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POLICIES AND PROCEDURES

1.0 INTRODUCTION

1.1 Purpose of Policies and Independent Contractor Status

- A. Investor Nextdoor Club LLC (hereafter “Investor Nextdoor Club” or simply the “Company”) markets its array of educational courses via its online platform to retail customers (“Members”) through a network of independent business owners, known as Affiliates. To clearly define the relationship that exists between Affiliates and Company and to explicitly set a standard for acceptable business conduct, Company has established these Policies and Procedures.
- B. Affiliates are required to comply with: (i) all of the terms and conditions set forth in the Affiliate Agreement; (ii) all federal, state and/or local laws governing their Company business; and (iii) these Policies and Procedures and all agreements incorporated herein as may be amended from time to time at Company’s sole discretion.
- C. Affiliates must review the information in these Policies and Procedures carefully. Should an Affiliate have any questions regarding a policy or rule, the Affiliate is encouraged to seek an answer from their Sponsor or any other upline Affiliate. If further clarification is needed, the Affiliate may contact Company Compliance at: compliance@InvestorNextdoorClub.com
- D. The Company has the right, but not the obligation, to create an Affiliate Advisory Council that will work to create a bridge between the Company and the field of Affiliates. This Council may provide recommendations, present Affiliate concerns, and serve as an initial reviewer of any issues that may arise between the Company and an Affiliate. Any decisions or recommendations the Council makes shall be non-binding and shall remain subject to Company discretion subject to the terms of these Policies and Procedures. If Company determines to implement the Council, the terms and eligibility to serve shall be developed in a separate document that shall be incorporated herein upon announcement.
- E. Independent Business Relationship; Indemnification for Actions

An Affiliate is an independent contractor and not a purchaser of a franchise or business opportunity. The Affiliate Agreement does not create any franchise rights, business opportunity rights, or employment position or relationship and should never be construed as such. Each Affiliate’s success depends entirely on their independent efforts, and no specific level of income or success is guaranteed. Affiliates are responsible for their own business decisions, expenditures, and schedule.

The Agreement between Company and its Affiliates does not create an employer/employee relationship, agency, partnership, or joint venture between Company and the Affiliate.



An Affiliate shall not be treated as an employee of Company for any purposes, including, but not limited to, federal, state, or local tax purposes. All Affiliates are responsible for paying federal, state, and local taxes due from all compensation earned as an Affiliate of Company. Any other compensation received by Affiliates from Company will be governed by applicable U.S. tax laws (or the tax laws of any other applicable jurisdiction). **The Affiliate has no express or implied authority to bind Company to any obligation or to make any commitments by or on behalf of Company.** Each Affiliate, whether acting as management of a Business Entity or represented as an individual, shall establish their own goals, hours, and methods of operation and sale, so long as they comply with the terms of the Affiliate Agreement, these Policies and Procedures, and applicable federal, state and local laws and regulations.

An Affiliate is fully responsible for all of their verbal and written communications made regarding Company products, services, and the Compensation Plan that are not expressly contained within Official Company materials. Affiliates shall indemnify and hold harmless Company, its owners, directors, officers, employees, and agents from and against any and all liability, judgments, refunds, damages, fines, penalties, and costs (including reasonable attorney's fees and court costs) arising from or relating to the Affiliate's: (i) unauthorized representations or actions; (ii) breach of the Agreement; or (iii) violation of or failure to comply with any applicable federal, state or local law or regulation. This provision shall survive the termination of the Affiliate Agreement.

Affiliates must clearly identify themselves as an "Independent Affiliate" of Investor Nextdoor Club LLC in all communications, including telephone calls, correspondence, business cards, social media profiles, websites, and any other marketing materials. Affiliates shall not answer telephone calls or otherwise represent themselves in any manner that would lead others to believe they have reached the Company's corporate offices or are employees of the Company. All business materials must prominently display the Affiliate's name followed by "Independent Affiliate for Investor Nextdoor Club LLC."

- F. Insurance.** The Company encourages Affiliates to arrange insurance coverage for their independent business. This is not a requirement to be an Affiliate, but all Affiliates operate their own business independently as independent contractors and should explore all options that best serve their individual needs and business operations.

1.2 Mutual Commitment Statement

Company recognizes that in order to develop a long-term and mutually rewarding relationship with its Affiliates and Members, Company and its Affiliates must acknowledge and respect the true nature of the relationship.

- A. In the spirit of mutual respect and understanding, Company is committed to:
- I. Providing prompt, professional and courteous service and communications to all of its Affiliates and Members;



- II. Providing the highest level of quality products/services at fair and reasonable prices;
 - III. Refunding the purchase price of any product, service or membership as provided in our Refund Policy in accordance with all applicable laws;
 - IV. Paying commissions accurately and timely; and
 - V. Offering Affiliates an opportunity to build their independent business with Company.
- B. In return, Affiliates will abide by the Company Code of Ethics:
- I. Conduct themselves in a professional, honest, and considerate manner;
 - II. Present Company and product or service information in an accurate, professional, and compliant manner and in accordance with these Policies and any and all applicable laws and regulations;
 - III. Present the Compensation Plan, opportunity, products, and Refund Policy in a complete and accurate manner;
 - IV. Not make exaggerated, false or unsubstantiated income claims;
 - V. Make reasonable efforts to support Members and to support and train Affiliates in their downline while exercising caution to avoid interference with other downlines;
 - VI. Not engage in cross-line recruiting, unethical competition, or unethical business practices;
 - VII. Accurately complete and submit the Affiliate Agreement and any requested supporting documentation in a timely manner as the Company may request; and
 - VIII. Refrain from acting in any way that may constitute harassment of any kind, such conduct may include, but not be limited to, derogatory or threatening comments, inappropriate sexual behavior including but not limited to unwelcomed sexual advances or requests for sexual favors, displaying visual images of a sexual nature, physical or verbal harassment, or violent behavior. Affiliates are strongly encouraged to report any type of harassment incidents immediately. Company will not tolerate acts or threats of violence, harassment, or other violative actions. Company will promptly investigate all reports of such conduct and reserves the right to take appropriate disciplinary action, including immediate termination of the Affiliate Agreement, suspension of account privileges, and/or legal action where warranted, against any Affiliate found to have violated this provision.
 - IX. Affiliates must show fairness, tolerance, and respect to all people associated with Company, regardless of race, gender, sexual orientation, social class, religion, or otherwise, thereby fostering a positive atmosphere of teamwork, good morale and community spirit.

- X. Affiliates shall strive to resolve business issues without Company intervention, including situations with upline and downline Affiliates, by emphasizing tact, good will and taking care not to create additional problems. As independent contractors, Affiliates are responsible for their own actions and disputes. Company shall intervene only in extreme situations where disputes cause further issues to the Company as a whole.
- XI. Affiliates must be honest, responsible, professional and conduct themselves with integrity at all times.
- XII. Affiliates shall always present accurate information like proper disclaimers and access to the Income Disclosure Statement when encouraging prospects to join the Company. Moreover, as an Affiliate you agree to never intimidate nor engage in unlawful recruiting practices, including any suggestion that excessive purchases are necessary to participate in Company or to be successful as a Company Affiliate.
- XIII. Affiliates shall always present income claims and the opportunity in a presentable and truthful manner and to never present atypical income claims that would mislead or deceive a prospective Affiliate.

Company may take appropriate action against an Affiliate if the Company determines, in its sole discretion, that an Affiliate's conduct is detrimental, disruptive, or injurious to Company or to other Affiliates.

1.3 Policies and Compensation Plan Incorporated into the Affiliate Agreement

When the terms "Affiliate Agreement," "Agreement," "Policies" or "Policies and Procedures" are used herein, the terms collectively refer to these Policies and Procedures, the Income Disclosure Statement, the Privacy Policy, the Compensation Plan, the Affiliate Agreement, the Business Entity Registration Form and the Affiliate Advisory Council terms, if either are applicable, and any other items Company may incorporate from time to time that shall be a part of the contract between the Company and Affiliate. It is the responsibility of the Sponsoring Affiliate to provide the most current version of these Policies and Procedures (available on the Company website or upon request), the most updated Income Disclosure Statement, and the Company Compensation Plan to each applicant prior to their execution of the Affiliate Agreement. Any Affiliate may receive these documents upon request to Company Compliance. **The enrolling Affiliate has a responsibility to ensure they have read, understood, and agree to all the terms outlined herein.**

1.4 Changes, Amendments, or Modifications

- A. Because federal, state, and local laws and regulations, as well as the business environment, periodically change, Company reserves the right to amend this Agreement and the prices of Company products in its sole and absolute discretion. Notification of amendments shall appear in Official Company Materials. Amended provisions shall not apply retroactively to conduct that



occurred prior to the effective date of the amendment(s) except where indicated, and only in the event that the Affiliate expressly agrees to the amendment applying retroactively.

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

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

It is the responsibility of the Affiliate to maintain complete and accurate contact information and to remain up to date on all Company policies as outlined herein and as amended from time to time.

1.5 Delays

The Company shall not be liable for any delay or failure to perform its obligations under this Agreement where such delay or failure results from circumstances beyond its reasonable control (a "Force Majeure Event"). This includes, without limitation, labor disruptions, technical or network failures, interruptions in third-party services, riots, wars, fires, floods, earthquakes, hurricanes or other natural disasters, adverse weather conditions, epidemics, pandemics, public health emergencies, acts of terrorism, cybersecurity incidents, changes in applicable laws or regulations, government decrees or orders, or other similar events or circumstances outside the Company's

reasonable control. The Company shall make reasonable efforts to inform Affiliates and Members of any delays or disruptions and provide updates as practicable, given the specific circumstances causing such delay.

