

Kaizen Global Inc.'s Policies and Procedures

Last updated May 10, 2017

Table of Contents

1.0 Kaizen Global's Policies and Procedures	4
1.1 Code of Ethics	4
1.1.1 Policies Incorporated into IBO Agreement	4
1.1.2 Changes to the the Agreement	5
1.1.3 Delays	5
1.1.4 Policies and Provisions Severable	5
1.1.5 Waiver	5
1.2 Become an IBO	5
1.2.1 New IBO Registration by the Internet	6
1.2.2 IBO Benefits	6
1.2.3 Terms and Renewal of a Kaizen Global Business	6
1.3 Income Disclosure Policy	6
1.4 Advertising	7
1.4.1 Adherence to the Kaizen Global Compensation Plan	7
1.4.2 Use of Sales Aids	7
1.4.3 Intellectual Property	8
1.4.4 Web Policy	8
1.4.5 Advertised Price	10
1.4.6 Generic Business Advertisements	10
1.4.7 Media and Media Inquiries	11
1.4.8 Unsolicited Email and Fax Communication	11
1.4.9 No Investment Advice or Recommendations	12
1.5 Operating an Kaizen Global Business	12
1.5.1 Business Entities	12
1.5.2 Changes to a Business Entity	12
1.5.3 Change Of Sponsor	12
1.5.4 Change Of Placement	13
1.5.5 Unauthorized Claims and Action	13
1.5.6 Conflicts and Non-solicitations	13
1.5.7 Sale of Competing Goods or Services	13
1.5.8 Targeting Other Direct Sellers	13
1.5.9 Privacy and Confidentiality	14
1.5.10 The Data Management Rule	14
1.5.11 Cross Sponsoring	14

1.5.12 Governmental Approval or Endorsement.....	14
1.5.13 Identification.....	15
1.5.14 Income Taxes.....	15
1.5.15 Independent Contractor Status.....	16
1.5.16 Bonus Buying.....	16
1.5.17 Stacking.....	16
1.5.18 One Kaizen Global Business per IBO.....	16
1.5.19 Succession.....	17
1.5.20 Sale, Transfer, or Assignment of a Kaizen Global Business.....	17
1.5.21 Separation of a Kaizen Global Business.....	18
1.5.22 Sponsoring.....	18
1.6 Responsibilities of IBOs.....	19
1.6.1 Change of Address, Telephone, Email-Address.....	19
1.6.2 Sponsoring IBO Responsibilities.....	19
1.6.3 Non-disparagement.....	19
1.6.4 Reporting Policy Violations.....	19
1.7 Automatic Billing.....	19
1.8 Bonuses and Commissions.....	19
1.8.1 Bonus and Commission Qualifications.....	19
1.8.2 Errors or Questions.....	20
1.8.3 Bonus Buying Prohibited.....	20
1.8.4 Reports.....	20
1.8.5 Refund Policy.....	20
1.9 Dispute Resolution and Disciplinary Proceedings.....	20
1.9.1 Disciplinary Sanctions.....	20
1.9.2 Mediation.....	21
1.9.3 Arbitration.....	21
1.9.4 Governing Law, Jurisdiction, and Venue.....	22
1.10 Effect of Cancellation and Termination.....	22
1.10.1 Effect of Cancellation and Termination.....	22
1.10.2 Non-Renewal.....	23

By using this site or by clicking “I agree”, you (the **“User”**) signify your agreement to the Independent Business Owner (**“IBO”**) Agreement, the Kaizen Global Inc.’s (**“Kaizen Global”**) Policies and Procedures, Terms of Use, Privacy Policy, Risk Disclosure and the Kaizen Global Compensation Plan (collectively referred to as the **“Agreements”**), all

in their current form and as amended by Kaizen Global in its sole discretion. If you do not agree to these Agreements, please do not use this site and do not click "I agree". Please check this Agreement periodically for changes as Kaizen Global reserves the right to revise this Agreement.

Kaizen Global will change these Agreements from time to time. In the event of a change to this Agreement, your continued use of this site following the posting of any changes constitutes acceptance of such changes. Kaizen Global reserves the right to terminate a User's use of this site at any time without notice and may do so for any breach of this Agreement.

1.0 Kaizen Global's Policies and Procedures

1.1 Code of Ethics

Kaizen Global is a values-based company that prides itself on the quality and character of its Independent Business Owners (hereinafter "IBO(s)"). The following guidelines help ensure a uniform standard of excellence throughout our organization. Every Kaizen Global IBO is expected to practice the following ethical behavior when acting in the name of the company:

- A. I, Kaizen Global IBO, will be respectful of every person I meet while doing Kaizen Global related business; and
- B. At all times, I will conduct myself and my business in an ethical, moral, legal, and financially sound manner; and
- C. I will not engage in activities that would bring disrepute to Kaizen Global, any Kaizen Global corporate officer or employee, myself, or other IBOs; and
- D. I will not make discouraging or disparaging claims toward other Kaizen Global IBOs. I will ensure that in all Kaizen Global business dealings I will refrain from engaging in negative language. I will refrain from making any type of slanderous statements; and
- E. I will abide by all of Kaizen Global's Policies & Procedures now and as they may be amended in the future.

