



## **STATEMENT OF POLICIES AND PROCEDURES**

*Effective October 28, 2013*

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## SECTION 1 CORPORATE MISSION STATEMENT

1.1. For people who want to improve their finances, WAKEUPNOW makes it simple, easy, and fun to save, manage, and make money using new technologies that combine the tools, rewards, education and compensation improving lives one person at a time.

## SECTION 2 INTRODUCTION

2.1. **Policies and Compensation Plan Incorporated into IBO Agreement.** These Policies and Procedures, in their present form and as amended at the sole discretion of WAKEUPNOW, Inc. (hereafter “WAKEUPNOW” or the “Company”), are incorporated into, and form an integral part of, the WAKEUPNOW IBO Application and Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the WAKEUPNOW IBO Application and Agreement, these Policies and Procedures, the WAKEUPNOW Compensation Plan, and the WAKEUPNOW Business Entity Addendum (applicable only to business entities that apply to become an IBO). These documents are incorporated by reference into the WAKEUPNOW IBO Agreement (all in their current form and as amended by WAKEUPNOW).

2.2. **Changes to the Agreement.** WAKEUPNOW reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By executing the Agreement, an IBO agrees to abide by all amendments or modifications that WAKEUPNOW makes. Amendments shall be effective 30 days after publication of notice and posting the amended provisions, but amended policies shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. Notification of amendments shall be published by posting the on the IBOs’ TeamOffice. The continuation of an IBOs WAKEUPNOW business or an IBOs acceptance of bonuses or commissions constitutes acceptance of all amendments.

2.3. **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. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

2.4. **Waiver.** The Company 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 WAKEUPNOW 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 WAKEUPNOW’s right to demand exact compliance with the Agreement. The existence of any claim or cause of action of an IBO against WAKEUPNOW shall not constitute a defense to WAKEUPNOW’s enforcement of any term or provision of the Agreement.

### SECTION 3 BECOMING AN IBO

- 3.1. Requirements to Become an IBO.** To become a WAKEUPNOW IBO, each applicant must:
- 3.1.1.** Submit a WAKEUPNOW IBO Application and Agreement; and agree to terms and conditions;
  - 3.1.2.** Be the age of majority in his/her state of residence;
  - 3.1.3.** Reside in the United States or U.S. Territories or country that WAKEUPNOW has officially announced is open for business;
  - 3.1.4.** U.S. IBOs must provide WAKEUPNOW with his / her valid Social Security.
  - 3.1.5.** All IBOs that wish to register as a business entity must provide both the social security number of all partners involved and the federal tax number associated with the business;
- 3.2. IBO Benefits.** Once an IBO Application and Agreement has been accepted by WAKEUPNOW, the benefits of the Compensation Plan and the IBO Agreement are available to the new IBO. These benefits include the right to:
- 3.2.1.** Sell WAKEUPNOW products and services;
  - 3.2.2.** IBOs may Participate in the WAKEUPNOW Compensation Plan (receive bonuses and commissions, if eligible);
  - 3.2.3.** IBOs may enroll and sponsor other individuals as IBOs into the WAKEUPNOW business and thereby, build a marketing organization and progress through the WAKEUPNOW Compensation Plan;
  - 3.2.4.** Receive periodic WAKEUPNOW literature and other WAKEUPNOW communications;
  - 3.2.5.** Participate in WAKEUPNOW sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
  - 3.2.6.** Participate in promotional and incentive contests and programs sponsored by WAKEUPNOW for its IBOs.
- 3.3. Term and Renewal of Your WAKEUPNOW Business.** The term of the IBO Agreement is month-to-month, and is automatically renewed at the beginning of the month, or agreeing to new Policies and Procedures.
- 3.4. Compensation Plan.** The WakeUpNow Compensation Plan is attached to this document as Exhibit A. A copy of the most current version of the WakeUpNow Compensation Plan is available at [wakeupnow.com/comp](http://wakeupnow.com/comp). The text of the Compensation Plan is included below.
- Welcome
- Congratulations on joining WakeUpNow! WakeUpNow's business model is built on the oldest type of advertising there is: word-of-mouth. Instead of buying advertising like television and radio ads, WakeUpNow pays commissions for referring others to its amazing products and services. It is important to understand that all commissions are based on the sale of products and services to end consumers, that is to customers who purchase WakeUpNow products for their personal use. When you elect to convert from a Preferred Customer to a distributor (Independent Business Owner or IBO), you have taken the first step to earning commissions. You don't earn commissions for recruiting other IBOs, but you can earn commissions whenever those IBOs or their customers buy products—and the more IBOs you bring in, the more products your organization can sell.

As customers renew their product purchases, you can earn residual recurring income, just for helping someone else to live a better life. As with any business, there is no guarantee of results and your success will depend on your own hard work, leadership skill, talent, diligence and perseverance.

This booklet will give you an understanding of the three factors that determine how WakeUpNow IBOs make money when they share products with others: the number of customers you sell to, how much those customers purchase each month, and your effectiveness in building a marketing organization that expands your customer base by including other IBOs. A brief summary version, entitled *Compensation Overview* can be found in the *Resources* section of the HUB, or at [wakeupnow.com/overview](http://wakeupnow.com/overview).

### **Product**

WakeUpNow provides software solutions for a better life. Those solutions are delivered via a software program called the HUB. The HUB is a web-based search tool populated with deals on everything from household products, to vacations, to entertainment, to online offers. HUB memberships can be customized to include some great financial tools like Finance™ and Taxbot™ that are designed to help customers take the money they save on purchases and apply them to debts and financial goals in order to achieve true financial freedom. IBOs have access to wholesale pricing in order to purchase products for resale.

Users can subscribe to the HUB at various levels depending on the benefits that are most important to them. See the comparison chart on the next page for more information about what WakeUpNow customers receive with some of the most popular product suites.

### **Preferred Customers**

When WakeUpNow IBOs share products or services with potential customers, those customers have the option to enroll as a *Preferred Customer*. Preferred Customers get discounted pricing, can access limited features in the HUB and may opt-in to receive additional offers from WakeUpNow in the future. There are two main ways someone can become a Preferred Customer.

During the redemption of a shared offer.

From an IBO marketing website.

Preferred Customers can also refer other Preferred Customers by logging in to the HUB and sharing offers in the Marketplace or Deal Stream. Preferred Customers do not earn commissions, but the volume generated by their referrals can qualify them to receive credits toward the purchase of certain WakeUpNow products.

When a Preferred Customer signs up during the redemption of a shared offer, a sponsorship relationship is created between them (see **Customers and Structures** on page <OV>.) and the IBO (or Preferred Customer) who originated the sharing link. Other than a sponsor ID during sign up, nothing is displayed to the Preferred Customer, but the IBO or Preferred Customer are able to see these relationships from within the HUB.

### **Qualified Preferred Customers**

No purchase is necessary to become a Preferred Customer. However, Preferred Customers who purchase enough to achieve 90 volume (PV) are termed *Qualified Preferred Customers* (QPCs). This means that they would have enough volume to be qualified to earn commissions if they were to choose to become IBOs (i.e., sign the *IBO Enrollment* form and agree to the *Terms and Conditions* and agree to abide by the *Policies and Procedures*).

A Preferred Customer may refer others in anticipation of eventually becoming an IBO. Once a Preferred Customer has referred at least three others who are all achieving at least 90 volume, WakeUpNow invites them to become an IBO and begin receiving commissions (See **Director Bonus** on page <OV>).

### **Requirements to Earn Commissions**

WakeUpNow pays three types of commission: **Retail Payouts, Team Payouts and Supplemental Payouts.**

All payouts are calculated using the following criteria each month.

Are you a *Qualified* Independent Business Owner (IBO)?

Do you meet the customer, product sales volume and structural requirements to qualify for any particular payout?

Do you meet the ancillary requirements for any particular payout?

Qualified Independent Business Owner

You must be an IBO member of WakeUpNow in order to be eligible to receive commissions. By *qualifying* each month, you will maintain your eligibility.

**Be enrolled as an IBO.** This requires completing the *IBO Enrollment* form (either online or in hard copy), agreeing to abide by the *Policies and Procedures*, accepting the *Terms and Conditions*, and providing accurate information required to send you payment, such as valid contact information and your SSN. *No product purchase is necessary.*

**Achieve 90 Personal Volume (PV).** PV is generated by selling WakeUpNow products. *No product purchase is necessary.* However, your purchases are an acceptable method of generating PV. Any combination of products and services sold to customers or purchased for personal use, which allows an IBO to achieve 90 PV, is acceptable.

Customers and Structures

#### ***IBO to Preferred Customer.***

The most common relationship an IBO has is with the customers he or she has shared the WakeUpNow products with. Preferred Customers are always directly linked to the IBO or customer who referred them. IBOs are free to sell WakeUpNow products to as many customers as they like, but need to maintain a minimum of three at the Director level, seven at the Founder level, and ten at the Executive level each month. Preferred Customers, customers who checkout or redeem shared deals as a guest, and any customer who purchases retail product can count toward this requirement.

#### ***Enrollment Structure vs. Sponsorship Structure.\*\****

As one IBO refers others and they also become IBOs, a *marketing organization* is created. Relationships between IBOs and others in the marketing organization as well as between each of the IBOs and their customers are described in terms of *structure*. Product purchases made within the structure of your marketing organization generate commissions for you.

There are two structures to be concerned about which reflect two types of relationship. These relationships are **enrollment** and **sponsorship**, and are created whenever a new IBO or customer enrolls. All commission Payouts are affected by these two relationships.

The enroller or sponsor relationship is created when someone new enrolls as a Preferred Customer. This is typically done during the shared deal redemption process or by clicking *sign up* from either the WakeUpNow website or an IBO marketing website and then filling out the form.

Sign ups during a shared deal redemption are automatically assigned with the enroller and sponsor ID of the person who shared the deal. Corporate website sign ups require the new enrollee to enter the IBO number of an enroller and a sponsor (they are often the same).

#### **Enroller**

When someone enrolls as a Preferred Customer via your marketing website, your IBO number is automatically submitted as their **enroller**. They do not need to enter it during the sign up process.

Essentially, enroller relationships are always front-line and there is no restriction on width, i.e., you can enroll as many customers as you want. Enrollment relationships impact the following commissions.

Retail Payouts

Check Match

### **Sponsor**

By default your IBO number is also automatically submitted as the **sponsor** when Preferred Customers sign up via your marketing website. If you would like to enable the option for a different sponsor ID to be entered during sign up, you can turn on this feature of your website.

You can also turn on a *Waiting Room* feature that temporarily allows enrollees to sign up without creating a sponsor relationship. The Waiting Room allows you a short time to place enrollees where you choose within your organization. Note that enrollees are automatically sponsored to you if they are left in your Waiting Room more than 7 days after they enroll (and all must be placed before the end of the commission month).

Both the toggle for the Sponsor Field during sign up and the Waiting Room are features you can access within the admin tools available in the HUB.

Sponsorship relationships impact the

Team Payouts

Luxury Payouts

Check Match (rank requirement only).

You can view both structures and how each customer and IBO in your organization is connected from within the HUB.

Commission Types

Commission payments are based on the requirements met at the close of the month. Commissions are typically paid on the 15th of the month following, or the next U.S. business day after the 15th.

The remainder of this booklet outlines the particular requirements.

### **Retail Payouts**

Retail Payouts, are paid from each qualified retail purchase made by you, your downline, or any customer referred by any one in your marketing organization. Every product available for purchase is assigned a Retail Commission Volume (RCV) which is used to calculate commissions on that sale. Because there are many types of retail purchase, not all have the same economics. For each type of Retail Purchase an RCV is designated and used as the basis for calculating how much of each Retail Payout is paid and to whom.

Retail Payouts rely on the enrollment structure.

### **Retail Purchases**

When a customer you refer or an IBO enrolled downline on your team makes a product purchase, it generates RCV which becomes cash that gets paid to you. There are two kinds of Retail Payout: **Personal Retail Commissions** and **Group Retail Commissions**.

**Personal Retail Commissions**

Personal Retail Commissions are paid on sales you make personally, that is, you share the deal, introduce or otherwise enroll the new customer. Retail purchases, such as HUB subscriptions and many purchases from the Marketplace generate an immediate commission. The commission is up to 50% of the RCV, *which can represent as much as 40% of the purchase price of the product.*

### **Group Retail Commissions**

50% of the RCV is set aside as Group Retail Commission Volume (GRCV) which is used to calculate Group Retail Commissions. As a result of these calculations, a small portion of each retail purchase, *down six generations*, is paid to you as a Group Retail Commission.

Retail Purchases made within the first generation, that is by IBOs enrolled to you, and by customers referred by you, generate a Group Retail Commission of 25% of the GRCV.

Retail Purchases made within generations 2–6 will generate additional Group Retail Commissions of 10% of the GRCV.

#### **Founder 7**

Group Retail Commissions get even better when you reach F7. For those who reach the rank of F7 and higher, *ALL Retail Purchases in your downline contribute to your Group Retail Commission*, except purchases where there are four or more IBOs who are a rank of F7 or higher between you and the customer making the purchase.

#### **Team Payouts**

Team Payouts are tied to your rank, which is based on the size, sales volume and configuration of your sponsorship structure. The sponsorship structure only counts *qualified* IBOs or *qualified* Preferred Customers when calculating rank for any commission month, IBOs and Preferred Customers are qualified when they have each achieved 90 PV via product sales and/or purchases.

The three rank levels at WakeUpNow are Director, Founder, and Executive. Within these levels are the ranks that you may advance through as your marketing organization of qualified IBOs and your customer base of Preferred Customers grows.

