frequense must be satisfied in full prior to the approval of the sale, transfer, or assignment.
- f) An Affiliate who sells, transfers, or assigns his/her/ Frequense's position is not eligible to re-enroll as a Frequense Affiliate in any organization for six (6) full calendar months following the date of the sale, transfer, or assignment except as otherwise expressly permitted by these Policies and Procedures.

## **6.9 Separating a Frequense Business**

- a) Pending a divorce or dissolution of a 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 Frequense business whereby the relinquishing Spouse, shareholder, partner, member, or trustee (“Relinquishing Party”) authorize Frequense to deal directly and solely with the non-Relinquishing Party.
  - (ii) The parties may continue to operate the Frequense business jointly on a “business as usual” basis. All compensation paid by Frequense will be paid into the Individual(s) or Business Entity named as the Affiliate on the Account and the Affiliate shall indemnify Frequense from any and all claims of any other party with respect to the Frequense business and Account and any payment(s) made in connection therewith.
- b) Frequense recognizes only one downline Organization and will issue only one commission payment transfer per Frequense Account per commission cycle. Under no circumstances will the downline of an Organization be divided, nor will Frequense split commissions and/or bonuses.
- c) If a Relinquishing Party has completely relinquished, in writing, all rights to the original Frequense business and Account, the Relinquishing Party 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 Affiliate or active Customer in the former Organization and must develop a new business in the same manner as any other new Frequense Affiliate. An Affiliate 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 4.0.

## **6.10 Succession**

- a) The Affiliate Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
- b) Upon the death or incapacity of an Affiliate, the Affiliate’s business may be passed on to his or her legal successors in interest (“Successor”). Whenever a Frequense business is transferred by a will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Affiliate’s Sales Organization. The Successor must:
  - (i) Accept and agree to all the terms of the Affiliate Agreement;
  - (ii) Comply with the terms and provisions of the Affiliate Agreement; and
  - (iii) Meet all of the qualifications for the last rank achieved by the former Affiliate.
- c) Any bonus and commissions transferred pursuant to this section will be paid in a single transfer to the successor. The successor must provide Frequense with an “address of

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

- d) If the business is bequeathed to joint devisees, they must form a Business Entity and acquire a Federal Tax ID (EIN). Frequense will issue all bonus and commission payments to the managing Business Entity only.
- e) Appropriate legal documentation must be submitted to the Frequense Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Frequense business, the Successor must provide the following to the Frequense Compliance Department:
  - (i) A certified copy of the death certificate; and
  - (ii) A notarized copy of the will.
- f) To complete a transfer of the Frequense business because of incapacity, the Successor must provide the following to the Frequense 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 Frequense business; and
  - (iii) An Affiliate Agreement accepted and agreed to by the trustee in writing.
- g) If the Successor is already an existing Affiliate, Frequense will allow such Affiliate to keep his or her own position plus the inherited position active for up to six (6) months. By the end of the six (6) month period, the Affiliate must have compressed (if applicable), sold, or otherwise transferred either the existing position or the inherited position.
- h) If the Successor wishes to terminate the Frequense 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.
- i) Upon written request, Frequense may grant a one (1) month bereavement waiver and payout at the last “paid as” rank.

## **7.0 DISCIPLINARY ACTIONS**

### **7.1 Imposition of Disciplinary Action - Purpose**

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

## 7.2 Consequences and Remedies of Breach

- a) Disciplinary actions may include one or more of the following:
  - (i) Monitoring an Affiliate's conduct over a specified period of time to assure compliance;
  - (ii) Alerting the Affiliate's Upline so that the Upline may further educate the Affiliate and/or take proactive action to protect the Frequense community from cross-Recruiting, disparagement, etc.;
  - (iii) Issuance of a written warning or requiring the Affiliate to take immediate corrective action;
  - (iv) 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 Frequense receives adequate additional assurances from the Affiliate to ensure future compliance;
  - (v) Suspension from participation in Frequense or Affiliate events, rewards, or recognition;
  - (vi) Suspension of the Affiliate's Account and position for one or more pay periods;
  - (vii) Involuntary termination of the Affiliate's Account and position;
  - (viii) Any other measure that Frequense deems feasible and appropriate to justly resolve injuries caused by the Affiliate's violation(s); or
  - (ix) Legal proceedings for monetary or equitable relief.

## 7.3 Suspension Procedures

- a) First Violation: Counseling and initial warning letter. A first violation usually occurs because the Affiliate is not familiar with the Policies and Procedures or the law. Counseling and the initial warning provide an opportunity for Compliance to bring to the attention of the Affiliate the Policies and Procedures and the specific violation, and to provide counseling on complying with the Policies and Procedures and applicable laws. The Compliance Department will also describe expectations and steps the Affiliate must take to resolve the violation including, but not limited to, either removing or revising the non-compliant claim or how to remedy other policy violations. Within three (3) days of this notice, Compliance will determine if the non-compliant material or other policy violation has been remediated. If so, Compliance will close the file. If not, Compliance will proceed to the 2nd Violation notice described below.
- b) Second Violation: Second warning letter and temporary suspension. Although it is hoped that the Affiliate will promptly correct the violation(s), Frequense recognizes that this may not always occur. The second written warning indicates the seriousness of repeated violations and will prompt a suspension of the Affiliate's account. During the suspension period, the Affiliate waives any and all rights to Pay-Out of any bonuses or commissions

and must submit a signed reinstatement letter wherein the Affiliate acknowledges the violation(s) and describes the steps taken to correct the violation(s). Once the reinstatement letter is accepted by Frequense, the suspension will be lifted, and the Affiliate will be able to request a Pay-Out. The Affiliate may be subject to additional discipline up to and including termination if the violation is not cured or further violation(s) occur.