1.1.1 Policies Incorporated into IBO Agreement

These Policies and Procedures ("Policies"), in their present form and as amended at the sole discretion of Kaizen Global, are incorporated into, and form an integral part of, the Kaizen Global IBO Agreement (hereafter "IBO Agreement"). Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Kaizen Global IBO Agreement, these Policies, the companies Terms of Use, Privacy Policy, Income Disclaimer, Proof of Delivery, Proof of Satisfaction, and the Kaizen Global Compensation Plan (collectively referred to as the "Agreement"). These documents are incorporated by reference into the IBO Agreement (all in their current form and as amended by Kaizen Global). It is the responsibility of each IBO to read, understand, adhere to, and ensure that they are aware of and operating under the most current

version of these Policies. When sponsoring a new IBO, it is the responsibility of the sponsoring IBO to provide the most current version of these Policies and Procedures and the associated documents prior to execution of the IBO Agreement.

1.1.2 Changes to the the Agreement

Because federal, state, local and provincial laws, as well as the business environment, periodically change, Kaizen Global reserves the right to amend this Agreement in its sole and absolute discretion. **This applies to all provisions of this Agreement with the exception of the dispute resolution provisions. Those terms must be modified via mutual consent.** Notification of amendments shall appear in Official Kaizen Global Materials. Amendments shall be effective upon publication in Official Kaizen Global Materials, including but not limited to, posting on Kaizen Global's website, e-mail distribution, and publication in Kaizen Global's newsletter, product inserts, or any other commercially reasonable method. The continuation of an IBO's Kaizen Global business or an IBO's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

1.1.3 Delays

Kaizen Global shall not be responsible for delays and failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, flood, death, curtailment of a party's source of supply, or government decrees or orders.

1.1.4 Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

1.1.5 Waiver

Kaizen Global never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Kaizen Global to exercise any right or power under the Agreement or to insist upon strict compliance by an IBO with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Kaizen Global's right to demand exact compliance with the Agreement. Waiver by Kaizen Global can be effectuated only in writing by an authorized officer of the Kaizen Global.

1.2 Become an IBO

To become a Kaizen Global IBO, each applicant must:

- A. Be of the age of majority in their state/province of residence;
- B. Reside in the United States, Canada, or other countries which have been officially opened by Kaizen Global;

- C. Have a valid taxpayer identification number (i.e., Social Insurance Number, Social Security Number, Federal Tax Identification Number, ITIN, etc.); and
- D. Submit a properly completed and signed IBO Agreement to Kaizen Global via electronically or fax.

1.2.1 New IBO Registration by the Internet

A prospective IBO may enroll on the sponsor's website. In such event, instead of a physically signed IBO agreement, Kaizen Global will accept the agreement by accepting the "electronic signature" stating the new IBO has accepted the terms and conditions of the IBO Agreement. Please note that such electronic signature constitutes a legally binding agreement between the IBO and Kaizen Global.

1.2.2 IBO Benefits

Once an IBO Agreement has been accepted by Kaizen Global, the benefits of the Compensation Plan and the IBO Agreement are available to the new IBO. These benefits include the right to:

- A. Sell Kaizen Global products;
- B. Participate in the Kaizen Global Compensation Plan (receive bonuses and commissions, if eligible);
- C. Sponsor other individuals as customers or IBOs into the Kaizen Global business and thereby build an organization and progress through the Kaizen Global Compensation Plan;
- D. Receive periodic Kaizen Global literature and other Kaizen Global communications;
- E. Participate in Kaizen Global-sponsored support service training, motivational and recognition functions; and
- F. Participate in promotional and incentive contests and programs sponsored by Kaizen Global for its IBOs.

1.2.3 Terms and Renewal of a Kaizen Global Business

An IBO must renew their IBO status both monthly and annually by way of their continued participation in the program. Any IBO terminated by Kaizen Global may not re-apply to do business for twelve (12) months from their termination date. The downline of the expired IBO will roll up to the immediate, active up line sponsor.

1.3 Income Disclosure Policy

In an effort to conduct best business practices, Kaizen Global has developed the Income Disclosure Statement ("IDS"). The Kaizen Global IDS is designed to convey truthful, timely, and comprehensive information regarding the income that Kaizen Global IBOs earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective IBOs.

A copy of the IDS must be presented to a prospective IBO (someone who is not a party to a current Kaizen Global IBO Agreement) anytime the Compensation Plan is

presented or discussed, or any type of income claim or earnings representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one IBO earned over a million dollars last year” or “Our average ranking IBO makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher ranking IBOs is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claim is made, you must provide every prospective IBO with a copy of the IDS. Copies of the IDS may be printed or downloaded without charge from the company website at <http://kaizenglobal.com/disclaimer.pdf>.