You can advance through three levels of Team Payout, **Director**, **Founder**, and **Executive** plus you can qualify for special **Leadership Overrides**.

Individual success is tied to your ability to help others be successful. WakeUpNow recommends you follow a strategy of **B3H3G3**, which stands for *Bring Three, Help Three Get Three* customers. This strategy is about growing your customer base and your marketing organization. As you enroll your first three IBOs and they become a part of your marketing organization and meet their minimum customer requirement, you will be laying the foundation for success.

Next, help your front line IBOs build their front lines and customer bases to continue growing your sales.

#### **Director Bonus**

Director ranks are achieved by personally sponsoring new qualified Preferred Customers or qualified IBOs directly beneath you.

Prior to Director 3, ranks do not affect commission payments. They only help you chart your progress as you increase your customer base or marketing organization.

As a Preferred Customer, you start with no volume and are unqualified. But once you make a product purchase, you begin to accrue volume. Once you reach 90 volume, you are qualified (QPC). Refer another Preferred Customer who reaches 90 volume and you become a **QPC-1**. Two and you become a **QPC-2**. When you get a third, you are ready to convert to an IBO and become a Director 3.

If you become an IBO (e.g., by signing the *IBO Enrollment* form) before reaching Director 3, you can mark similar progress in sponsoring qualified Preferred Customers or qualified IBOs. A qualified IBO who sponsors one qualified Preferred Customer or qualified IBO has reached the rank of **Director 1** (D1). Sponsoring two qualified Preferred Customers or qualified IBOs makes you a **Director 2** (D2).

#### **Director 3**

When you *Bring Three* Preferred Customers or IBOs and help them become qualified, you will become a **Director 3** (D3). You need to be a qualified IBO and directly sponsor three qualified Preferred Customers and/or qualified IBOs (who have each achieved at least 90 PV). As a Director 3, you qualify to receive, the **Director Bonus**. The Director Bonus is **\$100** per month that you meet the requirements as a Director 3.

All IBO team members downline from one of your front-line IBO enrollees form a *line* in your organization.

The B3H3G3 strategy will help you get to the next rank as you *Help Three* do what you did. Those three will form your required lines and the customers and IBOs will contribute the volume you need. When you have three lines with 360 volume in each you will have achieved the **Founder** level.

### **Founder Bonus**

The first Founder rank is **Founder 3 (F3)**. To reach the rank of Founder 3, you must be a qualified IBO and sponsor three qualified lines, that is with a QPC or a qualified IBO and a minimum of 360 total Commissionable Volume (CV) in each. An F3 no longer receives a Director Bonus, but instead receives the next level Team Payout, the **Founder Bonus**, which starts at **\$600** per month. We call this the *600 Club!*

### **Increasing Your Founder Bonus**

As you increase your Group Volume (GV),<sup>†</sup> your Founder Bonus grows. GV is the CV generated by you and your entire marketing organization downline from you (i.e., your *group*). As an F3 you will already have a minimum GV of 1,170. If you increase your GV to 2,500, your Founder Bonus grows to **\$700** per month. At a GV of 5,000, your Founder Bonus goes up to **\$800** per month. And finally, when your sales volume drives your GV to at least 7,500, your Founder Bonus goes up to **\$1,000** per month.

### **Line Maximum**

The Founder Bonus above \$600 is also subject to a Line Maximum of 50% (see chart). The Line Maximum is the highest GV that can be counted from any one line in your organization.

For example, if you are an F3 and have 2,500 GV with 1,250 in one line, and 625 in each of your second and third lines, you *would* qualify to receive the \$700 Founder Bonus because your line with the most Volume (at 1,250) meets the requirement of being equal to 50% of the Line Max or less. In contrast, if you had 4,000 GV in one line and 500 in each of the other two, you would not qualify because 1,250 is the maximum that can be counted from any one line. Your GV total would be calculated as  $1,250 + 500 + 500 = 2,250$ , which is less than the 2,500 GV required.

### **Founder 4–Founder 7**

You can progress through the Founder ranks by adding qualified lines—with at least one qualified Preferred Customer or IBO and a minimum of 360 in CV—and then increasing your total GV. Founder rank progression is Founder 3, 4, 5, 6, and finally Founder 7.

To reach the rank of **Founder 4 (F4)**, you need to be a qualified IBO with a minimum of 4 qualified lines and GV of 10,000 or more with a 50% line maximum. F4's earn a Founder Bonus of **\$2,000** per month.

To reach the rank of **Founder 5 (F5)**, you need to be a qualified IBO with a minimum of 5 qualified lines and GV of 20,000 or more with a 45% line maximum. F5's earn a Founder Bonus of **\$4,000** per month.

To reach the rank of **Founder 6 (F6)**, you need to be a qualified IBO with a minimum of 6 qualified lines and GV of 40,000 or more with a 40% line maximum. F6's earn a Founder Bonus of **\$6,000** per month.

To reach the rank of **Founder 7 (F7)**, you need to be a qualified IBO with a minimum of 7 qualified lines and GV of 80,000 or more with a 40% line maximum. F7's earn a Founder Bonus of **\$10,000** per month.

### **Executive**

Beyond Founder ranks are the Executive ranks. Executive ranks continue to earn \$10,000/mo. in Founder Bonus, *plus* they qualify for the Leadership Overrides (see below). Executive ranks require you to qualify with 180 PV and that your GV reaches each level with a 35% line maximum.

The Executive ranks and corresponding GV requirements are as follows: Executive, 120,000; Pearl, 160,000; Ruby, 240,000; Emerald, 320,000; Sapphire, 480,000; Diamond, 640,000; Global Executive, 1,000,000.

### **Leadership Overrides**

WakeUpNow reserves up to 12.5% of the total worldwide company CV from all product purchases, for the monthly payment of Leadership Overrides. The Leadership Overrides are comprised of two reserves.

Up to 5% of total company CV is set aside in the **Founder Override** reserve, and up to 7.5% of total company CV is set aside in the **Executive Override** reserve. Reserve shares are paid to qualified IBOs starting at the rank of F4 each month. There is a maximum payout for each rank.

Two things are required to qualify, Rank (includes Volume) and Customers

#### **Founder Override**

Up to 5% of the total worldwide company CV from all product purchases is reserved for IBOs from F4—F7, up to the maximum. See the chart on the facing page for the requirements, the shares, and the maximum override payout for each Founder rank.

The actual payout of the Founder Override is calculated by dividing the total Founder Override reserve each month by the number of shares issued. The Founder Override then pays the corresponding amount per share to each IBO who has shares and is eligible, up to the maximum.

#### **Executive Override**

Up to an additional 7.5% of total worldwide company CV from all product purchases is reserved for IBOs in the Executive Ranks. The chart to the right shows the requirements, the allocation of shares, and the maximum override payout for each corresponding Executive rank.

Executive ranks receive shares in the Executive Override reserve *as well as* 10 shares in the Founder Override reserve. The actual payout on these Founder Override shares is calculated as explained under *Founder Override*.

The actual payout of the Executive Override is calculated similarly by dividing the total Executive Override reserve each month by the number of shares issued. The Executive Override then pays the corresponding amount per share to each IBO who has shares and is eligible, up to the maximum.

#### **Supplemental Payouts**

##### **Luxury Payout**

At the rank of F4, you can begin earning an extra Luxury Payout in addition to your other commissions. The Luxury Payout is one way the WakeUpNow Compensation Plan is designed to improve the lives of each IBO as they grow their marketing organizations and drive increased product sales. The chart below explains how this increases as your rank goes up.

The Luxury Payout is designed to reward you with Vacation Dollars for traveling, money for a luxury car, and time on a jet.

Vacation Dollars can accrue up to **three months**, allowing you to maximize this bonus by taking a trip at least once each calendar quarter. This bonus is designed to help you add more travel to your lifestyle. Auto bonuses are paid toward the purchase or lease of a vehicle with a model year 5 years old or newer. IBOs must be F5 or above and meet all requirements for three consecutive months to qualify for this payout. This payout must be used each month and does not accrue.

Both Vacation Dollars and Auto Bonuses require some verification and approval. IBOs can submit the approval request forms online or manually.

Jet time is awarded beginning the first month it is qualified for and can be accrued for up to 12 months.

The Luxury Payout is not retroactive and recipients must agree to the Luxury Payout Terms and Conditions. These payouts are paid to reward you for your success in building a marketing organization, distributing and selling WakeUpNow products.

##### **Check Match**

The Check Match allows you to receive commissions equal to a portion of the Group Retail Commission earned by other IBOs enrolled downline on your team.

You qualify for Check Match automatically once you reach the rank of D3. The higher your rank, the larger the Check Match percentage and the more levels of your team that you match. In other words, at

D3 you earn 20% of the amount of the Group Retail Commission paid to team members on your front line.

That increases by 10% each rank as you get to F3, F4, and F5 (see chart).

It applies to Group Retail Commissions up to as many as *four levels downline* in your enrollment organization. For example, if you were a D3 and someone you enrolled earned \$100 in Group Retail Commission that month, you would receive a Check Match for 20% of that amount—or \$20!

As a D3 or higher, you will receive a 20% Check Match for all personally enrolled IBOs that have earned a Group Retail Commission.

As an F3 or higher, you will additionally receive a 10% Check Match for all personally enrolled IBOs that have earned a Group Retail Commission on the second level of your Enrollment Structure.

As an F4 or higher, you will additionally receive a 10% Check Match for all personally enrolled IBOs that have earned a Group Retail Commission on the third level of your Enrollment Structure.

As an F5 or higher, you will additionally receive a 10% Check Match for all personally enrolled IBOs that have earned a Group Retail Commission on the fourth level of your Enrollment Structure.

## SECTION 4 OPERATING A WAKEUPNOW BUSINESS

**4.1. IBO Created Marketing Methods and Tools.** IBOs must adhere to the terms of the WAKEUPNOW Compensation Plan as set forth in official WAKEUPNOW literature. IBOs shall not offer the WAKEUPNOW opportunity through, or in combination with, any other system, program, sales tools, or method of marketing other than that specifically set forth in official WAKEUPNOW literature. IBOs shall not require or encourage other current or prospective Retail Customers or IBOs to execute any agreement or contract other than official WAKEUPNOW agreements and contracts in order to become a WAKEUPNOW IBO. Similarly, IBOs shall not require or encourage other current or prospective Retail Customers or IBOs to make any purchase from, or payment to, any individual or other entity to participate in the WAKEUPNOW Compensation Plan other than those purchases or payments identified as recommended or required in official WAKEUPNOW literature.

When recruiting and signing up customers and IBOs, an IBO is under an obligation to ensure that all information used to sign up customers and IBOs is both truthful and accurate. IBOs should take any appropriate steps to ensure that credit card information, social security numbers, and other sensitive personal information is accurate. Any willing or negligent violation of this policy may result in forfeiture of commission checks, bonuses, other disciplinary action, or even legal action.

### 4.2. Advertising

**4.2.1. General.** All IBOs shall safeguard and promote the good reputation of WAKEUPNOW and its products. The marketing and promotion of WAKEUPNOW, the WAKEUPNOW opportunity, the Compensation Plan, and WAKEUPNOW products must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and services, and the tremendous opportunity WAKEUPNOW offers, IBOs must use only the marketing methods, training methods, literature, advertising and promotional material, and websites (“Sales Tools”) produced or approved by WAKEUPNOW. If you wish to design your own online or offline Sales Tools of any kind, your designs must be submitted to the WAKEUPNOW advertising department (compliance@WAKEUPNOW.com) for consideration and inclusion in the Document

Library. Unless you receive specific written approval from WAKEUPNOW to use such Sales Tools, the request shall be deemed denied. Go to the Resources tab in your IBO Marketing Suite for guidelines and to access your Resources.

IBOs may not sell Sales Tools to other WAKEUPNOW IBOs. Therefore, IBOs who receive authorization from WAKEUPNOW to produce their own Sales Tools may not sell such Sales Tools to any other WAKEUPNOW IBO. IBOs may make approved Sales Tools available to other IBOs free of charge if they wish, but may not charge other WAKEUPNOW IBOs for the Sales Tools.

WAKEUPNOW further reserves the right to rescind approval for any Sales Tools, and IBOs waive all claims for damages or remuneration arising from or relating to such rescission.

Approved Sales Tools, when available, will be posted in the Resources section of IBOs' TeamOffice and will be made available to all IBOs free of charge. The IBO who submitted the Sales Tool to the Company waives all claims to remuneration for such use and grants WAKEUPNOW an irrevocable license to use the Sales Tools, as the Company deems appropriate.

**4.2.2. Trademarks and Copyrights.** The name of "WAKEUPNOW" and other names as may be adopted by WAKEUPNOW are proprietary trade names, registered trademarks and service marks of WAKEUPNOW. As such, these marks are of great value to WAKEUPNOW and are licensed to IBOs for their use only in an expressly authorized manner. WAKEUPNOW will not allow the use of its trade names, trademarks, designs, brand names, product names, or symbols, or any derivatives of such marks, by any person, including WAKEUPNOW IBOs, in any unauthorized manner without its prior, written permission. Such WAKEUPNOW brands and products include, but is not limited to, "Awaken", and "The Hub".

The content of all Company sponsored events is copyrighted material. IBOs may not produce for sale or distribution any recorded Company events and speeches without written permission from WAKEUPNOW, nor may IBOs reproduce for sale or for personal use any recording of Company- produced audio, video tape presentations, or online video streams and downloads.