2.0 BASIC PRINCIPLES

2.1 Becoming an Affiliate

- A. To become an Affiliate, an applicant must comply with the following requirements:
 - I. Be at least eighteen (18) years of age;
 - II. Have a valid address in (i) the United States; (ii) the territories of Puerto Rico or United States Virgin Islands (collectively, “U.S. Territories”); or (iii) a U.S. military base or U.S. embassy (i.e., an Army/Air Post Office, Fleet Post Office, or Diplomatic Post Office address) (collectively, “U.S. Jurisdictions”). You cannot use a post office box (other than on a U.S. military base or at a Diplomatic Post Office).
 - III. Have a valid taxpayer identification number (i.e., Social Security Number (SSN), Federal Tax ID Number (Employer Identification Number-EIN), or Individual Taxpayer ID Number (ITIN)) that is not associated with an existing Affiliate account or associated with an owner or beneficiary thereof;
 - IV. Submit a properly completed and signed Affiliate Agreement to Company;
 - V. Submit payment of the non-commissionable enrollment fee as detailed upon enrollment prior to checkout;
 - VI. Provide an e-mail address that is not already associated with an existing Affiliate account; and
 - VII. Submit, if applicable, the Business Entity Registration form if the Affiliate is to enroll as a business entity.

2.2 New Affiliate Registration

- A. A potential new Affiliate must enroll under an existing Affiliate who will act as the new Affiliate’s Sponsor. Company will accept an electronic Affiliate Agreement by way of web-enrollment and one’s “electronic signature” in place of a signed, physical copy. This electronic signature signifies that the new Affiliate has accepted the terms and conditions of the Affiliate Agreement. ***Please note that such electronic signature constitutes a legally binding agreement between you and the Company.***
- B. Company reserves the right at its sole discretion to require signed paperwork for any account, regardless of origin.



- C. If requested, the signed Affiliate Agreement must be received by Company within seven (7) days of enrollment, unless otherwise stated in writing to the contrary.
- D. Signed documents are legally binding contracts which must not be altered, tampered with, or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document made after a document has been signed may lead to sanctions, including but not limited to involuntary termination of the Affiliate's business.

Sales Business Entities

- A. A Business Entity may hold an Affiliate position by way of the Business Entity Registration Form. This Affiliate business and position will remain *temporary* until the proper documents are submitted. The Business Entity Registration Form stipulates the specific documents necessary for submission for the particular entity type, including but not limited to: Certificate of Incorporation, Articles of Organization, or Trust documents. Company must receive these documents within seven (7) days from the date the Affiliate Agreement was signed, unless the Company states otherwise in a signed writing.
- B. An Affiliate may change their status under the same Sponsor from an individual to a Business Entity or from one business entity to another upon application to the Company. Each Affiliate must immediately notify the Company of any changes to the type of Business Entity they utilize in operating their Company business and the addition or removal of business associates. The Affiliate Agreement form must be signed by all of the members, shareholders, partners, or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to the Company. Company shall be responsible for contacting the business entity via the email or other contact information provided and Company has no obligation to contact all parties who may be associated with the Business Entity.

2.4 Rights Granted

- A. Upon Company's acceptance of Affiliate's registration, Company hereby grants to the Affiliate a non-exclusive right, subject to the terms and conditions outline herein to:
 - I. Promote and sell Company products to others; and
 - II. Sponsor new Affiliates and Members in the countries in which Company is operating.

2.5 Identification Numbers

The Company will provide all Affiliate positions a unique Affiliate Identification Number. This number will be used to place orders, structure organizations, track commissions and bonuses and any other reason the Company may require to identify the Affiliate position.



2.6 One Business Per Affiliate.

An Affiliate may operate or have an ownership interest, legal or equitable, as an individual, sole proprietorship, partner, member, shareholder, trustee, beneficiary, or otherwise in only one Company business. No individual may have, operate or receive compensation from more than one Company business absent exceptional circumstances the Company may approve in writing on a case-by-case basis. Individuals of the same family unit may each enter into or have an interest in their own separate Company businesses only if each subsequent family position is placed frontline to the first family member enrolled. A “family unit” is defined as spouses and dependent children living at or doing business at the same address. The term family unit may be expanded at the discretion of the Company on a case-by-case basis for the purpose of fulfilling the intent of this provision.

2.7 Renewals and Expiration of the Affiliate Agreement

- A. An Affiliate is considered active if the Affiliate remains in compliance with all terms and conditions outlined herein and meets all requirements outlined within the Compensation Plan.
- B. Any Affiliate who was terminated is not eligible to re-apply for a Company business.
- C. An Affiliate who has not renewed will be inactive. If they renew within sixty (60) days of being inactive, they will maintain their position and downline. After sixty (60) days of inactivity, the Affiliate will fully forfeit their position. The Affiliate can reenroll under the same sponsor within six (6) months of becoming inactive. The Affiliate can enroll with a new sponsor after six (6) months of becoming inactive.
- D. Any Affiliate that is inactive, for whatever reason, shall forfeit any commissions, remuneration, or otherwise during the time of inactivity. Upon regaining active status, the Affiliate shall not receive any commissions, remunerations or otherwise that were forfeited during the time of inactivity.
- E. An Affiliate shall not use inactivity status as a means to enroll under a new Sponsor or to act in a way that the Company, in its sole discretion, is done as a means to manipulate or otherwise the Compensation Plan or business structure.

2.8 Governmental Approval or Endorsement

There are no government approvals for any direct sales companies or their compensation plans. Any statement to the contrary is false and a direct violation of these Policies and Procedures and should be brought to Company’s attention immediately.

3.0 AFFILIATE RESPONSIBILITIES

3.1 Training and Leadership

Any Affiliate who sponsors another Affiliate into Company should perform an authentic assistance and training function to ensure their downline is properly operating their Company business. Sponsoring



Affiliates should seek to have ongoing contact and communication with the Affiliates in their downline organizations to promote a well-organized team and business. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, team calls, voicemail, e-mail, personal meetings, accompaniment of downline Affiliates to Company meetings, training sessions and any other related functions the Affiliate finds necessary to further their independent business.

3.2 Constructive Criticism; Ethics

Company values constructive criticism and encourages the submission of written comments addressed to Company Compliance Department: compliance@InvestorNextdoorClub.com

3.3 Non-Disparagement

Affiliates shall not make any oral, written, electronic statement, or otherwise that disparages, defames, or reflects adversely upon the Company or any of Company's affiliates, vendors, owners, board members, directors, officers, employees, other Affiliates, Company's products, or the Company Compensation Plan. Affiliates shall also not make statements that unreasonably offend, mislead or coerce others. Such conduct represents a material breach of these Policies and Procedures and may result in Company sanctioning or otherwise disciplining the Affiliate, including immediate termination, as Company deems appropriate at its sole discretion.

This non-disparagement provision shall in no way be construed to apply to those individuals or entities that are merely purchasing and/or consuming the products or services of the Company. The Consumer Review Fairness Act (CRFA) prohibits prohibition on consumer reviews, but Company is fully within its right to prohibit disparaging comments from those individuals or entities that act as independent contractors marketing and selling Company products. The CRFA therefore does not apply here to Affiliates who are independent contractors in all respects.

3.4 Sponsorship

- A. An Affiliate's Sponsor is the person who introduces the Affiliate to Company.
- B. Unless otherwise explicitly stated, Company only recognizes the Sponsor as the name(s) shown on the electronically signed Affiliate Agreement from either the corporate website or an Affiliate's Replicated Website.
- C. No other enrollment mechanism will be accepted to reflect an Affiliate's Sponsor.
- D. Company recognizes that each new prospect has the right to ultimately choose their own Sponsor, but Company 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 Company. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Affiliate may engage the same prospect. It is the accepted courtesy that the new prospect



will be sponsored by the first Affiliate who presented a comprehensive introduction to Company products or sales opportunity with any dispute as to this definition to be resolved by the Company at the Company's discretion.

3.5 Cross Sponsoring Prohibition

- A. "Cross sponsoring" is defined as the enrollment into a different line of sponsorship of an individual or Business Entity that already has a signed Affiliate Agreement. Actual or attempted cross sponsoring is strictly prohibited and may subject Affiliate to disciplinary sanctions including but not limited to termination.
- B. The use of another's name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, fictitious ID numbers, or otherwise to evade or circumvent this policy is not permitted. Company has the absolute right to reject any Affiliate application or terminate any Affiliate Agreement when the Company reasonably believes this or similar activity has been done.

3.6 Non-Solicitation and Other Business Restrictions

- A. Affiliates may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities (collectively, "Network Marketing" and defined further below) provided that: (i) the other Network Marketing company does not market and sell competing products or services to those of Company, as determined by the Company in its sole discretion; and (ii) the Affiliate maintains the ability to fully perform all obligations under this Agreement. However, during the Term of this Agreement and for one (1) year thereafter, an Affiliate may not recruit any Affiliate or Member for any other Network Marketing business, unless that Affiliate or Member was personally sponsored by such Affiliate. The preceding sentence shall not be interpreted to permit an Affiliate to recruit one of their downline Affiliates or Members in an effort to have that Affiliate do the same. Company shall, in its sole discretion, have the ability to enforce this provision as it deems fit to fulfill both the purpose and the spirit of this provision. Affiliate shall not offer any type of contact information connected to any Affiliate to another party with the intent of having the other party solicit/recruit that Affiliate to consider any product, service, or income opportunity unrelated to Company.
- B. Affiliates shall never promote multiple Network Marketing opportunities or products/services of other Network Marketing opportunities on the same platforms as they market and sell Company products/services, at any Company-related event, seminar, training, convention, or immediately after such an event. Affiliate shall also not display or bundle Company products or services in sales literature, on a website, or in sales meetings with any other products or services. These are reasonable restrictions to avoid confusing or misleading a prospective Member or Affiliate into believing there is a relationship between the Company and non-Company products, services, or opportunity and to prevent indirect solicitation.