- c) Third Violation: Suspension and final written warning. Repeated violation(s) of the Policies and Procedures is very problematic and potentially harmful. Therefore, the most effective and prudent action is suspension of the Affiliate and forfeiture of commissions and bonuses associated with the offending Affiliate's Account. The final written warning letter will include notification of such suspension, action needed to cure the violations(s), and an indication that if the Affiliate violates the Policies and Procedures again, the Affiliate will be terminated immediately.
- d) Fourth Violation: Termination. As described above, Frequense will try to exercise the progressive nature of the Discipline Policy by first providing warnings, a final written warning, and suspension and commission forfeiture before proceeding to termination of the Affiliate's Account. Frequense will notify the Affiliate in writing if/when the Account is terminated.
- e) Frequense reserves the right to combine and omit steps depending on the circumstances of each situation and the nature of the violation. Furthermore, the Affiliate may be terminated without prior notice or disciplinary action, as authorized by the Policies and Procedures.

## **8.0 DISPUTE RESOLUTION**

### **8.1 Grievances Against Another Affiliate**

- a) If a Frequense Affiliate has a grievance or complaint against another Affiliate regarding any practice or conduct relating to their respective Frequense 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 Frequense Compliance Department as outlined below in this Section.
- b) The Frequense Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Affiliates involved.
- c) Frequense will confine its involvement to disputes regarding Frequense business matters only. Frequense will not decide issues that involve personality conflicts or unprofessional conduct by or between Affiliates outside the context of a Frequense business. These issues go beyond the scope of Frequense and may not be used to justify a Sponsor change or a transfer to another Frequense Organization.
- d) Frequense does not consider, enforce, or mediate third-party agreements between Affiliates, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- e) Process for Grievances:

- (i) The Affiliate should submit a letter of complaint via email directly to the Frequense Compliance Department at [compliance@frequense.com](mailto:compliance@frequense.com). 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, Frequense will conduct an investigation according to the following procedures:
  - A. The Compliance Department will send an acknowledgment of receipt to the complaining Affiliate;
  - B. The Compliance Department will provide a verbal or written notice of the allegation to the Affiliate under investigation. If a written notice is sent to the Affiliate, 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 Frequense.
  - C. The Frequense Compliance Department will thoroughly investigate the complaint, and consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case-by-case basis, and the length of time to reach a resolution will vary.
  - D. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. Affiliate calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- f) Frequense will make a final decision and timely notify the Frequense Affiliate involved.

## **8.2 Mediation Disputes Between an Affiliate and Frequense**

- a) Affiliate and Frequense (collectively “the Parties”) recognize disputes and differences may arise between the Parties and therefore agree it is in their best interest to appoint an impartial mediator to resolve such disputes as they arise. Mediation of a dispute may allow the parties to avoid the cost and inconvenience of litigation in court.
- b) The Parties should exchange all documents pertinent to the relief requested. The mediator may request the exchange of memoranda and other information; items that a party wishes to keep confidential may be sent to the mediator in a separate communication.



- c) The mediator shall not be a legal representative of any party.
- d) Unless otherwise agreed to by the Parties, the mediation shall take place in Collin County, Texas, on a date that is mutually agreeable among the Parties and mediator. Participation in the mediation by telephone will be permitted to prevent inconvenience to a party.
- e) The mediator shall allow the Parties to be represented by their respective advocates, who have the authority to consummate a settlement. Any party may participate without representation (pro se).
- f) Mediation sessions and related mediation communications are private proceedings. For this reason, only the Parties and their legal representatives may attend mediation sessions. Other persons may attend only with the permission of the Parties and with the consent of the mediator.
- g) Each Party will pay its own costs and expenses of the mediation unless the Parties agree otherwise.
- h) The Parties agree that all mediation communications are privileged and not subject to discovery or admissible in evidence in a proceeding unless waived or precluded by both Parties or unless the evidence would otherwise be admissible or subject to discovery if it were not by reason of its disclosure or use in mediation.
- i) Jurisdiction and venue of any controversy or claim brought under this mediation provision shall be in Collin County, Texas. The Parties further agree that the laws of the State of Texas shall govern all matters, claims, or controversy submitted to mediation pursuant to the Agreement.

### **8.3 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.

### **8.4 Waiver**

- a) Only an officer of Frequense can, in writing, affect a waiver of these Policies and Procedures. Frequense's waiver of any particular breach by an Affiliate shall not affect Frequense's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Affiliate.
- b) The existence of any claim or cause of action of an Affiliate against Frequense shall not constitute a defense to Frequense's enforcement of any term or provision of these Policies and Procedures.

### **8.5 Governing Law**

- a) The Parties agree that jurisdiction and venue of any controversy or claim arising from the Affiliate Agreement or between Frequense and the Affiliate shall be in Collin County, Texas. The law of the State of Texas shall govern all matters relating to or arising from the Affiliate Agreement or between Frequense and Affiliate, without regard for any provisions regarding choice of law.

## **8.6 Class Action Waiver**

- a) The parties expressly intend and agree that:
  - (i) Class action and representative action procedures are hereby waived and shall not be asserted, nor will they apply, in any court or arbitration; and
  - (ii) The parties will only submit their own individual claims in any court or arbitration and will not seek to represent the interests of any other person.
- b) The court or arbitrator is not empowered to consolidate claims of different individuals into one proceeding, to hear any litigation or arbitration as a class action.
- c) As a Frequense Affiliate and/or Customer, I agree that I will not assert class or collective action claims against Frequense in arbitration, court, or otherwise, nor will I join or serve as a member of a class or collective action in arbitration, court or otherwise.
- d) As an Affiliate and/or Customer, I understand that this means that there will be no right or authority for any dispute to be brought, heard, or arbitrated as a class or collective action by me or Frequense.