As an IBO, you may use the "WAKEUPNOW" name in the following manner: Example: Alice Smith(BOs Name) WAKEUPNOW® Independent Business Owner

IBOs may not use the name "WAKEUPNOW" in any form (including the abbreviation "WUN"), any WAKEUPNOW brand name, or any WAKEUPNOW product name in your team name, a tagline, an external website name, your personal website address or extension, in an e-mail address as a personal name, or as a nickname. Additionally, only use the phrase WAKEUPNOW IBO in your phone greeting or on your answering machine to clearly separate your independent WAKEUPNOW business from WAKEUPNOW Corporate. For example, you may not secure the domain name www.buyWAKEUPNOW.com, nor may you create an email address such as WAKEUPNOWsales@hotmail.com.

- 4.2.2.1. WAKEUPNOW IBO Logo.** If you use a WAKEUPNOW logo in any communication, you must use the IBO version of the WAKEUPNOW logo available in your IBO Marketing Suite, listed in the Resources Section of your TeamOffice.
- 4.2.3. Media and Media Inquiries.** IBOs must not respond to media inquiries regarding WAKEUPNOW, its products or services, or their independent WAKEUPNOW business. All inquiries by any type of media must be immediately referred to WAKEUPNOW's Communications Department via telephone, electronic mail to [communications@WAKEUPNOW.com](mailto:communications@WAKEUPNOW.com). This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.
- 4.2.4. Unsolicited Email.** WAKEUPNOW does not permit IBOs to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by an IBO that promotes WAKEUPNOW, the WAKEUPNOW opportunity, or WAKEUPNOW's products and services must comply with the following:
- 4.2.4.1.** There must be a functioning return email address to the sender.
  - 4.2.4.2.** There must be a notice in the email that advises the recipient that he or she 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).
  - 4.2.4.3.** The email must include the IBOs physical mailing address.
  - 4.2.4.4.** The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
  - 4.2.4.5.** The Income Disclosure Statement must accompany any reference to potential commissions or earnings.
  - 4.2.4.6.** The use of deceptive subject lines and/or false header information is prohibited
  - 4.2.4.7.** 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 the Company.

WAKEUPNOW may periodically send commercial emails on behalf of IBOs. By entering into the IBO Agreement, IBO agrees that the Company may send such emails and that the IBOs 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 the Company.

- 4.2.5. Unsolicited Faxes.** Except as provided in this section, IBOs may not use or transmit unsolicited faxes in connection with their WAKEUPNOW business. The term "unsolicited faxes" means the transmission via telephone facsimile or computer of any material or information advertising or promoting WAKEUPNOW, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the IBO has an established business or personal relationship. The term "established business or personal relationship" means a prior

or existing relationship formed by a voluntary two way communication between an IBO and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such IBO; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

**4.2.6. Telephone Directory Listings.** IBOs may list themselves as a “WAKEUPNOW IBO” in the white or yellow pages of the telephone directory, or with online directories, under their own name. No IBO may place telephone or online directory display ads using WAKEUPNOW's name or logo. IBOs may not answer the telephone by saying “WAKEUPNOW,” “WAKEUPNOW Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of WAKEUPNOW. If an IBO wishes to post his/her name in a telephone or online directory, it must be listed in the following format:

IBOs Name  
WAKEUPNOW® Independent Business Owner

#### 4.3. **Online Conduct.**

**4.3.1. IBO Web Sites.** If an IBO desires to utilize an Internet web page to promote his or her business, he or she may do so using one of the Companies provided Replicated Website templates. IBOs may also develop their own External Websites. However, any IBO who wishes to develop their own External Website must submit a properly completed External Website Registration Application and Agreement along with the proper website registration fee and receive the Company’s prior written approval before going live with their External Website. For paperwork and company approval please contact compliance at [compliance@WAKEUPNOW.com](mailto:compliance@WAKEUPNOW.com). External Websites may be used to promote your business and the Company’s products so long as the External Website adheres to the Company’s advertising policies. However, no orders may be placed through an External Websites; orders may only be placed through your Company provided Replicated Website. You may link an approved External Website to the order entry screen of your Company provided Replicated Website to facilitate sales should you wish to do so.

**4.3.2. WAKEUPNOW Replicated Marketing Websites.** IBOs receive a WAKEUPNOW Replicated Marketing Website subscription to facilitate online buying experience for your customers and enrollments for prospects. IBOs are solely responsible and liable for the content they add to their Replicated Marketing Website and must regularly review the content to ensure it is accurate and relevant.

IBOs may not alter the branding, artwork, look, or feel of their Replicated Website, and may not use their Replicated Marketing Website to promote, market or sell non-WAKEUPNOW products, services or business opportunities. Specifically, you may not alter the look (placement, sizing etc.) or functionality of the following:

- 4.3.2.1.** The WAKEUPNOW Independent Business Owner Logo
- 4.3.2.2.** Your Name
- 4.3.2.3.** WAKEUPNOW Corporate Website Redirect Button
- 4.3.2.4.** Artwork, logos, or graphics

**4.3.2.5.** Original text.

You may choose a uniquely identifiable website name by contacting WAKEUPNOW Support at: support@WAKEUPNOW.com. The new URL may not:

**4.3.2.6.** Be confused with other portions of the WAKEUPNOW corporate website;

**4.3.2.7.** Confuse a reasonable person into thinking they have landed on a WAKEUPNOW corporate page;

**4.3.2.8.** Be confused with any WAKEUPNOW name;

**4.3.2.9.** Contain any discourteous, misleading, or off-color words or phrases that may damage WAKEUPNOW's image.

**4.3.3. Registered External Website Content.** IBOs are solely responsible and liable for their own Registered External Website content, messaging, claims, and information and must ensure that it appropriately represents and enhances the WAKEUPNOW brand and adheres to WAKEUPNOW's Policies and Procedures. Additionally, Registered External Websites must not contain disingenuous popup ads or promotions or malicious code. Decisions and corrective actions in this area are at WAKEUPNOW's sole discretion. To register a website, email our Compliance Department at: compliance@WAKEUPNOW.com

**4.3.4. WAKEUPNOW IBO Disclosure.** To avoid confusion, the following three elements must be prominently displayed at the top of every page of your Registered External Website:

**4.3.4.1.** The WAKEUPNOW Independent Business Owner Logo (Logo may be downloaded from WAKEUPNOW Hub)

**4.3.4.2.** Your Name and Title

**4.3.4.3.** WAKEUPNOW Corporate Website Redirect Button resolving to www.WAKEUPNOW.com

Although WAKEUPNOW brand themes and images are desirable for consistency, anyone landing on any page of an IBOs External Website must clearly understand that they are at an IBO site, and not a WAKEUPNOW Corporate page.

**4.3.5. Registered External Websites Must Exclusively Promote WAKEUPNOW.** Your WAKEUPNOW external website must contain content and information that is exclusive to WAKEUPNOW. You may not advertise other products or services other than the WAKEUPNOW product line and the WAKEUPNOW opportunity.

**4.3.6. Registered External Website Termination.** In the event of the voluntary or involuntary cancellation of your IBO Agreement, you must remove your Registered External Website from public view within three days and redirect (forward) all traffic from that domain to www.WAKEUPNOW.com Your external website may be transferred to another WAKEUPNOW IBO, subject to WAKEUPNOW approval, on a case-by-case basis.

**4.3.7. Team Websites.** You may use team websites for the purposes of connecting, communicating, training, education and sharing best practices among team members. Because these sites may contain sensitive and Company-specific information, these team websites must be password protected and may only be shared with members of your Sales

Organization. Team Websites must conform to the branding requirements listed in Section 4.3.2 listed above.

**4.3.8. Domain Names, email Addresses and Online Aliases.** You are not allowed to use or register WAKEUPNOW or any of WAKEUPNOW's trademarks, product names, or any derivatives, for any Internet domain name, email address, or online aliases. Examples of this include "Awaken", and "The Hub". Additionally, you may not 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 WAKEUPNOW.

IBOs may not use the name "WAKEUPNOW", or any of WAKEUPNOW'S trademarks, product names, brands, or any derivatives of them in any form in your team name, a tagline, an external website name, your personal website address or extension, in an e-mail address, as a personal name, or as a nickname. Additionally, only use the phrase WAKEUPNOW IBO in your phone greeting or on your answering machine to clearly separate your independent WAKEUPNOW business from WAKEUPNOW. For example, you may not secure the domain name www.buyWAKEUPNOW.com, nor may you create an email address such as WAKEUP NOWsales@hotmail.com.

Any website owned or registered to an IBO which contains "WAKEUPNOW" or any derivation thereof in the URL, must be transferred to WAKEUPNOW or closed/terminated upon demand by WAKEUPNOW. In no event may the IBO sell such domain name to any third party without the prior express written consent of WAKEUPNOW.

In addition IBOs must use the following disclaimer within any email correspondence when discussing WAKEUPNOW:

"The sender of this email is an IBO and as such is an independent contractor of WAKEUPNOW, Inc. IBOs are not employees of WAKEUPNOW, Inc. If you have questions about the Company, please contact Member Services (801) 373-2600 or email: support@WAKEUPNOW.com".

**4.3.9. WAKEUPNOW Hotlinks.** When directing readers to your Registered External Website or replicated site it must be evident from a combination of the link, and the surrounding context, to a reasonable reader, that the link will be resolving to the site of an independent WAKEUPNOW IBO. Attempts to mislead web traffic into believing they are going to a WAKEUPNOW corporate site, when in fact they land at an IBO site (replicated or registered external) will not be allowed. The determination as to what is misleading or what constitutes a reasonable reader will be at WAKEUPNOW's sole discretion.

**4.3.10. Monetizing Registered External Websites.** IBOs may not monetize their Registered External Website through affiliate programs, adWords, adSense, or similar programs.

**4.3.11. Online Classified.** You may not use online classifieds (including Craigslist) to list, sell or retail specific WAKEUPNOW products or product bundles. Craigslist does not permit their users to make postings about any multi-level marketing business (including WakeUpNow) therefore IBOs may not post anything about WAKEUPNOW on their site. You may, however, use online classifieds for prospecting, recruiting, sponsoring and

informing the public about the WAKEUPNOW business opportunity, as long as the specific website allows postings from multi-level marketing firms. IBOs may promote WAKEUPNOW provided they use WAKEUPNOW approved templates/images. These templates will identify you as a WAKEUPNOW IBO. If a link or URL is provided, it must link to your Replicated Website or your Registered External Website. Approved images and templates can be found in the WAKEUPNOW TeamOffice which is located in the Hub.

- 4.3.12. eBay / Online Auctions.** WAKEUPNOW's products and services may not be listed on eBay or other online auctions, nor may IBOs enlist or knowingly allow a third party to sell WAKEUPNOW products on eBay or other online auction.
- 4.3.13. Online Retailing.** IBOs may not list or sell WAKEUPNOW products on any online retail store or ecommerce site, nor may they enlist or knowingly allow a third party to sell WAKEUPNOW products on any online retail store or ecommerce site.
- 4.3.14. Banner Advertising.** You may place banner advertisements on a website provided you use WAKEUPNOW approved templates and images. All banner advertisements must link to your Replicated Website or a Registered External Website. IBOs may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or income claims that are ultimately associated with WAKEUPNOW products or the WAKEUPNOW opportunity. Approved images and templates can be found in the WAKEUPNOW TeamOffice, which is located in the Hub.
- 4.3.15. Spam Linking.** Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, Facebook walls, Facebook chat, Facebook messages, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Any comments you make on blogs, forums, guest books etc. must be unique, informative and relevant.
- 4.3.16. Digital Media Submission (YouTube, iTunes, PhotoBucket etc.).** IBOs may upload, submit or publish WAKEUPNOW related video, audio or photo content that they develop and create so long as it aligns with WAKEUPNOW values, contributes to the WAKEUPNOW community greater good and is in compliance with WAKEUPNOW's Policies and Procedures. All videos, audio or photos must be submitted and approved with WAKEUPNOW compliance, include a version number and date published and must clearly identify you as a WAKEUPNOW Independent Business Owner in the content itself and in the content description tag. All digital media submissions must comply with all copyright/legal requirements, and must state that you are solely responsible for this content. IBOs are required to update or remove out of date videos, audio, photos and/or postings belonging to them.

IBOs may not upload, submit or publish any content (video, audio, presentations or any computer files) received from WAKEUPNOW or captured at official WAKEUPNOW events or in buildings owned or operated by WAKEUPNOW without prior written permission.

**IBOs that upload, submit, or publish any content have an obligation to ensure that their video, audio, or photo content is current. When there are changes in WAKEUPNOW Policies and Procedures, or pursuant to any changes in WAKEUPNOW, the submitting IBO has an obligation to ensure that outdated content is taken down. This obligation extends from the publishing IBO to any IBO that the publishing IBO has allowed to share, copy, or replicate the video, audio, or photo content.**

**4.3.17. Sponsored Links / Pay-Per-Click (PPC) Ads.** Sponsored links or pay-per-click ads (PPC) are acceptable so long as IBOs do not bid on or purchase key words that infringe upon WAKEUPNOW copy written, trademark, or registered names. The destination URL must be to either the sponsoring IBOs Replicated Website or to the sponsoring IBOs Registered External Website. The display URL must also be to either the sponsoring IBOs Replicated Website or to your Registered External Website, and must not portray any URL that could lead the user to believe they are being directed to a WAKEUPNOW Corporate site, or be inappropriate or misleading in any way.

**4.3.18. Social Media.** Social Media may be used by IBOs to share information about the WAKEUPNOW business opportunity and for prospecting and sponsoring. However, IBOs who elect to use Social Media must adhere to the Policies and Procedures in all respects, and must request approval of any profile or webpage used to promote his or her WAKEUPNOW Independent Business by submitting the profile or webpage to [compliance@wakeupnow.com](mailto:compliance@wakeupnow.com).