1.4 Advertising

1.4.1 Adherence to the Kaizen Global Compensation Plan

IBOs must adhere to the terms of the Kaizen Global Compensation Plan as set forth in Official Kaizen Global Materials. IBOs shall not offer the Kaizen Global opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically stated in Official Kaizen Global Materials. IBOs shall not require or encourage other current or prospective customers or IBOs to participate in Kaizen Global in any manner that varies from the program as set forth in Official Kaizen Global Materials. IBOs shall not require or encourage other current or prospective customers or IBOs to execute any agreement or contract other than official Kaizen Global agreements and contracts in order to become a Kaizen Global IBO. Similarly, IBOs shall not require or encourage other current or prospective customers or IBOs to make any purchase from, or payment to, any individual or other entity to participate in the Kaizen Global Compensation Plan other than those purchases or payments identified as recommended or required in Official Kaizen Global Materials.

1.4.2 Use of Sales Aids

To promote both the services and the opportunity Kaizen Global offers, IBOs must use the sales aids and support materials produced by Kaizen Global. If Kaizen Global IBOs develop their own sales aids and promotional materials (which includes Internet advertising), notwithstanding IBOs’ good intentions, they may unintentionally violate any number of statutes or regulations affecting a Kaizen Global business. These violations, although they may be relatively few in numbers, could jeopardize the Kaizen Global opportunity for all IBOs. Accordingly, IBOs must submit all written sales aids, promotional materials, advertisements, websites and other literature to Kaizen Global for Kaizen Global’s approval prior to use. Unless the IBO receives specific written approval to use the material, the request shall be deemed denied. All IBOs shall safeguard and promote the good reputation of Kaizen Global and its services. The marketing and promotion of Kaizen Global, the Kaizen Global opportunity, the Compensation Plan, and Kaizen Global services shall be consistent with the public

interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

1.4.3 Intellectual Property

Kaizen Global will not allow the use of its trade names, trade marks, designs, or symbols outside of corporate produced and approved sales aids by any person, including Kaizen Global IBOs, without prior written authorization from Kaizen Global. Furthermore, no IBO may use, publish, reproduce, advertise, sell, or display in any manner the name, picture or likeness, or voice of another IBO without prior written consent from the named IBO. This consent must be on file with Kaizen Global's Compliance department prior to any use.

1.4.4 Web Policy

If an IBO desires to utilize an Internet web page to promote his or her business, he or she may do so through Kaizen Global's authorized services only.

General

It is your obligation to ensure your online marketing activities are truthful, are not deceptive and do not mislead customers or potential IBOs in any way. Websites and web promotion activities and tactics that mislead or are deceptive, regardless of intent, will not be allowed. This may include representation in any manner that you are an authorized representative for Kaizen Global, spam linking (or blog spam), unethical search engine optimization (SEO) tactics, misleading click-through ads, unapproved banner ads, and unauthorized press releases. Kaizen Global will be the sole determinant of truthfulness as to whether specific activities are misleading or deceptive.

Domain Names, email Addresses and Online Aliases

You cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of Kaizen Global by showing up as the sender of an email.

Examples of the improper use include but are not limited to:

KaizenGlobal@msn.com; www.KaizenGlobaldirect.com; www.facebook.com/KaizenGlobal or variations/derivatives as described herein.

Examples of permitted URLs, email addresses, and online aliases might appear as follows: *facebook.com/iloveKaizenGlobal; johnsmith@KaizenGlobalaffiliate.net.*

Determinations as to what could cause confusion, mislead or be considered deceptive is at the sole discretion of Kaizen Global. If you have a question whether your chosen name is acceptable, you may submit it to support@kaizenglobal.com for review before use.

Approved IBO Websites

The term *IBO Website* refers to the IBO website offered by Kaizen Global or an approved vendor to affiliates. The term *Social Media website* refers to any site that is

not specifically prohibited within the terms and conditions of this Agreement, such as Facebook.com, MySpace.com, Twitter.com, YouTube.com, personal blogs or other personal websites.

Online Marketing

Approved IBO websites are intended to provide the IBOs with the tools and means for generating leads, prospecting business, communicating with others, selling products and services, and otherwise advancing your Kaizen Global business. You may not sell Kaizen Global services on any other online retail store or e-commerce site, nor may you enlist or knowingly allow a third party (customer) to sell Kaizen Global products on any online retail store or e-commerce site.

Social Media sites such as Facebook may also be used to promote your Kaizen Global business. You must provide approved Kaizen Global links to your IBO replicated website for sales and order processing. All online sales of Kaizen Global products must take place and be produced through the IBO Replicated website (or corporate site).

Banner Advertising

You may place banner advertisements on a website provided you use Kaizen Global-approved templates and images. All banner advertisements must link to your IBO Website. You may not use *blind* ads or web pages that make non-compliant product or income claims that are ultimately associated with Kaizen Global products or the Kaizen Global business opportunity.

