



Affiliate Policies and Procedures

Effective January 1, 2019

(36 PAGES)

SECTION 1 - POLICIES & COMPENSATION PLAN INCORPORATED INTO AFFILIATE AGREEMENT

These Policies and Procedures, in their present form and as amended by Novae, LLC (hereafter "Novae" or the "Company"), are incorporated into, and form an integral part of, the Novae Affiliate (Independent Business Owner) Agreement. It is the responsibility of each Affiliate to read, understand, adhere to, and insure that he or she is aware of and operating under the most current version of these Policies and Procedures. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Novae Affiliate Agreement, these Policies and Procedures, and the Novae Compensation Plan.

SECTION 2 - BECOMING AN AFFILIATE

SECTION 2.1 - Requirements to Become an Affiliate

To become a Novae Affiliate, each applicant must:

- Be at least 18 years of age;
- Reside in the United States, a U.S. Territory, or any country that Novae has officially announced in writing is open for business;
- Provide Novae with his or her valid Social Security or Federal Tax ID number;
- Submit a properly completed Affiliate Agreement to Novae; and
- Personally sell a Novae product or service to an end consumer Customer.

Until such time as each of the above takes place, and Novae has accepted the Affiliate Agreement, an applicant is not an Affiliate. Novae reserves the right to accept or reject any Affiliate Agreement for any reason or no reason.

SECTION 2.2 - No Product or Service Purchase Required

No person is required to purchase Novae products, services, or sales aids in order to become an Affiliate. In order to become an Affiliate without purchasing any product, service, or sales aid, the prospective Affiliate must complete the Novae paper application and mail it to Novae 1257 Commercial Drive SW Ste B Conyers, GA 30094 with a written letter attached making the request.

SECTION 2.3 - Affiliate Benefits

Once an Affiliate Agreement has been accepted by Novae, and the requirements of Section 2-1 have been satisfied, the benefits of the Compensation Plan and the Affiliate Agreement are available to the new Affiliate. These benefits include the right to:

- Promote and sell Novae products and services;
- Participate in the Novae Compensation Plan (the right to receive commissions from the sale of Novae products and services);

- Sponsor other individuals as Affiliates into the Novae business and thereby, build a Marketing Organization;
- Receive periodic Novae literature and other Novae communications;
- Participate in Novae-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by Novae for its Affiliates.

SECTION 2.4 - Term and Renewal of the Independent Novae Business

The term of the Affiliate Agreement is for a period of one year from the date the Affiliate Agreement is accepted by Novae subject to prior termination pursuant to this Agreement and shall automatically renew for successive one-year term unless either party notifies the other party in writing that it does not wish to renew the Affiliate Agreement.

Section 2.5 - Adherence to the Novae Compensation Plan

Affiliate must adhere to the terms of the Novae Compensation Plan as set forth in official Novae literature.

SECTION 3 - OPERATING AN INDEPENDENT NOVAE BUSINESS

SECTION 3.1 - Affiliate Marketing

Affiliates shall not offer the Novae opportunity through, or in combination with, any other system, program, co-op, leads, sales tools, or method of marketing other than certified materials that have passed Novae's Accreditation standards. Affiliate shall not require or encourage other current or prospective Affiliates to participate in Novae in any manner that varies from the program as set forth in official Novae literature. Affiliates shall not require or encourage other current or prospective Customers or Affiliates to execute any agreement or contract other than official Novae agreements and contracts in order to subscribe to or purchase Novae products or services or to become Novae Affiliates. Similarly, Affiliates shall not require or encourage other current or prospective Customers or Affiliates to make any purchase from, or payment to, any individual or other entity to participate in the Novae Compensation Plan. Affiliates shall truthfully identify themselves, their products, and the purpose of their business to prospective customers. Affiliates may not use any misleading, deceptive, or unfair sales practices. Explanation and demonstration of products and services offered shall be accurate and complete including, but not limited to, with regard to price, terms of payment, refund rights, guarantees, and after-sales services and delivery. Personal or telephone contacts shall be made in a reasonable manner and during reasonable hours to avoid intrusiveness and in accordance with applicable laws. Affiliates must immediately discontinue a demonstration or sales presentation upon the request of the Customer. Affiliates shall not directly or by implication, denigrate any other company or product. Affiliates shall refrain from using comparisons, which are likely to mislead, and which are incompatible to the principles of fair competition. Affiliates shall not abuse the trust of Customers, shall respect the lack of commercial experience of Customers and shall not exploit a Customer's age, illness, lack of understanding or lack of language expertise.

SECTION 3.2 - Advertising

SECTION 3.2.1 - General

All Affiliates shall safeguard and promote the good reputation of Novae and its products and services. The marketing and promotion of Novae, the Novae opportunity, the Compensation Plan, and Novae products or services must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the platform and the opportunity Novae has to offer, Affiliates must use the sales aids and support materials produced by Novae or an Accredited support company bearing the Novae accreditation mark. If Novae Affiliates develop their own sales aids and promotional materials (which includes Internet advertising), notwithstanding Affiliates' good intentions, they may unintentionally violate any number of statutes or regulations affecting the Novae business. These violations, although they may be relatively few in number, could jeopardize the Novae opportunity for all Affiliates. Accordingly, Affiliates must submit all sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's written approval prior to use. The marketing and promotion of Novae, the Novae opportunity, the Compensation Plan, and Novae products and services shall be consistent with the public interest. Affiliates may not make false or misleading statements about the sales opportunity. Affiliates may not sell sales aids to other Novae Affiliates. Any Affiliate who receives written authorization from Novae to produce his or her own sales aids may not sell such material to any other Novae Affiliate. Novae further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Affiliates waive all claims for damages or remuneration arising from or relating to such rescission.

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

A. No advertisement may imply that a job, position, salary, or any type of employment is allowed.

B. No advertisement may promote, represent, or imply salaried positions, management positions; hourly wages, full or part-time employment, or guaranteed incomes. The Novae opportunity is not a job, and may not be presented as such. Terms such as "manager trainee," "management positions available," "travels provided," "call for interview," "positions available," "now hiring," and other misleading statements are not allowed.

C. No specific income can be promised or implied, and any references to compensation must use the word "commissions" to indicate the independent contractor status of Affiliates.

SECTION 3.2.2 - Trademarks and Copyrights

The name of Novae and other names as may be adopted or used by Novae are proprietary trade names, trademarks and service marks, designs, or symbols, or any derivatives of such marks of Novae (collectively "marks"). As such, these marks are of great value to Novae and are supplied to Affiliates for their use only in an expressly authorized manner. Novae will not allow the use of its marks by any person, including Novae Affiliates, in any unauthorized manner.

Affiliates may not use or attempt to register any of Novae's marks, product names, the Company's name, or any derivative thereof, for any Internet domain name, e-mail address, or online alias. Additionally, an Affiliate cannot use or register domain names,

email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of Novae.

The content of all Company sponsored events is copyrighted material. Affiliates may not produce for sale or distribution any recorded Company events, presentations, or speeches. Nor may Affiliates reproduce for sale or for personal use any recording of Company-produced audio or videotape presentations.