Profiles an IBO or IBOs generate in any social community where WAKEUPNOW is discussed or mentioned must clearly identify the IBO or IBOs as a WAKEUPNOW Independent Business Owner, and when either participates in those communities, they 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 WAKEUPNOW's sole discretion, and offending IBOs will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the WAKEUPNOW approved library. If a link is provided, it must link to the posting IBOs Replicated Website or a Registered External Website. Approved images and templates can be found in the WAKEUPNOW TeamOffice, which is located in the Hub.

Industry regulations prohibit IBOs from making unauthorized and/or false claims about WAKEUPNOW income, products and services via Social Media. (refer to sections 4.7.2 and 4.7.3 for more information) Unauthorized claims include but are not limited to: statements, posts, pictures or videos displaying your actual or estimated monthly commissions, wallet balance, checks received, or any form of earning statements. Also, you may not make false claims about WAKEUPNOW's compensation program or the earning potential of IBOs on Facebook, Twitter, Instagram, YouTube, or any similar Social Media site. A list of approved marketing statements is posted in the resources tab of your back office for the use of all IBO's. See this list for examples of how to properly advertise potential WAKEUPNOW earnings.

ALL POSTS made in any venue of Social Media that refer to WAKEUPNOW corporate employees must be approved, and be free of all inappropriate and vulgar content or images

and they must be approved by the WAKEUPNOW compliance department prior to posting. The compliance department may be contacted at [compliance@WAKEUPNOW.com](mailto:compliance@WAKEUPNOW.com).

IBOs may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments created or posted must be useful, unique, relevant and specific to the blog's article.

**4.3.19. IBOs Are Responsible for Postings.** IBOs are personally responsible for their postings and all other online activity that relates to WAKEUPNOW. Any breach of policy could result in breach of IBO agreement. Therefore, even if either does not own or operate a blog or Social Media site, if an individual posts to any such site that relates to WAKEUPNOW or which can be traced to WAKEUPNOW, the IBO is responsible for the posting. IBOs are also responsible for postings, which occur on any blog, or Social Media site that the IBO owns, operates, or controls.

**4.3.19.1. Social Media Image Policy.** IBOs are personally responsible for the images / pictures that they upload to social media sites. All images and pictures should be in good taste and socially appropriate.

**4.3.19.2. Identification as a WAKEUPNOW Independent Business Owner.** You must disclose your full name on all Social Media postings, and conspicuously identify yourself as an Independent Business Owner for WAKEUPNOW. The acronym IBO is not sufficient when identifying yourself as an Independent Business Owner. Anonymous postings or use of an alias is prohibited.

**4.3.19.3. Social Media as a Sales and Promotion Forum.** Social Media sites are relationship-building sites. While building relationships is an important part of the sales process, Social Media sites may not be used as a direct medium for generating sales or explaining the WAKEUPNOW income opportunity. Online sales may only be generated from an IBOs WAKEUPNOW replicated website. Likewise, IBOs shall not use any Social Media site to explain the WAKEUPNOW compensation plan or any component of the compensation plan.

**4.3.19.4. Deceptive Postings.** Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the WAKEUPNOW income opportunity, WAKEUPNOW's products and services, and/or your biographical information and credentials.

**4.3.19.5. Use of Third Party Intellectual Property.** If you use the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting, it is your responsibility to ensure that you have received the proper license to use such intellectual property and pay the appropriate license fee. All third-party intellectual property must be properly referenced as the property of the third-party, and you must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

**4.3.19.6. Respecting Privacy.** Always respect the privacy of others in your postings. IBOs must not engage in gossip or advance rumors about any individual, company, or competitive products or services. IBOs may not list the names of other individuals or entities on their postings unless they have the written permission of the individual or

entity that is the subject of their posting

WAKEUPNOW values its relationships with all IBOs and customers and strictly adheres to WAKEUPNOW's privacy policy which includes but is not limited to providing any information that is not your own, including IBO telephone number, email, or IBO identification number.

- 4.3.19.7. Professionalism.** You must ensure that your postings are truthful and accurate. This requires that you fact-check all material you post online. You should also carefully check your postings for spelling, punctuation, and grammatical errors. Use of offensive language is prohibited.
- 4.3.19.8. Prohibited Postings.** IBOs may not make any postings, or link to any postings or other material that:
- 4.3.19.8.1.** Is sexually explicit, obscene, or pornographic;
  - 4.3.19.8.2.** Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
  - 4.3.19.8.3.** Is graphically violent, including any violent video game images;
  - 4.3.19.8.4.** Is solicitous of any unlawful behavior;
  - 4.3.19.8.5.** Engages in personal attacks on any individual, group, or entity;
  - 4.3.19.8.6.** Is in violation of any intellectual property rights of the Company or any third party.
- 4.3.19.9. Responding to Negative Posts.** Do not converse with one who places a negative post against you, other IBOs or WAKEUPNOW. Report negative posts to the Company at [compliance@WAKEUPNOW.com](mailto:compliance@WAKEUPNOW.com), responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as WAKEUPNOW, and therefore damages the reputation and goodwill of WAKEUPNOW.
- 4.3.19.10. Social Media Sites with Website-like Features.** Because some social media sites are particularly robust, the distinction between a social media site and a website may not be clear-cut. WAKEUPNOW therefore reserves the sole and exclusive right to classify certain social media sites as websites and require that IBOs using, or who wish to use, such sites adhere to the Company's policies relating to independent websites.
- 4.3.19.11. Cancellation of Your WAKEUPNOW Business.** If your WAKEUPNOW business is canceled for any reason, you must discontinue using the WAKEUPNOW name, and all of WAKEUPNOW's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as a WAKEUPNOW IBO, you must conspicuously disclose that you are no longer an independent WAKEUPNOW IBO.

**4.4. Business Entities.** A corporation, limited liability company, partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be a WAKEUPNOW IBO by submitting an IBO Application and Agreement along with a properly completed Business Entity Addendum and a properly completed IRS form W-9. The Business Entity, as well as all shareholders, members, managers, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively “Affiliated Parties”) are individually, jointly and severally liable for any indebtedness to WAKEUPNOW, compliance with the WAKEUPNOW Policies and Procedures, the WAKEUPNOW IBO Agreement, and other obligations to WAKEUPNOW.

To prevent the circumvention of Sections 4.23 (regarding transfers and assignments of a WAKEUPNOW business) and 4.5, (regarding Sponsorship Changes), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or WAKEUPNOW, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify WAKEUPNOW in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions of Section 4.23. In addition, the Affiliated Party foregoing their interest in the Business Entity may not participate in any other WAKEUPNOW business for 180 consecutive days in accordance with Section (Cancellation and Reapplication). If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 4.23.

The modifications permitted within the scope of this paragraph do not include a change of sponsorship. Changes of sponsorship are addressed in Section 4.5, below. There is a \$100.00 fee for each change requested, which must be included with the written request and the completed IBO Application and Agreement. WAKEUPNOW may, at its discretion, require notarized documents before implementing any changes to a WAKEUPNOW business. Please allow up to thirty (30) days after the receipt of the request by WAKEUPNOW for processing.

**4.4.1. Changes to a Business Entity.** Each IBO must immediately notify WAKEUPNOW of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business Affiliated Parties.

**4.5. Sponsor Correction.** Sponsor Corrections were created to allow IBO Enrollers a one time opportunity to correct a mistake made in the placement of a new IBO in his or her organization. Enrollers may request that an IBO he or she enrolled be moved within the first 168 hours of the misplaced IBO’s registration as well as before the end of the month in which the misplaced IBO enrolled in, as long as the effected IBO has had no one placed under him or her in his or her downline, and has not enrolled any IBO. Sponsor change requests made within this time period (the first 168 hours after registration) can be performed by an **enroller** filling out and submitting a sponsor change request form via email. The Sponsor Correction Form is available in the resources section of the backoffice. Approvals will be made once the WAKEUPNOW support department receives the completed form, verifies all information, and has received a \$25 processing fee.

WAKEUPNOW does not allow changes in sponsorship after the newly registered IBO has been enrolled for more than 168 hours, after the end of the month in which the misplaced IBO enrolled, if said IBO has registered other IBOs under him or her, or if the newly registered IBO has had other IBOs placed under him or her. If a sponsor change request is submitted after the 25<sup>th</sup> day of a commission month, the request will be submitted and processed, yet the sponsor change will not take place until the following commission month.

**4.5.1. Cancellation and Re-application.** An IBO may legitimately change organizations by voluntarily canceling his / her WAKEUPNOW business and remaining inactive (i.e., no purchases of WAKEUPNOW products for resale, no sales of WAKEUPNOW products, no sponsoring, no attendance at any WAKEUPNOW functions, participation in any other form of IBO activity, or operation of any other WAKEUPNOW business, no income from the WAKEUPNOW business) for 180 consecutive days. Following the 180 consecutive day period of inactivity, the former IBO may reapply under a new sponsor; however, the former IBOs downline will remain in their original line of sponsorship.

**4.5.2. Waiting Room.** The waiting room is a feature designed to allow IBOs and Preferred Customers to register with WAKEUPNOW without creating a sponsor relationship. When the waiting room feature has been turned on, an enroller has 168 hours from the time of a newly registered IBO's or Preferred Customer's enrollment to place the newly registered member in the enroller's own organization. However, notwithstanding the 168 hour period, all members located in the waiting room must be placed by 11:59:59 pm on the last day of the month. IBOs and Preferred Customers are automatically sponsored to their enroller if they are left in a waiting room after the first 168 hours from the new IBO's registration, or at 12:00am of the first day of the following month if the new IBO registered on one of the last 7 days of the month he or she registered in. If a member is placed in error, the enroller has until the earlier of the 168 hour period or the end of the month to fill out a Sponsor Correction Form. Only one correction is allowed and when the new member is placed a second time, the sponsor relationship is immediately permanent. Likewise if a new member is placed, and at any time one or more members are placed in the new member's sponsor structure for any reason, the new member's position in the sponsorship structure is permanent.

**4.6. Waiver of Claim.** In cases wherein the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by an IBO, WAKEUPNOW reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, IBOs WAIVE ANY AND ALL CLAIMS AGAINST WAKEUPNOW, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM WAKEUPNOW'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.

**4.7. Unauthorized Claims and Actions.**

**4.7.1. Indemnification.** AN IBO is fully responsible for all of his or her verbal and written statements made regarding WAKEUPNOW products, services, and the Compensation Plan that are not expressly contained in official WAKEUPNOW materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through Social Media, in print, or any other means of communication. IBOs agree to indemnify WAKEUPNOW and WAKEUPNOW's directors, officers, employees, and agents, and hold them harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by WAKEUPNOW as a result of the IBOs unauthorized representations or actions. This provision shall survive the termination of the IBO Agreement.

**4.7.2. Product Claims.** IBOs must not make claims, including, but not limited to, testimonials about WAKEUPNOW's products or services that are not contained in official WAKEUPNOW literature or posted on WAKEUPNOW's official website. For official marketing statements to be used refer to the Resource section located in the WAKEUPNOW Team Office which is located in the Hub.

**4.7.3. Income Claims.** An IBO, when presenting or discussing the WAKEUPNOW opportunity or Compensation Plan to a prospective IBO, may not make income projections, income claims, or disclose his or her WAKEUPNOW income (including the showing of checks, copies of checks, bank statements, or tax records). In addition, whenever a WAKEUPNOW presentation is made, the IBO must provide a current copy of the WAKEUPNOW Income Disclosure Statement (IDS) to the person(s) to whom he or she is making the presentation. The current WAKEUPNOW income claim statement can be downloaded at [www.wakeupnow.com/ids](http://www.wakeupnow.com/ids).

**4.7.4. Income Disclosure Statement.** WAKEUPNOW's corporate ethics compel us to do not merely what is legally required, but rather, to conduct the absolute best business practices. To this end, we have developed the Income Disclosure Statement ("IDS"). The WAKEUPNOW IDS is designed to convey truthful, timely, and comprehensive information regarding the income that WAKEUPNOW distributors (Independent Business Owners) earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective distributors.

A copy of the IDS must be presented to a prospective distributor (someone who is not a party to a current WAKEUPNOW Distributor 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:

- 4.7.4.1.** statements of average earnings,
- 4.7.4.2.** statements of non-average earnings,
- 4.7.4.3.** statements of earnings ranges,
- 4.7.4.4.** income testimonials,
- 4.7.4.5.** lifestyle claims, and
- 4.7.4.6.** hypothetical claims.

Examples of "statements of non-average earnings" include, "Our number one distributor earned XXX dollars last year" or "Our average Pearl Executive makes XXX per month." An example of a "statement of earnings ranges" is "The monthly income for a Pearl Executive is XXX on the low end to YYY on the high end."

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

within the purview of “lifestyle” claims.

A hypothetical income claim exists when you attempt to explain the operation of the Compensation Plan through the use of a hypothetical example. Certain assumptions are made regarding the: (1) number of retail customers enrolled, (2) number of preferred customers enrolled, (3) number of distributors (Independent Business Owners) sponsored, (4) number of distributors (Independent Business Owners) in one’s sales organization, (5) average product volume per distributor, and (6) total organizational volume. Attempting to calculate these assumptions through the Compensation Plan yields income figures which constitute income claims.

