



RULES OF CONDUCT (Terms and Conditions)

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1. INTRODUCTION

The Rules of Conduct ("Rules") are the general terms and conditions that form an important part of the contract between LBL Corporation ("LBL") and the IBDE (the "IBDE Contract").

IBDEs own and operate their own Independent Businesses ("IBs"). LBL recognizes the value of the contributions that IBDEs who have achieved business goals can make to the development of other IBDEs whom they sponsor and support under the Rules.

As IBDEs develop into established leaders, they play an increasingly important role in mentoring, teaching and training other IBDEs about the LBL business. Among other things, the Rules are designed to ensure that all IBDEs have the support that they need to continue to develop their IBDEs with LBL.

Under the IBDE Contract, IBDEs receive substantial benefits, including:

- (i) the right to sponsor others to become IBDEs and sell LBL products and services offered at www.LearnBuildLead.com;
- (ii) the right to qualify for bonuses under the LBL IBDE Compensation Plan ("Plan");
- (iii) use of LBL's intellectual property in accordance with the Rules; and
- (iv) a variety of support for IBDEs and their Customers.

As part of its commitment to support the opportunity made available to IBDEs, LBL invests substantial resources in goodwill, to provide LBL and IBDEs with a competitive advantage. All IBDEs and LBL share a competitive business interest in maintaining and protecting these assets and interests. The Rules provide



important safeguards for IBDEs and LBL in this regard, as well as contractual rights and obligations.

1.1. Contractual Relationship: LBL Corporation has a contract with each IBDE that includes all of the terms in the IBDE Registration Agreement form executed by the IBDE, the Plan and the Rules in effect at the time the IBDE executed the IBO Registration Agreement, and any Entity Agreement for Independent Business Owners (IBDEs) ("Entity Agreement") or modifications to the Plan or Rules that become effective during the term of the contract (the "IBDE Contract"). The current version of the Plan and Rules can be found at www.LearnBuildLead.com.

As part of the IBDE Contract, IBDEs have an obligation to comply with the Rules.

1.2. Choice of Law: Except to the extent that the Federal Arbitration Act applies to Rule 11, the formation, construction, interpretation, and enforceability of the IBDE Contract, and all claims arising from or relating to the IBDE Contract, shall be governed by Delaware law, without giving effect to any choice of law or conflicts of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. The place where the IBDE Contract is made is Delaware.

1.3. Severability: If an arbitrator or court of competent jurisdiction determines any portion of the Rules of Conduct is unenforceable in any respect, then it shall enforce the rest of the Rules of Conduct to the fullest extent permitted by law without affecting the enforceability of all remaining Rules of Conduct.

2. DEFINITIONS

2.1. LBL IBDE Compensation Plan (or Plan) means the business plan through which IBDEs receive certain income or other compensation as described in Business Reference Guide.

2.2. Copyrighted Works means works protectable by copyrights that are owned by, created by or licensed to LBL Corp.

2.3. Customer means a non-IBDE who is an end user of products and services offered through or by LearnBuildLead.com.

2.4. Independent Business (IB) means an LBL independent business operated by an IBDE(s) pursuant to the IBDE Contract.

2.5. Independent Business Development Executive (IBDE) means an individual(s) or entity operating an IB pursuant to the IBDE Contract.

2.6. IBDEAB shall refer to the Independent Business Development Executives Advisory Board members that represents IBDEs from all over the world.

2.7. Line of Sponsorship (LOS) means the structural arrangement of IBDEs established by the contractual relationship that each IBDE has with LBL.



2.7. Marks means the trademarks, service marks, trade dress and trade names adopted or used by LBL and/or otherwise the subject of pending or existing trademark rights owned by or licensed to LBL, regardless of whether the trademarks, service marks, trade dress or trade names are the subject of trademark applications or registrations.

2.8. Prospect means a prospective IBDE.

2.9. Region means the United States, Canada, Dominican Republic, Puerto Rico, U.S. Virgin Islands, Guam, Jamaica, the Pacific Islands of American Samoa, Federated States of Micronesia, Marshall Islands, Northern Mariana Islands, Palau, Wake Island and all authorized Atlantic and Caribbean islands operating under the Plan.

2.10. Use means:

(a) with reference to Marks, directly or indirectly placing, attaching or displaying one or more Marks on or in connection with products or services, in a manner that tends to create the impression of an affiliation, connection, or association between LBL and the IBDE; and

(b) with reference to Copyrighted Works, to reproduce, distribute and/or display copies of the Copyrighted Works, in whole or in part, including by means of digital audio transmissions, and to create any derivative works.