As a Novae Independent Business Owner (Affiliate), Affiliates may use the Novae name in the following manner:

Affiliate's Name

Novae Independent Business Owner or Novae Affiliate

Example:

Alice Smith

Novae Independent Business Owner or Novae Affiliate

For example, an Affiliate may not secure the domain name www.joinnovae.com, nor may an Affiliate create an email address such as novaemoney@hotmail.com. Additionally, an Affiliate may only use the phrase Novae Independent Business Owner or Novae Affiliate in telephone greetings or on an answering machine to clearly separate the Affiliate's independent Novae business from Novae.

If an Affiliate has any questions or concerns regarding these policies, said Affiliate should contact Novae's Compliance Department at compliance@novaemoney.com.

SECTION 3.2.3 - Media and Media Inquiries

No press releases may be issued by anyone other than Novae. No exceptions.

Affiliates must not attempt to respond to media inquiries regarding Novae, its products or services, or their independent Novae business. All inquiries by any type of media must be immediately referred to the Legal Department at compliance@novaemoney.com. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image. Affiliates must not utilize radio or television media, including radio or television infomercials, for the advertising, distribution or promotion of the Novae products or opportunity without the express consent of Novae. In the unlikely event that Novae does grant permission for the use of such media, Novae reserves the right to have final authority and final approval before any releases of media, on every stage of the production process with full rights to all recordings.

SECTION 3.2.4 - Unsolicited Email

Novae does not permit Affiliates 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 Affiliate that promotes Novae, the Novae opportunity, or Novae products and services must comply with applicable law and including the following:

- (i) There must be a functioning return email address to the sender;

- (ii) 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);
- (iii) The email must include the Affiliate's physical mailing address;
- (iv) The email must clearly and conspicuously disclose that the message is an advertisement or solicitation;
- (v) The use of deceptive subject lines and/or false header information is prohibited; and
- (vi) All opt-out requests, whether received by email or regular mail, must be honored. If an Affiliate receives an opt-out request from a recipient of an email, the Affiliate must forward the opt-out request to the Company.

Novae may periodically send commercial emails on behalf of Affiliates. By entering into the Affiliate Agreement, Affiliate agrees that the Company may send such emails and that the Affiliate's physical and email addresses will be included in such emails as outlined above. Affiliates shall honor opt-out requests generated as a result of such emails sent by the Company.

SECTION 3.2.5 - Unsolicited Faxes

Except as provided in this section, Affiliates may not use or transmit unsolicited faxes in connection with their Novae businesses. All faxes must be sent in compliance with applicable laws. "Unsolicited faxes" includes the transmission via telephone facsimile or computer of any material or information advertising or promoting Novae, its products or services, its Compensation Plan or any other aspect of the Company which is transmitted to any person, except that this term does 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 Affiliate 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 Affiliate and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Affiliate; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

SECTION 3.2.6 - Telephone Directory Listings

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

Affiliate's Name
Novae Independent Business Owner or Novae Affiliate

SECTION 3.2.7 - Television and Radio Advertising

Affiliates may not advertise on television or radio except with Novae's prior express written approval.

SECTION 3.3 - Online Conduct

It is the Affiliate's obligation to ensure that his or her online marketing activities are truthful, are not deceptive and do not mislead customers or potential Affiliates in any way.

SECTION 3.3.1 - Affiliate Web Sites

Affiliates may develop their own web pages, with prior review and written consent from the Company, however, any Affiliate who does so: (a) must use the text of the Company's official web site; (b) may not supplement the content of his or her web site with text from any source other than the Company; and (c) may not promote or sell any non-Novae products or opportunity. Websites and web promotion activities and tactics that mislead or are deceptive, regardless of intent, will result in disciplinary action. Misleading tactics include, but are not limited to, spam linking (or blog spam), unethical search engine optimization tactics, misleading click-through ads (i.e. having the display URL of a Pay-Per-Click campaign appear to be directed to an official Novae Corporate Site when it in fact goes elsewhere), deceptive or misleading banner ads, and deceptive or misleading press releases. Novae will be the sole determinant of truthfulness and whether specific activities are misleading or deceptive.

No income claims or representations contained within an Affiliate's website unless expressly authorized in writing by the Company and there must be a link to the Novae Income Disclosure Statement immediately adjacent to any such claim or representation. The use of any other web site or web page (including without limitation auction sites such as eBay) to promote Novae products or the Novae opportunity is prohibited.

SECTION 3.3.2 - Affiliate Website Content

Affiliates are solely responsible and liable for the content, messaging, claims, and information included in their websites and must ensure that it appropriately represents and enhances the Novae brand and adheres to the terms of the Agreement. Additionally, such websites must not contain disingenuous popup ads or promotions or malicious code. Decisions and corrective actions in this area are at Novae's sole discretion. The content of any website that promotes the Novae opportunity or Novae's platform must be suitable for viewing by all persons and age groups. Such websites may not contain any material that:

- Is sexually explicit, obscene, or pornographic;
- 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);
- Is graphically violent, including any violent video game images;
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity;
- Is in violation of any intellectual property rights of the Company or any third party;
- or
- Use of words like (but not limited to): scam, scams, rip-off, con, cheat, fraud, swindle, pyramid, pyramid scheme, scare, fear, warning or hoax.

SECTION 3.3.3 - Independent Affiliate Disclosure

To avoid confusion, each page of an Affiliate's website must prominently disclose that the website is owned and operated by an Independent Novae Affiliate and not by the Company. To avoid confusion the following two elements must be prominently displayed at the top of every page of an independent Novae website developed by an Affiliate:

- The Novae Independent Business Owner logo
- The Affiliate's name and title (i.e., Alice Smith, Independent Novae Affiliate)

Anyone landing on any page of an Affiliate's website must clearly understand that they are at an Independent Affiliate site, and NOT a Novae Corporate webpage.

SECTION 3.3.4 - Social Media and Digital Media

In addition to meeting all other requirements specified in these Policies and Procedures, should an Affiliate utilize any form of social media, including but not limited to: Facebook, Instagram, Twitter, LinkedIn, YouTube, Pinterest, or the Affiliate agrees to each of the following:

- No product sales or enrollments may occur on any social media site. To generate sales, a social media site must link only to the Novae website;
- It is each Affiliate's responsibility to follow the social media site's terms of use. If the social media site does not allow its site to be used for commercial activity, the Affiliate must abide by the site's terms of use; and
- Any social media site that is directly or indirectly operated or controlled by an Affiliate that is used to discuss or promote Novae's products or the Novae opportunity may not link to any website, social media site, or site of any other nature, other than the Novae website.

Social media may be used by Affiliates to share information about the Novae business opportunity and Novae services, provided such information complies with the terms of the Agreement. Profiles an Affiliate generates in any social community where Novae is discussed or mentioned must clearly identify the Affiliate as an Independent Novae Affiliate and not as an employee, agent, or corporate representative of the Company. Affiliates may not upload, submit or publish any content to (including but not limited to) Facebook, YouTube, Twitter or Pinterest any video, audio, presentations or any computer files received from Novae or captured at official Novae events or in buildings owned or operated by Novae. No income claims or representations may be made when participating in a social networking site unless expressly approved in writing by the Company.

Affiliates may not use online classifieds (including Craigslist) to list, sell, or retail specific Novae products and services or the business opportunity. Novae's products and services may not be listed on Amazon, eBay or any other online auction sites. Nor may Affiliate's enlist or allow a third party to sell products on Amazon, eBay or any other online auction sites.