## **9.0 PAYMENT OF COMMISSIONS & BONUSES**

### **9.1 Bonus and Commission Qualifications**

- a) An Affiliate must be active and in compliance with the Affiliate Agreement and all Frequense-issued guidelines and policies implemented to qualify for bonuses and commissions. So long as an Affiliate complies with the terms and conditions set forth in the Affiliate Agreement, Frequense shall pay commissions to such Affiliate in accordance with the Compensation Plan and any amendments thereto.
- b) Frequense will not issue a payment in any form to an Affiliate without the receipt of an Affiliate's annual membership and renewal membership fee and completed electronic enrollment as a Frequense Affiliate, including the Affiliate's acceptance and agreement to the Affiliate Agreement.
- c) Frequense reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.00.

### **9.2 Computation of Commissions and Discrepancies**

- a) In order to qualify to receive commissions and/or bonuses, an Affiliate must be in good standing and comply with the terms of the Affiliate Agreement. Commission, bonuses, overrides, and achievement levels are calculated on a daily, monthly, or yearly basis.
- b) A Frequense Affiliate must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the thirty (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.
- d) Frequense reserves the right, in its sole discretion, to modify or amend the terms or conditions of any Bonus or Bonus Pool. Furthermore, Frequense may amortize the payment of proceeds from a Bonus or Bonus Pool.

### **9.3 Adjustments to Bonuses and Commissions for Returned Products or Affiliate Memberships**

- a) An Affiliate receives bonuses and commissions based on the actual sales of Frequense products and services to end consumers and to Affiliates through product and service purchases. When a product or service is returned to Frequense for a refund from the end consumer or by an Affiliate, the bonuses, and commissions attributable to the returned product or service will be deducted from the Affiliate 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 Affiliate terminates his or her Frequense Account, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by Frequense, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Frequense to the terminated Affiliate.

## **10.0 ORDERING PRODUCT**

### **10.1 General Product Ordering Policies**

- a) "Bonus Buying" is strictly and absolutely prohibited. Bonus Buying includes; (a) the enrollment of individuals or Business Entities as an Affiliate or Customers without their knowledge or consent; (b) the fraudulent enrollment of an individual or Business Entity as an Affiliate or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as an Affiliate or Customers ("phantoms"); (d) purchasing Frequense products or services on behalf of another Affiliate or Customer, or under another Affiliate's or Customer's ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products, services or Autoships 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 consumers.
- b) Frequense requires that Affiliates use their own credit cards and not allow others to use them. An Affiliate shall not use another Affiliate's or Customer's credit card or debit account to enroll in Frequense or purchase products, services, or AutoShip.
- c) Regarding an order with an invalid or incorrect payment, Frequense will attempt to contact the Affiliate by phone, mail, and/or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after the expiration of ten (10) business days, the order will be canceled.
- d) Prices are subject to change without notice.

- e) An Affiliate or Customer who is a recipient of a damaged or incorrect order must notify Frequense within thirty (30) calendar days from receipt of the order and follow the steps as set forth in these Policies and Procedures, along with the Return/Exchange Policies and any other guidelines pertaining to product returns and exchanges.

## 10.2 Sales to Customers

- a) Sales to retail Customers may be done directly through an Affiliate's replicated website or directly using product that Frequense has in inventory.
- b) Affiliates will comply with applicable consumer protection laws and regulations (including any consumer rights to receive specific notices and any rights to return product) afforded consumers under applicable consumer protection legislation.
- c) When making a sale to an end Customer, an Affiliate must provide him/her with an official Frequense retail receipt at or prior to the time of the initial sale and every sale thereafter. Affiliates will need to customize the template with his/her personal information. If the customer exercises the right to cancel the sale, the Affiliate shall follow the refund procedures described in this section.
- d) The Customer should return all unused product to Frequense. These sales receipts set forth the consumer protection rights afforded by applicable law for direct sales, including the right to cancel (without any reason) the sales receipt up to ten (10) days after the end Customer receives a copy of the receipt or invoice.

## 10.3 Insufficient Funds

- a) All electronic payments that are declined for insufficient funds will be automatically resubmitted for payment.
- b) Any outstanding balance owed to Frequense by an Affiliate or Customer of an Affiliate from NSF (non-sufficient funds) or insufficient fund ("ACH") fees, will be withheld by Frequense from that Affiliate's future bonus and commission funds.
- c) All transactions involving insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Affiliate, constitute grounds for disciplinary sanctions or termination of the account.
- d) If a credit card order or automatic debit is declined the first time, the Customer or Affiliate will be contacted directly and a request for an alternate form of payment will be made before any product will be shipped. If payment is declined a second time, the Customer or Affiliate may be deemed ineligible to purchase Frequense products or services or participate in the monthly Autoship. **Note: Participation by Affiliates in Frequense's monthly Autoship, which is a recurring product order program, is entirely optional and is not required in order to become an Affiliate, move up in rank, or otherwise, fully participate in the Rewards Program.**

## 10.4 Credit Card Purchases

- a) Credit card purchases may only be made by the individual or Business Entity whose name and address are on the credit card. An Affiliate or Customer may not use another

individual's or Business Entity's credit card to purchase Frequense products (regardless of whether that Affiliate/Customer has permission from that individual/entity to do so). Frequense considers such transactions fraudulent and will report them to the proper authorities for settlement.