Social Networking Sites

You may use social networking websites (Facebook, Twitter, LinkedIn, blogs, forums and other social shared interest sites) to share information about the Kaizen Global product, mission and business opportunity and for prospecting and sponsoring. However, these sites may not be used to sell or offer to sell specific Kaizen Global services.

Profiles you generate in any social community where you mention or discuss Kaizen Global must clearly identify you as a Kaizen Global IBO and must appear as described herein. When you participate in those communities you must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at Kaizen Global's sole discretion, and offending IBOs will be subject to disciplinary action and/or termination.

You agree that you will immediately take down a non-compliant site at the request of Kaizen Global. Appeals regarding compliance may be submitted after the site has been taken down. Appeals should be directed to the email address set forth in the policy addressing dispute resolutions.

Sponsored Links / Pay-Per-Click (PPC) Ads

Sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to your IBO Website. The display URL must also be to your IBO Website and must not portray any URL that could lead the user to assume they are being led to a Kaizen Global Corporate site, or be inappropriate or misleading in any way.

External Websites

You are allowed external websites to promote your Kaizen Global business and the Kaizen Global opportunity. If you wish to use an external website, you must do the following:

- a) Identify yourself as an IBO for Kaizen Global.
- b) Use only the approved images and wording authorized by Kaizen Global.
- c) Adhere to the branding, trademark, and image usage policies described in this document.
- d) Agree to modify your website to comply with current or future Kaizen Global policies.

You are solely responsible and liable for your own website content, messaging, claims, and information and must ensure your website appropriately represents and enhances the Kaizen Global brand and adheres to all Kaizen Global guidelines and policies. Additionally, your website must not contain disingenuous popup ads or promotions or malicious code. Decisions and corrective actions in this area are at Kaizen Global's sole discretion. You are encouraged to use the approved Kaizen Global images that are available through the business suite.

Kaizen Global IBO Image Mandate

When using a Social Media or external website it must contain:

- a) A Kaizen Global IBO Logo from the approved templates.
- b) Your Name and Title (example: Joan Arc, Independent Affiliate, Kaizen Global).
- c) A link to your IBO Replicated website.

Although Kaizen Global brand themes and images are desirable for consistency, anyone landing on your page needs to clearly understand that they are at an IBO site, and not a Kaizen Global Corporate page.

1.4.5 Advertised Price

You may not advertise any of Kaizen Global's services at a price LESS than the highest company published price of the equivalent service. No special enticement advertising is allowed. This includes but is not limited to offers of free membership or other such offers that grant advantages beyond those available through Kaizen Global.

1.4.6 Generic Business Advertisements

If you advertise via newspaper or other advertising venues, the following rules apply:

- a) No advertisement may imply that a job, position, salary, or any type of employment is allowed.
- b) No advertisement may promote, represent, or imply salaried positions, management positions, hourly wages, full or part-time employment, or guaranteed incomes. The Kaizen Global opportunity is not a job, and may not be presented as such. Terms such as “manager trainee”, “management positions available”, “travel provided”, “call for interview”, “positions available”, “now hiring”, and other misleading statements are not allowed.
- c) No specific income can be promised or implied, and any references to compensation must use the word “commissions” to indicate the independent contractor status of IBOs.
- d) Advertisements may not contain references to Kaizen Global or its services and may not use any of Kaizen Global’s trade marks or trade names.

Any requests for variances from the above rules must be submitted to Kaizen Global and approved in writing prior to publication. Please direct any inquiries to support@kaizenglobal.com.

1.4.7 Media and Media Inquiries

IBOs must not initiate any interaction with the media or attempt to respond to media inquiries regarding Kaizen Global, its services, or their independent Kaizen Global business. All inquiries by any type of media must be immediately referred to Kaizen Global’s Compliance department. This policy is designed to ensure that accurate and consistent information is provided to the public, as well as to maintain a proper public image.

1.4.8 Unsolicited Email and Fax Communication

Kaizen Global does not permit IBOs to send unsolicited emails unless such emails strictly comply with applicable laws and regulations, including, without limitation, the federal *CAN SPAM Act* and Canada’s Anti-Spam Law. Any email sent by an IBO that promotes Kaizen Global, the Kaizen Global opportunity, or Kaizen Global services, must comply with the following:

- a) There must be a functioning return email address to the sender.
- b) There must be a notice in the email that advises the recipient that they may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
- c) The email must include the IBO’s physical mailing address.
- d) The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- e) The use of deceptive subject lines and/or false header information is prohibited.
- f) All opt-out requests, whether received by email or regular mail, must be honored. If an IBO receives an opt-out request from a recipient of an email, the IBO must forward the opt-out request to Kaizen Global. Kaizen Global may periodically send commercial emails on behalf of IBOs. By entering into the IBO Agreement, the IBO agrees that Kaizen Global may send such emails and that the IBO’s physical and email addresses will be included in such emails as outlined above.