- E. Affiliate shall not sell training materials or sales aids including published books, eBooks, videos, or other general miscellaneous training aids to your downline or other Affiliate without prior written approval from the Company.
- F. A violation of any of the provisions in this Section shall constitute unreasonable and unwarranted contractual interference between Company and its Affiliates and would inflict irreparable harm on Company. In such event, Company may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Affiliate or such Affiliate's business including termination, or seek immediate injunctive relief without the necessity of posting a bond.
- G. ***If at the time of enforcement of any provision of this Section a court of competent jurisdiction shall hold that the duration, scope or area restriction of any provision herein is unreasonable under circumstances now or then existing, you and Company hereto agree that the maximum restricted period, scope or territory reasonable under the circumstances shall be substituted by the court for the stated duration, scope or area. The parties intend that the restrictions contained in this Section be construed as a series of separate restrictions, and if any restriction is found to be unenforceable, the remaining restrictions shall remain valid and enforceable.***
- H. ***If another Network Marketing entity brings any lawsuit, arbitration, or mediation against an Affiliate alleging that the Affiliate engaged in inappropriate recruiting activity of its sales force or Members, the Company will not pay any of Affiliate's defense costs or legal fees, nor will the Company indemnify the Affiliate for any judgment, award, or settlement.***

3.7 Unethical Sponsoring

- A. Affiliates shall not participate in unethical sponsoring activities. Unethical sponsoring activities include, but are not limited to, enticing, bidding, engaging with, or attempting to solicit Affiliates from another's downline organization, whether directly or indirectly, with the intent of acquiring them as your own. This includes making misleading or disparaging statements about other Affiliates or their upline to encourage them to change their placement.
- B. Allegations of unethical sponsoring activities must be reported in writing to the Company Compliance Department within the first ninety (90) days of enrollment. If the reports are substantiated, Company may transfer the Affiliate or the Affiliate's downline to another Sponsor, Placement or organization without approval from the current upline Sponsor or Placement Affiliates. Company remains the final authority in such cases.
- C. Company prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the Company compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Affiliate in an unearned manner. Examples of stacking include, but are not limited to: (1) placing participants under an inactive downline without their knowledge to trigger unearned qualification for commissioning; (2) manipulating the placement of new Affiliates to artificially create depth in the organization; (3) purchasing products through multiple accounts to qualify for commissions or bonuses; and (4) any other manipulation of the



Compensation Plan to receive unearned commissions or qualifications. Stacking is unethical and unacceptable behavior and may subject the Affiliate to disciplinary action.

- D. Affiliates shall not knowingly solicit or entice individuals who are under contract with another direct selling company to become an Affiliate with Company. Affiliates acknowledge that such actions may constitute tortious interference with contractual relationships and that they, not Company, bear all risks and liability associated with such actions. If any lawsuit, arbitration, or mediation is brought against an Affiliate alleging that they engaged in inappropriate recruiting activity of another company's sales force or customers, Company will not pay any of Affiliate's defense costs or legal fees, nor will Company indemnify the Affiliate for any judgment, award, or settlement, or otherwise.

3.8 Adherence to Laws, Regulations, and Ordinances

As independent contractors and business owners, Affiliates are responsible for complying with all federal, state, and local laws and regulations. Affiliates should also become aware of their local ordinances to ensure they are operating appropriately.

3.9 Compliance with Applicable Income Tax Laws

- A. Company will automatically provide a complete 1099-NEC form (nonemployee compensation) to each U.S. Affiliate whose earnings for the year is at least \$600 or who received trips, prizes or awards valued at \$600 or more. If earnings are less than stated above, these forms will be sent only at the request of the Affiliate, and Company may charge a fee to the Affiliate.
- B. Affiliates accept sole responsibility for and agree to pay all federal, state and local taxes on any income generated as an Affiliate and further agrees to indemnify Company from any failure to pay such tax amounts when due.
- C. The Affiliate is fully responsible for providing any tax-exempt status to the Company.
- D. Company encourages all Affiliates to consult with a tax advisor for additional information for their business. Company shall not be held responsible for any tax implications Affiliates may experience.

3.10 Actions of Household Members or Affiliated Parties

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



3.11 Presentation of the Sales Opportunity

- A. Affiliates are required to comply with the following provisions when presenting the Company sales opportunity:
- I. Affiliates shall never misrepresent or omit any significant material fact about the Compensation Plan.
 - II. Affiliates shall never present that it is a requirement or encourage others to make a purchase from or payment to any individual or entity as a condition to participating in the Company opportunity other than those such fees that Company directly may require.
 - III. Affiliates shall make it clear that the Compensation Plan is based upon sales of Company products to those who will use the product.
 - IV. Affiliates shall make it clear that success may be achieved only through substantial independent efforts with no guarantees of any success. Affiliates must refrain from misrepresentations that include, but are not limited to:
 - a. It's a turnkey system;
 - b. The system will do the work for you;
 - c. Just get in and your downline will build through spillover;
 - d. The Company does all the work for you;
 - e. All you have to do is buy Company products/services every month.

The above are just examples of improper representations. Affiliates shall never provide representations that could lead a prospect to believe that they can be successful as an Affiliate without commitment, effort, and sales skill. Nothing is guaranteed even if all of these are met. The Company reserves the right to determine what it considers a non-compliant claim and discipline the Affiliate accordingly.

- IV. Affiliates shall never make unauthorized income projections, claims, or guarantees while presenting or discussing the Company opportunity or Compensation Plan. All claims must be typical results and shall be accompanied by Official Company Material including an Income Disclosure Statement.
- VII. Company will maintain an Income Disclosure Statement ("IDS"). The Company IDS is designed to convey truthful, timely, typical, and comprehensive information regarding the income that Affiliates earn. The IDS is an integral part of presenting the Company opportunity and must be utilized.

Income/earnings claims are considered to be any claim, representation, or testimonial that explicitly or implicitly states or suggests the amount of income an Affiliate has earned or



may expect to earn as an Affiliate, whether expressed as a specific amount or in general terms suggesting financial success. Hypothetical claims and lifestyle claims are also considered income claims. Hypothetical claims include scenarios where possible numbers put into the Compensation Plan and are presented as examples. Lifestyle claims are statements such as my Company business allowed me to buy a house, retire from my job, allow my spouse to quit his or her job, or take a luxury vacation.

When an Affiliate discusses their earnings as an Affiliate with Company, any income claim, regardless of platform or manner of communication, must be accompanied by the following disclaimer or a substantially similar Company-approved variation: ***"This represents my unique experience. Actual earnings vary significantly and no income is guaranteed. For typical earnings information, please see the Company's Income Disclosure Statement"***. The link must direct to the current version of the Company IDS. This disclaimer must be clear, conspicuous, and in close proximity to the income claim.

3.12 Compensation Plan Governs Sales Requirements

No Affiliate's earnings potential or success of their business will be conditional upon the amount of product an Affiliate personally purchases. Purchasing product solely for the purpose of collecting bonuses or achieving rank is prohibited.

"Bonus Buying" is strictly and absolutely prohibited and constitutes a material breach of this Agreement that will result in immediate termination. Bonus Buying includes but is not limited to: (i) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (ii) the fraudulent enrollment of an individual or entity as Member/Affiliate; (iii) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Members/Affiliates (known as "phantoms"); (iv) purchasing Company products on behalf of another Member/Affiliate, or under another Member's/Affiliate's ID number, to qualify for commissions or bonuses; (v) purchasing excessive amounts of products that cannot reasonably be used; (vi) purchasing amounts of products for the purposes of qualification; and/or (vii) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

4.0 ORDERING

4.1 General Order Policies

- A. Affiliates shall never use another Member's/Affiliate's credit card, debit card, or checking account to enroll in Company or purchase products without the account holder's prior express written permission. Using another person's payment method without proper authorization may result in disciplinary action.
- B. Only in exceptional circumstances will the Company modify which Affiliate a purchase was made under. This modification is done at Company's sole discretion in the event of a mistake or other valid reason Company may determine on a case-by-case basis.



- C. All prices are subject to change without direct notice. The Company will use reasonable efforts to provide advance notice of price changes through the Company website, Affiliate back office, or other normal communication channels.

4.2 Insufficient Funds and Non-Payment

- A. Company reserves the right to impose a fee, suspend, or terminate an account for insufficient funds. This shall be determined on a case-by-case basis.
- B. If there is an outstanding balance owed to the Company by a personal Member/Affiliate of an Upline Affiliate due insufficient funds or otherwise, the Company reserves the right, at its sole discretion, to withhold such amounts from the Upline Affiliate's future bonus and commission checks on a case-by-case basis.
- C. If a credit card order or automatic debit is declined the first time, the Affiliate will be contacted for an alternate form of payment. If payment is declined a second time, the Affiliate may be deemed ineligible to purchase Company products or services.
- D. Regarding an order with an invalid or incorrect payment, Company will attempt to contact the Affiliate by the e-mail associated with the order for the Affiliate to use another payment method.
- E. All transactions involving insufficient funds or non-payment may be grounds for disciplinary sanctions if not resolved in a timely manner.

4.3 Errors or Questions

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

5.0 PAYMENT OF COMMISSIONS & BONUSES

5.1 Bonus and Commission Qualifications

- A. Affiliates must be an Active Affiliate to qualify for bonuses and commissions.
- B. Company will not issue a payment to an Affiliate without the receipt of a completed and signed Affiliate Agreement.
- C. Company reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.



5.2 Bonus and Commission Adjustment for Refunds

- A. Affiliates receive bonuses and commissions based on the actual sales of products to Members. When a product is refunded, the bonuses and commissions attributable to the refunded product 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 their business, and the amounts of the bonuses or commissions attributable to the returned products have not yet been fully recovered by Company, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Company to the terminated Affiliate. Company reserves the right to take any necessary action to recoup these funds and such action shall be determined on a case-by-case basis.

6.0 REFUNDS

6.1 Member and Affiliate Refund Policies

Member Refund Policy

All Member requests for refunds shall abide by the Refund Policy found within the Company corporate website for the particular product in question as presented at the point of sale. All Affiliates must represent such policy in an accurate and complete manner.

Affiliate Sales Aids Returns/Refunds

In the event Company provides any generic sales aids, Affiliates may return all generic sales aids within twelve (12) months from the date of cancellation for a refund if the Affiliate is unable to sell or use the merchandise.