- b) Under no circumstance will any Affiliate or Customer charge back any credit card purchases. The Affiliate or Customer Account associated with any credit card chargeback request will be terminated immediately without notice to the Affiliate or Customer.
- c) All Affiliates or Customer requests for refunds or returns must be done in accordance with these Policies.

## 10.5 Sales Tax Obligation

- a) Affiliates shall comply with all federal and local taxes and regulations governing the sale of Frequense products and services.
- b) Frequense will collect and remit sales tax on all Affiliate and Customer orders. When orders are placed with Frequense, sales tax is prepaid based upon the suggested retail price and remitted to the appropriate state and local jurisdictions. Affiliates may recover the sales tax when he or she makes a sale. Affiliates are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- c) Frequense encourages each Affiliate to consult with a tax advisor for additional information for his or her business.

## 10.6 Refund Policy

- a) Frequense Customers:
  - (i) If within the first thirty (30) days you are not satisfied with the product you must contact [support@frequense.com](mailto:support@frequense.com) to return the unused portion of the product for a full refund of the product purchase amount, minus shipping and handling charges incurred. Because Frequense cannot guarantee the quality of Frequense products that are sold to Customers by non-Affiliates, Frequense's Refund Policy is not available for products that Customers purchase from anyone other than Affiliates or Frequense directly or that are purchased in any unauthorized channel.
- b) Frequense Affiliate:
  - (i) If within the first thirty (30) days of the original purchase, you are not satisfied with the product, you must contact [support@frequense.com](mailto:support@frequense.com) to return the unused portion of the product for a full refund, minus shipping and handling charges. Your Affiliate account will then be subject to six (6) months suspension.
  - (ii) Affiliate membership fees are refundable within the first thirty (30) days of purchase.
  - (iii) If you receive a product that is damaged or otherwise defective, you may return the product within thirty (30) days of receipt for a full refund or replacement product.
- c) Terminated Affiliates. If a terminated Affiliate has purchased Frequense products, Frequense will issue a refund or credit for any products purchased by the Affiliate if: (i) the

product is in Resalable condition; (ii) the Resalable product is returned to Frequense within twenty (20) days from the date of termination; and (iii) the Affiliate provides proof the product was purchased within twelve (12) months preceding the date of termination. [Note: the twelve (12) month requirements not applicable to residents of Maryland, Wyoming, Massachusetts, and Puerto Rico]. Refunds are subject to a ten percent (10%) handling fee. Shipping costs are not refundable.

- d) Problems with Shipments: If within thirty (30) days of the reported expected product delivery date, an Affiliate does not notify [support@frequense.com](mailto:support@frequense.com) of a problem with the receipt of the Affiliate's order, including but not limited to, failure to receive the product, improper sealing, damage to the container, quality of the internal product, and/or receipt of wrong product, refunds or exchanges will not be given.
- e) All purchases are charged and refunded in U.S. Dollars. All returns, refunds, and exchanges will also be refunded or exchanged in U.S. Dollars. Frequense is not responsible for fluctuating exchange rates.

## **10.7 Return Process**

- a) All returns, whether by a Customer or Affiliate, must be made as follows:
  - (i) Obtain a Return Merchandise Authorization ("RMA") from Frequense by contacting [support@frequense.com](mailto:support@frequense.com) and submit a request.
  - (ii) Ship items to the address provided by Frequense customer service when you receive your RMA.
  - (iii) Provide a copy of the sales receipt or invoice with the returned product. Such invoice must reference the RMA and include the reason for the return.
  - (iv) Ship product back in the original manufacturer's box exactly as it was delivered.
  - (v) All returns must be shipped to Frequense pre-paid, as Frequense does not accept shipping collect packages. Frequense recommends shipping returned product by UPS or FedEx which includes tracking information and insurance, as risk of loss or damage in the shipping process of the returned product shall be borne solely by the Customer or Affiliate. If the returned product is not received at the address provided on the RMA, it is the responsibility of the Customer or Affiliate to trace the shipment of the product wherein no credit will be applied.
  - (vi) The return of \$500 or more of products accompanied by a request for a refund within one (1) calendar year by an Affiliate, may constitute grounds for involuntary termination.

## **11.0 FREQUENSE OPPORTUNITY**

### **11.1 Presentation of Compensation Plan**

- a) In presenting the Frequense business opportunity, an Affiliate is required to:
  - (i) present a copy of the Frequense Income Disclosure Statement;

- (ii) refrain from misquoting or omitting any material fact about the Compensation Plan;
- (iii) clearly explain that the Compensation Plan is based upon sales of Frequense products and services;
- (iv) not make income projections, claims, or guarantees while presenting or discussing the Frequense opportunity or Compensation Plan to prospective Affiliates or Customers;
- (v) inform all prospective Affiliates that success requires substantial work;
- (vi) not make any unsubstantiated claims regarding products or services of any products offered by Frequense, except those contained in official Frequense literature.
- (vii) not use official Frequense material to promote the Frequense business opportunity in any country where Frequense is not duly authorized to conduct business.

## **11.2 Sales Requirements Are Governed by the Compensation Plan**

- a) The Frequense program is built on sales to the ultimate consumer or end-user. Frequense encourages its Affiliates to only purchase inventory, in reasonable quantities, 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. Affiliates must never attempt to influence any other Affiliates to buy more products than they can reasonably use or sell to retail Customers in a month.
- b) Each Frequense Affiliate commits to personally use, sell, or use in business building at least seventy percent (70%) of every order placed with Frequense prior to placing another order and must be able to certify as much if demanded by Frequense or by any regulatory agency. Purchasing product solely for the purpose of collecting bonuses or achieving rank is strictly prohibited. Frequense 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.