In any non-public meeting (e.g., a home meeting, one on- one, regardless of venue) with a prospective distributor or distributors (Independent Business Owners) in which the Compensation Plan is discussed or any type of income claim is made, you must provide the prospect(s) with a copy of the IDS. 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 distributor with a copy of the IDS and you must display at least one (3 x 5 foot poster board) in the front of the room in reasonably close proximity to the presenter(s). In any meeting in which any type of video display is utilized (e.g., monitor, television, projector, etc.) a slide of the IDS must be displayed continuously throughout the duration of any discussion of the Compensation Plan or the making of an income claim.

Copies of the IDS may be printed or downloaded without charge from the corporate website at [www.WakeUpNow.com/ids](http://www.WakeUpNow.com/ids).

Distributors (Independent Business Owners) who develop approved sales aids and tools in which the Compensation Plan or income claims are present must incorporate the IDS into each such sales aid or tool prior to submission to the Company for review.

*WAKEUPNOW’s corporate ethics compel us to do not merely what is legally required, but rather, to conduct the absolute best business practices as well as comply to all regulations that govern the direct sales industry. To this end, if information regarding WAKEUPNOW, its products or compensation plan have been presented incorrectly or contrary to the Income Disclosure Policy in a video, in written materials, on the internet, or through social media, please contact the WAKEUPNOW Compliance Department immediately.*

*WAKEUPNOW Compliance*

*Phone: 801.373.2600*

*eMail: [compliance@wakeupnow.com](mailto:compliance@wakeupnow.com)*

*Address: 504 West 800 North, Orem, UT 84058*

IBOs who develop sales aids and tools (which must receive the company’s prior written approval before use or publication) in which the Compensation Plan or income claims are present must incorporate the IDS into each such sales aid or tool prior to submission to the Company for review. To receive corporate approval for sales aid and tools please email our Compliance Department at: [compliance@WAKEUPNOW.com](mailto:compliance@WAKEUPNOW.com).

4.7.5. **Paid Testimonials.** IBOs are unauthorized to use paid testimonials, actors/actresses, false testimonials or similar strategies and services to make product claims or any kind of advertisement for their WAKEUPNOW business.

4.8. **Commercial Outlets.** IBOs may not sell WAKEUPNOW products from a commercial outlet, nor may IBOs display or sell WAKEUPNOW products or literature in any retail or service establishment. However, in limited circumstances, IBOs may petition to be given approval to sell WAKEUPNOW products in a commercial setting. All petitions must be sent to the Compliance Department. Online auction and/or sales facilitation websites, including but not limited to eBay and Craig's List constitute Commercial Outlets, and may not be used to sell WAKEUPNOW products.

4.9. **Trade Shows, Expositions and Other Sales Forums.** IBOs may display and / or sell WAKEUPNOW products at trade shows and professional expositions. Before submitting a deposit to the event promoter, IBOs must contact WAKEUPNOW's Support department (support@WAKEUPNOW.com) in writing for conditional approval, as WAKEUPNOW's policy is to authorize only one WAKEUPNOW business per event. Final approval will be granted to the first IBO who submits an official advertisement of the event, a copy of the contract signed by both the IBO and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Member Services department. WAKEUPNOW further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the WAKEUPNOW opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image WAKEUPNOW wishes to portray.

Door to door approaches are permissible. However, IBOs have the responsibility to ensure that they comply with local and state ordinances when going door to door. This may include registering with the city or obtaining a business license. IBOs are responsible for becoming aware of, and complying with any and all city and state ordinances.

4.10. **Conflicts of Interest.**

**4.10.1. Non-solicitation.** WAKEUPNOW IBOs are free to participate in other direct sales 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 WAKEUPNOW IBOs or Customers for any other direct sales or network marketing business.

Following the cancellation of an IBOs IBO Agreement, and for a period of 180 consecutive days thereafter, with the exception of an IBO who is personally sponsored by the former IBO, a former IBO may not recruit any WAKEUPNOW IBO or Customer for another direct sales or network marketing business. IBOs and the Company recognize that because direct sales and network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, IBOs and WAKEUPNOW agree that this non-solicitation provision shall apply nationwide and to all international markets in which IBOs are located.

The term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another WAKEUPNOW IBO or Customer to enroll or participate in another network marketing or direct sales opportunity.

**4.10.2. Right to refuse use of Image.** IBOs have the right to opt out of WAKEUPNOW public recognition if they believe doing so may cause a conflict of interest or harm their progress in building their WAKEUPNOW business. If an IBO does not wish to be recognized for their achievements as an IBO with WAKEUPNOW they must contact WAKEUPNOW Support at 801.373.2600 or via email at: support@wakeupnow.com

**4.10.3. IBO Participation in Other Network Marketing Programs.** If an IBO is engaged in other non-WAKEUPNOW business or Network Marketing programs, it is the responsibility of the IBO to ensure that his or her WAKEUPNOW business is operated entirely separate and apart from all other businesses and/or Network Marketing programs. To this end, the IBO must adhere to the following:

**4.10.3.1.** IBOs must not sell, or attempt to sell, any competing non-WAKEUPNOW programs, products or services that are sold through another Network Marketing Program to WAKEUPNOW Customers or IBOs. Any program, product or services in the same generic categories as WAKEUPNOW products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

**4.10.3.2.** IBOs shall not display WAKEUPNOW promotional material, sales aids, products or services with or in the same location as, any non-WAKEUPNOW promotional material or sales aids, products or services.

**4.10.3.3.** IBOs shall not offer the WAKEUPNOW opportunity, products or services to prospective or existing Customers or IBOs in conjunction with any non-WAKEUPNOW program, opportunity, product or service.

**4.10.3.4.** IBOs may not offer any non-WAKEUPNOW opportunity, products, services or opportunity at any WAKEUPNOW related meeting, seminar, convention, webinar, teleconference, or other function.

**4.10.4. Confidential Information.** Confidential information includes, but is not limited to, the identities of WAKEUPNOW customers and IBOs, contact information of WAKEUPNOW customers and IBOs, IBOs’ personal and/or group sales volumes, and IBO rank and/or achievement levels. Confidential Information is, or may be available to IBOs in the WAKEUPNOW TeamOffice, which is located in the Hub. IBO access to such Confidential Information is password protected, and Confidential Information constitutes proprietary business trade secrets belonging to WAKEUPNOW. Such Confidential Information is provided to IBOs in strictest confidence and is made available to IBOs for the sole purpose of assisting IBOs in working with their respective sales organizations in the development of their WAKEUPNOW business. Each IBO and WAKEUPNOW agrees that, but for this agreement of confidentiality and nondisclosure, WAKEUPNOW would not provide Confidential Information to the IBO.

To protect Confidential Information, IBOs shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- 4.10.4.1.** Directly or indirectly disclose any Confidential Information to any third party;
- 4.10.4.2.** Directly or indirectly disclose the password or other access code to his or her TeamOffice (located in the WAKEUPNOW Hub) or corporate Back Office, CRM, accounting system or any other corporate privileged information. The only exception to this policy is if WAKEUPNOW provides a corporate approved demo account with associated username and password.
- 4.10.4.3.** Use any Confidential Information to compete with WAKEUPNOW, or for any other purpose other than to promote his or her WAKEUPNOW business;
- 4.10.4.4.** Recruit or solicit any IBO or Customer of WAKEUPNOW listed on any report in any manner attempt to influence or induce any IBO or Customer of WAKEUPNOW to alter their business relationship with WAKEUPNOW; or
- 4.10.4.5.** Use or disclose to any person, partnership, association, corporation, or other entity any Confidential Information.

**4.11. Targeting Other Direct Sellers.** WAKEUPNOW does not condone IBOs specifically or consciously targeting the sales force of another direct sales company to sell WAKEUPNOW products or to become IBOs for WAKEUPNOW, nor does WAKEUPNOW condone IBOs solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should IBOs engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an IBO alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, WAKEUPNOW will not pay any of IBOs defense costs or legal fees, nor will WAKEUPNOW indemnify the IBO for any judgment, award, or settlement.

**4.12. Commission Invoicing.** Effective May 1st 2012 all IBOs will be required to review and approve a detailed compensation invoice reflecting previous monthly commissions upon review should IBO agree to the commission invoice as presented, the IBO must agree to and submit for payment. Should the IBO not agree with commission invoice a commission appeal form should be submitted before agreeing to payment. Once the commission invoice has been approved and submitted WAKEUPNOW will not be responsible for any errors, omissions or problems.

**4.13. Governmental Approval or Endorsement.** Neither federal nor state regulatory agencies within the United States of America or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, IBOs shall not represent or imply that WAKEUPNOW or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

**4.14. Income Taxes.** Each IBO is responsible for paying local, state and federal taxes on all commissions, bonuses, and any other form of compensation income generated as an IBO. If an IBOs WAKEUPNOW business is tax exempt, the Federal tax identification number must be provided to WAKEUPNOW. Every year, WAKEUPNOW will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000.

**4.15. Independent Contractor Status.** IBOs are independent contractors. WAKEUPNOW does not discriminate against those who wish to participate as WAKEUPNOW Independent Contractors also known as WAKEUPNOW IBOs. WAKEUPNOW does however; reserve the right to publically recognize those that best represent the values and mission of the company. The agreement between WAKEUPNOW

and its IBOs does not create an employer / employee relationship, agency, partnership, or joint venture between the Company and the IBO. IBOs shall not be treated as an employee for his or her services or for Federal or State tax purposes. All IBOs are responsible for paying local, state, and federal taxes due from all compensation earned as an IBO of the Company. The IBO has no authority (expressed or implied), to bind the Company to any obligation. Each IBO shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the IBO Agreement, these Policies and Procedures, and applicable laws. WAKEUPNOW will not provide any verification of income to requesting agencies or organizations because IBOs are not employees. WAKEUPNOW will not provide verification of employment.

**4.16. Insurance.** You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's policy.

**4.17. International Marketing.** IBOs are authorized to sell WAKEUPNOW products, and enroll Customers or IBOs only in the countries in which WAKEUPNOW is authorized to conduct business, as announced on the Company's official website or other official Company literature. In addition, IBOs may retail, trade, exchange, give, transfer, or distribute WAKEUPNOW products or sales aids only in their home country. WAKEUPNOW products or sales aids may not be shipped into or sold in any foreign country that the Company has not announced is officially open for business. For an official list of countries that WAKEUPNOW is officially conducting business in please visit [www.WAKEUPNOW.com](http://www.WAKEUPNOW.com). In addition, no IBO may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or IBOs; or (c) conduct any other activity for the purpose of selling WAKEUPNOW products, establishing a marketing organization, or promoting the WAKEUPNOW opportunity.

**4.18. Marketing Products, Excess Inventory, and Bonus Buying.** IBOs must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other IBO to buy more products than they can reasonably use or sell to retail customers in a month. In addition, bonus buying is strictly prohibited. Bonus buying includes any 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. Bonus buying includes, but is not limited to, purchasing products through a straw man or other artifice or purchasing product on behalf of retail customers or IBOs within their business.

IBOs do not have any minimum purchases or inventory requirements. When purchasing inventory to market or resell, IBO's must resell and market WAKEUPNOW products in accordance with WAKEUPNOW Policies and Procedures, including WAKEUPNOW's return policy. IBO's are responsible for any returns of products they sell. IBOs are not permitted to make any claims about WAKEUPNOW products and services, unless the claims being made are contained on product labels or in official WAKEUPNOW literature. IBOs agree that they will encourage, monitor, and assist their downlines in complying with WAKEUPNOW Policies and Procedures while marketing and selling WAKEUPNOW products. IBOs will report any violation to the Compliance Department.

**4.19. Adherence to Laws and Ordinances.** IBOs shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to IBOs because of the nature of

their business. However, IBOs must obey those laws that do apply to them. If a city or county official tells an IBO that an ordinance applies to him or her, the IBO shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of WAKEUPNOW.

**4.20. One WAKEUPNOW Business Per IBO and Per Household.** An IBO may operate or have a beneficial ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one WAKEUPNOW business. No individual may have, operate or receive compensation from more than one WAKEUPNOW business. When a customer becomes an IBO, the IBO must cancel all other customer accounts. If an IBO creates a subsequent IBO account, the later account will be canceled. Individuals of the same Household may not enter into or have an interest in more than one WAKEUPNOW Business. A “Household” is defined as spouses and dependent children, or any other individuals living at or doing business at the same address.

In order to maintain the integrity of the WAKEUPNOW Compensation Plan, husbands and wives or common-law couples (collectively “spouses”) who wish to become WAKEUPNOW IBOs must be jointly sponsored as one WAKEUPNOW business. Spouses, regardless of whether one or both are signatories to the IBO Application and Agreement, may not own or operate any other WAKEUPNOW business, either individually or jointly, nor may they participate directly or indirectly (as a shareholder, partner, trustee, trust beneficiary, or have any other legal or equitable ownership) in the ownership or management of another WAKEUPNOW business in any form.

An exception to the one business per IBO/household rule will be considered on a case-by-case basis if two IBOs marry or in cases of an IBO receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to the Compliance Department. In order for this exception to be considered the following three items must be submitted to company in writing to Compliance Department at: [compliance@WAKEUPNOW.com](mailto:compliance@WAKEUPNOW.com).

**4.20.1.** Tax Returns that demonstrate the two individuals requesting separate IBO agreements file separately.

**4.20.2.** Bank Statements that demonstrate that the two individuals requesting separate IBO agreements have separate bank accounts.

**4.20.3.** Notarized Affidavit from an Attorney demonstrating that the two individuals requesting separate IBO agreements have been in business individually for more than 12 months consecutively prior to the request.

Additionally, all individuals/business entities identified as having more than one beneficial interest ownership in WAKEUPNOW as of September 30, 2011, will be required to divest their interest in the second business they enrolled completely and with prejudice prior to December 31, 2011. Any businesses that are not divested will be canceled and will convert to Retail Customer status on January 1, 2012.