You must disclose your full name on all Social Media postings, and conspicuously identify yourself as an Independent Business Owner or Affiliate for Novae. Anonymous postings or use of an alias is prohibited.

3.3.4.1 - Affiliates Are Responsible for Postings. Affiliates are personally responsible for their postings and all other online activity that relates to Novae. Any breach of policy could result in breach of Affiliate 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 Novae or which can be traced to Novae, the Affiliate is responsible for the posting. Affiliates are also responsible for postings, which occur on any blog, or Social Media site that the Affiliate owns, operates, or controls.

3.3.4.2 - 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 Novae income opportunity. Online sales may only be generated from an Affiliates Novae replicated website. Likewise, Affiliates shall not use any Social Media site to explain the Novae compensation plan or any component of the compensation plan.

3.3.4.3 - 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 Novae income opportunity, Novae's products and services, and/or your biographical information and credentials.

3.3.4.4 - 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.

3.3.4.5 - Respecting Privacy. Always respect the privacy of others in your postings. Affiliates must not engage in gossip or advance rumors about any individual, company, or competitive products or services. Affiliates 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

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

3.3.4.6 - 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.

3.3.4.7 - Prohibited Postings. Affiliates may not make any postings, or link to any postings or other material that:

3.3.4.7.1 - Is sexually explicit, obscene, or pornographic;

3.3.4.7.2 - 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);

3.3.4.7.3 - Is graphically violent, including any violent video game images;

3.3.4.7.4 - Is solicitous of any unlawful behavior;

3.3.4.7.5 - Engages in personal attacks on any individual, group, or entity;

3.3.4.7.6 - Is in violation of any intellectual property rights of the Company or any third party.

3.3.4.7.7 - Responding to Negative Posts. Do not converse with one who places a negative post against you, other Affiliates or Novae. Report negative posts to the Company at compliance@novaemoney.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 Novae, and therefore damages the reputation and goodwill of Novae.

3.3.4.7.8 - 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. Novae therefore reserves the sole and exclusive right to classify certain social media sites as websites and require that Affiliates using, or who wish to use, such sites adhere to the Company's policies relating to independent websites.

SECTION 3.3.5 - Authorization to Use Name and Likeness

By executing the Agreement, each Affiliate grants to the Company and its Affiliates and agents the absolute, perpetual and worldwide right and license to use, to record, photograph, publish, reproduce, advertise, display, edit, and sell in any manner for all purposes, his or her name, photograph, likeness, voice testimony, biographical information, image and other information related to Affiliate's business with the Company (collectively the "Likeness") in marketing, promotional, advertising and training materials, whether in print, radio or television broadcasts (including cable and satellite transmissions) audio and videotapes on the Internet or in other media ("Publicity Materials") for an unlimited number of times, without compensation, in perpetuity. Each Affiliate waives any right to inspect or approve any Publicity Materials including or accompanying his or her Likeness. Each Affiliate further releases the Company from any liability or obligation that may arise as a result of the use of his or her Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). An Affiliate may withdraw his or her authorization of any use of his or her Likeness that has not already been publicized by providing written notice to the Company. Affiliates agree that any information given by Affiliate, including his or her testimonial is true and accurate.

SECTION 3.4 - Change of Sponsor

An Affiliate may only have one sponsor. Except as set forth in this Section, Novae prohibits changes of sponsorship to uphold the integrity of the Compensation Plan and downline unless the present sponsor submits to Novae in writing that they release the sponsorship to another Novae Affiliate.

SECTION 3.4.1 - Cancellation and Re-application

An Affiliate may only change his or her Sponsor by voluntarily terminating his or her Affiliate Agreement and remaining inactive (*i.e.*, no promotion or sponsor of sales of Novae products or services, no sponsoring, no attendance at any Novae functions, no participation in any other form of Affiliate activity, no operation of any other Novae business, and no income from the Novae business) for six full calendar months after termination. Following the six-month period of inactivity, the former Affiliate may reapply under a new Sponsor. In that event, the former Affiliate's Marketing Organization will remain in the original line of sponsorship and the former Affiliate will start back as a new Affiliate with no downline.

SECTION 3.4.2 - Purging

If an Affiliate is "Unqualified", meaning not active on autopay for 6 continuous months, the Affiliate's position will be purged and all Affiliates on the 1st level of that Affiliate will become the first level of the 1st upline Affiliate above them. Generational sponsorship will remain the same. The purged Affiliate can reenroll, if they wish, through another Novae website but the rules in other areas of Section 3.4 remain the same.

SECTION 3.5 - Waiver of Claims

In cases in which the appropriate sponsorship change procedures have not been followed, and a Marketing Organization has been developed in the second business developed by an Affiliate, Novae reserves the sole and exclusive right to determine the final disposition of the Marketing Organization. Resolving conflicts over the proper placement of a downline that has developed under a Marketing Organization that has improperly switched sponsors is often extremely difficult. Therefore, **Affiliates WAIVE ANY AND ALL CLAIMS AGAINST Novae, ITS OFFICERS, DIRECTORS, MANAGERS, MEMBERS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM NOVAE'S DECISION REGARDING THE TRANSFER OR DISPOSITION OF ANY DOWNLINE OR MARKETING ORGANIZATION.**

SECTION 3.6 - Unauthorized Claims and Actions

SECTION 3.6.1 - Indemnification

An Affiliate is fully responsible for all of his or her verbal and written statements made regarding Novae services and the Compensation Plan, which are not expressly contained, in official Novae 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. By accepting the Agreement, each Affiliate agrees to indemnify and hold harmless the Company, its owners, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, the Affiliate's (i) activities as an Affiliate; (ii) breach of the terms of the Agreement; and/or (iii) violation of or failure to comply with any applicable federal, state or local law or regulation. This provision shall survive the termination of the Affiliate Agreement.

SECTION 3.6.2 - Income Claims

An Affiliate, when presenting or discussing the Novae opportunity or Compensation Plan to a prospective Affiliate, may not make income projections, income claims, or disclose his or her Novae income (including the showing of checks, copies of checks, bank statements, online pay account information or tax records) unless previously approved in writing by the Company and, at the time the presentation is made, the Affiliate provides a current copy of the Novae Income Disclosure Statement (IDS) to the person(s) to whom he or she is making the presentation.

SECTION 3.6.3 - Opportunity Claims

When presenting or discussing the Novae opportunity or the Novae Compensation Plan, Affiliates must make it clear to prospects that financial success with Novae requires commitment, effort, and sales skill. Conversely, Affiliates must never represent that one can be successful without selling products and services and diligently applying themselves. Examples of misrepresentations in this area include:

- It's a turnkey system;
- "All In" Mentality - okay to encourage someone to go "All-In" for educational purposes and for help in building his or her business. However, behaviors that are not permitted: "Get All-In sit back and make money," "Go into debt," "forego paying your rent," "sell your car," "do it or you'll be removed from the team," "threats," "bashing," "name calling," or "alienation" in any manner;
- The system will do the work for you;
- Just get in and your downline will build through spillover;
- Just join and I'll build your downline for you;
- The Company does all the work for you;
- You don't have to sell anything; or
- All you have to do is buy your products or services every month.
- Get three and you'll never have to pay again
- You get started and I'll give you three people and you won't have to pay next month.

The above are just some examples of improper and prohibited statements about the Company and the Compensation Plan. It is important that Affiliates do not make these or any other representations that could lead a prospect to believe that he or she can be successful as a Novae Affiliate without commitment, effort, and sales skill.