## **12.0 PROPRIETARY INFORMATION & TRADE SECRETS**

### **12.1 Reports**

- a) By agreeing to the Frequense Affiliate Agreement, the Affiliate acknowledges that business reports, lists of Customer and Affiliate names and contact information, and any other information, that contains financial, scientific, or other information both written or otherwise circulated by Frequense or pertaining to the business of Frequense (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to Frequense.

### **12.2 Obligation of Confidentiality**

- a) During the term of the Frequense Affiliate Agreement and for a period of two (2) years after the termination or expiration of the Affiliate Agreement between the Affiliate and Frequense, the Affiliate shall not:
  - (i) Use the information in the Reports to compete with Frequense or for any purpose other than promoting his or her Frequense business;

- (ii) Use or disclose to any person or entity any confidential information contained in the reports, including disclosure or use to replicate or attempt to replicate the Affiliates' Upline and/or downline Organization genealogy in another network marketing company.

### **12.3 Breach and Remedies**

- a) The Affiliate acknowledges that the Reports and other confidential and 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 Frequense and to independent Frequense businesses. Frequense and its Affiliates will be entitled to injunctive relief and/or to recover damages against any Affiliate who violates his or her obligations in section 12.2 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 in addition to any award of damages.

### **12.4 Return of Materials**

- a) Upon demand by Frequense, any current or former Affiliate will return the original and all copies of all Reports to Frequense together with any Frequense confidential information in such person's possession.

## **13.0 PRIVACY POLICY**

### **13.1 Introduction**

- a) This Privacy Policy is to ensure that all Customers or Affiliates understand and adhere to the basic principles of confidentiality. Without limiting the terms of this section, all Affiliates must comply with applicable privacy laws governing the collection, use, and disclosure of Customer and fellow Affiliate information.

### **13.2 Expectation of Privacy**

- a) Frequense recognizes and respects the importance its Customers or Affiliates place on the privacy of their financial and personal information. Frequense will make reasonable efforts to safeguard the privacy of and maintain the confidentiality of its Customers' or Affiliates' financial and account information and nonpublic personal information.
- b) By entering into the Affiliate Agreement, an Affiliate or Customer authorizes Frequense to disclose his or her name and contact information to Upline Affiliates solely for activities related to the furtherance of the Frequense business. An Affiliate 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 Frequense business.

### **13.3 Employee Access to Information**

- a) Frequense limits the number of employees who have access to Customers' or Affiliates' nonpublic personal information.

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



- a) Frequense will not share non-public personal information or financial information about current or former Customers or Affiliates with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Affiliate's interests or to enforce its rights or obligations under the Affiliate Agreement or with written permission from the account holder on file.

#### **14.0 PRODUCT INSPECTION, QUALITY CONTROLS, ADVERTISING, PROMOTIONAL MATERIAL, USE OF FREQUENSE NAMES AND TRADEMARKS**

##### **14.1 Inspection, Product Care, and Quality Controls**

- a) Promptly upon receipt, Affiliates shall inspect Frequense products and their packaging for damage, broken seals, evidence of tampering, or other product defects. If a product is defective or damaged, Affiliates shall not sell the product and must report the defect or damage to Frequense. Affiliates may return products that are damaged or otherwise defective within thirty (30) days of receipt for a full refund or replacement.
- b) Affiliates must comply with all instructions provided by Frequense regarding the proper care, storage, and handling of Frequense products. Additionally, Affiliates shall store all Frequense products in a dry place at room temperature, away from direct sunlight. Members shall also regularly inspect inventory for products that are expired or that will expire within sixty (60) days and shall not sell any such products.
- c) If Frequense discovers that an Affiliate is not properly inspecting products upon receipt, not properly storing and caring for Frequense products, and/or selling products that are damaged or otherwise defective, Frequense will investigate the Affiliate and take remedial and disciplinary action up to and including involuntary termination of the offending Affiliate's Frequense Account.

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

- a) A Frequense Affiliate and/or Customer may not re-label, re-package, refill, or alter labels of any Frequense product, or service, information, materials, or program(s) in any way. Frequense products must only be sold in their original containers from Frequense. Such re-labeling or re-packaging violates federal law, which may result in criminal or civil penalties or liability.
- b) A Frequense Affiliate shall not cause any Frequense product or service or any Frequense trade name to be sold or displayed in retail establishments except:
  - (i) Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas, and beauty salons);
  - (ii) Where the retail establishment is owned or managed by the Frequense Affiliate and the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.
- c) An Affiliate may sell Frequense products and services and display the Frequense trade name at any appropriate display booth (such as trade shows, expositions, conferences, etc.) with the express written consent of Frequense.

- d) An Affiliate or Customer is prohibited to sell Frequense products and services and display the Frequense trade name, trademark, or service mark at any kiosk or booth located in any retail establishment, such as a mall or retail facility.
- e) Frequense 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 Frequense opportunity.