Affiliates may only return sales aids or products they personally purchased from the Company under their Affiliate Identification Number, and which are in Resalable Condition. Any custom orders of printed sales aids (i.e., business cards, brochures, etc.) whereon the Affiliate's contact information is imbedded or hard printed, or has been added by the Affiliate, are not able to be returned in Resalable Condition and are nonrefundable.

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

The aforementioned 90% rule shall apply upon Affiliate's request to any returns of physical product when the physical product is in Resalable Condition.



6.2 Notice of Right to Cancel

You may CANCEL this application, without any penalty or obligation, within **THREE (3) BUSINESS DAYS** from the application date (**FIVE (5) BUSINESS days** for Alaska residents, **FIFTEEN (15) DAYS** for Montana residents and **FIFTEEN (15) BUSINESS days** for North Dakota residents aged 65 or older). Maryland residents may cancel this Agreement through written notice to the Company for any reason within three (3) months after the date of receipt of goods or services first ordered. Puerto Rico residents may cancel this Agreement for any reason within ninety (90) days of enrollment.

If you cancel, any payments made by you at the time you submitted this Application will be returned within **TEN (10) BUSINESS DAYS** following Company's receipt of your cancellation notice.

7.0 PRIVACY POLICY

7.1 Introduction

Company takes privacy seriously and has imposed this section to ensure the basic principles of confidentiality and data protection as it relates to Affiliates, downlines, and Member lists. For more information on our overall Company Privacy Policy, please refer also to the Company's Privacy Policy.

Each Affiliate is responsible for keeping their Affiliate information current and accurate. Email accuracy is of utmost importance as this is how Company will generally contact Affiliate of any information. ***By agreeing to these Policies and Procedures, the Affiliate consents to the Company Privacy Policy and to receiving emails from Company as well as from their upline. Affiliate agrees that Company may share with Affiliate's upline their name, telephone number, address, email address and select sales performance data for all Affiliates in their downline.*** No other data shall be shared with an Affiliate's upline without separate express permission from Affiliate to allow such personal information to be shared. ***Affiliate further acknowledges that information provided to Company by Affiliate will be shared with and processed by Company corporate offices. An Affiliate may opt-out of certain provisions enumerated above by reaching out directly to Company at private@InvestorNextdoorClub.com***

7.2 Expectation of Privacy

Company will make reasonable efforts to safeguard the privacy of and maintain the confidentiality of its Members'/Affiliates' financial and account information and any non-public, personal information.

7.3 Employee Access to Information

Company limits the number of employees who have access to Member's/Affiliate's nonpublic personal information to those who need to know to further the Company's business.

7.4 Restrictions on the Disclosure of Account Information



Company will not share non-public personal information or financial information about current or former Members/Affiliates with third parties, except as detailed within the Privacy Policy, permitted or required by laws and regulations or court orders, to serve the Members'/Affiliates' interests, or to enforce its rights or obligations under these Policies and Procedures, the Affiliate Agreement, or with express written permission from the account holder on file.

7.5 Security and Security Breaches

All Affiliates must adopt, implement and maintain appropriate administrative, technical and physical safeguards to protect against anticipated threats or hazards to the security of confidential information, including Member & Affiliate Data. These safeguards must be appropriate to the sensitivity of the information. Appropriate safeguards for electronic and paper records may include but are not limited to: (i) encrypting data before electronically transmitting it; (ii) storing records in a secure location; and (iii) password-protecting computer files and securely shredding paper files containing confidential information. Affiliates must keep confidential information secure from all persons who do not have legitimate business needs to see or use such information. Affiliates must ensure they obtain and maintain all necessary consents and provide all required privacy notices to prospective Members/Affiliates and existing Members/Affiliates before collecting or sharing such data with the Company, in accordance with applicable data protection laws including but not limited to the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), where applicable.

Affiliates must comply with all applicable privacy and data security laws, including but not limited to the GDPR, the CCPA, and any applicable security breach notification laws. Without limitation of the preceding sentence, in the event of an actual or suspected Security Breach affecting Company's data, the applicable Affiliates shall first promptly notify the Company Compliance Department in writing after becoming aware of such Security Breach, and if instructed by the Compliance Department, notify applicable Members/Affiliates. Any such notification to Members/Affiliates shall be made in compliance with applicable law and shall specify the following: (i) the extent to which Member/Affiliate Data was or was suspected to be disclosed or compromised; (ii) the circumstances of the Security Breach; (iii) the date or period of time on which it occurred; (iv) a description of the information affected; (v) a description of the steps taken to reduce the risk of harm from the Security Breach; (vi) contact information for a person able to answer questions regarding the Security Breach; and (vii) in the case of a notice to a privacy commissioner or other regulatory body, an assessment of the risk of harm to any affected persons and an estimate of the number of persons affected. Affiliates, at their expense, shall cooperate with Company, any applicable privacy commissioner or other regulatory body and the applicable Members/Affiliates and use their best efforts to mitigate any potential damage.

8.0 PROPRIETARY INFORMATION

8.1 Proprietary Information and Data Management Rule

The Data Management Rule (the "Rule") is intended to protect the Line of Sponsorship ("LOS") for the benefit of all Affiliates, as well as the Company. LOS information is information compiled by the Company that discloses or relates to all or part of the specific arrangement of sponsorship within the Company business, including, without limitation, Affiliate lists, sponsorship trees, and all Affiliate information generated therefrom, in its present and future forms. The Company LOS, constitutes a commercially advantageous, unique, and proprietary trade secret



(“Proprietary Information”), which it keeps proprietary and confidential. Company is the exclusive owner of all Proprietary Information, which is derived, compiled, configured, and maintained through the expenditure of considerable time, effort, and resources by the Company and its Affiliates. Through this Rule, Affiliates are granted a personal, non-exclusive, non-transferable and revocable right by the Company to use Proprietary Information only as necessary to facilitate their business as a Company Affiliate. The Company reserves the right to deny or revoke this right, upon reasonable notice to the Affiliate stating the reason(s) for such denial or revocation, whenever, in the reasonable discretion of the Company, such is necessary to protect the confidentiality or value of the Proprietary Information. ***All Affiliates shall maintain Proprietary Information in strictest confidence and shall take all reasonable steps and appropriate measures to safeguard Proprietary Information and maintain the confidentiality thereof. Affiliates shall never use Proprietary Information to facilitate building outside of the Company absent exclusive permission from the Company in writing.***

The Affiliate acknowledges that business reports, lists of Member and Affiliate names and contact information, and any other information, which contain financial, scientific or other information both written or otherwise circulated by Company pertaining to the business of Company (collectively, “Reports”), are confidential and Proprietary Information belonging to Company.

8.2 Obligation of Confidentiality

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

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

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

8.3 Breach and Remedies

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

8.4 Return of Materials

Upon demand by Company, any current or former Affiliate shall return the original and all copies of all Reports to Company together with any Company Proprietary Information or information Company holds confidential in such person’s possession.



9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF NAMES AND TRADEMARKS

9.1 Use of Names and Protected Materials

- A. All promotional materials Company creates or supplies must be used in their *original* form and cannot be changed, amended or altered unless the Affiliate receives prior written approval from the Company.
- B. The name of Company, each of its product and service names and other names that have been adopted by Company in connection with its business are proprietary trade names, trademarks or service marks of Company. As such, these marks are of great value to Company and are supplied to Affiliates for their use only in an expressly authorized manner in connection with facilitating the Affiliate's Company business.
- C. Affiliate's use of the name "Investor Nextdoor Club" or other Company owned or used names are restricted to protect Company's proprietary rights, ensuring that the Company protected names will not be lost or compromised by unauthorized use. Use of the Company name on any item not produced by Company is prohibited except as: [Affiliate's name] Investor Nextdoor Club Affiliate. Affiliate shall never present themselves as speaking on behalf of the Company and shall always identify themselves as an independent Affiliate of Company.
- D. Company reserves the right to restrict the Affiliate's use of any media or to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Affiliate.

9.2 Internet and Third-Party Website Restrictions

- A. Affiliates may not use or attempt to register any of Company's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company's name or any derivative thereof, for any purpose, including but not limited to domain names, social media handles, business names, or advertising materials, whether during or after the term of this Agreement.
- B. Affiliates may only sell Company products/services through their Company Replicated Website or the Company corporate website. Affiliates may not have any other third-party websites (defined as a website that is not Company-approved). Please note that a third-party website does not include social networking and social media sites. Any Affiliate who wishes to develop their own third-party website must submit a properly completed third-party website application and agreement that the Company may provide and receive Company's prior written approval before going live with such a website. Third-party websites may be used to promote your business and Company's products and services so long as the third-party website adheres to Company's Policies. Moreover, no orders may be placed through third-party websites and no enrollments may occur through a third-party website. If you wish to use any third-party website, you must do the following:



- a. Identify yourself as an Affiliate for Company;
 - b. Use only the approved images and wording authorized by Company;
 - c. Adhere to the branding, trademark, and image usage policies described herein;
 - d. Adhere to any other provision regarding the use of a third-party website described in this document;
 - e. Agree to modify your website to comply with current or future Company Policies;
 - f. Abide by any other Company requests Company may make from time to time as it relates to legal and regulatory changes; and
 - g. Provide a redirect button to the Company's corporate website for enrollment and product purchases.
- C. An Affiliate shall stay up to date with all Company materials, product details, or otherwise so as to not provide outdated items on an Affiliate's pages.
- D. If any Affiliate cancels their position or is terminated for any reason, the Affiliate must assign said third-party site to the Company with seven (7) calendar days, unless the Affiliate and Company determine otherwise.