SECTION 3.6.4 - Income Disclosure Statement

The Novae Income Disclosure Statement ("IDS") is designed to convey truthful, timely, and comprehensive information regarding the income that Novae Affiliates earn. In order to accomplish this objective, a copy of the IDS must be presented to a prospective Affiliate (someone who is not a party to a current Novae Affiliate 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: (a) statements of actual earnings, (b) statements of projected earnings, (c) statements of earnings ranges, (d) income testimonials, (e) lifestyle claims and (f) hypothetical claims.

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 Novae income exceeded my salary after six months in the business," or "Our Novae business has allowed my wife to come home and be a full-time mom" also fall within the purview of "lifestyle" claims.

In any non-public meeting (e.g., a home meeting, one-on-one, regardless of venue) with a prospective Affiliate or Affiliates in which the Compensation Plan is discussed or any

type of income claim is made, Affiliates 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 claims expressly approved in writing by the Company is made, Affiliates must provide every prospective Affiliate with a copy of the IDS. 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 Affiliate Back Office.

Affiliates who develop 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 distribution to prospective Affiliates.

SECTION 3.6.5 - Tradeshows, Exhibitions and other Sales Forums

Affiliates may display and/or sell Novae products or services at trade shows and professional expositions, provided the provisions of Section 3.2.2 are adhered to.

SECTION 3.6.6 - Product Claims

When presenting or discussing the Novae products or the Novae Opportunity, Affiliates must make it clear to prospects what is included in their packages and not exaggerate what the services can do. Examples of misrepresentations in this area include:

- We will increase your credit score in 90 days or less;
- The services provided by Novae will Erase bad credit, Delete Bad credit, or Guarantee results,

Anyone doesn't have the right to have accurate, current, and verifiable information removed from credit report. Does it happen, YES but you cannot guarantee ANY item will be removed from a consumer credit report. Doing so will put you in jeopardy of being suspended or even terminated.

SECTION 3.7 - Conflicts of Interest

SECTION 3.7.1 - Non-Solicitation

Novae Affiliates are free to participate in other Affiliate, multilevel or network marketing business ventures or marketing opportunities (collectively, "network marketing") there are conditions to adhere to when promoting those other ventures. However, such Affiliates agree that they shall not directly or indirectly recruit other Novae Affiliates or Customers for any other network marketing or affiliate marketing business, **other than those they personally enrolled into Novae** (not a pass-up). This provision shall be enforceable during the term of this Agreement and for twelve (12) months thereafter, regardless if cancellation was voluntary or involuntary.

The term "recruit" includes the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way an Affiliate or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. The term also includes general solicitation on your social networking site where your "friends" include persons not personally enrolled by you and who are Novae Affiliates. It also includes merely mentioning your participating in another Network Marketing business.

Novae Affiliates are not restricted from selling the services and products of other companies. However, direct or indirect promotion of those products and services to Novae Affiliates or customers is limited to those **personally sponsored** by the Affiliate.

If after a full investigation it is confirmed that an Affiliate has violated this provision, he or she will be suspended without compensation for 1 month. If after that, the behavior continues, Novae will terminate the position.

SECTION 3.7.2 - Cross-Sponsoring

"Cross sponsoring" is defined as the enrollment into a different line of sponsorship of an individual, or business entity, that already has a signed Agreement with Novae. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by Novae, sanctions up to and including termination of an Affiliate's distributorship may be imposed.

SECTION 3.7.3 - Affiliate Participation in Other Programs

While Novae Affiliates are free to participate in other Affiliate, multilevel or network marketing business ventures or marketing opportunities (collectively, "network marketing") there are conditions to adhere to when promoting those other ventures. If an Affiliate is engaged in other non-Novae programs, it is the responsibility of the Affiliate to ensure that his or her Novae business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- Affiliates may not use the Novae system, services, or back office to send communications regarding a non-Novae business or opportunity;
- Affiliates shall not display Novae promotional materials, sales aids, products or services with or in the same location as any non-Novae promotional materials, sales aids, products or services.
- Affiliates may not offer any non-Novae products, services or opportunity within fifteen (15) miles and within two (2) hours of any Novae event, meeting, seminar, convention, webinar, teleconference or other Novae sponsored function.
- Affiliates shall not offer the Novae opportunity, products or services to prospective or existing Customers or Affiliates in conjunction with any non-Novae program, opportunity, product or service.
- Affiliate may not offer any non-Novae opportunity, products, services or opportunity at any Novae-related meeting, seminar, convention, webinar, teleconference, or other function.

SECTION 3.7.4 - Confidential Information

"Confidential Information" includes, but is not limited to, (whether in oral, written or electronic form) Customer and Affiliate lists, contact information of Novae Customers and Affiliates, and Affiliates' personal and downline sales information, trade secrets, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which the Company deems as confidential. Confidential Information is, or may be available, to Affiliates in their respective back-offices. Affiliate access to such Confidential Information is password protected, is confidential, and constitutes proprietary information and business trade secrets belonging to Novae. Such Confidential Information is provided to Affiliates in strictest confidence and is made available to Affiliates for the sole purpose of assisting Affiliates in working with their respective Marketing Organizations in the development of their Novae business. Affiliates

must use their best efforts to keep such confidential information confidential. Affiliates may not use any Confidential Information for any purpose other than for developing their independent Novae businesses. When an Affiliate participates in other direct selling or multilevel marketing ventures, the Affiliate may not use the Confidential Information, including, but not limited to, Customer or Affiliate lists. Affiliates should use the Confidential Information to assist, motivate, and train their downline Affiliates and in connection with the sale of the Company's products and services, and for no other purpose. In so doing, an Affiliate may not disclose the Confidential Information to any third party, including, without limitation, his or her downline Affiliates. Each Affiliate and Novae agrees that, but for this agreement of confidentiality and nondisclosure, Novae would not provide Confidential Information to the Affiliate. Upon nonrenewal or termination of the Agreement, Affiliates must immediately discontinue all use of the Confidential Information and if requested by the Company promptly return all materials in their possession to the Company within five business days of request at their own expense.

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

- (i) Directly or indirectly disclose any Confidential Information to any third party;
- (ii) Directly or indirectly disclose the password or other access code to his or her back-office;
- (iii) Use any Confidential Information to compete with Novae or for any purpose other than promoting his or her Novae business; or
- (iv) Recruit or solicit any Affiliate or Customer of Novae listed on any report or in the Affiliate's back-office, or in any manner attempt to influence or induce any Affiliate or Customer of Novae, to alter their business relationship with Novae.

The obligation of an Affiliate to not disclose any Confidential Information shall survive expiration or termination of the Agreement.

SECTION 3.8 - Recruiting and Soliciting Other Direct Sellers

When recruiting or soliciting participants in other direct selling ventures to either purchase Novae services or to participate in the Novae opportunity, Affiliates must not encourage such persons to terminate or violate any term or condition of any agreements that they may have with other direct selling companies. Should an Affiliate engage in such activity, the Affiliate bears the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an Affiliate alleging that he or she engaged in inappropriate recruiting activity of its sales force or Customers, Novae will not pay any of the Affiliate's defense costs or legal fees, nor will Novae indemnify the Affiliate for any judgment, award, or settlement.