**4.21. Actions of Household Members or Affiliated Parties.** If any member of an IBOs immediate household engages in any activity which, if performed by the IBO, would violate any provision of the Agreement, such activity will be deemed a violation by the IBO and WAKEUPNOW may take disciplinary action pursuant to the Statement of Policies against the IBO. Similarly, if any partner, shareholder, member, or other individual with any ownership or management capacity (collectively “Affiliated Individual”) in a corporation, partnership, LLC, trust or other entity (collectively “Business

Entity”) violates the Agreement, such action(s) will be deemed a violation by the Business Entity and each Affiliated Individual, and WAKEUPNOW may take disciplinary action jointly and severally against the Business Entity and/or each Affiliated Individual.

**4.22. Requests for Records.** Any request from an IBO for copies of invoices, applications, downline activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records. To make a request for records please contact WAKEUPNOW Support at: support@WAKEUPNOW.com.

**4.23. Sale, Transfer or Assignment of WAKEUPNOW Business.** Although a WAKEUPNOW business is a privately owned and independently operated business, the sale, transfer or assignment of a WAKEUPNOW business, and the sale, transfer, or assignment of an interest in a Business Entity that owns or operates a WAKEUPNOW business, is subject to certain limitations. If an IBO wishes to sell his or her WAKEUPNOW business, or interest in a Business Entity that owns or operates a WAKEUPNOW business, the following criteria must be met:

- 4.23.1.** The selling party 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 WAKEUPNOW business.
- 4.23.2.** A selling IBO must complete a Transfer of Ownership form and pay a \$100 processing fee.
- 4.23.3.** The selling IBO must offer WAKEUPNOW the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. WAKEUPNOW shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal. WAKEUPNOW shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- 4.23.4.** The buyer or transferee must become a qualified WAKEUPNOW IBO. If the buyer is an active WAKEUPNOW IBO, he or she must first terminate his or her WAKEUPNOW business and wait 180 consecutive days before acquiring any interest in a different WAKEUPNOW business;
- 4.23.5.** Before the sale, transfer or assignment can be finalized and approved by WAKEUPNOW, any debt obligations the selling party has with WAKEUPNOW must be satisfied.
- 4.23.6.** If IBO has canceled IBO agreement prior to Transfer of Ownership request, position will be considered ineligible to be transferred or sold.

Prior to selling an independent WAKEUPNOW business or Business Entity interest, the selling IBO must notify WAKEUPNOW’s Compliance and Support Department in writing and advise of his or her intent to sell his/her WAKEUPNOW business or Business Entity interest, please contact WAKEUPNOW’s Compliance Department at: compliance@WAKEUPNOW.com. **The selling IBO must also receive written approval from the Compliance Department before proceeding with the sale. No changes in line of sponsorship can result from the sale or transfer of a WAKEUPNOW business.**

There are service fees charged for the changes listed as well as other changes within a Personal Enrollment Structure. Contact the Support Department for the current fee structure. Support Department can be reached at: support@WAKEUPNOW.com.

**4.24. Separation of a WAKEUPNOW Business.** WAKEUPNOW IBOs sometimes operate their WAKEUPNOW businesses as husband-wife partnerships, regular partnerships, LLCs, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, LLC, partnership, trust or other Business Entity 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.

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

**4.24.1.** One of the parties may, with consent of the other(s), operate the WAKEUPNOW business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize WAKEUPNOW to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.

**4.24.2.** The parties may continue to operate the WAKEUPNOW business jointly on a “business-as-usual” basis, whereupon all compensation paid by WAKEUPNOW 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.

Under no circumstances will the Downline Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will WAKEUPNOW split commission and bonus checks between divorcing spouses or members of dissolving entities. WAKEUPNOW will recognize only one Downline Organization and will issue only one commission check per WAKEUPNOW 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 the Company, the IBO Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original WAKEUPNOW business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting 180 consecutive days. 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 calendar months from the date of the final dissolution before re-enrolling as an IBO. In either case, the former spouse or business affiliate shall have no rights to any IBOs in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new IBO.

**4.25. Sponsoring Online.** When sponsoring a new IBO through the online enrollment process, the sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online application and agreement, WAKEUPNOW’s Policies and Procedures, and the WAKEUPNOW Compensation Plan. The sponsor may not fill out the online application and agreement on behalf of the applicant and agree to these materials on behalf of the applicant. Should the company discover that an IBO has filled out and agreement on behalf of someone else the agreement application will be considered null and void.

**4.26. Succession.** Upon the death or incapacitation of an IBO, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the

transfer is proper. Please submit all appropriate information to WAKEUPNOW Compliance Department. (Compliance Department can be reached at: [compliance@WAKEUPNOW.com](mailto:compliance@WAKEUPNOW.com)) Accordingly, an IBO should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a WAKEUPNOW business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased IBOs marketing organization provided the following qualifications are met. The successor(s) must:

- 4.26.1.1.** Execute an IBO Agreement;
- 4.26.1.2.** Comply with terms and provisions of the Agreement;
- 4.26.1.3.** Meet all of the qualifications for the deceased IBOs status;
- 4.26.1.4.** The devisee must provide WAKEUPNOW with an “address of record” to which all bonus and commission checks will be sent;
- 4.26.1.5.** If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. WAKEUPNOW will issue all bonus and commission checks and one 1099 to the business entity.

**4.26.2. Transfer Upon Death of an IBO.** To effect a testamentary transfer of a WAKEUPNOW business, the executor of the estate must provide the following to WAKEUPNOW: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; and (3) written instructions from the authorized executor to WAKEUPNOW specifying to whom the business and income should be transferred. Please send to WAKEUPNOW Compliance Department at 504 West 800 North Orem, Utah 84057.

**4.26.3. Transfer Upon Incapacitation of an IBO.** To effectuate a transfer of a WAKEUPNOW business because of incapacity, the successor must provide the following to WAKEUPNOW: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee’s right to administer the WAKEUPNOW business; and (3) a completed IBO Agreement executed by the trustee. Please send to WAKEUPNOW Compliance Department at 504 West 800 North Orem, Utah 84057.

**4.27. Telemarketing Techniques.** The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. Although WAKEUPNOW does not consider IBOs to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that your inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, IBOs must not engage in telemarketing in the operation of their WAKEUPNOW businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a WAKEUPNOW product or service, or to recruit them for the WAKEUPNOW opportunity. “Cold calls” made to prospective customers or IBOs that promote either WAKEUPNOW’s products or services or the WAKEUPNOW opportunity constitute telemarketing and are prohibited.

However, a telephone call(s) placed to a prospective customer or IBO (a "prospect") is permissible under the following situations:

- 4.27.1.** If the IBO has an established business relationship with the prospect. An “established business relationship” is a relationship between an IBO and a prospect based on the prospect’s purchase, rental, or lease of goods or services from the IBO, or a financial transaction between the prospect and the IBO, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
  - 4.27.2.** The prospect’s personal inquiry or application regarding a product or service offered by the IBO, within the three (3) months immediately preceding the date of such a call.
  - 4.27.3.** If the IBO receives written and signed permission from the prospect authorizing the IBO to call. The authorization must specify the telephone number(s), which the IBO is authorized to call.
  - 4.27.4.** You may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.
  - 4.27.5.** IBOs shall not use automatic telephone dialing systems or software relative to the operation of their WAKEUPNOW businesses.
  - 4.27.6.** IBOs shall not place or initiate any outbound telephone call to any person that delivers any pre- recorded message (a "robocall") regarding or relating to the WAKEUPNOW products, services or opportunity.
- 4.28. IBO Marketing Suite.** WAKEUPNOW provides all IBOs with the WAKEUPNOW TeamOffice, which can be located in the Hub. The TeamOffice which is located in the Hub provides IBOs with access to confidential and proprietary information that may be used solely and exclusively to promote the development of an IBOs WAKEUPNOW business and to increase sales of WAKEUPNOW products. However, access to the TeamOffice is a privilege, and not a right. WAKEUPNOW reserves the right to deny access to the TeamOffice at its sole discretion.
- 4.29. Compression.** WAKEUPNOW compresses canceled IBOs from all structures relating to the WAKEUPNOW compensation plan on the 21st of each calendar month.

## **SECTION 5 RESPONSIBILITIES OF IBOS**

**5.1. Change of Address, Telephone E-Mail Addresses, and Text Numbers.** To ensure timely delivery of products, support materials, commission, and tax documents, it is important that the WAKEUPNOW’s files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. IBOs planning to change their e-mail address or move must send their new address and telephone numbers to WAKEUPNOW’s Corporate Offices to the attention of the Support Department (support@WAKEUPNOW.com) IBOs whose contact information changes must amend their contact information through their IBO TeamOffice which is located in the WAKEUPNOW’s Hub.

## 5.2. Continuing Development Obligations.

**5.2.1. Ongoing Training.** Any IBO who sponsors another IBO into WAKEUPNOW must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her WAKEUPNOW business. IBOs must have ongoing contact and communication with the IBOs in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline IBOs to WAKEUPNOW meetings, training sessions, and other functions. Upline IBOs are also responsible to motivate and train new IBOs in WAKEUPNOW product knowledge, effective sales techniques, the WAKEUPNOW Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline IBOs must not, however, violate Sections 4.1 and/or 4.2 (regarding the development of IBO-produced sales aids and promotional materials).

IBOs should monitor the IBOs in their Downline Organizations to guard against downline IBOs making improper product or business claims, or engaging in any illegal or inappropriate conduct as well as violating any of the WAKEUPNOW Policies and Procedures.

**5.2.2. Increased Training Responsibilities.** As IBOs progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the WAKEUPNOW program. They will be called upon to share this knowledge with lesser-experienced IBOs within their organization.

**5.2.3. Ongoing Sales Responsibilities.** Regardless of their level of achievement, IBOs have an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing their existing customers.

**5.3. Negative Comments.** WAKEUPNOW wants to provide its IBOs with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Support Department. WAKEUPNOW Support Department can be reached at: support@WAKEUPNOW.com. While WAKEUPNOW welcomes constructive input, negative comments and remarks made in the field by IBOs about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other WAKEUPNOW IBOs and customers. For this reason, and to set the proper example for their organization, IBOs must not disparage, demean, or make negative remarks about WAKEUPNOW, other WAKEUPNOW IBOs, WAKEUPNOW's products, the Marketing and Compensation plan, or WAKEUPNOW's directors, officers, or employees. Complaints and concerns about WAKEUPNOW and/or its products should be directed to the Support Department. WAKEUPNOW Support Department can be reached at: support@WAKEUPNOW.com. Disputes or disagreements between any IBO and WAKEUPNOW shall be resolved through the dispute resolution process set forth in the Agreement, and the Company and IBOs agree specifically not to demean, discredit, disparage, or criticize one another on the internet or any other public forum.

**5.4. Providing Documentation to Applicants.** IBOs must provide the most current version or the electronic location of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become IBOs before the applicant signs an IBO Agreement, or ensure that they have online access to these materials.

## SECTION 6 SALES REQUIREMENTS

**6.1. Product Sales.** The WAKEUPNOW Compensation Plan is based on the sale of WAKEUPNOW products and services to end consumers. No purchase is necessary to become an IBO, or to qualify to receive commissions. To be eligible for bonuses, commissions, and advancement to higher levels of achievement, an IBO must reach a minimum of 90 PV, making the IBO active for commissions, as well as have the requisite number of customers required for commissions at his or her IBO rank level. The IBO must also satisfy any other responsibilities as set forth in the Agreement.

**6.2. No Territory Restrictions.** There are no exclusive territories granted to anyone.

**6.3. Sales Receipts.** All IBOs must provide their retail customers with one copy of an official WAKEUPNOW sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law.

Remember that customers must receive a copy of the sales receipt. In addition, IBOs must orally inform the buyer of his or her cancellation rights.

## SECTION 7 BONUSES AND COMMISSIONS

**7.1. Bonus and Commission Qualifications and Accrual.** An IBO must be active and in compliance with the Agreement to qualify for bonuses and commissions. (See section 6.1) So long as they comply with the terms of the Agreement, WAKEUPNOW shall pay commissions to such IBO in accordance with the Marketing and Compensation plan. (See section 4.12 for commission invoices) The minimum amount for which WAKEUPNOW will issue a commission is \$25.00. If an IBO's bonuses and commissions do not equal or exceed \$25.00, the Company will accrue the commissions and bonuses until they total \$25.00. Payment will be issued to your WUN Wallet once \$25.00 has been accrued and IBO has approved and submitted commission invoice.

If commissions have not been transferred from an IBO's WAKEUPNOW wallet within 6 months of being posted, commissions will be forfeited.

**7.2. Payment of Commissions.** WAKEUPNOW utilizes the following method for the payment of commissions. IBOs will have an invoice commission report posted in their WAKEUPNOW TeamOffice located in the Hub each calendar month. IBOs are responsible to review, approve and submit the invoice commission report to receive monthly commissions.

Before commissions are posted to their WAKEUPNOW wallet located in the TeamOffice of the Hub, the WAKEUPNOW auto payment system will determine whether or not the IBO is currently registered for an auto payment purchase. Any requested Auto Payment date changes must be requested 14 days before IBO's original Auto Payment due day. All approved Auto Payment changes will take place the month following IBO's date change request.

If the IBO is registered for an auto payment purchase and commissions total is equal to or greater than the amount of the auto payment commitment, payment will automatically be deducted prior to commissions posting in their WAKEUPNOW wallet.