3. BECOMING AN IBDE

3.1. Registration Agreement: To become an authorized IBDE a person should be capable of sales and marketing of products and services offered through or by LBL through its website www.LearnBuildLead.com and registering other IBDEs, an applicant must be 18 years of age, complete and sign the IBDE Registration Agreement in accordance with the procedures on the LearnBuildLead.com website.

3.2. Acceptance or Rejection of IBDE Registration Agreement: LBL reserves the right to accept or reject any IBDE Registration Agreement. A registration shall be considered accepted by LBL when it receives a completed in accordance with terms and conditions, its contents are verified with LBL's database, and the registration does not violate any Rule of Conduct.

3.3. Term: The term of the IBDE Contract shall expire at the completion of 12 months and will be renewed on request by the IBDE.

3.4. Annual Renewal: In order to renew the IBDE Contract, an IBDE must request LBL to renew the IBDE Contract. LBL reserves the right to reject any renewal request, or revoke any IBDE's renewal agreement, if the IBDE is not in compliance with all provisions of the IBDE Contract.

3.5. IBDE Contract Termination: An IBDE may terminate his or her IBDE Contract at any time prior to expiration by written communication to the LBL Legal Compliance



Department. A person who gets his / her IBDE Contract terminated by the company may immediately be downgraded to a Customer status who may continue using his product or services for the specific period of that product or service.

3.6. Death and Inheritance: An IB can be passed on to a deceased IBDE's spouse, heirs, or another beneficiary.

3.6.1. In cases where the IB is owned jointly, such as a husband and wife or partnership, and one spouse or partner dies, unless they have previously arranged otherwise, LBL will recognize the surviving spouse or partner(s) as the owner(s) of the IB. The survivor(s) must forward a certified copy of the death certificate in order for LBL to change its records.

3.6.2. In cases where the IB is operated as an entity and one of the owners of the entity dies, the entity will continue to operate the IB, and the successor of the deceased owner is an IBDE in full compliance with the Rules. The entity shall notify LBL of the change in ownership or control of the entity by submitting the currently applicable Entity Agreement reflecting the proposed changes, and any proposed changes in the ownership or control of the entity require the express approval of LBL in writing.

3.6.3. In cases where an IBDE disposes of an IB in a will, LBL will recognize the terms of the transfer, provided the beneficiary is an IBDE who is in compliance with the Rules.

3.6.4. If there is no qualified IBDE in a position to operate an IB due to probate or other court procedures, LBL will have the option of entering into a servicing agreement with another IBO, preferably upline, to manage the IB until the proceedings are complete.

4. RESPONSIBILITIES AND OBLIGATIONS

4.1. Duty of Good Faith:

Under the terms of the IBDE Contract, LBL and all IBDEs agree to perform their obligations in accordance with the duty of good faith and fair dealing. An IBDE will be held accountable for the actions of a partner, family member or third party acting or purporting to act on behalf of the IBDE or IB, so far as the Rules of Conduct are concerned. An IBDE shall not help and encourage another IBDE to violate the Rules of Conduct. IBDEs shall not conduct any activity that could jeopardize the reputation of LBL or IBDEs.

4.2. Cross-Lining:

No IBDE shall engage in cross-lining. Cross—lining occurs when an IBDE sells products and services offered through or by LBL to another IBDE he or she did not personally sponsor. No IBDE is allowed to change his/her line of sponsorship, i.e. his/her position



in the business network. If someone feels uncomfortable working in his/her current line of sponsorship or sponsor, he may request to terminate his contract and withdraw from his current IB, he may then join any other line of sponsorship after 6 months from his termination of contract. During this period he cannot continue working as IBDE under his own name or with the name of direct family members.

4.3. Unsolicited Electronic Messages:

No IBDE shall send, transmit, or otherwise communicate any unsolicited electronic messages relating to LBL, its business opportunity, products or services to persons with whom the IBDE does not have a pre-existing personal or business relationship.

4.4. Advertising:

Members may advertise the Products or the Business subject to the terms of these Terms and Conditions mentioned below:

- (4.4.1) All advertisements must state clearly that the Member is an LBL Independent Business Development Executive and include the address or other contact details of the IBDE.
- (4.4.2) IBDE are prohibited from using Company trademark(s), trade names, slogans, symbols, and color schemes in advertising in a manner that would suggest or imply that they are employed by the Company.
- (4.4.3) The copyright in all Company promotional materials, whether printed matter or audio-visual or electronic items, shall remain the property of the Company at all times and may not be reproduced in whole or in part by the IBDE and nor shall the IBDE permit any other persons to do so, without express written consent from the Company.
- (4.4.4) IBDE may not advertise on any electronic mail media, including but not limited to the Internet.
- (4.4.5) IBDEs may not record or reproduce materials or content from any Company corporate function event or speech without the express written permission of the Company.
- (4.4.6) IBDEs may not record or reproduce or copy any presentation or speech by any Company spokesperson, representative, speaker, officer, director or other IBDEs without the prior written approval of the Company and the speaker.
- (4.4.7) IBDEs must not use the names of any individuals or companies connected with the LBL or any LBL vendor's names in any advertising and/or promotional materials of any kind without the express written permission of LBL. Further, the IBDE may not contact directly or indirectly or speak to or communicate with any representative of any vendor, supplier or manufacturer of the Company except at a Company sponsored event at which the representative is present at the request of the Company.