SECTION 3.9 - Errors or Questions

If an Affiliate has questions about or believes any errors have been made regarding commissions, bonuses, downline activity reports, genealogy lists, or charges, the Affiliate must notify Novae in writing within 60 days of the date of the purported error or incident in question. Novae will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

SECTION 3.10 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling, affiliate marketing, or network marketing companies or programs. Therefore, Affiliates shall not represent or imply that Novae or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

SECTION 3.11 - Income Taxes

Each Affiliate is responsible for paying all local, state, and federal taxes on any income generated as an Affiliate. If an Affiliate's Novae business is tax exempt, the Federal tax identification number must be provided to Novae. Every year, Novae 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, or as otherwise required by law.

Novae cannot provide Affiliates with any personal tax advice. Affiliates should consult with their own tax accountant, tax attorney, or other tax professional.

SECTION 3.12 - Independent Contractor Status

Affiliates are independent contractors. The Agreement between Novae and its Affiliates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Affiliate. Affiliates shall not be treated as an employee for his or her services or for Federal or state tax purposes. All Affiliates are responsible for paying local, state, and federal taxes due from all compensation earned as an Affiliate of the Company. Novae is not responsible for withholding, and shall not withhold or deduct from an Affiliate's bonuses and commissions, if any, FICA or taxes of any kind, unless withholding becomes legally required. Affiliates have no authority (expressed or implied), to bind the Company to any obligation. Affiliates are not authorized to and will not incur any debt, expense, obligation, or open any checking account or credit card on behalf of, for, or in the name of Novae. Each Affiliate shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Affiliate Agreement, these Policies and Procedures, and applicable laws. Each Affiliate shall be solely responsible for paying all expenses incurred, including but not limited to travel, food, lodging, secretarial, office, long distance telephone, and other expenses.

SECTION 3.13 - International Marketing

Affiliates are authorized to sell Novae products and services and to enroll Affiliates only in the countries in which Novae is authorized to conduct business, as announced in official Company literature. In addition, no Affiliate may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential Customers or Affiliates; or (c) conduct any other activity for the purpose of sponsoring the sale of Novae products or services, establishing a Marketing Organization, or promoting the Novae opportunity.

SECTION 3.14 - Enrollment and Bonus Buying Restrictions

Each Affiliate must directly join the Company and purchase products and services on his or her own volition. As a result, the following activities are strictly prohibited for any reason including "bonus buying." Affiliates are prohibited from: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Independent Affiliate Agreement by such individuals or entities including, without limitation, through co-ops; (b) the fraudulent enrollment of an individual or entity as an Affiliate or Customer; (c)

the enrollment or attempted enrollment of nonexistent individuals or entities as Affiliate or Customers ("phantoms"); (d) the use of a credit card by or on behalf of an Affiliate or Customer when the Affiliate or Customer is not the account holder of such credit card; (3) the purchasing of products, services or other items on behalf of another Affiliate or Customer or under another Affiliate's or Customer's I.D. number for any purpose including, without limitation, to qualify for commissions or bonuses. Affiliates agree that they shall not purchase Novae products or services for the sole purpose of qualifying for compensation under the Compensation Plan. Nor shall any Affiliate influence or attempt to influence any other Affiliate to do the same. Bonus buying also 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.

SECTION 3.15 - Adherence to Laws and Ordinances

Affiliates 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. Affiliates must obey those laws that do apply to them. If a city or county official tells an Affiliate that an ordinance applies to him or her, the Affiliate shall be polite and cooperative and consult the appropriate legal advisor as to its applicability and compliance.

SECTION 3.16 - One Novae Business Per Affiliate and Per Household

An Affiliate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Novae business. No individual may have, operate or receive compensation from more than one Novae business. Individuals of the same Household may not enter into or have an interest in more than one Novae Business. A "Household" is defined as all individuals who are living at or doing business at the same address, and who are related by blood, marriage, domestic partnership, or adoption, or who are living together as a family unit or in a family-like setting.

In order to maintain the integrity of the Novae Compensation Plan husbands and wives, domestic partnerships, or common-law couples (collectively referred to herein as "spouses") who wish to become Novae Affiliates are permitted to have individual Novae businesses but CAN NOT be attached to the other Affiliate's account in ANY form or fashion.

An exception to the one business per Affiliate/Household rule will be considered on a case-by-case basis if the Affiliate receiving an interest in another business is through inheritance. Requests for exceptions to policy must be submitted in writing to the Legal Department (compliance@novaemoney.com).

SECTION 3.17 - Actions of Household Members or Affiliates Parties

If any member of an Affiliate's immediate Household engages in any activity, which, if performed by the Affiliate, would violate any provision of the Agreement, such activity will be deemed a violation by the Affiliate, and Novae may take disciplinary action pursuant to these Policies and Procedures against the Affiliate. Similarly, if any individual associated in any way with a corporation, partnership, limited liability company, trust or other legal entity (a "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Novae may take disciplinary action against the Business Entity. Likewise, if an Affiliate enrolls in Novae as a Business Entity, each Affiliate

Party (as defined in Section 3.17.1) of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

SECTION 3.17.1 Business Entities

A Business Entity may apply to be a Novae Affiliate by submitting an Affiliate Application and Agreement along with a properly completed Business Entity Registration form and a properly completed IRS Form W-9 (Request for Taxpayer Identification Number). If an Affiliate enrolls online, the Business Entity Registration Form must be submitted to Novae within 30 days of the online enrollment. (If not received within the 30-day period, the Affiliate Agreement will be in jeopardy of termination.) A Novae business may change its status under the same Sponsor from an individual to a Business Entity. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Affiliate Agreement. The Business Entity Registration form must be signed by all of the owners, shareholders, members, partners or trustees. The Business Entity and its owners, shareholders, members, managers, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively "Affiliate Parties") are individually, jointly and severally liable for any indebtedness to Novae, compliance with the Novae Policies and Procedures, compliance with the Novae Affiliate Agreement, and all other obligations to Novae. Novae will recognize only one individual in regard to any benefits received based on account performance. Be sure to indicate who shall receive said benefits (should any occur) when completing the Business Entity Registration Form. If no one is listed, Novae will deem it to be the first person listed on the form.

SECTION 3.18 - Sale, Transfer or Assignment of an Independent Novae Business

Although a Novae business is an independently operated business, the sale, transfer or assignment of a Novae business is subject to certain limitations. If an Affiliate wishes to sell his or her Novae business, the selling Affiliate must offer Novae the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. Novae shall have 15 days from the date of receipt of the written offer from the Affiliate to exercise its right of first refusal. If Novae elects not to purchase the business, the following criteria must be met:

- The selling Affiliate must submit a \$250 transfer fee to the Company to reimburse it for its expenses associated with the transaction.
- Novae must approve the buyer or transferee prior to finalization of the purchase.
- The buyer or transferee must become a qualified Novae Affiliate. If the buyer is an active Novae Affiliate, he or she must first terminate his or her Novae business and wait six calendar months before acquiring any interest in a different Novae business.
- Before the sale, transfer or assignment can be finalized and approved by Novae, any debt obligations the selling Affiliate has with Novae must be satisfied.
- The selling Affiliate 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 Novae business.