IBOs shall honor opt-out requests generated as a result of such emails sent by Kaizen Global. Except as provided in this section, IBOs may not use or transmit unsolicited faxes or use an automatic telephone dialling system relative to the operation of their Kaizen Global businesses.

1.4.9 No Investment Advice or Recommendations

The Kaizen Global products and content are for information and educational purposes only. Although Kaizen Global Services may provide information relating to debt reduction approaches and opportunities to increase assets and net worth, IBOs must never construe or convey any features, tools or other content available through any Kaizen Global product as legal, tax, investment, financial or other advice. Nothing contained in any Kaizen Global Service or any other content on the website as a recommendation, endorsement or offer by Kaizen Global to buy or sell any securities or other financial instruments.

IBOs and Kaizen Global customers alone assume responsibility for evaluating the merits and risks associated with the use of any Kaizen Global product before making any decisions based on the content contained in a Kaizen Global product.

1.5 Operating an Kaizen Global Business

1.5.1 Business Entities

A corporation, partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be a Kaizen Global IBO by submitting an IBO Application and Agreement along with its Certificate of Incorporation, Articles of Organization, Partnership Agreement or trust documents (these documents are collectively referred to as the “Entity Documents”) to Kaizen Global. A Kaizen Global business may change its status under the same Sponsor from an individual to a partnership, corporation or trust or from one type of entity to another. To do so, the IBO(s) must provide the Entity Documents to Kaizen Global. The IBO Application must be signed by all of the shareholders, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to Kaizen Global.

1.5.2 Changes to a Business Entity

Each IBO must immediately notify Kaizen Global of any changes to the type of business entity they utilize in operating their Kaizen Global business, and the addition or removal of business associates. A Kaizen Global business may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. The IBO Agreement form must be signed by all of the shareholders, partners, or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to Kaizen Global.

1.5.3 Change Of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all IBOs, Kaizen Global rarely allows changes in sponsorship, with the rare exception of direct line changes (meaning placement is not affected). A direct line change request must be made by submitting a completed Sponsor Change Request Form within a

seven (7) day period from the date of enrollment, and must come from the current listed sponsor.

1.5.4 Change Of Placement

A request for change of placement must be submitted within seven (7) days of the date of enrollment and must be requested by the current listed sponsor. An IBO can only be moved inside of the same sponsor's organization. If approved, an IBO is placed in the first available open bottom position on the date that the change is made. IBOs who have earned commissions or achieved rank are not eligible for placement changes. Please note that decisions made for any change request (sponsor or placement) are at the sole discretion of Kaizen Global.

1.5.5 Unauthorized Claims and Action

An IBO is fully responsible for all of his or her verbal and/or written statements made regarding Kaizen Global services and the Compensation Plan, which are not expressly contained in Official Kaizen Global Materials. IBOs agree to indemnify Kaizen Global and hold it harmless from any and all liability including judgments, civil penalties, refunds, legal/attorney fees, court costs or lost business incurred by Kaizen Global as a result of the IBO's unauthorized representations or actions. This provision shall survive the cancellation of the IBO Agreement.

No claims as to any services offered by Kaizen Global may be made except those contained in Official Kaizen Global Materials.

1.5.6 Conflicts and Non-solicitations

Kaizen Global IBOs are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "Network Marketing"). However, during the term of this Agreement, IBOs may not directly or indirectly recruit other Kaizen Global IBOs or Customers other than those they have personally sponsored for any other Network Marketing business. Following the cancellation of an IBO Agreement, and for a period of one (1) calendar year thereafter, with the exception of an IBO who is personally sponsored by the former IBO, a former IBO may not recruit any Kaizen Global IBO or Customer for another Network Marketing business.

1.5.7 Sale of Competing Goods or Services

During this agreement and for six (6) months thereafter, IBOs must not sell, or attempt to sell, any competing non-Kaizen Global programs or services to Kaizen Global Customers or IBOs. Any program, product, service, or direct selling opportunity in the same generic categories as the Kaizen Global services are deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

1.5.8 Targeting Other Direct Sellers

Should IBOs engage in solicitation and/or enticement of members of another direct sales company to sell or distribute Kaizen Global services, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against an IBO alleging that they engaged in inappropriate recruiting activity of its sales force or Customers, Kaizen Global will not pay any of IBO's defense costs or

legal fees, nor will Kaizen Global indemnify the IBO for any judgment, award, or settlement.

1.5.9 Privacy and Confidentiality

All IBOs are required to abide by Kaizen Global's Privacy Policy with regard to IBO and customer information.