- (4.4.8) Media: All publicity material originated by IBDE or replies to enquiries from newspapers, magazines or any other print media must be submitted to the Company for approval prior to publication. Please allow 10 business days for approval.
- (4.4.9) Stationery and Business Cards: Any printed IBDE materials including business cards must include the statement that the IBDE is an independent business entity of LBL.

4.5. Guarantee:

The IBDE shall not make any promise or representation to Customers or potential Customers nor give any guarantee or warranties in relation to any Products other than as detailed in Company literature or expressly authorized by the Company or by this Agreement, nor shall the IBDE admit liability or attempt to settle any Customer claims with respect to the Products on behalf of the Company.

4.6. Compliance with Applicable Laws, Regulations, and Codes:

IBDEs shall comply with all laws, regulations, and codes that apply to the operation of their IB wherever said business may be conducted. IBDEs shall not directly or indirectly encourage or assist any person to violate any laws, regulations, codes, or term of the IBDE Contract. No IBDE may operate any illegal or unlawful business enterprise, or engage or participate in any deceptive, illegal or unlawful trade practices.

4.7. IBDE Relationship:

IBDEs are independent contractors. IBDEs shall not state or imply that they are employees, agents or legal representatives of LBL, its affiliates, and/or other IBDEs. IBDEs shall not represent or imply, either directly or indirectly, that registration creates an employment relationship between themselves and the IBDEs whom they have sponsored or who have sponsored them.

4.8. Franchises and Territories:

IBDEs shall not represent to anyone that there are franchises or exclusive territories available under the Plan.

4.9. Enticement to Change Position in the Line of Sponsorship:

Under no circumstances shall an IBDE, directly or indirectly, solicit, assist, attempt to induce, or encourage, another IBDE to request a change in position in the Line of Sponsorship.

4.10. Activity Outside the Region or Activity Outside the Market Where The IBDE Is Registered:

IBDEs who engage, directly or indirectly, in any activity related to the LBL business in a jurisdiction outside of the Region must do so in a manner that complies with the



letter and spirit of the applicable laws, regulations, rules, policies and procedures of the LBL affiliate in that jurisdiction, regardless of whether they are registered IBDEs in that jurisdiction. Failure to do so shall be a breach of the IBDE Contract.

4.11. Sound Business Practices:

IBDEs shall operate their IB in a financially responsible and solvent manner. LBL reserves the right to offset bonus payments for amounts an IBDE owes to LBL.

4.12. IBDE Plan Manipulation:

IBDEs shall not manipulate the Plan, business point (BP) or rank points (RP), in any way which results in the payment of bonuses or other awards and recognition that have not been earned in accordance with the terms of the IBDE Contract.

4.13. Personal/Business Information Update:

All IBDEs are responsible for communicating any updates or changes to their personal information (e.g., name, address, email address and telephone numbers, etc.) or business information (e.g., business name, address, email address, telephone numbers, addition/deletion of partner, change of business status, etc.) to LBL.

4.14. LBL Contact:

When the Rules require an IBDE to contact LBL for notice, permission or approval, the IBDE shall contact the LBL Legal Compliance Department by mail at 2093 Philadelphia, PIKE # 9829, Claymont, New Castle, DE, 19703, United States, by fax at +1 302 482 8684 or by email at legal@welcometoLBL.com.

5. PRESENTATION OF THE PLAN, SPONSORING AND SUPPORT

5.1. Inviting:

When inviting a Prospect to hear a presentation of the Plan, an IBDE must make it clear that what is being described or offered is the Plan.

5.2. Describing the Plan:

When describing the Plan:

- (a) an IBDE's statements must be truthful, accurate and not misleading;
- (b) the roles of a balanced business (personal use and sponsoring) must be accurately described; and
- (c) all income representations must be limited to income from the Plan, based on actual experience and provide realistic income potential.



5.3. Required Disclosures:

In seeking participation of a Prospect in the Plan, an IBDE:

5.3.1. Must use only LBL-authorized materials or Business Support Materials authorized for use with Prospects.

5.4. Prohibited Sponsoring Practices: In seeking participation of a Prospect in the Plan, an IBDE:

5.4.1. Must not cite lifestyle examples, e.g., travel, automobile, homes of successful IBDEs, and contributions to charitable causes, unless such benefits were actually accrued as the result of building a successful IB.