### **14.3 Use of Frequense Names and Protected Materials**

- a) A Frequense Affiliate must safeguard and promote the good reputation of Frequense and the products and services it markets. The marketing and promotion of Frequense, the Frequense business opportunity, the Compensation Plan, and Frequense 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 Frequense must be used in their original form and cannot be changed, amended, or altered, except with prior written approval from the Frequense Compliance Department.
- c) The name of Frequense, each of its product and service names, and other names that have been adopted by Frequense, in connection with its business are proprietary trade names, trademarks, and service marks of Frequense. As such, these marks are of great value to Frequense and are supplied to Affiliates for their use only in an expressly authorized manner.
- d) A Frequense Affiliate's use of the name "Frequense" is restricted to protect Frequense proprietary rights, ensuring that the Frequense protected names will not be lost or compromised by unauthorized use. Use of the Frequense name on any item not produced by Frequense is prohibited except as follows:
  - (i) [Affiliate's name] Independent Frequense Affiliate.
  - (ii) [Affiliate's name] Independent Affiliate of Frequense products and services.
- e) Further procedures relating to the use of the Frequense name are as follows:
  - (i) All stationery (i.e., letterhead, envelopes, and business cards) bearing the Frequense name or logo intended for use by the Frequense Affiliate must be submitted via email to the Frequense Compliance Department for approval. Submit to; [compliance@frequense.com](mailto:compliance@frequense.com).
  - (ii) Frequense Affiliate may list "Independent Frequense Affiliate" in the white pages of the telephone directory under his or her own name.
  - (iii) Frequense Affiliates may not use the name Frequense 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 Affiliate."

- f) Certain photos and graphic images used by Frequense in its advertising, packaging, and websites are the results of paid contracts with outside vendors that do not extend to Affiliates. If an Affiliate wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- g) A Frequense Affiliate shall not appear on or make use of television or radio or make use of any other media to promote or discuss Frequense or its programs, products, or services without prior written permission from the Frequense Compliance Department.
- h) An Affiliate may not produce for sale or distribution any Frequense event or speech, nor may an Affiliate reproduce Frequense audio or video clips for sale or for personal use without prior written permission from the Frequense Compliance Department.
- i) Frequense reserves the right to rescind its prior approval of any sales aid or promotional materials to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Affiliate.
- j) An Affiliate shall not promote non-Frequense products or services in conjunction with Frequense products or services on the same social media site or same advertisement without prior approval from Frequense Compliance Department.
- k) Claims (which include personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by Frequense may not be made except those contained in official Frequense literature. In particular, no Affiliate may make any claim that Frequense 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 unsubstantiated claims violate Frequense policies, but they also potentially violate federal and provincial laws and regulations.
- l) An Affiliate and/or Customer may not make any unsubstantiated claims regarding products or services of any products offered by Frequense, except those contained in official Frequense literature.

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

- a) Except as provided in this section, an Affiliate may not use or transmit unsolicited email, mass email distribution, other commercial electronic messages, or “spamming” that advertises or promotes the operation of his or her Frequense business. The exceptions are:
  - (i) E-mailing any person who has given prior permission or invitation;
  - (ii) E-mailing any person with whom the Affiliate has established a current business or personal relationship.
- b) In all states or the U.S. or International territories where prohibited by law, an Affiliate may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer, or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.

- c) All e-mail or computer broadcasted documents subject to this provision shall include each of the following:
  - (i) A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
  - (ii) A clear return path or routing information;
  - (iii) The use of legal and proper domain name;
  - (iv) A clear and obvious notice of the opportunity to decline to receive further commercial 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 sender’s fax or e-mail address, and a valid sender physical address;
  - (vii) The date and time of the transmission; and
  - (viii) Upon notification by the recipient of his or her request not to receive further faxed or e-mailed documents, a Frequense Affiliate shall not transmit any further documents to that recipient.
  
- d) All e-mail or computer-broadcasted documents subject to this provision shall not include any of the following:
  - (i) Use of any third-party domain name without permission; and
  - (ii) Sexually explicit materials.

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

- a) An Affiliate and/or Customer is prohibited from creating or registering any third-party website in order to promote, sell, or advertise their Frequense business without Frequense’s express written approval. An Affiliate and/or Customer is prohibited to use or attempt to register any of Frequense’s trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Frequense 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 Frequense Affiliate and/or Customer may not (directly or indirectly through any intermediary or instrumentality) advertise, offer for sale, or facilitate the offering for sale of any Frequense products or services or offer the Business Opportunity on any online auction websites, internet retailer sites, or online marketplace websites. Examples of such sites include but are not limited to, eBay®, Amazon, Facebook Marketplace, Sears.com, Jet.com, Walmart.com, and Etsy. This obligation survives the termination of an Affiliate’s Agreement with Frequense.

- c) Social Media sites may be used to sell or offer to sell Frequense products or services. PROFILES AN AFFILIATE OR CUSTOMER GENERATES IN ANY SOCIAL COMMUNITY WHERE FREQUENSE IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE AFFILIATE AS AN INDEPENDENT FREQUENSE AFFILIATE, and when an Affiliate and/or Customer participates in those communities, Affiliates and/or Customers 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 Frequense's sole discretion, and the offending Affiliate and/or Customer will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Frequense-approved library, official Frequense website, or social media outlet. If a link is provided, it must link to the posting Affiliate's Replicated website.
- d) Anonymous postings or use of an alias on any Social Media site is prohibited, and the offending Affiliates will be subject to disciplinary action.
- e) Affiliates and/or Customers may not use blog spam, spamdexing, or any other mass-replicated methods to leave blog comments. Comments Affiliates or Customers create or leave must be useful, unique, relevant, and specific to the blog's article.
- f) Affiliates and/or Customers must disclose their full name on all Social Media postings and conspicuously identify themselves as an Independent Frequense Affiliate for Frequense. Anonymous postings or the use of an alias is prohibited.
- g) Postings that are false, misleading, or deceptive are prohibited. This includes but is not limited to, false or deceptive postings relating to the Frequense business opportunity or income therewith, Frequense's products and services, and/or your biographic information and credentials.
- h) Affiliates and/or Customers are personally responsible for their postings and all other online activity that relates to Frequense. Therefore, even if an Affiliate does not own or operate a blog or Social Media site if an Affiliate and/or Customer posts to any such site that relates to Frequense or which can be traced to Frequense, the Affiliate is responsible for the posting. The Affiliate and/or Customer are also responsible for postings that occur on any blog or Social Media site that the Affiliate and/or Customer owns, operates, or controls.
- i) As a Frequense Affiliate, it is important to not converse with any person who places a negative post against you, other Affiliates, or Frequense. Report negative posts to Frequense at [support@frequense.com](mailto:support@frequense.com). Responding to such negative posts often simply fuels a discussion with someone carrying a grudge who does not hold themselves to the same high standards as Frequense, and therefore damages the reputation and goodwill of Frequense.
- j) The distinction between a Social Media site and a website may not be clear-cut because some Social Media sites are particularly robust, Frequense, therefore, reserves the sole and exclusive right to classify certain Social Media sites as third-party websites which are herein prohibited.
- k) If your Frequense business is canceled for any reason, you must discontinue using the Frequense name, and all of Frequense'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 Frequense Affiliate, you must conspicuously disclose that you are no longer an Independent Frequense Affiliate.