1.5.10 The Data Management Rule

The Data Management Rule is intended to protect the Line of Sponsorship (LOS) for the benefit of all IBOs, as well as Kaizen Global. LOS information is information compiled by Kaizen Global that discloses or relates to all or part of the specific arrangement of sponsorship within the Kaizen Global business, including, without limitation, IBO lists, sponsorship trees, and all IBO information generated in its present and future forms. The Kaizen Global LOS, constitutes a commercially advantageous, unique, and proprietary trade secret (Proprietary Information), which it keeps proprietary and confidential and treats as a trade secret. Kaizen Global 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 Kaizen Global and its IBOs. Through this Rule, IBOs are granted a personal, non-exclusive, non-transferable and revocable right by Kaizen Global to use Proprietary Information only as necessary to facilitate their business as contemplated under these Policies and Procedures. The Company reserves the right to deny or revoke this right, upon reasonable notice to the IBO stating the reason(s) for such denial or revocation, whenever, in the reasonable opinion of Kaizen Global, such is necessary to protect the confidentiality or value of Proprietary Information. All IBOs 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.

1.5.11 Cross Sponsoring

Actual or attempted cross-group sponsoring is strictly prohibited. "Cross-group sponsoring" is defined as the enrollment, indirect or otherwise, of an individual or entity that already has a current customer number or IBO Agreement on file with Kaizen Global, or who has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, Federal Tax Identification Numbers or fictitious identification numbers to circumvent this policy is prohibited. This policy shall not prohibit the transfer of a Kaizen Global business in accordance with the "Sale, Transfer or Assignment of Kaizen Global Business" section of these Policies and Procedures.

1.5.12 Governmental Approval or Endorsement

Federal, provincial or state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, IBOs shall not represent or imply that Kaizen Global or its Compensation Plan have been "approved," "endorsed," or otherwise sanctioned by any government agency.

1.5.13 Identification

All IBOs are required to provide their Social Insurance Number, Social Security Number, Federal Employer Identification Number, or their Government Issued ID Number to Kaizen Global either on the IBO Agreement or at Kaizen Global's request. Upon enrollment, Kaizen Global will provide a unique IBO Identification Number to the IBO by which they will be identified. This number will be used to place orders and track commissions and bonuses.

1.5.14 Income Taxes

The IBO (also referred to as the "Contractor") will provide services to Kaizen Global as an independent contractor and not as an employee. Accordingly:

- The Contractor agrees that Kaizen Global shall have no liability or responsibility for the withholding, collection or payment of any taxes, employment insurance premiums or Federal Pension Plan contributions on any amounts paid by Kaizen Global to the Contractor or amounts paid by the Contractor to its employees or contractors. The Contractor also agrees to indemnify Kaizen Global from any and all claims in respect to Kaizen Global's failure to withhold and/or remit any taxes, employment insurance premiums or Federal Pension Plan contributions.
- The Contractor agrees that as an independent contractor, the Contractor will not be qualified to participate in or to receive any employee benefits that Kaizen Global may extend to its employees.
- The Contractor is free to provide services to other clients, so long as such other clients are not in competition with Kaizen Global and so long as there is no interference with the Contractor's contractual obligations to Kaizen Global.
- The Contractor has no authority to and will not exercise or hold itself out as having any authority to enter into or conclude any contract or to undertake any commitment or obligation for, in the name of or on behalf of Kaizen Global.

Every year, Kaizen Global will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident as required by the Internal Revenue Service. Each IBO is responsible for paying local, state and federal taxes on any income generated as an IBO. If a Kaizen Global business is tax exempt, the Federal Tax Identification Number must be provided to Kaizen Global. Any IBO that does not provide a valid social security number is subject to the federal backup withholding laws and 28% of their commissions and bonus will be withheld and submitted to the IRS.

On behalf of Canadian Contractors, Kaizen Global will generate invoices for IBOs who earn more than \$500 or who received trips, prizes, or awards valued at \$500 or more. Kaizen Global IBOs are responsible for the payment of taxes on these trips, prizes or awards provided to them by Kaizen Global.

1.5.15 Independent Contractor Status

You are an independent contractor. You are not an agent, employee, partner, or joint venture with Kaizen Global. You may not represent yourself as anything other than an IBO. You have no authority to bind Kaizen Global to any obligation. You are responsible for paying your own self-employment taxes, federal income taxes and other taxes or remittances required by law. You must obey any federal, state, local and provincial laws, as well as Kaizen Global's rules and regulations pertaining to your independent Kaizen Global Business or the acquisition, receipt, holding, selling, distributing or advertising of Kaizen Global's services or opportunity.

IBOs may not answer the telephone by saying "Kaizen Global," "Kaizen Global Incorporated," or by any other manner that would lead the caller to believe that they have reached Kaizen Global's corporate offices. An IBO may only represent that he/she is a Kaizen Global IBO. Therefore, all correspondence and business cards relating to or in connection with an IBO's Kaizen Global business shall contain the IBO's name followed by the term "IBO."

The Contractor agrees that Kaizen Global may terminate this Agreement at any time without notice or any further payment if the Contractor is in breach of any of the terms of this Agreement.

1.5.16 Bonus Buying

Paying the membership fees solely for the purpose of collecting bonuses or achieving rank is prohibited. There are no requirements for IBOs to purchase any of the Kaizen Global services to qualify for commissions.