5.4.2. Must not say or imply that a successful IB can be built in the form of bulk buying.

5.4.3. Must not say or imply that there is no requirement for the retail sale or marketing of products by IBDEs.

5.4.4. Must not promote potential tax benefits of the Plan.

5.4.5. Must not encourage or require a Prospect to purchase anything not included with the Business Services and Support fee specified in the IBDE Registration Agreement and must not encourage the purchase of a product or service not identified on the IBDE Registration Agreement.

5.4.6. Must not register or sponsor new IBDEs in a way that manipulates the new IBDE's position in the Line of Sponsorship.

5.4.7. Must not sale any product, service or register an IBDE that has been prospect or been presented the product, service or business opportunity by any other IBDE within a period of 1 month. The IBDE must confirm his/her prospects whether he has been contacted or presented by any other IBDE. In case of any claim of such practice by any IBDE the account may be suspended for investigation and may be terminated if the action is confirmed during investigation.

5.5. Sponsor's Responsibilities:

A sponsor must comply with the following obligations:

5.5.1. Rules Compliance: The sponsor must be an IBDE in full compliance with the Rules of Conduct.

5.5.2. Access to the IBDE Contract: The sponsor must ensure that all IBDEs whom he or she sponsors have access to and the opportunity to read the IBDE Contract.

5.5.3. Training and Motivation: The sponsor must be able to train and motivate the IBDEs whom he or she has sponsored with a minimum of assistance from his or her



first upline Platinum or above. IBDEs may fulfill this obligation by use of Business Support Materials.

5.5.4. Servicing Arrangements: If an IBDE is unable or unwilling to service IBDEs whom he or she has sponsored with the proper training or motivation, he or she must make arrangements, in writing, with his or her first upline qualified Platinum to provide this service. Platinum level or above IBDEs who wish to make arrangements with another Platinum level or above IBDE to provide product fulfillment services to IBDEs downline to the next qualified Platinum, must do so in writing.

6. PRESERVATION OF THE LINE OF SPONSORSHIP

6.1. Confidentiality of the LOS: LBL protects the LOS and LOS Information for the benefit of LBL and of all IBDEs. LBL keeps LOS Information proprietary and confidential and treats it as a trade secret.

6.1.1. IBDEs acknowledge, and agree not to challenge, that:

- (i) LOS Information is confidential, and a valuable trade secret owned by LBL;
- (ii) LOS Information is owned exclusively by LBL; and
- (iii) IBDEs do not own any rights in LOS Information.

6.2. Non-Competition and Non-Solicitation:

6.2.1. Non-Competition (current IBDEs): Every IBDE agrees not to own, manage, operate, consult for, serve in a Key Position in, or participate as an independent distributor in

- (a) any other direct sales program using a direct sales business model or network marketing structure, or
- (b) any other enterprise that markets, through independent distributors, products or services functionally interchangeable with those offered through or by LBL.

6.3. Other Business Activities: Except as provided in Rule 6.2, IBDEs may engage in other business ventures, including other selling activities, involving products, services, or business opportunities. However, IBDEs may not take advantage of their knowledge of OR association with other IBDEs whom they did not personally register, including their knowledge resulting from or relating to Line of Sponsorship Information, in order to promote and expand such other business ventures.



6.3.1. Every IBDE agrees not to solicit, directly or indirectly, other IBDEs whom he or she did not personally sponsor in order to sell, offer to sell, or promote other products, services, business opportunities, investments, securities, or loans not offered through or by LBL. Every IBDE agrees not to sell, offer to sell, or promote any other business opportunities, products, or services in connection with the Plan.

6.4. Six-Month Inactivity: An IBDE who wishes to transfer to a different sponsor but is unable to obtain the necessary consents may not register under a new sponsor until the IBDE has terminated his or her IBDE Contract and has been inactive for a period of 6 months or longer. Following the lapse of the inactive period, the former IBDE may register as a new IBDE under a new sponsor.

6.4.1. During the period of inactivity, a person shall not conduct any of the activities of an IBDE under his or her name, or in the name of another person or IB.

6.5. Sale of an IB:

An IBDE who owns and operates an IB may sell his or her ownership interest in such IB only to another IBDE who is in compliance with the Rules of Conduct, and who has the sufficient skills, experience, judgment and resources to operate the IB, as reasonably determined by LBL. LBL requires that specific terms of sale be included in any sales agreement. Such terms and a sample sales agreement may be obtained from LBL. An IB may be sold only with the express approval of LBL in writing.

6.5.1. In order to preserve the Line of Sponsorship, the selling IBDE must offer his or her IB in the order of priority stated below, and the IBDE(s) interested in purchasing the IB must meet all of the terms and conditions set forth in these Rules.