Prior to selling an independent Novae business or interest in an Affiliate who is a Business Entity, the selling Affiliate must notify Novae's Compliance Department in writing and advise of his or her intent to sell his or her Novae business or Business Entity interest. The selling Affiliate must receive written approval from Novae before proceeding with the sale. No changes in line of sponsorship can result from the sale or transfer of a Novae business.

The selling Affiliate agrees that he or she will not disparage, demean or otherwise criticize Novae, either written or verbal, after the sale or transfer of his or her Novae business. Affiliates agree that it would be impossible, impractical, or extremely difficult to fix the actual damages suffered by reason of such a violation. Therefore, if such a breach does occur, Affiliates hereby agree that Novae may recover damages incurred, without prejudice to Novae's right to also seek injunctive or other equitable relief.

SECTION 3.18.1 Financing Prohibited

Novae LLC does not permit the use of any financing options or terms by an Affiliate to his or her team or prospects. This includes, but is not limited to: Affiliate membership and product or service purchases. All purchases are to be made through the Novae site and by no other means. Violation of this policy may include suspension or termination of the Affiliate's account.

SECTION 3.18.2 - General

Each Affiliate must immediately notify Novae of all changes to the information contained on his or her Affiliate Agreement or Business Entity Registration Form. Affiliates may modify their existing Affiliate Agreement (i.e., change Social Security number to Federal I.D. number, or change the form of ownership from an individual proprietorship to a Business Entity owned by the Affiliate) by submitting a written request, a properly executed Affiliate Agreement, updated W9 form, and appropriate supporting documentation. Changes shall be processed only once per year. All changes must be submitted by November 30 to become effective on January 1 of the following year.

SECTION 3.18.3 – Willable, Inheritable, and Transferable

It is Novae's belief that each person should work hard not only to provide a good life for his or her families, but also to leave a legacy. Novae is one of only a few companies in the Network Marketing industry that allows an Affiliate's income to be willable, inheritable, and transferable to beneficiaries designated in legal documentation due to the untimely passing of the Affiliate having controlling interest in their Novae business. If the Affiliate falls ill or unable to continue the growth of their Novae business, Novae allows the designated beneficiaries to take over interest in this asset to continue growing the asset or receiving the residual and bonus income being generated by the business. Novae Affiliates should seek legal counsel to add their Novae business to their will and/or trust first, then contact Novae for the WIT form to list the associated beneficiaries. All questions or concerns should be submitted to compliance@novaemoney.com.

SECTION 3.19 - Separation of a Novae Business

Novae Affiliates sometimes operate their Novae businesses as a Business Entity. At such time as a marriage may end in divorce or a 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 Business Entity dissolution process, the parties must adopt one of the following methods of operation:

One of the parties may, with consent of the other(s), operate the Novae business pursuant to an assignment in writing whereby the relinquishing spouse or owner in

the Business Entity authorizes Novae to deal directly and solely with the other spouse or owner(s).

The parties may continue to operate the Novae business jointly on a "business-as-usual" basis, whereupon all compensation paid by Novae 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 Marketing Organization of divorcing spouses or a dissolving Business Entity be divided. Novae will recognize only one Marketing Organization. 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 Affiliate Agreement shall be involuntarily canceled.

If a former spouse or owner in the Business Entity has completely relinquished all rights in the original Novae business pursuant to a divorce or Business Entity dissolution, he or she is thereafter free to enroll under any Sponsor of his or her choosing without waiting six calendar months. In such event, the former spouse shall have no rights to any Affiliates in his or her former Marketing Organization or to any former Customer. He or she must develop the new business in the same manner, as would any other new Affiliate.

SECTION 3.20 - Sponsoring Online

When sponsoring a new Affiliate 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 Affiliate Agreement. The Sponsor may not fill out or submit the Affiliate Agreement on behalf of the applicant.

SECTION 3.21 - Death or Incapacity of an Affiliate

The Affiliate Agreement is a contract for personal services. Upon the death or incapacitation (as determined in the Company's sole discretion) of an Affiliate, the Affiliate Agreement shall require the following actions.

To effect a testamentary transfer of an Novae business, the executor of the estate must provide the following to Novae: (a) an original death certificate; (b) certified letters testamentary or a letter of administration appointing an executor; and (c) written instructions from the authorized executor to Novae specifying to whom the business and income should be transferred.

To effect a transfer of a Novae business because of incapacity, the successor must provide the following to Novae: (a) a notarized copy of an appointment as trustee; (b) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Novae business; and (c) a completed Affiliate Agreement executed by the trustee.

SECTION 3.22 - 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 Novae does not consider Affiliates to be "telemarketers" in the traditional sense

of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that an Affiliate's action of calling someone whose telephone number is listed on the federal "do not call" registry could cause the Affiliate to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, Affiliates must not engage in telemarketing in the operation of their Novae businesses. The term "telemarketing" includes but is not limited to the placing of one or more telephone calls to an individual or entity to induce the purchase of a Novae service, or to recruit them for the Novae opportunity. "Cold calls" made to prospective Customers or Affiliates that promote either Novae's products or services or the Novae opportunity could constitute telemarketing and are prohibited.

Under certain circumstances, if the Affiliate has an established business relationship with the prospect, a call may be permitted. It is the responsibility of the Affiliate to understand and comply with these laws and determine when calls are permitted.

Affiliates shall not use automatic telephone dialing systems or software relative to the operation of their Novae businesses. Affiliates shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message or "robocall" regarding or relating to the Novae products, services or opportunity.

SECTION 3.23 - Back Office Access

Novae makes an online back office available to its Affiliates. This back office is Confidential Information that may be used solely and exclusively to promote the development of an Affiliate's Novae business and to increase sales of Novae products and services. However, access to a back office is a privilege, and not a right. Novae reserves the right to deny Affiliates' access to the back offices at its sole discretion. The information contained in the back office must never be publicly disclosed due to the sensitive nature of the confidential information. This includes screenshots or any derivatives of the information.

If an Affiliate gives his or her login information to another Affiliate or via a sign-up process, it may not be shared or sold for any reason by the Affiliate obtaining the information. If an Affiliate is found to be in breach of this policy, the Affiliate's account will be immediately suspended and the Affiliate may be terminated.

SECTION 3.24 - Change of Contact Information

To ensure timely delivery of products, services, support materials, commissions and tax documents, it is important that Novae's files are current. Street addresses are required for shipping. Affiliates planning to change any of their contact information or move must update their contact information via the back office function of the Novae website. To guarantee proper delivery, two weeks advance notice must be provided to Novae on all changes.

SECTION 3.25 - Continuing Development Obligations

SECTION 3.25.1 - Ongoing Training

Any Affiliate who sponsors another Affiliate into Novae must perform a bona fide assistance and training function to ensure that his or her Marketing Organization is properly operating his or her Novae business. Affiliates must have ongoing contact and communication with the Affiliates in their Marketing 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 Affiliates to Novae meetings, training sessions, and other functions. Upline Affiliates are also responsible to motivate and train new Affiliates in Novae product and service knowledge, effective sales techniques, the Novae Compensation Plan, and compliance with Company's Policies and Procedures. Communication with and the training of downline Affiliates must not, however, violate Sections 3.1 and/or 3.2 (regarding the development of Affiliate-produced sales aids and promotional materials).

Affiliates should monitor the Affiliates in their Marketing Organizations to guard against downline Affiliates making improper product, earnings or business claims or engaging in any illegal or inappropriate conduct.