1.5.17 Stacking

Stacking is the unauthorized manipulation of the Kaizen Global Compensation System and/or the marketing plan in order to trigger commissions or cause a promotion off a downline IBO in an unearned manner. One example of stacking occurs when a sponsor places participants under an inactive downline participant (who may not know or have any relationship with the clients) in order to trigger unearned qualification for commissioning. Another example of stacking is the manipulative placement of IBOs within a downline organization in order to trigger a promotion. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the IBO's positions of all individuals found to be directly involved.

1.5.18 One Kaizen Global Business per IBO

An IBO may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Kaizen Global business. No individual may have, operate or receive compensation from more than one Kaizen Global business. Individuals of the same family unit may each enter into or have an interest in their own separate Kaizen Global 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.

1.5.19 Succession

Upon the death or incapacitation of an IBO, their business may be passed to a designated heir(s). Appropriate legal documentation must be submitted to Kaizen Global to ensure the transfer is proper. Whenever a Kaizen Global business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased IBO's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute an IBO Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased IBO's rank/status;
- Provide Kaizen Global with an "address of record" to which all bonus and commission checks will be sent. Bonus and commission checks of a Kaizen Global business transferred pursuant to this section will be paid in a single check jointly to the successor(s);
- Form a business entity and acquire a federal Taxpayer Identification Number, if the business is bequeathed to joint successors. Kaizen Global will issue all bonus and commission checks and one 1099 (or equivalent) to the business entity.

1.5.20 Sale, Transfer, or Assignment of a Kaizen Global Business

Although a Kaizen Global business is a privately owned and independently operated business, the sale, transfer or assignment of a Kaizen Global business is subject to certain limitations. If an IBO wishes to sell their Kaizen Global business, the following criteria must be met:

- a) Protection of the existing line of sponsorship must always be maintained so that the Kaizen Global business continues to be operated in that line of sponsorship;
- b) The buyer or transferee must become a qualified Kaizen Global IBO. If the buyer is an active Kaizen Global IBO, they must first terminate their Kaizen Global business and wait six calendar months before acquiring any interest in the new Kaizen Global business;
- c) Before the sale, transfer, or assignment can be finalized and approved by Kaizen Global, any debt obligations the selling IBO has with Kaizen Global must be satisfied; and
- d) The selling IBO must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign a Kaizen Global business.

Prior to selling a Kaizen Global business, the selling IBO must notify Kaizen Global's Compliance department of their intent to sell the Kaizen Global business. No changes in line of sponsorship can result from the sale or transfer of a Kaizen Global business. An IBO may not sell, transfer, or assign portions of their business—the position must be sold in its entirety.

1.5.21 Separation of a Kaizen Global Business

Kaizen Global IBOs sometimes operate their Kaizen Global businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership, or trust (the latter three entities are collectively referred to herein as “entities”) may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other IBOs and Kaizen Global in a timely fashion, Kaizen Global will involuntarily terminate the IBO Agreement.

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 Kaizen Global business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize Kaizen Global to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee.
- b) The parties may continue to operate the Kaizen Global business jointly on a “business-as-usual” basis, whereupon all compensation paid by Kaizen Global will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above. Kaizen Global will never remove a party to a position from an IBO account without that party’s written permission and signature. Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Under no circumstances will Kaizen Global split commission and bonus checks between divorcing spouses or members of dissolving entities. Kaizen Global will recognize only one downline organization and will issue only one commission check per Kaizen Global business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by Kaizen Global, the IBO Agreement shall be involuntarily cancelled.

1.5.22 Sponsoring

All Active IBOs in good standing have the right to sponsor and enroll others into Kaizen Global. Each prospective customer or IBO has the ultimate right to choose his or her own Sponsor. If two IBOs claim to be the Sponsor of the same new IBO or customer, Kaizen Global shall regard the first application received by Kaizen Global as controlling.

1.6 Responsibilities of IBOs

1.6.1 Change of Address, Telephone, Email-Address

To ensure timely communications, delivery of support materials and commission checks, it is critically important that the Kaizen Global's files are current. IBOs planning to move or change their email address must submit an amended IBO Agreement complete with the new information.

1.6.2 Sponsoring IBO Responsibilities

Initial Training

Any IBO who sponsors another IBO into Kaizen Global must perform a bona fide assistance and training function to ensure that their downline is properly operating their Kaizen Global business. IBOs must provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and Compensation Plan to individuals whom they are sponsoring to become IBOs before the applicant signs an IBO Agreement.

Ongoing Training Responsibilities

IBOs must monitor the IBOs in their downline organizations to ensure that downline IBOs do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every IBO should be able to provide documented evidence to Kaizen Global of their ongoing fulfillment of the responsibilities of a Sponsor.

1.6.3 Non-disparagement

IBOs must not disparage, demean, or make negative remarks about Kaizen Global, other Kaizen Global IBOs, Kaizen Global's services, the Compensation plan, or Kaizen Global's owners, board members, directors, officers, or employees.