9.3 Social Networking and Social Media

- A. ***Affiliates are personally responsible for their postings and all other online activity that relates to Company or Company products.*** Therefore, even if an Affiliate does not own or operate a blog or social media site, if an Affiliate makes a post that relates to Company or which can be traced to the Company, the Affiliate is responsible for the posting. Affiliates are also responsible for postings which occur on any blog or social media site that the Affiliate owns, operates or controls. Company reserves the right to require the removal of non-compliant or infringing posts from any Affiliate's social media pages and may terminate the position of any Affiliate who fails to do so. Postings that are false, misleading or deceptive are strictly prohibited. This includes, but is not limited to, false or deceptive postings relating to the Company, Company opportunity, Company products, and/or Affiliate information and credentials. Further, Affiliates **SHALL NOT** make any posting, or link to any posting or other material, that:
- I. Is sexually explicit, obscene, or pornographic;
 - II. Is profane, hateful, threatening, defamatory, libelous, harassing or discriminatory in any way, shape or form;
 - III. Is solicitous of any unlawful behavior;
 - IV. Engages in personal attacks on any individual, group or entity;
 - V. Is in violation of any intellectual property rights of the Company or any third party; or



- VI. Is not consistent with the standards as set forth in these Policies and Procedures.
- B. Affiliates shall not post anonymously or under an alias on any social network or social media site. Affiliates shall also never use blog spam, spamdexing or any other mass-replicated methods to leave comments. Comments Affiliates create or leave must be useful, unique, relevant and specific to the blog's article.
- C. Affiliates shall refrain from engaging with negative comments and shall hold themselves to a higher standard of conduct. If an Affiliate has any issues with any particular comments, the Affiliate may report such comments to Company Compliance.
- D. If your Company business is cancelled for any reason, you must discontinue using the Company name, and all of Company's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all social websites that you utilize. ***If you post on any social website on which you have previously identified yourself as an independent Company Affiliate, you must conspicuously disclose that you are no longer an independent Affiliate. Absent such disclosure, Affiliate comments and actions may be construed as being taken on behalf of Company and Affiliate shall be responsible for indemnifying Company for such actions if any action is taken against Company.***

9.4 Advertising and Promotional Materials

- A. Affiliates shall not offer special enticement advertising. This includes, but is not limited to, offers of a free business, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.
- C. To promote both the products and the opportunity Company offers, Affiliates must use the sales aids and support materials Company provides. If Company Affiliates develop their own sales aids and promotional materials, which includes online advertising, notwithstanding Affiliates' good intentions, they may unintentionally violate any number of statutes or regulations affecting the Company business. These violations, although they may be relatively few in number, could jeopardize the Company opportunity for all Affiliates. Accordingly, Affiliates must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the Affiliate receives specific written approval to use the material, the request shall be deemed denied. All Affiliates shall safeguard and promote the good reputation of Company, its products, and the opportunity, and shall not make any false, misleading, or unsubstantiated claims about Company products or business opportunities in compliance with applicable laws and regulations, including but not limited to regulatory guidelines. ***The marketing and promotion of Company, the Company opportunity, the Compensation Plan, and Company products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.***



- D. Company reserves the right to rescind its prior approval to comply with changing laws and regulations and may require the removal of such advertisements from the marketplace without obligation to the affected Affiliate.

9.5 Testimonial Permission

As an Affiliate, Affiliate grants Company a revocable, royalty-free license to use their testimonial, image, and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video, solely in connection with promoting Company's products and business opportunity. This license shall automatically terminate upon the Affiliate's resignation or termination. In consideration of being allowed to participate in the Company sales opportunity, an Affiliate waives any right to be compensated for the use of their testimonial, image, or likeness during the term as an Affiliate, even though Company may be paid for items or sales materials containing such testimonial, image, or likeness. In some cases, an Affiliate's testimonial may appear in another Affiliate's advertising materials. ***If an Affiliate does not wish to participate in Company sales and marketing materials, they should provide a written notice to the Company Compliance Department to ensure that their testimonial, image, or likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.***

9.6 Telemarketing Limitations

- A. Affiliates must not engage in telemarketing in relation to the operation of the Affiliate's Company business. The term "telemarketing" means the placing of one or more telephone calls, text messages or any other messaging service to an individual or entity to induce the purchase of Company products or services or to recruit them for the Company opportunity.
- B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have rules that restrict telemarketing practices under the Telephone Consumer Protection Act ("TCPA") and the Telemarketing Sales Rule ("TSR"), respectively. Both federal agencies, as well as a number of states have "do not call" regulations as part of their telemarketing laws and regulations.
- C. These regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Affiliate to violate the law. These regulations must not be taken lightly, as they carry significant penalties.
- D. "Cold calls" or "state-to-state calls" made to prospective Members, or Affiliates that promote either Company products or the Company opportunity is considered telemarketing and is prohibited.
- E. Exceptions to Telemarketing Regulations

Affiliates may contact Members or Affiliates under the following limited situations:



- I. If the Affiliate has an established business relationship with the individual;
 - II. In response to the individual's personal inquiry or application regarding a product or service offered by the Company Affiliate within three (3) months immediately before the date of such a call;
 - III. If the Affiliate receives written and signed permission from the individual authorizing the Affiliate to call;
 - IV. If the call is to family members, personal friends, and acquaintances. However, if an Affiliate makes a habit of collecting business cards from everyone they meet and subsequently calls them, this may be considered this a form of telemarketing that is not subject to this exception;
 - V. Company Affiliates engaged in calling "acquaintances," must make such calls on an occasional basis only and not as a routine practice.
- F. Affiliates shall not use automatic telephone dialing systems or automatic messaging services in the operation of his or her Company businesses.
- G. Failure to abide by these policies shall subject Affiliate to disciplinary sanctions.
- H. When becoming an Affiliate, Affiliates gives permission to Company and other Affiliates to contact them as permitted under the Federal Do Not Call regulations.
- I. ***In the event an Affiliate violates this Section, Company reserves the right to initiate disciplinary action and legal proceedings to obtain monetary or equitable relief against the Affiliate.***

9.7 E-mail Limitations

- A. Affiliates may not use or transmit email, mass email distribution, or "spamming" that advertises or promotes the operation of their Company business except when:
 - I. E-mailing any person who has given prior permission or invitation;
 - II. E-mailing any person with whom the Affiliate has established a prior business or personal relationship.
- B. Affiliates are responsible for knowing the laws and regulations within their state and locales. An Affiliate may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement except as set forth herein or as permitted under the laws and regulations of the Affiliate's state of residence.



- 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 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 true, correct name of the sender, valid senders’ e-mail address, and a valid sender physical address;
 - IV. A clear and obvious notice of the opportunity to decline to receive further 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 date and time of the transmission; and
 - VII. Upon notification by recipient of their request not to receive further messages, an Affiliate shall not transmit any further messages to that recipient.
- D. All messages subject to this provision shall not include any;
 - I. Use of any third-party domain names without permission;
 - II. Sexually explicit materials;
 - III. Illegal content; or
 - IV. Any content inconsistent with this Agreement.

9.8 International Marketing Policy

Affiliates may only operate within and sell products and services to those individuals within the countries Company is established and permits such operations and sales.

10.0 CHANGES TO AN AFFILIATE’S BUSINESS

10.1 Modification of the Affiliate Agreement

Affiliates may modify their existing Affiliate Agreement (i.e., change a social security number to a Federal ID number, add a spouse or partner to the account, or change the form of ownership from an individual to a Business



Entity owned by the Affiliate) by submitting a written request, accompanied by a new Affiliate Agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a “crossed out” or “white-out” version of the first Agreement), and any appropriate supporting documentation.

10.2 Change Sponsor or Placement for Active Affiliate

- A. Maintaining the integrity of the organizational structure is mandatory for the success of Company and Affiliates. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first thirty (30) days of initial enrollment as an Affiliate. Furthermore, such changes may only occur within the same organization at Company’s discretion.
- B. Sponsors may make “Placement changes” from one Affiliate to another for personally Sponsored (frontline) Affiliates during the first thirty (30) days of enrollment.
- C. New Affiliates or their original Sponsor may request a change of Sponsor or placement within the first thirty (30) days of enrollment for the purpose of structuring an organization. The new Affiliate Agreement must be received within the calendar month for commission calculations to be effective with the requested change.
- D. To change or correct the Sponsor, an Affiliate must comply with the following procedures:
 - I. Submit a Sponsor Placement Transfer Form;
 - II. Submit a Company Affiliate Agreement showing the correct Sponsor and Placement and any appropriate supporting documentation;
 - III. The Affiliate Agreement must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first Agreement.
- E. Upon approval, the Affiliate’s downline, if any, will transfer with the Affiliate.
- F. If one transfer has already been made for that Affiliate a fee may be assessed for the second and for each transfer thereafter.
- G. After the first thirty (30) days from initial enrollment, Company will honor the first Sponsor/Placement as shown upon enrollment.
- H. Company retains the right to approve or deny any requests to change Sponsor or Placement and to correct any errors related thereto at any time and in whatever manner it deems necessary. The acceptance of one change will never constitute the acceptance of future changes for that Affiliate or any other regardless of similarity in situation.

10.3 Change Sponsor or Placement for Inactive Affiliates



- A. At the discretion of Company, Affiliates who remained inactive for a period of six (6) months, and who have tendered a letter of resignation, are eligible to re-enroll in Company under the Sponsor/Placement of their choice.
- B. Upon written notice to Company that a former Affiliate wishes to re-enroll, Company will “compress” (close) the original account. A new Company ID number will then be issued to the former Affiliate and Affiliate shall be enrolling as a new Affiliate with no prior rights, rank, title, or downline.

10.4 Sell, Assign or Delegate Ownership

- A. Affiliates may not sell or assign their rights or delegate their position as an Affiliate without *prior written approval* by Company, as approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Company.
- B. If the sale is approved, the Buyer assumes the position of the Seller at the current qualified title and at the current paid as rank at the time of the sale. Buyer also acquires the Seller’s downline.
- C. To request corporate authorization for a sale or transfer of a Company business, the following items must be submitted to the Company Compliance Department:
 - I. A Sale or Transfer Request Form properly completed, with the requisite signatures;
 - II. A Company Affiliate Agreement completed and signed by the Buyer;
 - III. Payment of the required enrollment fee;
 - IV. Any additional supporting documentation Company may request.
- D. Any debt obligations that either Seller or Buyer may have with Company must be satisfied prior to the approval of the sale or transfer.
- E. An Affiliate who sells their business is not eligible to re-enroll as a Company Affiliate in any organization for six (6) full calendar months following the date of the sale’s closing.
- F. Protection of existing LOS must always be maintained so that the Company business continues to be operated in that LOS.
- G. The selling Affiliate must be in good standing with the Company in order to be eligible to sell, transfer, or assign a Company business.