- l) Failure to comply with these Policies for conducting business online may result in the Affiliate losing their right to advertise and market Frequense products, services, and Frequense's business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.
- m) Affiliates are prohibited from selling Frequense products to individuals or entities that they know or should know, intend to resell the products. Affiliates must sell Frequense products only to end-user Customers, and Affiliates shall not sell to any person any quantity of Frequense products greater than that generally purchased by an individual for personal use. Affiliates must take reasonable steps to ensure that they do not violate these prohibitions.

#### **14.6 Advertising and Promotional Materials**

- a) You may not advertise any Frequense products or services at a price LESS than the highest Frequense published, established retail price of ONE offering of the Frequense 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 Frequense.
- b) Advertising and all forms of communication 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 Frequense Compliance Department.
- d) All requests for approvals with respect to advertising must be directed in writing to the Frequense Compliance Department.
- e) Frequense reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations and may require the removal of such advertisements from the marketplace without obligation to the affected Affiliate.

#### **14.7 Testimonial Permission**

- a) By agreeing to the Frequense Affiliate Agreement, an Affiliate gives Frequense 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 Frequense business opportunity, an Affiliate waives any right to be compensated for the use of his or her testimonial or image and likeness even though Frequense may be paid for items or sales materials containing such image and likeness and represents that any testimonial represents Affiliate's current, original, honest opinion, thoughts, beliefs, findings or experiences, based on Affiliate's actual experience with

Frequense and any stated use of Frequense products and/or services, and agrees to notify Affiliate immediately of any changes in the views expressed in the testimonial. In some cases, an Affiliate's testimonial may appear in another Affiliate's advertising materials. If an Affiliate does not wish to participate in Frequense sales and marketing materials, he or she should provide a written notice to the Frequense 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.

#### **14.8 Telemarketing - Limitations**

- a) A Frequense Affiliate must not engage in telemarketing in relation to the operation of the Affiliate's Frequense business. The term "telemarketing" means the placing of one or more telephone calls, text messages, emails, or facsimile transmissions to an individual or entity to induce the purchase of Frequense products or services or to recruit them for the Frequense opportunity.
- b) The federal government administers the Unsolicited Telecommunication Rules and operates a national Do-Not-Call registry that requires businesses to refrain from calling phone numbers listed on the national "Do-Not-Call" list (DNCL) and or people who tell the caller directly not to call/fax in the future.
- c) While an Affiliate may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Affiliate to violate the law. These regulations must not be taken lightly, as they carry significant penalties.
- d) "Cold calls" or unsolicited calls/texts/emails/faxes made to prospective Customers or Affiliates in order to promote Frequense products, services, or the Frequense business opportunity is considered telemarketing and is prohibited.
- e) Exceptions to Telemarketing Regulations. A Frequense Affiliate may place telephone calls or faxes to prospective Customers or Affiliates under the following limited situations:
  - (i) If the Affiliate has an established current business relationship with the prospect;
  - (ii) In response to the prospect's personal inquiry or application regarding a product or service offered by the Frequense Affiliate, within 3 months immediately before the date of such a call/fax;
  - (iii) If the Affiliate receives written and signed permission from the prospect authorizing the Affiliate to call/fax;
  - (iv) If the call/fax is to family members, personal friends, and acquaintances. However, if an Affiliate makes a habit of collecting business cards from everyone, he/she meets and subsequently calls/faxes them, the federal government may consider this a form of telemarketing that is not subject to this exemption; and
  - (v) Frequense Affiliates engaged in calling "acquaintances," must make such calls/faxes on an occasional basis only and not as a routine practice.

- f) An Affiliate shall not use automatic telephone dialing systems in the operation of his or her Frequense businesses.
- g) Failure to abide by Frequense's policies or federal regulations regarding telemarketing may lead to sanctions against the Affiliate, up to and including termination of the Affiliate's Frequense Account.
- h) By enrolling as an Affiliate, or by accepting commissions, other payments, or awards from Frequense, an Affiliate gives permission to Frequense and other Affiliates to contact them as permitted under the Federal Do Not Call regulations.
- i) In the event an Affiliate violates this section, Frequense reserves the right to institute legal proceedings to obtain monetary or equitable relief.

## **15.0 INTERNATIONAL MARKETING**

### **15.1 International Marketing Policy**

- a) A Frequense Affiliate is authorized to sell Frequense products and services, to Customers and Affiliates only in the countries in which Frequense is authorized to conduct business, according to the Policies and Procedures of each country. Frequense Affiliates may not sell products or services in any country where Frequense products and services have not received applicable government authorization or approval.
- b) An Affiliate may not, in any unauthorized country, conduct sales, enrollment, or training meetings, enroll or attempt to enroll potential Customers or Affiliates, nor conduct any other activity for the purpose of selling Frequense products and services, establishing a sales organization, or promoting the Frequense business opportunity.