6.5.1.1. the first option to purchase belongs to the selling IBDE's International Sponsor, who retains the right to acquire the IB throughout the negotiations to sell the IB by meeting the price and conditions of any bona fide offer received by and deemed acceptable to the selling IBDE;

6.5.1.2. the second option to purchase belongs to the selling IBDE's local Sponsor so long as the first option has not been exercised. In the event the selling IBDE has no International Sponsor, the local Sponsor retains the right to acquire the IB throughout the negotiations to sell the IB by meeting the price and conditions of any bona fide offer received by and deemed acceptable by the selling IBDE;

6.5.1.3. the third option, exercisable so long as the first or second options above have not been exercised, belongs to any one of the selling IBDE's personally sponsored IBDEs;



6.8.1.4. the final option, exercisable so long as the first, second, or third options above have not been exercised, belongs to any IBDE in good standing.

6.8.2. When an IB is sold, it will remain in its same position in the Line of Sponsorship.

6.9. Mergers and Combinations of IBs:

Mergers of IBs resulting from failure to file a Renewal Agreement, termination, resignation, death (with no designation of succession by heirs) or some involuntary event or cause beyond the control of any of the owners, are permitted, only with the express approval of LBL in writing.

6.10. Two IBs Rule:

An IBDE may own or have an ownership interest in only one IB except:

- (a) where two IBDEs marry;
- (b) where an existing IB purchases another IB pursuant to Rule 6.8; or
- (c) where the IB is, or will be, passed on to a deceased person's spouse, heirs, or other beneficiary in accordance with Rule 3.10.

6.11. Divorce, Separation, or Other Dissolution of a Non-Spousal Partnership or Legal Entity:

IBDEs who become involved in an action for divorce, separation of marital property, or the dissolution of a non-spousal partnership or legal entity formed under Rule 3.3, must continue to conduct themselves in compliance with the Rules of Conduct.

6.11.1. During the pendency of a divorce, separation of marital property or dissolution of a non-spousal partnership or legal entity, the IBDEs must adopt one of the following methods of operation:

- (a) the IBDEs continue to operate the IB jointly on a "business-as-usual" basis;
- (b) one or more IBDEs relinquishes his or her right and interest in the IB;
- (c) the IBDEs may agree on a third party to operate the IB, subject to express approval of LBL in writing; or
- (d) if the IBDEs cannot agree on a third party, LBL shall appoint a third party to act as a receiver during the pendency of the divorce or dissolution if LBL determines that such an appointment is necessary to prevent a negative impact on the business.



6.11.2. After a Final Decree or Judgment of Divorce, a Final Separation Agreement or other domestic contract that contains a legally enforceable Property Settlement or Division of Assets that addresses their IB, or after a final dissolution of a non-spousal partnership or legal entity, IBDEs may:

- (a) agree to continue to operate their IB in the form of a partnership or other legal entity permitted under Rule 3.3; or
- (b) agree that one IBO may surrender all rights in the original IB to the other IBDE(s), at which time the withdrawing IBDE is free to immediately register under any sponsor.

6.12. Disposition of an IB: If an IBDE resigns, fails to renew, terminates his or her IB, dies without transferring the IB, or is terminated by LBL, LBL shall decide the future of the IB in accordance with these Rules.

7. BUSINESS SUPPORT MATERIALS

Business Support Materials (or "BSM") as used in these Rules means all products and services (including but not limited to business aids, books, magazines, flip charts, and other printed material, online literature, internet websites, advertising, audio, video or digital media, rallies, meetings, and educational seminars, and other types of materials and services) that are

- (i) designed to solicit and/or educate Prospects, Customers, or prospective Customers of LBL products or services, or to support, train, motivate, and/or educate IBDEs, or
- (ii) incorporate or Use one or more of the Marks or Copyrighted Works of LBL, or
- (iii) are otherwise offered with an explicit or implied sense of affiliation, connection, or association with LBL. Unless otherwise specified in writing, IBDEs acknowledge that nothing in this Rule, or in any other Rule, shall be construed or interpreted as a license or other permission to incorporate any LOS Information into any BSM.

8. MARKS AND COPYRIGHTED WORKS

LBL's Marks and Copyrighted Works are important and valuable business assets of LBL. The Marks help identify the source and reputation of LBL's products and services worldwide and distinguish them from those of competitors. LBL makes commercially reasonable efforts to protect the Marks from improper use, including through the Rules of Conduct, accreditation of Approved Providers, and a corporate identity



program that requires the correct and consistent use of the Marks, both in appearance and substance.