10.5 Separating a Business



Affiliates sometimes operate their Company businesses as spouse-spouse partnerships or Business Entities. Divorce or separation or division of a Business Entity that holds an Affiliate position must be accomplished in a manner that does not adversely affect: (1) the interests and income of other businesses up or down the LOS; (2) the proper operation of the business; or (3) Company's ability to properly administer the Affiliate position. The separating parties must provide Company with written notice of the separation and proposed division plan at least 30 days prior to the intended effective date. If the separating parties fail to provide for the best interests of other Affiliates and the Company in a timely fashion, the Company will involuntarily terminate the Affiliate position.

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

- A. One of the parties may, with consent of the other(s), operate the Company business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, trustees, members or otherwise authorize the Company to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, trustee, member, or otherwise; or
- B. The parties may continue to operate the Company business jointly on a “business-as-usual” basis, whereupon all compensation the Company pays will be paid according to the status quo as it existed prior to the divorce or separation or dissolution. ***This shall be the default procedure if the parties do not agree on any contrary format and notify Company of such.***
- C. The Company will not remove a party to a position from an Affiliate account without (i) that party’s written permission and signature, or (ii) a final court order or binding arbitration award directing such removal. Under no circumstances will the downline organization of divorcing spouses or a separating or dissolving Business Entity be divided. Under no circumstances will the Company split commission and bonus checks between divorcing spouses or members of Business Entities. Company will recognize only one downline organization and will issue only one commission check per Company business per commission cycle. Commission checks shall always be issued to the same individual or Business Entity. In the event the parties to a divorce or dissolution are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Affiliate position shall be terminated. If a former spouse has completely relinquished all rights in the original Company business pursuant to a divorce, they are thereafter free to enroll under any sponsor of their choosing without waiting six (6) calendar months. In the case of Business Entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six (6) calendar months from the date of the final dissolution before re-enrolling as an Affiliate. In either case, however, the former spouse or business affiliate shall have no rights to any Affiliate in their former organization or to any former Member. The new Affiliate must develop the new business in the same manner as would any other new Affiliate.

10.6 Succession

- A. Upon the death or legal incapacity of an Affiliate, the Affiliate’s business may be passed on to their legal successors in interest (successor). Whenever a Company business is transferred by will



or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased or incapacitated Affiliate's sales organization. The successor must:

- I. Complete and sign a Sale or Transfer Request Form;
 - II. Complete and sign a new Affiliate Agreement
 - III. Comply with the terms and conditions of the Affiliate Agreement; and
 - IV. Meet all of the qualifications for the last rank achieved by the former Affiliate.
- B. Bonuses and commission checks will be paid in a single check to the successor. The successor must provide Company with an "address of record" to which all bonus and commission payments will be sent. Payments will be based on the current performance of the business, not the highest rank or volume achieved.
- C. If the business is bequeathed to joint devisees (successors), they must form a Business Entity and acquire a Federal Taxpayer Identification Number. Company will issue all bonus and commission payments and one 1099-NEC form to the managing Business Entity only. Company will not split commission or bonus payments among multiple individuals or entities. All payments will be made solely to the designated Business Entity.
- D. Appropriate legal documentation must be submitted to the Company Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Company business, the successor must provide the following to the Company Compliance Department:
- I. A certified copy of the death certificate or document; and
 - II. A notarized copy of the will or other appropriate legal documentation establishing the successor's right to the Company business.
- E. To complete a transfer of the Company business because of incapacity, the successor must provide the following to the Company 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 Company business; and
 - III. A completed Affiliate Agreement executed by the trustee.
- F. If the successor is already an existing Affiliate, Company will allow such Affiliate to keep their own business plus the inherited business active for up to six (6) months. By the end of the 6-month



period, the Affiliate must have compressed (if applicable), sold or otherwise transferred either the existing business or the inherited business.

- G. If the successor wishes to terminate the Company business, they must submit a notarized statement stating the desire to terminate the business, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, Company may grant a one (1) month bereavement waiver and pay out at the last “paid as” rank. This may be extended at Company discretion.

10.7 Resignation/Voluntary Termination

- A. Affiliates may immediately terminate their business by submitting a written notice or email to the Company Compliance Department at Compliance@InvestorNextdoorClub.com . The written notice must include the following:
 - I. The Affiliate’s intent to resign and date of resignation;
 - II. Company Identification Number and reason for resigning; and
 - III. Signature.
- B. Affiliates may not use resignation as a way to immediately change Sponsor or Placement and remains subject to the change of Sponsor and placement provisions as well as the re-enrollment policy.

10.8 Involuntary Termination

- A. Company reserves the right to terminate an Affiliate’s business for, but not limited to, the following reasons:
 - I. Violation of any provision in these Policies and Procedures;
 - II. Violation of any provision in the Compensation Plan;
 - III. Violation of any applicable law, ordinance, or regulation regarding the Company business;
 - IV. Engaging in unethical business practices or violating standards of fair dealing; or
 - V. Engaging in conduct that the Company reasonably determines, following an investigation, to be detrimental to the Company's business or inconsistent with the values and standards necessary to operate a Company business.



- B. Company will notify the Affiliate in writing, at their last known home address and/or e-mail address of its intent to terminate the Affiliate's business and the reasons for termination.
- C. ***Affiliate has seven (7) calendar days from notification of termination to reply to the decision and appeal to the Company for reconsideration.***
- D. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice. The former Affiliate shall immediately lose all rights granted an Affiliate under these Policies. Company will notify the active upline Sponsor within ten (10) calendar days after termination of the termination.
- E. The Affiliate involuntarily terminated by Company may not reapply for a business, either under their present name or any other name or entity, ***without the express written consent of Company following a review by the Company Compliance Committee.*** In any event, such Affiliate may not reapply for a business for twelve (12) months from the date of termination.

10.9 Effect of Cancellation

- A. Following an Affiliate's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Affiliate:
 - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Affiliate's former organization or any other payments in association with the Affiliate's former independent business;
 - II. Effectively waives any and all claims to property rights or any interest in or to the Affiliate's former downline organization; and
 - III. Shall receive commissions and bonuses only for the last full pay period in which they were active prior to cancellation, less any amounts (i) withheld during an investigation preceding an involuntary cancellation; (ii) owed to Company due to fines, refunds, or otherwise, and (iii) Company finds to have been wrongfully acquired or acquired while in breach of this Agreement.

11.0 WARRANTIES AND LIMITATIONS OF LIABILITY

11.1 Warranty; Disclaimer

Company warrants to Members and Affiliates that the educational courses and platform as and when delivered by Company shall conform substantially to the specifications and descriptions provided by Company on its website or in its Official Company Materials. Company's sole obligation to Members and Affiliates, and Members' and Affiliates' sole and exclusive remedy, for breach of this warranty shall be to issue a credit or refund for the purchase price paid for such product, at Company's option and discretion. Substantially shall mean to prevent the Members or Affiliates from utilizing the product or portal in any way. The Company contracts with third parties



in offering its products and cannot guarantee the results or quality of such. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COMPANY HEREBY DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE EDUCATIONAL COURSES AND PLATFORM, THE SALES OPPORTUNITY, COMPANY MARKETING MATERIALS, COMPANY BUSINESS SUPPLIES, AND ANY OTHER SUBJECT MATTER OF THE AFFILIATE AGREEMENT, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, ACCURACY OR COMPLETENESS OF CONTENT, RESULTS, LACK OF NEGLIGENCE OR LACK OF WORKMANLIKE EFFORT, AND CORRESPONDENCE TO DESCRIPTION. IN JURISDICTIONS THAT DO NOT GIVE EFFECT TO THESE LIMITED WARRANTIES, THIS PROVISION IS NOT APPLICABLE. IN JURISDICTIONS THAT ALLOW FOR EXCULPATORY OR LIMITED LIABILITY CLAUSES IN A LIMITED MANNER, THIS PROVISION IS APPLICABLE TO THE FULLEST EXTENT ALLOWED BY THE LAW OF SUCH JURISDICTION.**

11.2 Limitation of Liability

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY OR ANY FAILURE OF ESSENTIAL PURPOSE, IN NO EVENT SHALL THE COMPANY, INCLUDING ANY OF ITS RELATED PARTIES, BE LIABLE TO A MEMBER OR AN AFFILIATE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, HOWEVER CAUSED, ARISING OUT OF OR RELATED TO THE AFFILIATE AGREEMENT OR THE SUBJECT MATTER HEREOF (INCLUDING BUT NOT LIMITED TO THE EDUCATIONAL COURSES AND PLATFORM, THE OPPORTUNITY, COMPANY MARKETING MATERIALS OR COMPANY BUSINESS SUPPLIES), WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHER THEORY OF LIABILITY (INCLUDING BUT NOT LIMITED TO NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE MEMBER OR AFFILIATE (OR ANY OF ITS RELATED PARTIES) HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN JURISDICTIONS THAT DO NOT GIVE EFFECT TO LIMITED LIABILITY OR EXCULPATORY CLAUSES, THIS PROVISION IS NOT APPLICABLE. IN JURISDICTIONS THAT ALLOW FOR EXCULPATORY OR LIMITED LIABILITY CLAUSES IN A LIMITED MANNER, THIS PROVISION IS APPLICABLE TO THE FULLEST EXTENT ALLOWED BY THE LAW OF SUCH JURISDICTION.

12.0 DISCIPLINARY SANCTIONS

12.1 Imposition of Disciplinary Action - Purpose

Company reserves the right to impose disciplinary sanctions at any time, when it has determined that an Affiliate has violated these Policies and Procedures as they may be amended from time to time by Company.