SECTION 3.25.2 - Increased Training Responsibilities

As Affiliates progress through the various levels of leadership, they will become more experienced in sales techniques, product and service knowledge and understanding of the Novae program. They may be called upon to share this knowledge with lesser-experienced Affiliates within their Marketing Organization.

SECTION 3.25.3 - Ongoing Sales Responsibilities

Regardless of their level of achievement, Affiliates have an ongoing obligation to continue to personally promote sales through the generation of new Customers and through servicing their existing Customers.

SECTION 3.26 - Non-disparagement

Novae values constructive criticisms and comments from Affiliates. All such comments should be submitted in writing to the Legal Department (compliance@novaemoney.com). While Novae welcomes constructive input, negative comments and remarks made in the field by Affiliates about the Company, its products, or Compensation Plan serve no purpose other than to sour the enthusiasm of other Novae Affiliates. For this reason, and to set the proper example for their Marketing Organizations, Affiliates must not disparage, demean, or make negative remarks about Novae, other Novae Affiliates, Novae's products or services, the Compensation Plan or Novae's directors, officers, or employees. If any Novae Affiliate is found in violation of this policy, immediate disciplinary action may be taken by Novae at their sole discretion.

SECTION 3.27 - Product Sales and Commissions

The Novae Compensation Plan is based on the sale of the Novae products and services to end consumers. Affiliates must fulfill personal sales requirements as specified in the Novae Compensation Plan (as well as meet other responsibilities set forth in the Agreement) to be eligible to earn commissions from the sale of the Novae products and services. All commissions are paid directly to eligible Affiliates through Novae's internal system, called a Personal Account. Affiliates can withdraw these amounts to payment processing accounts via direct deposit or through the form of paper checks.

SECTION 3.27.1 - Checks Lost in Mail or Misplaced

If a check is lost in the mail or misplaced by an Affiliate, Novae will reissue a check to the Affiliate in the full amount of the initial check 30 days after the initial issue date of that check. If the Affiliate would like the check to be reissued prior to the 30 day timeline, there

will be a \$35 check cancellation fee to be debited from the check in question and it will be re-issued and mailed or through Novae's Commissions payment processing account.

SECTION 3.28 - Refunds

Except as otherwise set forth in the Agreement, due to the nature of Novae's online business, products are available, at times, at the time of purchase. As such, Novae has a strict 10-day return policy in effect, which begins from the date of purchase.

Affiliates receive commissions based on the actual sales of the products and services to end consumers. When the Company issues a refund to a Customer, the Affiliate who received a commission based on the sale of the refunded product or service agrees that he or she shall reimburse Novae the amount of the refund. The amount of such refund may be offset against future commissions to the Affiliate in the Company's sole discretion. When refunds are made to customers, this also offsets volume initially credited to the upline organizations of Affiliates. It is to be understood that even though an Affiliate may qualify by the end of a commission period, if the Affiliate is unqualified (in the prior commission period) because of a chargeback or refund, before the payment date, the Affiliate will not receive commissions associated with the previously qualified position, if qualifications were short of the volume requirement. It is highly recommended that each Affiliate work very hard to exceed qualifications at different levels to ensure their commissions are not affected by refunds or chargebacks.

Where any state may require a different buy back policy than the Company's, that state's buyback policy will apply. The following only applies to Affiliates who are residents of the states listed below:

Georgia: The Company will repurchase all unencumbered products, sales aids, literature, and promotional items which are in a reasonably resalable or reusable condition and which were acquired by the Affiliate from the Company. The repurchase shall be at a price not less than 90% of the original net cost to the Affiliate of the goods being returned. For purposes of this paragraph, "original net cost" means the amount actually paid by the Affiliate for the goods, less any consideration received by the Affiliate for purchase of the goods that is attributable to the specific goods being returned. Goods shall be deemed "resalable or reusable" if the goods are in an unused, commercially resalable condition at the time the goods are returned to the Company. Goods which are no longer marketed by the Company shall be deemed "resalable or reusable" if the goods are in an unused, commercially resalable condition and are returned to the Company within one year from the date the Company discontinued marketing the goods; provided, however, that goods which are no longer marketed shall be deemed not "resalable or reusable" if the goods are sold to an Affiliate as non-returnable, discontinued, or seasonal items and the non-returnable, discontinued, or seasonal nature of the goods was clearly disclosed to the Affiliate seeking to return the goods prior to the purchase of the goods by the Affiliate.

Maryland: The Company will repurchase products that are in resalable condition at the price actually paid by the Affiliate for the products being returned within three months of purchase.

Massachusetts and Wyoming: The Company will (a) repurchase all unencumbered products in a resalable condition then in the possession of the Affiliate at a price of not

less than 90% of the original net cost to the Affiliate returning such goods taking into account any sales made by or through such Affiliate prior to notification to the Company of the election to cancel, (b) repay 90% of the original net cost of any services provided to the Affiliate, and (c) refund 90% of any other consideration the Affiliate paid to the Company in order to participate in the marketing program.

Puerto Rico: The Company will (a) repurchase all unencumbered products in a resalable condition then in the possession of the Affiliate at a price of not less than 90% of the original net cost to the Affiliate returning such goods, (b) repay 90% of the original net cost of any services provided to the Affiliate, and (c) refund 90% of any other consideration the Affiliate paid to the Company in order to participate in the marketing program.

Louisiana: The Company will repurchase all or part of any product that is in a resalable condition (a) at 90% of the original net cost to the Affiliate, and (b) repay 90% of the original net cost of any services provided to the Affiliate, and (c) refund 90% of any other consideration the Affiliate paid to the Company in order to participate in the marketing program.

Montana: Affiliates who are residents of Montana who cancel their participation in the Company within 15 days are entitled to a 100% refund of any consideration given to participate in the Company. Upon the request of a Montana Affiliate who decides to terminate participation in the Company, the Company will repurchase, at not less than 90% of the amount paid by the Affiliate, any currently marketable goods or services sold to the resident within 12 months of the request that have not been resold or consumed by the resident. If disclosed to the Montana Affiliate at the time of purchase, goods or services are not considered currently marketable if the goods have been consumed or the services rendered or if the goods or services are seasonal, discontinued, or special promotional items. Sales plan or operation promotional materials, sales aids, and sales kits are subject to this refund provision if they are a required purchase for the Montana Affiliate or if the Affiliate has received or may receive a financial benefit from their purchase.

SECTION 3.29 - Reports

All information provided by Novae in downline activity or downline genealogy reports, including but not limited to, downline sales information 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 Novae or any persons creating or transmitting the information to be accurate.

ALL PERSONAL AND DOWNLINE SALES 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 NONINFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, Novae AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO

ANY Affiliate 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 DOWNLINE SALES INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF Novae 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, Novae 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 Novae's online reporting services and an Affiliate's reliance upon such information is at his or her own risk. All such information is provided to Affiliates "as is". If an Affiliate is dissatisfied with the accuracy or quality of the information, his or her sole and exclusive remedy is to discontinue use of and access to Novae's online reporting services and his or her reliance upon the information.

SECTION 3.30 - Product Claims/Representations

Affiliates must be truthful in the representation of the Company's products and services. Affiliates may make no claim, representation or warranty concerning any product or service of the Company, except those expressly approved in writing by the Company or contained in Company materials.