**7.2.1.** If the IBO is not registered for an auto payment purchase commissions will be directly posted to the WAKEUPNOW wallet.

- 7.2.2. The benefits associated with auto payment registry are the same whether payment is made with the IBOs personal credit card or through the auto-debit service.
- 7.2.3. Autopay date is the day the IBO signed up.
- 7.2.4. IBOs may request another autopay date by contacting Support (support@wakeupnow.com) Any change in autopay must be given 3 business days to take effect.
- 7.2.5. IBOs that originally enroll on the 25th – 31st of the month will be charged on the 25<sup>th</sup> of each future month.

IBOs may allow commissions to accrue in the WAKEUPNOW wallet in order to take advantage of the WAKEUPNOW auto-debit service. Commissions may accrue for a maximum of 6 months. Please contact WAKEUPNOW Support for detail. (WAKEUPNOW Support may be contacted at: support@WAKEUPNOW.com)

WAKEUPNOW will deduct a \$3.50 processing fee from each transfer request from and IBOs WAKEUPNOW wallet. Additional fees may be incurred as announced from time to time in the IBOs TeamOffice, which is located in the Hub.

There is a \$25USD fee for this service, which will be deducted from the impending commission amount for all check requests. Additionally if any special shipping (FedEx, U.S. Post Office Overnight, etc.) is requested, an additional fee of \$25-75USD, to be determined based on location, will also be imposed.

### 7.3. **Adjustment to Bonuses and Commissions.**

- 7.3.1. **Adjustments for Returned Products and Services.** IBOs receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to WAKEUPNOW for a refund or is repurchased by the Company, either or both of the following may occur at the Company's discretion: (1) the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the upline IBOs who received bonuses and commissions on the sales of the refunded products; or (2) the upline IBOs who earned commissions based on the sale of the returned products will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until it is completely recovered.

7.4. **Reports.** All information provided by WAKEUPNOW in downline activity reports, including but not limited to personal and group 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, digital, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by WAKEUPNOW or any persons creating or transmitting the information.

ALL PERSONAL AND GROUP SALES VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, WAKEUPNOW AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY IBO OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND/OR GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF WAKEUPNOW OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, WAKEUPNOW OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of WAKEUPNOW's online services, as well as information received from WAKEUPNOW Support, and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to WAKEUPNOW's online services and your reliance upon the information.

## **SECTION 8 PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE**

8.1. **Subscription Cancellation and Refund Policy.** Federal and state law requires that IBOs notify their retail customers that they have three business days (5 business days for Alaska residents. Saturday is a business day, Sundays and legal holidays are not business days) within which to cancel their purchase and receive a full refund upon contacting WAKEUPNOW Support Department to request cancellation, filling out the proper forms, and submitting the proper forms via email to Support. IBOs shall verbally inform their customers of this right, shall provide them with two copies of a retail receipt at the time of the sale, and shall point out this cancellation right stated on the receipt.

Additionally, all approved refunds will have a 10% Service Fee assessed in addition to the pro-rated refund schedule agreed to in the Policies and Procedures. In order to apply for a refund for monthly subscriptions of WAKEUPNOW services, an IBO or customer must fill out the Subscription Refund Request form and send it to customer support for processing (support@wakeupnow.com). The refund amount(s) for monthly subscriptions are based upon days/weeks of use, and are issued according to when WAKEUPNOW receives a refund request form. Refunds are issued according to the following schedule:

Month 1

| <b>Refund Request received via Email from the date of purchase</b> | <b>% Refund</b> |
|--|-----------------|
| 0-3 business days  | 100%            |
| 4-7 calendar days  | 75% minus Fees  |
| 8+ calendar days   | 0%              |

Month 2 +

| <b>Refund Request received via email from the date of payment</b> | <b>% Refund</b> |
|---|-----------------|
| 1-3 days  | 100% minus Fees |
| 3+ days   | 0%              |

To cancel a reoccurring automatic subscription, a customer must fill out and return an Auto Subscription Cancellation form to Customer Support, no later than 7 days before the customer is billed for the automatic subscription or before the automatic subscription is processed. Any cancellation made between 6 days before the bill/process date and the bill/process date will not be given effect until the following month.

8.2. **Merchandise 30 Day Guarantee, Cancellation, and Refund Policy.** WAKEUPNOW has a 30 day Satisfaction Guarantee Policy. To receive a refund for physical WAKEUPNOW products, a customer must contact Customer Support and receive a Return Merchandise Authorization (RMA) form, with accompanying RMA number. In order to obtain a refund, a customer must obtain a RMA number within 30 days of purchase of any physical WAKEUPNOW product. Upon receipt of a RMA, a customer has 7 days to return the product, with the RMA form, to the WAKEUPNOW destination specified in the RMA. Any product sent without an accompanying RMA form will not be accepted, and will be returned to sender at the sender's expense. All shipping fees are non-refundable, and must be paid by the customer. All physical product returns will be charged a 10% restocking fee. WAKEUPNOW does not retake title of any product, until said product has been returned to the WAKEUPNOW facility, which was designated in the RMA. Upon receipt of a physical product, with accompanying RMA form, a refund will be issued within 30 days of receipt.

To be eligible for a refund, any returned product must be in a marketable condition upon receipt. This means that the product must be unopened, in the original packaging, undamaged, unaltered, and resalable. Shipment of product is at the risk of the customer. Any damage incurred while the product is in transit to the WAKEUPNOW facility will be borne by the customer.

If a customer has received an item he/she did not order, the customer has 10 days from receipt to email Support and receive a Wrong Item Shipped Form. A wrong item shipped means an order consisting of product that does not match the customer's order. The customer's wrong item shipped must be received by WAKEUPNOW within 7 days of emailing Support and receiving a Wrong Item Shipped Form, and must include the accompanying Wrong Item Shipped Form. If the Wrong Item Shipped Form is missing, the order will not be changed or no refund will be issue. Wrong items shipped are not subject to the 10% restocking fee.

To cancel a reoccurring automatic shipment, a customer must fill out and return an Auto Shipment Cancellation form to Customer Support, no later than 7 days before the customer is billed for the automatic shipment or before the automatic shipment is processed. Any cancellation made between 6 days before the bill/process date and the bill/process date will not be given effect until the following month. Any product returned from a cancellation made after the 7 day cut off will be subject to the 10% restocking fee, and will be subject to any shipping and handling costs.

**8.3. Return of Inventory and Sales Aids by IBOs Upon Cancellation.** Upon cancellation of an IBOs Agreement, the IBO may return resalable tangible products and tangible sales aids that he or she personally purchased from WAKEUPNOW. Following IBO request for a refund, Support will note their account inquiring for a refund date and time. From the time an IBO notifies WakeUpNow with their request for refund, IBO has 7 days to return proper/required forms to WakeUpNow Support until refund is considered void. Canceling IBO's must request any and all refunds at the time of IBO Cancellation. IBO's will not be terminated for merely requesting a refund in a particular month rather they will not receive any type of commissions for that month as well as any month they are not active. Upon receipt of the returned products and services, the Company will issue the IBO a refund of 90% of the net cost of the merchandise plus any applicable merchant fees assuming all merchandise is deemed reusable plus any applicable Merchant Fees. Shipping and Handling charges are not refundable. Sales aids and products shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice to sell the sales aids or products at full price; 4) it is returned to WAKEUPNOW within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, redeemed or as a seasonal item shall not be resalable. Replicated Website fees are not refundable except as required by applicable state law.

**8.4. Commission Recapture for Returned Products and Chargebacks.** If an IBO and/or Executive has a pending commission or bonus based on a product(s) that he or she or any IBO or customer purchased, and such product(s) is subsequently returned for a refund, the pending commission or bonus to be paid based on that product purchase will be adjusted before commissions on the 15<sup>th</sup> of the month. This includes, but is not limited to: commissions, bonuses, payouts and rank advancements.

In the occasion that a refund / chargeback is requested after commissions have been posted the following will apply. For each refund / chargeback issued to WAKEUPNOW a \$100 service fee + chargeback fee (if applicable) + amount refunded, will be charged to the immediate five qualified Founders and/or Executives in the IBOs upline.

Each IBO (Founder and/or Executive rank and above) in the upline will be charged a percentage of the refunding / chargeback IBOs totaled pending fee. The percentages that will be charged are as follows:

- 8.4.1. 1<sup>st</sup> upline Founder and/or Executive 30% of total refund liability
- 8.4.2. 2<sup>nd</sup> upline Founder and/or Executive 25% of total refund liability
- 8.4.3. 3<sup>rd</sup> upline Founder and/or Executive 20% of total refund liability
- 8.4.4. 4<sup>th</sup> upline Founder and/or Executive 15% of total refund liability

8.4.5. 5<sup>th</sup> upline Founder and/or Executive 10% of total refund liability

WAKEUPNOW will limit each upline Founder and/or Executive refund liability to a maximum of 30% of the IBOs commission check. If there is a remaining balance, liability will accrue and be paid in the months following, until the balance is paid in full. All adjustments that have been made in an IBOs and/or Executive Commission check will show the refunded / chargeback IBOs wakeupnow ID number and the percentage and amount that was adjusted from the commission. All commission recapture details will be available to view in IBOs backoffice.

8.5. **Montana Residents.** A Montana resident may cancel his or her IBO Agreement within 15 days from the date of enrollment, and may return his or her Business Kit for a full refund within such time period.

## **SECTION 9 DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS**

**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 the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the IBOs WAKEUPNOW business), may result, at WAKEUPNOW's discretion, in one or more of the following corrective procedures:

- 9.1.1.** A first contact, an email, and or a phone call, notifying an offending IBO of the error made, and asking that corrective measures be taken. If the violation has not been resolved within 7 calendar days, a second contact will be made.
- 9.1.2.** A second contact, the issuance of a written warning or admonition, requiring the IBO to take immediate corrective action. If the violation has not been resolved within 7 calendar days of the second contact, a third contact will be made.
- 9.1.3.** A third contact, the immediate suspension of the offending IBO's account, until the error is corrected.

Other disciplinary measures that may be taken as WAKEUPNOW deems requisite:

- 9.1.4.** Imposition of a fine, which may be withheld from bonus and commission checks;
- 9.1.5.** Loss of rights to one or more bonus and commission checks;
- 9.1.6.** WAKEUPNOW may withhold from an IBO all or part of the IBOs bonuses and commissions during the period that WAKEUPNOW is investigating any conduct allegedly in violation of the Agreement. If an IBOs business is canceled for disciplinary reasons, the IBO will not be entitled to recover any commissions withheld during the investigation period;
- 9.1.7.** Suspension of the individual's IBO Agreement for one or more pay periods;
- 9.1.8.** Involuntary termination of the offender's IBO Agreement;
- 9.1.9.** Suspension and/or termination of the offending IBOs WAKEUPNOW website or website access;

**9.1.10.** Any other measure expressly allowed within any provision of the Agreement or which WAKEUPNOW deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the IBOs policy violation or contractual breach;

**9.1.11.** In situations deemed appropriate by WAKEUPNOW, the Company may institute legal proceedings for monetary and/or equitable relief.

**9.2. Grievances and Complaints.** When an IBO has a grievance or complaint with another IBO regarding any practice or conduct in relationship to their respective WAKEUPNOW businesses, the complaining IBO should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Compliance Department at the Company. The Compliance Department will review the facts and resolve it.

Should the WAKEUPNOW Compliance Department determine that a resolution committee must be assembled, all involved IBOs will be contacted with the time and date of resolution committee hearing as well as a copy of all of action items for the proposed proceedings. The resolution committee hearing will be conducted by a appointed WAKEUPNOW executive. The resolution committee will consist of 3 IBOs as well as 3 members of the WAKEUPNOW management team. Members of the resolution committee will be asked to consider the testimonies provided by all parties involved and cast an anonymous vote at the conclusion. In the event of a tie the conducting WAKEUPNOW executive will cast the deciding vote. If involved IBOs are not satisfied with the results of the resolution committee, they can request mediation if their claim is more than \$10,000.

**9.3. Mediation.** Any dispute involving this Agreement or the obligations of either Party under this Agreement ("Dispute") shall first be referred to mediation by senior executives designated for that purpose by the Parties. If those persons are unable to resolve the Dispute within 30 days, either Party may submit the Dispute to formal binding arbitration in accordance with the arbitration provisions below.

For claims seeking \$10,000.00 or more that arise from or relate to the Agreement, prior to filing arbitration as set forth below, the parties shall meet in good faith and attempt to resolve such dispute through confidential non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. If the Parties cannot agree on a mediator, the complaining party shall request a mediator be appointed by the American Arbitration Association ("AAA"). The mediation shall occur within 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Utah County, Utah and shall last no more than two business days.

**9.4. Arbitration.** Except as otherwise provided in the Agreement, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled through confidential arbitration. The Parties waive rights to trial by jury or to any court. This arbitration provision applies to claims that were not successfully resolved through the foregoing mediation process as well as claims for less than \$10,000.00 not subject to the mediation requirement. The arbitration shall be filed with, and administered by, the American Arbitration Association in accordance with the AAA's Commercial Arbitration Rules and Mediation Procedures, which are available on the AAA's website at [www.adr.org](http://www.adr.org). Copies of the AAA's Commercial Arbitration Rules and Mediation Procedures will also be emailed to

IBOs upon request to WAKEUPNOW's Compliance Department. Notwithstanding the rules of the AAA, unless otherwise stipulated by the Parties, the following shall apply to all Arbitration actions:

- 9.4.1.** The Federal Rules of Evidence shall apply in all cases;
- 9.4.2.** The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- 9.4.3.** The Parties shall be entitled to bring motions under Rules 12 and / or 56 of the Federal Rules of Civil Procedure;
- 9.4.4.** The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Utah shall govern all other matters relating to or arising from the Agreement, without regard to principles of conflicts of laws.
- 9.4.5.** The arbitration hearing shall commence no later than 60 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- 9.4.6.** The Parties shall be allotted equal time to present their respective cases;
- 9.4.7.** The arbitration shall be brought on an individual basis and not as part of a class or consolidated action.
- 9.4.8.** The parties waive all claims to consequential, incidental, and exemplary damages.
- 9.4.9.** WAKEUPNOW reserves the right to freeze involved IBOs commissions until after dispute settles.
- 9.4.10.** All Arbitration must be conducted within 6 calendar months from time of dispute.