12.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following:



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

13.0 GRIEVANCES & DISPUTE RESOLUTION

13.1 Grievances

- A. If an Affiliate has a grievance or complaint against another Affiliate regarding any practice or conduct relating to their respective Company businesses, they are encouraged to resolve the issue directly between themselves. If a dispute arises that exists outside the scope of the Company business, then the Affiliates should not involve the Company unless it becomes detrimental to the Company and prohibits the Affiliate(s) from fulfilling their obligations hereunder.
- B. The Company shall be the final authority on settling such grievance or complaint regarding the Affiliate positions and the Company's written decision shall be final and binding on the Affiliates involved.
- C. ***Company will confine its involvement to disputes regarding Company business matters only.*** Company will not decide issues that involve personality conflicts or unprofessional conduct by or between Affiliates outside the context of a Company business. These issues go beyond the scope of Company and may not be used to justify a Sponsor or Placement change or a transfer to another Company organization.
- D. Company does not consider, enforce, or mediate third party agreements between Affiliates, nor does it provide names, funding, or advice for obtaining outside legal counsel.



E. Process for Grievances:

- I. The Affiliate should submit a written letter of complaint directly to the Company Compliance Department at Compliance@InvestorNextdoorClub.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. Date(s) and number(s) of occurrences;
 - d. Persons involved; and
 - e. Supporting documentation.
- II. Upon receipt of the written complaint, Company will conduct an investigation according to the following procedures:
 - a. The Compliance Department will send an acknowledgment of receipt to the complaining Affiliate.
 - b. The Compliance Department will provide a verbal or written notice of the allegation to the Affiliate under investigation if the Company finds the facts to warrant an investigation. If a written notice is sent to the Affiliate, they will have five (5) business days from the date of the notification letter to present all information relating to the incident for review by Company.
 - c. The Compliance Department will thoroughly investigate the complaint and consider all the submitted information it deems relevant, including information from collateral sources. The Company will make efforts to complete its investigation within a reasonable time not to exceed thirty (30) days, though this period may be extended if circumstances require. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case-by-case basis.
 - d. During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during that time. Affiliate calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
 - f. Company reserves the right to take reasonable preliminary disciplinary action during the investigation based on the severity and credibility of the allegations and available evidence, provided that such action is necessary to prevent immediate and substantial harm to the Company or other Affiliates.

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

13.2 Governing Law



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

13.3 Time Limitation

If an Affiliate wishes to bring an action against Company for any act or omission relating to or arising from this Agreement, such action must be brought within one (1) year from the date of the alleged conduct first giving rise to the cause of action. *The Affiliate waives all claims that any other statutes of limitations apply.*

13.4 Liquidated Damages

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

- a. Liquidated damages will be in the amount of an Affiliate's gross compensation earned pursuant to the Company's Compensation Plan in the twelve (12) months immediately preceding the termination.
- b. *The Affiliate waives all claims for incidental and/or consequential damages, even if the Company has been apprised of the likelihood of such damage, and the Affiliate further waives all claims to exemplary and punitive damages, except where such waiver would be prohibited by applicable law.*

13.5 Dispute Resolution

- A. **THIS PROVISION CONTAINS AN AGREEMENT THAT AFFECTS HOW CLAIMS AN AFFILIATE MAY HAVE AGAINST COMPANY, OR CLAIMS COMPANY MAY HAVE AGAINST AN AFFILIATE, WILL BE RESOLVED. THE PARTIES UNDERSTAND AND AGREE THAT THIS DISPUTE RESOLUTION AGREEMENT OPERATES AS A SEPARATE AND DISTINCT AGREEMENT THAT IS SEVERABLE FROM THE REMAINDER OF THE AFFILIATE AGREEMENT AND IS ENFORCEABLE REGARDLESS OF THE ENFORCEABILITY OF ANY OTHER PROVISION OF THE AFFILIATE AGREEMENT OR THE AFFILIATE AGREEMENT AS A WHOLE. CONSIDERATION FOR THIS DISPUTE RESOLUTION AGREEMENT INCLUDES, WITHOUT LIMITATION, THE PARTIES' MUTUAL AGREEMENT TO ARBITRATE CLAIMS. THE PARTIES FURTHER UNDERSTAND AND AGREE THAT THE UNENFORCEABILITY OF THE AFFILIATE AGREEMENT IN WHOLE OR IN PART SHALL NOT SUPPORT A FINDING THAT THIS DISPUTE RESOLUTION AGREEMENT IS UNENFORCEABLE. THE FEDERAL ARBITRATION ACT ("FAA") SHALL GOVERN THIS DISPUTE RESOLUTION AGREEMENT WITHOUT GIVING EFFECT TO ANY STATE LAW TO THE CONTRARY.**



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

- B. Negotiation and Mediation.** If a Dispute arises, the Parties shall first attempt in good faith to resolve it promptly by negotiation. Any of the Parties involved in the Dispute may initiate negotiation by providing notice (the “Dispute Notice”) to each involved Party setting forth the subject of the Dispute and the relief sought by the Party providing the Dispute Notice and designating a representative who has full authority to negotiate and settle the Dispute. Within ten (10) Business Days after the Dispute Notice is provided, each recipient shall respond to all other known recipients of the Dispute Notice with notice of the recipient’s position on and recommended solution to the Dispute, designating a representative who has full authority to negotiate and settle the Dispute. Within twenty (20) Business Days after the Dispute Notice is provided, the representatives designated by the Parties shall confer either in person at a mutually acceptable time and place or by telephone or video call, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute.

At any time twenty (20) Business Days or more after the Dispute Notice is provided, but prior to the initiation of arbitration, regardless of whether negotiations are continuing, any Party may submit the Dispute to the Judicial Arbitration and Mediation, Inc. (“JAMS”) for mediation by providing notice of such request to all other concerned Parties and providing such notice and a copy of all relevant Dispute Notices and notices responding thereto to JAMS. In such case, the Parties shall cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in promptly scheduling the mediation proceedings, which shall occur within forty-five (45) days of the mediation request unless otherwise agreed by the Parties or extended by the mediator. The Parties shall participate in good faith in the mediation either in person at a mutually acceptable time and place or by telephone or video call, in accordance with the then-prevailing JAMS’s mediation procedures and this Dispute Resolution Agreement, the latter of which shall control.

- C. Arbitration.** Any Dispute not resolved in writing by negotiation or mediation shall be subject to and shall be settled exclusively by final, binding arbitration before a single arbitrator or, for Disputes in excess of two million dollars (\$2,000,000 USD), a panel of three arbitrators, in Dallas County, Texas in accordance with the then-prevailing Comprehensive Arbitration Rules of JAMS. No Party may commence arbitration with respect to any Dispute unless that Party has pursued negotiation and, if requested, mediation, as provided herein, provided, however, that no Party shall be obligated to continue to participate in negotiation or mediation if the Parties have not resolved the Dispute in writing within sixty (60) Business Days after the Dispute Notice was provided to any Party or such longer period as may be agreed by the Parties. Unless otherwise agreed by the



Parties, the mediator shall be disqualified from serving as an arbitrator in the case. *The Parties understand and agree that if the arbitrator or arbitral panel awards any relief that is inconsistent with the Limitation of Liability or Liquidated Damages provisions, such award exceeds the scope of the arbitrator's or the arbitral panel's authority, and any Party may seek a review of the award in the exclusive jurisdiction and venue of the courts in Dallas County, Texas.*

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

- D. Waiver of Class Action and Jury Trial.** THE NEGOTIATION, MEDIATION OR ARBITRATION OF ANY DISPUTE SHALL BE LIMITED TO INDIVIDUAL RELIEF ONLY AND SHALL NOT INCLUDE CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. IN ANY ARBITRATION OF A DISPUTE, THE ARBITRATOR OR ARBITRAL PANEL SHALL ONLY HAVE THE POWER TO AWARD INDIVIDUAL RELIEF AND SHALL NOT HAVE THE POWER TO AWARD ANY CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. THE PARTIES UNDERSTAND AND AGREE THAT EACH IS WAIVING THE RIGHT TO TRIAL BY JURY OR TO PARTICIPATE IN A CLASS, COLLECTIVE OR OTHER REPRESENTATIVE ACTION. TO THE FULLEST EXTENT PERMITTED BY LAW, THE AFFILIATE ALSO WAIVES THEIR RIGHT TO ANY PRIVATE ATTORNEY GENERAL ACT ACTIONS WITH ALL DISPUTES TO BE HANDLED VIA THIS DISPUTE RESOLUTION AGREEMENT.
- E. Mass Arbitration Process Requirements.** If twenty-five (25) or more similar Disputes are asserted against Company at or around the same time by the same or coordinated counsel or are otherwise coordinated (and your Dispute is one such Dispute), you understand and agree that the resolution of your Dispute might be delayed. You also agree to the following process, which unless otherwise stated in this paragraph provides additional requirements for arbitration and does not supplant the foregoing dispute resolution provisions. Twenty (20) Disputes shall be selected to proceed to individual arbitration proceedings as part of a first batching process, ten (10) of which will be selected by the claimants and ten (10) of which will be selected by Company. The remaining Disputes shall not be filed or deemed filed in arbitration nor shall any JAMS fees be assessed in connection with those claims until they are selected to proceed to individual arbitration proceedings as part of the staged process described herein. If the parties are unable to resolve the remaining Disputes after the conclusion of the initial twenty (20) proceedings, the parties shall participate in a global mediation session before a retired state or federal court judge, for which Company will pay the mediator's fee. If the parties are unable to resolve the remaining Disputes through mediation at this time, then forty (40) Disputes shall be selected to proceed to individual arbitration proceedings as part of a second batching process, twenty (20) of which will be selected by the claimants and twenty (20) of which will be selected by Company. (If there are fewer than forty (40) Disputes remaining, all shall proceed.) The remaining Disputes shall not be filed or deemed filed in arbitration nor shall any JAMS fees be assessed in connection with those Disputes until they are selected to proceed to individual arbitration proceedings as part of the staged process