8.1. Use of Marks and Copyrighted Works:

An IBDE may Use LBL's Marks and Copyrighted Works only with LBL's prior written permission. Any permission granted by LBL shall constitute a limited, non-exclusive, nontransferable and revocable license to Use such Marks and Copyrighted Works solely in connection with the LBL business. Subject to conditions and specifications published or specifically provided in writing from time to time, the Marks and Copyrighted Works may be Used only on:

- (a) exterior and interior office signs;
- (b) all forms of vehicle signs;
- (c) telephone listings;
- (d) promotional literature;
- (e) stationary;
- (f) premiums; and
- (g) business cards.

Other proposed Uses will be considered upon request. Without limitation, LBL will not authorize an IBDE to use the Marks on imprinted checks.

9. COMPLYING WITH THE IBDE CONTRACT (REMEDIES FOR BREACH)

Complying with the IBDE Contract is essential for preserving a strong and viable business for IBDEs and LBL. IBDEs and LBL each have rights and responsibilities in case of a breach of the IBDE Contract.

9.1. LBL's Rights and Responsibilities:

When LBL discovers a potential breach of the IBO Contract, it will first investigate as appropriate. Before taking execution, LBL shall attempt to contact the IBDE in an effort to resolve the issue. If the communication does not resolve the issue, LBL may take any enforcement action authorized by the IBDE Contract including, but not limited to, one or any combination of the following:

- 9.1.1.** A written warning to an IBDE, and/or upline or downline IBDEs in the Line of Sponsorship.
- 9.1.2.** Retraining an IBDE, and/or upline or downline IBDEs in the Line of Sponsorship.



9.1.3. Suspending some or all of the rights of an IBDE for a specified period of time, or until certain conditions have been satisfied.

9.1.4. Withdrawing or denying an award, trip, recognition or other incentive.

9.1.5. Withholding bonus or incentive payments.

9.1.6. Compensatory remedies, as applicable.

9.1.7. Terminating an IBDE Contract.

If an IBDE elects to challenge any action taken by LBL under this Rule, the IBDE shall submit the issue to the Dispute Resolution Procedures described in Rule 11.

9.2. IBDE Rights and Responsibilities:

If an IBDE believes that another IBDE has breached the IBDE Contract, the IBDE first should contact the IBDE in question in an effort to resolve the issue. If an IBDE believes that LBL has breached the IBDE Contract, the IBDE first shall contact LBL in an effort to resolve the issue. If discussion with either an IBDE or LBL does not resolve the issue, the IBDE may file a written complaint with LBL. The complaint should explain the issue in as much detail as possible and include all supporting documents. LBL will investigate as appropriate and take enforcement or corrective action under the IBDE Contract, if necessary. If any issue remains unresolved, it shall be submitted to the Dispute Resolution Procedures described in Rule 11.

9.2.1. An IBDE who elects to challenge the validity of a Rule or other term of the IBDE Contract shall first contact LBL in an effort to resolve the issue. If the IBDE is not satisfied with LBL's response, the dispute shall be resolved in Arbitration under Rule 11.

9.3. Duty to Cooperate:

All IBDEs are required to respond to inquiries and otherwise cooperate in a timely fashion with any investigation conducted by LBL. Failure to respond to inquiries or to otherwise cooperate in a timely fashion is a breach of the IBDE Contract and may result in LBL taking action against the IB.

9.4. Non-Waiver:

The failure of LBL or any IBDE to enforce any breach of any provision of the IBDE Contract shall not constitute a waiver of any prior, concurrent, or subsequent breach of the same or any other provision of the IBDE Contract.



10. MODIFICATION OF THE IBDE CONTRACT

LBL may modify the IBDE Contract in accordance with the following procedures.

10.1. Any changes to Rule 11 require mutual agreement of the IBDEAB and LBL. For all other Rules, final decision-making authority on amendments to the IBDE Contract rests with LBL. LBL will, prior to final action, submit to the IBDEAB for discussion, evaluation, and recommendation all changes in the IBDE Contract that materially affect IBDEs.

10.2. LBL will notify IBDEs of the proposed changes subject to Rule 10.1 by making them available to review by logging on to www.LearnBuildLead.com and solicit comments from IBDEs concerning the proposed changes. LBL and the IBDEAB will consider any comments submitted during the 30 days following such notice. The proposed changes shall become effective 15 days after the end of the comment period, unless LBL makes further modifications, after consultation with the IBDEAB (and agreement in the case of Rule 11). LBL shall provide notice of any such further modifications on www.LearnBuildLead.com 15 days prior to the effective date of such further modifications. These time periods may be shortened when it is necessary for a change to comply with a new law or other government mandate, to protect IBDEs from serious financial harm, or to protect the integrity of the Plan. Rule changes have prospective effect only.