All arbitration proceedings shall be held in Utah County, Utah. There shall be one arbitrator selected from the panel that the AAA provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. This includes but is not limited to IBO to IBO, IBO to Company or Company to IBO. 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 to which the Parties have consented to jurisdiction as set forth in the Agreement. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the arbitration proceedings and shall not disclose to third parties:

- 9.4.11.** The substance of, or basis for, the controversy, dispute, or claim;
- 9.4.12.** The substance or content of any settlement offer or settlement discussions or offers associated with the dispute;
- 9.4.13.** The pleadings, or the content of any pleadings, or exhibits thereto, filed in any arbitration proceeding;
- 9.4.14.** The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- 9.4.15.** The terms or amount of any arbitration award;
- 9.4.16.** The rulings of the arbitrator on the procedural and / or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in the Agreement shall prevent either party from applying to and obtaining from any court to which the Parties have consented to jurisdiction as set forth in the Agreement a temporary restraining order, preliminary or permanent injunction, or other equitable relief to safeguard and protect its trade secrets and intellectual property rights, trade secrets, and/or confidential information including but not limited to enforcement of its rights under the non-solicitation provision of the Agreement.

**9.5. Governing Law, Jurisdiction and Venue.** Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Utah County, State of Utah or the United States District Court for the District of Utah. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Utah shall govern all other matters relating to or arising from the Agreement.

**9.5.1. Louisiana Residents.** Notwithstanding the foregoing, and the arbitration provision in Section 9.4, residents of the State of Louisiana shall be entitled to bring an action against WAKEUPNOW in their home forum and pursuant to Louisiana law.

**9.6. Damage Limitation.** In any action arising from or relating to the Agreement, the parties waive all claims for incidental and/or consequential damages, even if the other party has been made aware of the likelihood of such damage. The parties further waive all claims to exemplary or punitive damages.

## SECTION 10 PAYMENT AND SHIPPING

**10.1. NSF / Declined Credit / Debit Card Transactions.** All NSF / Declined credit / debit card transactions will be resubmitted for payment up to an additional 4 times per calendar month. In the case IBOs credit card was declined for monthly product purchases IBO will be allowed a 5-day grace period into the following month to call into support and have their credit card charged for previous months invoice. If the payment processor continues to decline payment, the order will not be fulfilled and the IBO will not receive Personal Volume or Personal Retail Volume (in the case of a customer's declined payment method) for the transaction.

**10.2. Restrictions on Third Party Use of Credit Cards / Fraud Policy.** IBOs shall not permit other IBOs or Customers to use his or her credit or debit card, or permit debits to their checking accounts, or WUN Wallet, to enroll or to make purchases from the Company. IBOs may not use their payment facilities to pay for products, services, or any fees on behalf of another IBO. The Compliance Department initiates spot audits and if these payments are discovered the offending IBOs commissions for the period may be forfeited at the discretion of the Company and other disciplinary measures taken as set forth in the Policies.

As a convenience, WAKEUPNOW will allow for the authorized use of a 3rd parties Credit Card to pay for IBO/customer product purchases only when accompanied by a WAKEUPNOW Credit Card Authorization form and must include the card holders email, shipping/billing address, phone number and signature authorizations. This authorization, if approved, may be used a maximum of 3 times.

WAKEUPNOW IBOs claiming fraud with their WAKEUPNOW account will be asked to fill out an affidavit informing us of all details so that we may help solve the issue as quickly and as efficiently as possible.

**10.3. Sales Taxes.** WAKEUPNOW is required to charge sales taxes on all purchases made by IBOs and Customers, and remit the taxes charged to the respective states. Accordingly, WAKEUPNOW will collect and remit sales taxes on behalf of IBOs, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If an IBO has submitted, and WAKEUPNOW has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the IBO. Exemption from the payment of sales tax is applicable only to orders, which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by WAKEUPNOW is not retroactive.

**10.4. Chargeback / Cost Recovery Policy and Procedure.** The purpose of this chargeback recovery policy is not to create revenue for the Company, but to recover operating expenses incurred from protecting the company's financial well-being from those individuals who would take financial advantage of our network instead of utilizing our easy cancellation policy. This policy creates a means of feedback, ensures cost recovery, supports the goals of the Company, and allows everyone to share in the success of the Company.

When a bank forcibly reverses a credit card transaction, returning funds to the cardholder, it is known as a chargeback. Chargebacks are usually issued when fraudulent purchases have been made on a person's credit card. However, consumers may request a chargeback for nearly any reason; as a result, it is possible to accidentally commit "friendly fraud."

When WAKEUPNOW receives a chargeback notice, the account in which the service was purchased is immediately canceled, and all related services in the IBO account are terminated. WAKEUPNOW always considers chargebacks to be the result of fraud; since fraudulent purchases are often associated with malware and phishing, immediate termination of all services related to the chargeback is the best way to protect our community and the public from damage.

To undo a chargeback, you must contact your credit card provider and issue a chargeback reversal. Reversing the chargeback is the only way to restore a canceled account. Chargeback reversal notices are often sent by postal mail, which can result in days without access to the account or its services; when contacting your provider, please ensure they fax a copy of the paperwork WAKEUPNOW Support 801.769.3723 to allow us to restore account access as quickly as possible. You may contact our Support Team via email at [support@WAKEUPNOW.com](mailto:support@WAKEUPNOW.com) and we will be happy to help you resolve the issue.

Remember, the one and only way to restore a terminated account is to reverse the chargeback. This action will return the funds back to us, cancel the penalty fee we receive for "allowing" fraud to be committed, and generally erases any "black marks" against us for the transaction. We do not accept additional payment for services on a different card.

Should a chargeback be issued, whether by accident or on purpose, WAKEUPNOW will attempt to resolve the situation with the subscriber. If the chargeback is still processed, the IBO account linked to the purchase in question will be deactivated along with any services and benefits associated with the chargeback. All access to WAKEUPNOW services and programs will be terminated immediately.

If the chargeback has not been completed:

To have access to WAKEUPNOW services and programs reinstated WAKEUPNOW will need the following: Chargeback to be resolved and stopped. Plus a \$55 chargeback fee must be paid.

If the chargeback has been completed: To have WAKEUPNOW services and programs activated again, WAKEUPNOW will need the following: Repayment of all funds that were charged back. Plus a \$75 chargeback fee must be paid.

If no action is taken to resolve the chargeback: All access to Customer / IBO account and services will be terminated. All commissions, if any, will be forfeited. The Subscriber will be unable to access WAKEUPNOW in the future.

In the event that valid charges have been charged back against WAKEUPNOW's Merchant account, WAKEUPNOW reserves the right to use all legal methods to recover any and all monies pertaining to this chargeback.

## **SECTION 11 INACTIVITY, RECLASSIFICATION, AND CANCELLATION**

**11.1. Effect of Cancellation.** So long as an IBO remains active and complies with the terms of the IBO Agreement and these Policies and Procedures, WAKEUPNOW shall pay commissions to such IBO in accordance with the Compensation Plan and section 4.12. 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 building a downline organization). Following an IBO's non-renewal of his or her IBO Agreement, cancellation for inactivity, or voluntary or involuntary cancellation 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 marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. AN IBO whose business is canceled will lose all rights as an IBO. This includes the right to sell WAKEUPNOW products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the IBO's former downline sales organization. In the event of cancellation, IBOs agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former downline organization.

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

### **11.2. Cancellation Due to Inactivity.**

**11.2.1. Failure to Meet CV Quota.** If an IBO fails to generate sales of at least 300 CV every six months, his or her IBO Agreement shall be canceled for inactivity.

**11.2.2. Reclassification Following Cancellation Due to Inactivity.** If an IBO is canceled for inactivity is also on the AutoPay program, the AutoPay agreement shall remain in force. If

the former IBO was not on AutoPay, he or she will be entitled to continue purchasing products directly from the company.

**11.3. Involuntary Cancellation.** An IBO's violation of any of the terms of the Agreement, including any amendments that may be made by WAKEUPNOW in its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary cancellation of his or her IBO Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the IBO's last known address, email address, or fax number, or to his/her attorney, or when the IBO receives actual notice of cancellation, whichever occurs first.

WAKEUPNOW reserves the right to terminate all IBO Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.

**11.4. Voluntary Cancellation.** A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company, on the requisite forms, at its principal business address. The written notice must include the IBO's signature, printed name, address, and IBO I.D. Number.

In addition to written cancellation, IBOs who have consented to Electronic Contracting will cancel their IBO Agreement should they withdraw their consent to contract electronically.

**11.5. Non-renewal.** An IBO may also voluntarily cancel his or her IBO Agreement by failing to renew the Agreement on its anniversary date or by failing to pay his / her monthly website fee. The Company may also elect not to renew an IBO's Agreement upon its anniversary date.

**11.6. Cancellation Due to Credit Card Chargeback.** If an IBO chargebacks his / her replicated website fees for any month, he or she will automatically be terminated from WAKEUPNOW and lose all IBO rights and privileges as outlined in the WAKEUPNOW Statement of Policies and Procedures.

## SECTION 12 DEFINITIONS

12.1. **Active Rank** — The term "active rank" refers to the current rank of an IBO, as determined by the WAKEUPNOW Compensation Plan, for any commission period. To be considered "active" relative to a particular rank, an IBO must meet the criteria set forth in the WAKEUPNOW Compensation Plan for his or her respective rank. (See the definition of "Rank" below.)

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

12.3. **Agreement** — The contract between the Company and each IBO includes the IBO Application and Agreement, the WAKEUPNOW Policies and Procedures, the WAKEUPNOW Compensation Plan, the WAKEUPNOW IBO Marketing Suite & Replicated Website Terms of Use, and the Business Entity Addendum (where appropriate), all in their current form and as amended by WAKEUPNOW in its sole discretion. These documents are collectively referred to as the "Agreement."

12.4. **Cancel** — The termination of an IBO's business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

12.5. Commission Month—The time an IBO has to qualify for a commission. A commission month starts on the first day of a calendar month, and ends on the last day of said calendar month. Example, for the month of January, the start of the commission month is 12:00 am January, 1, and the end of the commission month is 11:59 .59 pm. All times are Mountain Standard Time.

12.6. Downline Leg — Each one of the individuals enrolled immediately underneath you and their respective marketing organizations represents one “leg” in your marketing organization.

12.7. Household — Spouses, heads-of-household, dependent family members and any other individual residing in the same residence.

12.8. HUB — The WAKEUPNOW Hub gives IBOs and customers access to online products as well as important information to help build their businesses. IBOs will be able to access their TeamOffice within the Hub.

12.9. IBO — Independent Business Owner

12.10. Immediate Household — Spouses, heads-of-household, dependent family members and any other individual residing in the same residence.

12.11. Level — The layers of downline Customers and IBOs in a particular IBOs Marketing Organization. This term refers to the relationship of an IBO relative to a particular upline IBO, determined by the number of IBOs between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A’s fourth level.

12.12. Official WAKEUPNOW Material — Literature, audio or videotapes, websites, and other materials developed, printed, published and/or distributed by WAKEUPNOW to IBOs.

12.13. Personal Production — Personally generating sales of WAKEUPNOW products or services to an end consumer for actual use.

12.14. Personal Volume — The commissionable value of services and products purchased by: (1) an IBO; and (2) the IBOs personal Retail Customers who are on the AutoPay program or who purchase from the IBOs WAKEUPNOW replicated website.

12.15. Rank — The “title” that an IBO holds pursuant to the WAKEUPNOW Compensation Plan. “Title Rank” refers to the highest rank an IBO has achieved in the WAKEUPNOW compensation plan at any time. “Paid As” rank refers to the rank at which an IBO is qualified to earn commissions and bonuses during the current pay period.

12.16. Recruit — For purposes of WAKEUPNOW’s Conflict of Interest Policy (Section 4.10), the term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another WAKEUPNOW

IBO or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

12.17. Registered External Website — An IBOs WAKEUPNOW approved personal website that is hosted on non- WAKEUPNOW servers and has no official affiliation with WAKEUPNOW.

12.18. Replicated Website — A website provided by WAKEUPNOW to IBOs which utilizes website templates developed by WAKEUPNOW.

12.19. Retail Customer — An individual who purchases WAKEUPNOW products from an IBO but who is not a participant in the WAKEUPNOW compensation plan.

12.20. Retail Sales — Sales to a Retail Customer.

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

12.22. Sponsor — An IBO who enrolls a Customer or another IBO into the Company, and is listed as the Sponsor on the IBO Application and Agreement. The act of enrolling others and training them to become IBOs is called “sponsoring.”

12.23. Upline — This term refers to the IBO or IBOs above a particular IBO in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular IBO to the Company.

# Exhibit A

Compensation Plan

# Exhibit B

IBO Terms and Conditions

# Exhibit C

Customer Terms and Conditions

# Exhibit D

Privacy and Security Policy

# Exhibit E

Luxury Payout Package