described herein. In any batching process, a single arbitrator shall preside over each proceeding, and only one proceeding may be assigned to each arbitrator unless the parties agree otherwise. If the parties are unable to resolve the remaining Disputes after the conclusion of the forty (40) proceedings, the parties shall participate in another global mediation session before a retired state or federal court judge, for which Company will pay the mediator's fee. If the parties are unable to resolve the remaining Disputes in mediation at this time, this staged process shall continue with no more than one hundred (100) Disputes proceeding at any time in a staged order that is selected randomly or by JAMS, until all the coordinated Disputes, including your Dispute, are adjudicated or otherwise resolved. At any time during these proceedings, we agree to participate in a global mediation session should your counsel request it in an effort to resolve all remaining claims. Any applicable statute of limitations on your Disputes and filing fee deadlines shall be tolled for claims subject to this section regarding "Mass Arbitration Process Requirements" from the time Disputes are selected for the first set of batching proceedings until the time your Dispute is selected to proceed in arbitration, withdrawn, or otherwise resolved. A court of competent jurisdiction shall have authority to enforce this section regarding "Mass Arbitration Process Requirements" and, if necessary, to enjoin the filing or prosecution of arbitration demands against Company. Should a court of competent jurisdiction decline to enforce these "Mass Arbitration Process Requirements," you and we agree that your and our counsel shall engage in good faith and with the assistance of a Process Arbitrator to devise and implement procedures that ensure that arbitration remains efficient and cost-effective for all parties. Either party may engage with the JAMS to address reductions in arbitration fees.

- F. Although the Affiliate Agreement is made and entered into between Affiliate and Company, Related Parties are intended third-party beneficiaries of the Affiliate Agreement for purposes of the provisions of the Affiliate Agreement referring specifically to them, including this agreement to negotiate, mediate and arbitrate. The Parties acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between Affiliate and Company, and the Parties further acknowledge that nothing contained herein shall be argued by either of them to constitute any waiver by the Related Parties of any defense which Related Parties may otherwise have concerning whether they can properly be made a party to any dispute between the other parties.
- G. To the fullest extent allowed by law: (i) the costs of negotiation, mediation and arbitration, including fees and expenses of any mediator, arbitrator, JAMS, or other persons independent of all Parties acting with the consent of the Parties to facilitate settlement, shall be shared in equal measure by Affiliate, on the one hand, and Company and any Related Parties involved on the other, except where applicable law requires that Company bear any costs unique to arbitration (which Company shall bear); and (ii) the arbitrator or arbitral panel or, in the case of provisional or equitable relief or to challenge an award that exceeds arbitral authority, the court, shall award reasonable costs and attorneys' fees to the person or entity that the arbitrator, arbitral panel, or court finds to be the prevailing party; provided, however, that if fees are sought under a statute or rule that sets a different standard for awarding fees or costs that override this provision, then that statute or rule shall apply.



- H. Nothing herein shall prevent Company from applying for or obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect Company's interests prior to, during, or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.
- I. Any Party may seek specific performance of this Section, and any Party may seek to compel each other Party to comply with this Section by petition to any court of competent jurisdiction. For purposes of any provisional or equitable relief sought under this Section, the Parties consent to exclusive jurisdiction and venue in the courts in Dallas County, Texas or the United States District Court for the Northern District of Texas. The pendency of mediation or arbitration shall not preclude a Party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the Parties agree not to defend against any application for provisional relief on the ground that mediation or arbitration is pending.
- J. **ANY AMENDMENT BY COMPANY TO THE DISPUTE RESOLUTION AGREEMENT IN THIS SECTION SHALL ONLY TAKE EFFECT UPON AN AFFILIATE'S EXPRESS AGREEMENT TO SUCH AMENDMENT. AN AFFILIATE MAY INDICATE THEIR AGREEMENT TO SUCH PROPOSED AMENDMENT BY FOLLOWING THE INSTRUCTIONS THAT WILL APPEAR WHEN LOGGING IN TO THE COMPANY CORPORATE WEBSITE OR THE AFFILIATE'S REPLICATED WEBSITE. COMPANY MAY TERMINATE THE AFFILIATE AGREEMENT OF ANY AFFILIATE WHO DOES NOT AGREE TO A PROPOSED AMENDMENT TO THE DISPUTE RESOLUTION AGREEMENT IN THIS SECTION WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF THE AMENDMENT. ANY SUCH AMENDMENT SHALL APPLY TO ALL CLAIMS BROUGHT BY COMPANY OR THE AFFILIATE ON OR AFTER THE EFFECTIVE DATE OF THE AMENDMENT, REGARDLESS OF THE DATE OF OCCURRENCE OR ACCRUAL OF ANY FACTS UNDERLYING SUCH CLAIM.**

14.0 MISCELLANEOUS

14.1 Severability

If any provision of this Agreement is found by a court of competent jurisdiction, an arbitrator, or an arbitral panel to be invalid, illegal, or unenforceable in any respect, such provision shall be modified to the minimum extent necessary to make it valid, legal, and enforceable while preserving its original intent and economic effect. The invalidity, illegality, or unenforceability of any provision shall not affect the validity, legality, or enforceability of the remainder of this Agreement.

The Parties agree to negotiate in good faith to replace any invalid, illegal, or unenforceable provision with a valid, legal, and enforceable provision that most closely approximates the original intent and economic effect of the invalid, illegal, or unenforceable provision. If the Parties cannot reach agreement on a replacement provision



within thirty (30) days, the court, arbitrator, or arbitral panel shall have the authority to modify or substitute the provision in a manner that ensures the enforceability while preserving the intended intent and economic benefits.

14.2 Waiver

- A. *Only an officer of Company can, in writing, effect a waiver of the Company Policies and Procedures. Company's waiver of any particular breach or action of an Affiliate shall not affect Company's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Affiliate. A waiver in one instance does not constitute a waiver at any other point for that Affiliate or for any other Affiliate likely situated.*
- B. The existence of any claim or cause of action of an Affiliate against Company shall not constitute a defense to Company's enforcement of any term or provision of these Policies and Procedures.

14.3 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

15.0 DEFINITIONS

ACTIVE AFFILIATE: An Affiliate who satisfies the minimum volume requirements, if any, has paid any required fees, and remains in good standing under the Policies and Procedures and is eligible to receive bonuses and commissions under the Compensation Plan.

AFFILIATE: A generic term for any person or entity that has completed the Affiliate Agreement with the Company and fulfilled all requirements to participate. An Affiliate is able to recruit other Affiliates, sell products, and build a Company business and earn bonuses and commissions via retail sales.

AGREEMENT: The contract between the Company and each Affiliate and includes these Policies and Procedures, the Income Disclosure Statement, the Privacy Policy, the Compensation Plan, the Affiliate Agreement, the Business Entity Registration Form and the Affiliate Advisory Council terms, if either are applicable, and any other items Company may incorporate from time to time that shall be a part of the contract between the Company and Affiliate.

BUSINESS DAYS: Monday through Friday, excluding the weekend days of Saturday and Sunday. If a day within a period of Business Days, for purposes of counting, falls on a Monday through Friday on which there is a national holiday in which, for example, federal banks are closed, then that day shall not count as a Business Day.

BUSINESS ENTITY: Any corporate entity including but not limited to sole proprietorship, corporation, limited liability company, partnership, or trust.

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

COMPENSATION PLAN: The Company's guidelines, policies, and referenced literature, as amended from time to time, that describe the requirements and benefits of the compensation structure for Affiliates, including qualifications, ranks, bonuses, commissions, and other remuneration that may be earned by Affiliates.

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

MEMBER: An individual or entity that purchases or subscribes to the Company's products or services for personal use and not for resale or distribution. Members are not Affiliates of the Company and do not participate in the Compensation Plan. Members may have access to special promotions, product discounts, or other benefits as determined by the Company.

NETWORK MARKETING: The term "Network Marketing" refers to a business model that involves a network of independent participants, each operating their own business, who promote and sell products or services directly to consumers. This model typically includes the recruitment and sponsorship of new participants, who are encouraged to build their own sales teams and networks by enrolling additional participants. Network Marketing often encompasses various forms of multi-level marketing, direct sales, affiliate marketing, and referral marketing strategies, whereby participants earn income through direct sales of products or services and/or through commissions or bonuses derived from the sales made by their recruited network. This definition is intended to be inclusive of all types of marketing frameworks that operate through a structured network of distributors or independent representatives, while ensuring compliance with applicable laws and regulations governing ethical business practices.

ORGANIZATION: The Members and Affiliate placed below a particular Affiliate.

OFFICIAL COMPANY MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Company to Affiliates.

PLACEMENT: Your position inside your Sponsor's organization.

RECRUIT: The term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Company Affiliate or Member to: (1) enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity; (2) terminate or alter their relationship with the Company; or (3) register as an Affiliate or Member in another position or under another sponsor within the Company. This includes but is not limited to any action that would violate the Company's cross-sponsoring or cross-recruiting policies. This also includes, but is not limited to, presenting, promoting, or making comparisons between the Company and any other Network Marketing opportunities, whether explicit or implied. This conduct represents recruiting even if the Affiliate's actions are in response to an inquiry made by another Affiliate or Member.



RELATED PARTIES: Company affiliates, owners, members, managers, and employees.

REPLICATED WEBSITE: A personalized version of the Company’s website provided by Company to an Affiliate. This website serves as a tool for the Affiliate to manage their business, market and sell Company products or services, and recruit new Affiliates. Each Replicated Website is unique to the Affiliate, containing their specific contact information, and is designed to ensure a consistent brand and product experience while allowing personalization by the Affiliate.

RESALABLE: Products shall be deemed “resalable” if each of the following elements is satisfied: 1) they are unopened and unused, 2) original packaging and labelling has not been altered or damaged, 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price, and 4) the product contains current Company labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable. Due to the digital nature of the Company’s products, this section only applies to any sales aids that may be provided in physical form. No digital products, by their nature, shall be considered resaleable under this definition or these Policies and Procedures.

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

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