10.3. Prior to the effective date of any proposed Rule change, any IBDE who is unwilling to accept a Rule change can, if he or she wishes, provide notice of his/her intent to resign from the LBL business on the effective date of the Rule change. Unless the proposed Rule change is withdrawn, the IBDE's resignation will become effective.

11. DISPUTE RESOLUTION PROCEDURES

Disputes arising out of or relating to an IB, the Plan or the IBDE Contract, as well as disputes involving Business Support Materials ("Disputes") shall be resolved in accordance with this Rule. The dispute resolution procedures in this Rule apply to Disputes involving the following parties:

- (1) an IBDE,
- (2) a former IBDE, or any such IBDE's leaders, directors, agents, or employees;
- (3) LBL Corporation, USA, and any parent, subsidiary, affiliate, predecessor, or successor thereof, or any of their officers, directors, agents, or employees; and
- (4) an Approved Vendor or Supplier or its officers, directors, agents, or employees (the "Party" or "Parties"). Rule 11 is reciprocal and applies to all of the Parties.



11.1. Amendment Only with IBDEAB Consent: This Rule 11 and its subparts shall be amended only by mutual agreement between LBL and the IBDEAB, and such amendments shall not be retroactively applied to any dispute known to LBL or the IBDEAB at the time of amendment.

11.2. Temporary or Preliminary Injunctive Relief: Nothing in these Rules prevents LBL, an IBDE, Approved Supplier or any other one of the Parties from seeking temporary or preliminary injunctive or other relief from a court of competent jurisdiction, notwithstanding the Parties' obligation to participate in Conciliation or Arbitration under Rule 11.

11.3. Confidentiality: The Parties, when involved in the dispute resolution process in any manner, will not disclose to any other person not directly involved in the dispute resolution process:

- (a) the substance of, or basis for, the Dispute;
- (b) the content of any testimony or other information obtained through the dispute resolution process; or
- (c) the resolution (whether voluntary or not) of any matter that is subject to the dispute resolution process.

However, nothing in these Rules shall preclude any one of the Parties from, in good faith, investigating a claim or defense, including interviewing witnesses and otherwise engaging in discovery.

11.4. Conciliation: The Conciliation procedures are designed to resolve disputes efficiently in a non-confrontational setting, through education, mediation, and conciliation. The Conciliation requirement is reciprocal and applies to all Parties. The Party first seeking resolution shall commence Conciliation by providing a Request for Conciliation form to the other affected Parties and, in any Dispute, the LBL Legal and Compliance Department. In cases where the IBDEAB will be involved in the Conciliation, a copy of the Request for Conciliation form will also be given to the IBDEAB and the IBDEAB Hearing Panel Chairperson.

11.4.1. Mediation: The first step in Conciliation is non-binding mediation. The IBDEAB members provides experienced IBDEs who are available to serve as mediators ("IBDEAB Mediator").

11.4.1.1. In cases where an Approved Provider is not a Party, an IBDEAB Mediator will serve and conduct an informal conciliation with the Parties, unless one or more IBDEs involved in the dispute objects to an IBDEAB Mediator. In that case, the mediation will take place with an independent neutral mediator acceptable to all Parties. LBL can provide a list of possible mediators, but the Parties are not obligated to agree to any mediator on that list.



11.4.1.2. In cases where an Approved Provider is a Party, the dispute will be mediated by an independent neutral mediator acceptable to all Parties, unless all of the Parties involved in the dispute stipulate to informal conciliation with an IBDEAB Mediator. LBL can provide a list of possible mediators, but the Parties are not obligated to agree to any mediator on that list.

11.4.1.3. In all instances where the Parties cannot agree on a mediator within ten business days of receiving the Request for Conciliation form, they authorize LBL to request the American Arbitration Association (AAA) to select a mediator.

11.4.1.4. LBL will pay the reasonable fees of the mediator for up to one full day, except that if an Approved Provider is a Party, the Approved Provider is responsible for its pro rata share of the mediator's fee.

11.4.1.5. The mediation shall take place within 30 days of selection of a mediator. The Parties may agree to extend this date by 30 days. In addition, on a request of a Party, the mediator may extend the deadline for not more than an additional 30 days. All Parties must appear in person or, if authorized by the mediator, by telephone.

11.4.1.6. The mediation proceeding is confidential and not open to the public; but any participant may, if he or she chooses, be accompanied by an attorney or another personal representative, such as an upline IBDE or a friend or family member, as long as the representative agrees to respect the confidentiality of the process.

11.4.1.7. All Parties who receive notice of the mediation are required to participate. The Parties are strongly encouraged to attend the mediation in person, but are not required to do so. Should the Parties choose to attend in person, they are responsible for their own expenses. Failure by LBL or any disputing IBDE to participate in good faith is a breach of the IBDE Contract, and the breaching Party shall reimburse the other Parties for any expense directly caused by the breach, as determined by the mediator.