1.6.4 Reporting Policy Violations

IBOs observing a Policy violation by another IBO should submit a written report of the violation directly to the attention of the Kaizen Global Compliance department, complete with all supporting evidence and pertinent information. It is important to understand that information that is submitted will be kept confidential.

1.7 Automatic Billing

The membership program is automatically renewed each month with a credit or debit card maintained on file with Kaizen Global. The IBO may make adjustments to their monthly subscription in the back office of the Kaizen Global website.

1.8 Bonuses and Commissions

1.8.1 Bonus and Commission Qualifications

In order to qualify to receive commissions and bonuses, an IBO must be in good standing and comply with the terms of the Agreement and these Policies and Procedures. An IBO will qualify to receive commissions and bonuses so long as he/ she produces one personal membership sale each month or maintains a personal

membership in good standing for himself / herself. An IBO is not required to maintain a personal membership but may do so if desired for purposes of this section.

1.8.2 Errors or Questions

If an IBO has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the IBO must notify Kaizen Global in writing within 30 days of the date of the purported error or incident in question. Kaizen Global will not be responsible for any errors, omissions, or problems not reported to Kaizen Global within 30 days.

1.8.3 Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an IBO Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an IBO or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as IBOs or Customers (“phantoms”); (d) purchasing Kaizen Global services on behalf of another IBO or Customer, or under another IBO’s or Customer’s ID number, to qualify for commissions or bonuses; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

1.8.4 Reports

All information provided by Kaizen Global, including but not limited to personal sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments, an IBO whose IBO Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

A Kaizen Global participant has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to Kaizen Global at its principal business address, or via email to Kaizen Global.

1.8.5 Refund Policy

Kaizen Global offers a refund at any time for the last subscription paid. Due to the digital nature of the service and the immediacy of the benefits, Kaizen Global is not able to offer a refund beyond this.

1.9 Dispute Resolution and Disciplinary Proceedings

1.9.1 Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive, or unethical business conduct, or any act or omission by an IBO that, in the sole discretion of Kaizen Global, may damage its reputation or goodwill (such damaging

act or omission need not be related to the IBO's Kaizen Global business), may result, at Kaizen Global's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the IBO to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- Withholding from an IBO all or part of the IBO's bonuses and commissions during the period that Kaizen Global is investigating any conduct allegedly contrary to the Agreement. If an IBO's business is cancelled for disciplinary reasons, the IBO will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's IBO Agreement for one or more pay periods;
- Involuntary termination of the offender's IBO Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which Kaizen Global deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the IBO's policy violation or contractual breach; or
- Instituting legal proceedings for monetary and/or equitable relief. Each violation is reviewed on a case-by-case basis, and all disciplinary actions are at the sole discretion of Kaizen Global.

1.9.2 Mediation

Prior to instituting arbitration or any legal proceeding, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own legal/attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Toronto, Ontario, and shall last no more than two (2) business days.

1.9.3 Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled under the Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. IBOs waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Toronto, Ontario. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the Canadian Arbitration Association provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a

judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.

Nothing in these Policies and Procedures shall prevent Kaizen Global from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect Kaizen Global's interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

1.9.4 Governing Law, Jurisdiction, and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Ontario, Canada. The laws of Ontario shall govern all other matters relating to or arising from the Agreement.

1.10 Effect of Cancellation and Termination

1.10.1 Effect of Cancellation and Termination

So long as an IBO remains active and complies with the terms of the IBO Agreement and these Policies, Kaizen Global shall pay commissions to such IBO in accordance with the Compensation Plan. An IBO's bonuses and commissions constitute the entire consideration for the IBO's efforts in generating sales and all activities related to generating sales (including, but not limited to, building a downline organization). Following an IBO's non-continuation of his or her IBO Agreement, cancellation for inactivity, or voluntary or involuntary cancellation (termination) of his or her IBO Agreement (all of these methods are collectively referred to as "Cancellation"), the former IBO shall have no right, title, claim or interest to the downline organization which he or she operated, or any commission or bonus from the sales generated by the organization. Moreover, Kaizen Global reserves the right to withhold all payments, including but not limited to, bonuses and commission for up to 60 days with an IBO should Kaizen Global determine, at its discretion, that the IBO is not in compliance with the aforementioned in this section. IBOs waive any and all rights, including, but not limited to, property rights, in the downline which they may have had. Following an IBO's cancellation of his or her IBO Agreement, the former IBO shall not hold him or herself out as a Kaizen Global IBO and shall not have the right to sell Kaizen Global products or services. An IBO whose IBO Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

A Kaizen Global participant has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address, or via email to Kaizen Global. The written notice must include the IBO's signature, printed name, address, and IBO ID Number.

1.10.2 Non-Renewal

An IBO may also voluntarily cancel their IBO Agreement by failing to pay the renewal fee. IBOs have a sixty (60) day grace period to get back into compliance for failure to pay the administrative fee.