## **16.0 AUTOSHIP CANCELLATION**

- a) To cancel or modify your Autoship at any time you may email [support@frequense.com](mailto:support@frequense.com). You can also modify or cancel your order at any time through your portal at [www.frequense.com](http://www.frequense.com). By selecting the "Autoship" option on the website, you are giving Frequense authorization to enroll you in the automatic shipping program. Frequense will ship your product directly to you. You are also authorizing Frequense to charge your credit card for the products you have ordered on a monthly basis without further warning or notification from Frequense. You may cancel at any time without penalty by emailing [support@frequense.com](mailto:support@frequense.com). All Autoship cancellations must be performed or delivered to Frequense within three (3) business days prior to your next shipment to guarantee cancellation of that shipment.

## **17.0 SHIPPING POLICY**

- a) All orders are processed within 2-3 business days.
- b) Orders are not shipped or delivered on weekends or holidays.
- c) If Frequense is experiencing a high volume of orders, shipments may be delayed by a few days. Please allow additional days in transit for delivery. If there will be a significant delay in shipment of your order, we will contact you via email or telephone.



- d) Shipping charges for your order will be calculated and displayed at checkout. Delivery delays can occasionally occur.
- e) Frequense is not liable for any products damaged or lost during shipping. If you received your order damaged, please contact the shipment carrier to file a claim.
- f) Please save all packaging material and damaged goods before filing a claim.

## **GLOSSARY OF TERMS**

The terms listed below shall have the following meaning throughout these Policies and Procedures regardless of whether they are capitalized.

**ACCOUNT:** The secure and proprietary back-office associated with each Affiliate's Frequense business and unique User ID where an Affiliate can access the Affiliate Agreement, the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

**ACTIVE AFFILIATE:** An Affiliate who is in good standing with respect to the Affiliate Agreement and who satisfies the minimum sales volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

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

**COMPETING PRODUCT(S):** Any program, product, or service offered by another network marketing/direct sales company with characteristics, functions, benefits, or ingredients similar to those offered by Frequense, regardless of differences in cost, quality, or other distinguishing factors.

**CUSTOMER:** Any person who purchases Frequense products and does not enroll as a Frequense Affiliate.

**AFFILIATE AGREEMENT:** The most current version of the following along with any addendums or exhibits thereto: (i) Frequense Policies and Procedures; and (ii) Frequense Compensation Plan.

**AFFILIATE:** An individual or entity who actively promotes, markets, and sells Frequense products for profit and who actively seeks and Recruits others to do the same in accordance with the Affiliate Agreement.

**FAMILY UNIT:** Parents or dependent children living at or doing business at the same address as an Affiliate.

**LINE OF SPONSORSHIP (LOS):** A report generated by Frequense that provides critical data relating to the identities of Affiliates, sales information, and enrollment activity of each Affiliate's Organization. This report contains propriety, confidential, and trade secret information.

**ORGANIZATION OR DOWNLINE:** The Customers or Affiliates placed below a particular Affiliate.

**OFFICIAL FREQUENSE MATERIAL:** Literature, audio or video recordings, photographs, intellectual property, and/or any other materials developed, printed, published, or distributed by Frequense to Affiliates and/or Customers.

**PLACEMENT:** An Affiliate's position inside his or her Sponsor's organization.

**RECRUIT, RECRUITMENT & RECRUITING:** Actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Affiliate or Customer to enroll or participate in any direct sales or network marketing opportunity. Recruitment includes but is not limited to messaging, posting, friending, or otherwise contacting known Affiliates and/or Customers of Frequense on social media (e.g., Facebook, Instagram, etc.) to discuss another direct sales or network marketing opportunity. The conduct described in this paragraph is Recruitment even if the Affiliate's actions are in response to an inquiry made by another Affiliate or Customer

**RESALABLE:** Products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labeling have 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 Frequense labeling. 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 affiliate who enrolls a Customer or other Affiliates into Frequense and is listed as the Sponsor.

**SPOUSE:** An individual that is legally married to an Affiliate or an individual that is a party to a legally recognized common-law relationship with an Affiliate.

**UPLINE:** This term refers to the Affiliate(s) above a particular Affiliate in a Sponsorship line up to the Company. It is the line of Sponsors that links any particular Affiliate to Frequense.

**WALLET:** A secure feature in the back-office software that maintains an Affiliate's commissions and bonuses.

**ADDENDUM 1**  
**INCOME DISCLOSURE**  
**STATEMENT**

## **INCOME DISCLOSURE STATEMENT**

The Frequense Compensation Plan is an exciting opportunity that rewards you for selling products and services and sponsoring other participants who do the same. Although the opportunity is unlimited, individual results will vary depending on commitment levels and sales skills of each participant. Since Frequense has recently launched, it lacks enough statistical data to prepare reliable income disclosures. There will be certain participants who will earn less while others will earn much more. We're excited about the Frequense Compensation Plan and we're confident it will provide you with a solid foundation to help you achieve your financial goals. As with all endeavors, hard work and the time you dedicate impact outcomes.

If income projections were presented to you prior to your enrollment, such projections are not necessarily representative of the income, if any, that you can earn through your participation in the Compensation Plan. These income projections should not be considered as guarantees or projections of your actual earnings or profits. Success with Frequense results only from hard work, dedication, and leadership.