11.4.1.8. The mediator shall within two weeks following the mediation provide the Parties with a written statement summarizing any agreement between the Parties resolving their disputes and, for any dispute not settled, declaring that the Parties are at impasse. The mediator may, at his/her discretion, recommend a resolution for any dispute not settled in the mediation. Within two weeks of receiving this summary, each Party shall state in writing whether or not it agrees with any recommendation by the mediator, in whole or in part.



11.4.2. Hearing Panel Procedures:

If any part of the dispute is not resolved by mediation under Rule 11.4.1, any IBDE who is a Party to the remaining dispute may request a Hearing Panel; except that any dispute involving an Approved Provider, or any challenge to the impartiality of the Hearing Panel itself, shall go directly to arbitration without a Hearing Panel.

11.4.2.1. A Request for Hearing Panel Form must be filed with the Legal and Compliance Department or the Hearing Panel Chairperson within four weeks after the mediator's written statement pursuant to Rule 11.4.1.8. Upon receipt of a request, the matter is scheduled for the next Hearing Panel session, which shall be not more than 60 days following the request. All Parties who receive notice of the hearing are required to participate, unless excused by the Hearing Panel Chairperson or his/her designee. The Parties are strongly encouraged to attend the hearing in person but are not required to do so. Should the Parties choose to attend in person, they are responsible for their own expenses.

11.4.2.2. The IBDEAB Executive Committee selects the Hearing Panel Chairperson, three additional Panel members, and alternates who may serve on the Hearing Panel. The Hearing Panel Chairperson will confirm that no Panel member presents a conflict of interest with respect to the matters over which the Panel presides. Once selected, the Panel members are barred from discussing the dispute with anyone before the date of the hearing. Each Panel member and the Parties involved receive a copy of the conciliation file.

11.4.2.3. The Parties shall exchange all documents on which they intend to rely during the hearing at least 10 days in advance of the hearing. In addition, Parties must submit to the Panel all documents on which they intend to rely in proving or defending their claim at least 10 days in advance of the hearing. If a Party does not submit such documents in a timely fashion, the Hearing Panel Chairperson may refuse to allow their introduction.

11.4.2.4. The Chairperson of the Panel is empowered to control the conduct of the hearing, and to have authorized persons administer an oath to any witness. The rules of evidence do not apply.

11.4.2.5. When a voluntary resolution does not occur, the Hearing Panel, within 30 days following completion of the hearing, will issue to the Parties and LBL a written statement of facts and a non-binding recommendation for resolution, including, if appropriate, the imposition of certain sanctions. Within two weeks of receiving that recommendation each Party shall inform the Panel and the other Parties in writing whether that Party:

(a) accepts the recommended resolution in its entirety;



(b) accepts some specific portions of the recommended resolution and rejects the others; or

(c) rejects the recommended resolution in its entirety.

Any Party may demand arbitration of any unresolved Dispute under Rule 11.5.

11.5. Arbitration:

The Parties shall submit any Disputes that were not resolved through the process described in Rule 11.4, through binding arbitration in accordance with this Rule 11.5.

11.5.1. The arbitration award shall be final and binding and judgment thereon may be entered by any court of competent jurisdiction. The Parties acknowledge that the IBDE Contract and each of its parts evidence a transaction involving interstate commerce, and the Federal Arbitration Act shall apply in all cases and govern the interpretation and enforcement of the arbitration rules and arbitration proceedings.

11.5.2. Commencement of Arbitration: The complaining Party may file a demand for arbitration with either the American Arbitration Association ("AAA") or JAMS. The arbitration will be commenced and conducted in accordance with the AAA or JAMS (whichever is chosen) fee schedules and commercial arbitration rules and this Rule 11.5. If there is any conflict between the JAMS or AAA arbitration rules and this Rule 11.5, Rule 11.5 shall apply.

11.5.6. Single Arbitrator: Unless all Parties to the arbitration agree otherwise, a single arbitrator shall be chosen, and Arbitrator candidates must have at least five years' experience as a state or federal judge or as a full-time ADR professional, including substantial experience in commercial arbitration.

11.5.7. Arbitrability Issues to Be Decided by Arbitrator: The Arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement including, but not limited to any claim that all or any part of this Agreement is void or voidable.

11.5.8. Award: The arbitrator's award shall be limited to deciding the rights and responsibilities of the Parties in the specific dispute being arbitrated. The arbitrator's award shall have no collateral estoppel effect in any other proceeding. The arbitrator shall not provide a statement of reasons for his or her award unless requested to do so by all Parties.

11.5.9. Consolidation: Similar claims involving multiple Parties may be consolidated before a single arbitrator if all Parties agree. The arbitrator will decide any disputed consolidation issues.