SECTION 3.31 - Product/Service Warranty Disclaimer

EXCEPT AS EXPRESSLY MADE BY THE COMPANY IN WRITING, THE COMPANY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANSHIP, NON-INFRINGEMENT OR ANY OTHER WARRANTY ARISING BY LAW, STATUTE, USAGE OF TRADE OR COURSE OF DEALING CONCERNING ANY PRODUCT OR SERVICE PURCHASED FROM OR THROUGH THE COMPANY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL PRODUCTS AND SERVICES OF THE COMPANY ARE PROVIDED "AS IS," "WITH ALL FAULTS," AND "AS AVAILABLE." THE COMPANY DOES NOT WARRANT THAT ITS PRODUCTS OR SERVICES WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE SYSTEMS OR THAT ON-LINE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. THE COMPANY DOES NOT WARRANT THAT ANY WEBSITE OPERATED, SPONSORED OR HOSTED BY THE COMPANY OR ANY OF ITS AFFILIATES WILL BE UNINTERRUPTED OR FREE FROM ERROR. THE COMPANY IS NOT RESPONSIBLE FOR INTERRUPTED, INACCESSIBLE OR UNAVAILABLE NETWORKS, SERVER, SATELLITES AND/OR SERVICE PROVIDERS; OR FOR MISCOMMUNICATIONS, FAILED, JUMBLED, SCRAMBLED, DELAYED OR MISDIRECTED COMPUTER, TELEPHONE OR CABLE TRANSMISSIONS; OR FOR ANY TECHNICAL MALFUNCTIONS, FAILURES OR DIFFICULTIES.

SECTION 3.32 - Monthly Billing

The subscriptions and admin fees are automatically paid each month with a credit or debit card maintained on file with Novae. Affiliates may make adjustments to their monthly subscription in the back office of the Novae website.

A non-refundable reactivation fee of \$25 is required to reinstate an Affiliate account after the account has gone into "lockdown" status. Lockdown occurs if Novae is unable to process a payment for the Affiliate fee by its due date and for 14-days thereafter (grace period). If Novae is unable to process a payment for an Affiliate fee within the grace period, the account will go into lockdown for non-payment and the Affiliate will not be able to access his or her account. If an account has been placed in lockdown for non-payment, it will only be reactivated upon payment of the reactivation fee of \$25 to re-establish the monthly subscription program. As always, Affiliates may cancel at any time. Reactivation fees are subject to change at the discretion of Novae.

SECTION 3.33 - Privacy

Affiliates must comply with all applicable privacy and data security laws, including security breach notification laws. Affiliates must take appropriate steps to safeguard and protect all private information, including, without limitation, credit card and social security numbers, provided by a customer, prospective customer or other Affiliates. Affiliates must hold such information in strict confidence. Affiliates are responsible for the secure handling and storage of all documents that may contain such private information. Affiliates must adopt, implement, and maintain appropriate administrative, technical, and physical safeguards to protect against anticipated threats or hazards to the security of confidential information and customer data. Appropriate safeguards may include, but are not limited to: (a) encrypting data before electronically transmitting it; (b) storing records in a secure location; (c) password-protecting computer files, or (d) shredding paper files containing confidential information or customer data. Affiliates should retain documents containing such information for only as long as necessary to complete the transaction. Affiliates should dispose of any paper or electronic record containing customer data and other confidential information after use by taking all reasonable steps to destroy the information by: (i) shredding; (ii) permanently erasing and deleting; or (iii) otherwise modifying the customer data and other confidential information in those records to make it unreadable, unreconstructible, and indecipherable through any means.

DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

SECTION 4.1 - Disciplinary Sanctions

Violation of any term of the Agreement or the violation of any common law duty, including but not limited to any applicable duty of loyalty, or any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Affiliate 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 Affiliate's Novae business), may result, at Novae's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Affiliate to take immediate corrective measures;
- Suspension of the individual's Affiliate Agreement for one or more pay periods;
- Termination of the offender's Affiliate Agreement;
- Suspension and/or termination of the offending Affiliate's ability to access the Novae website and back office; and
- Any other measure expressly allowed within any provision of the Agreement or which Novae deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Affiliate's policy violation or contractual breach.

In all situations when a suspension is issued and commissions withheld, commissions will be withheld until such time that the suspended account is reinstated or the Affiliate Agreement is terminated. The reason for this is to keep everyone honest in his or her dealings and allegations of wrongdoing. In situations deemed appropriate by Novae, the Company may institute legal proceedings for monetary and/or equitable relief.

SECTION 4.2 - Grievances and Complaints

When an Affiliate has a grievance or complaint with another Affiliate regarding any practice or conduct in relationship to their respective Novae businesses, the complaining Affiliate 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 Legal Department at the Company by emailing compliance@novaemoney.com. The Compliance Department will review the facts and attempt to resolve it.

SECTION 4.3 - Mediation

Prior to instituting an arbitration as provided in Section 4.4 below, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediation shall occur within 30 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 Conyers, Georgia and shall last no more than one business day.

SECTION 4.4 - Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration except as otherwise set forth herein. The parties waive all rights to trial by jury or to any court.

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

Except as expressly set forth herein, all disputes, claims and controversies relating to or arising out of the Agreement shall be settled totally and finally by arbitration in Conyers, Georgia and administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules (the "Rules") except as amended by these Policies and Procedures.

There shall be one arbitrator who shall be an attorney who shall have expertise in business law transactions, and preferably an attorney knowledgeable in the direct selling industry. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. If an Affiliate files a claim or counterclaim against the Company, an Affiliate shall do so on an individual basis and not with any other Affiliate or as part of a class action. A party may appear at the arbitration by telephone, videoconference, or similar technology if the total amount of the claim does not exceed

\$2,500. The presentations of parties in the arbitration proceeding shall be commenced and completed within sixty (60) days after the selection of the arbitrator, and the arbitrator shall render his or her decision in writing within thirty (30) days after the completion of such presentations. The decision of the arbitrator shall be final and binding on the parties and may, if need be, be reduced to a judgment in any court of competent jurisdiction. At the request of any party, the arbitrator shall make and provide to the parties written findings of fact and conclusions of law. This agreement to arbitrate shall survive any termination or expiration of the Agreement.

Notwithstanding the Rules, the following shall apply to all arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- The parties shall be allotted equal time to present their respective cases, including cross-examinations.

The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose, unless otherwise required by law, to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award; or
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use or registration of any copyright, or other intellectual property or Confidential Information of the Company without the Company's prior written consent. The Company may seek any applicable remedy in any applicable forum with respect to these disputes. In addition to monetary damages, the Company may obtain injunctive relief against an Affiliate for any violation of the Agreement or misuse of the Company's trademarks, copyrights or Confidential Information.

Nothing in this provision shall prevent a party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other injunctive or emergency relief available to safeguard and protect the party's interests prior to the filing of or during or following any arbitration or other proceeding or pending the handing down of a decision or award in connection with any arbitration or other proceeding.

Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of the Affiliate Agreement, Compensation Plan or Terms and Conditions. The arbitrator shall not have the power to rule upon or grant any extension, renewal or continuance of and of these agreements. The arbitrator shall not have the power to award special,

incidental, indirect, punitive or exemplary, or consequential damages of any kind or nature, however caused.

Any modification of this arbitration provision shall not apply retroactively to any dispute which arose or which the Company had notice of before the date of modification.

SECTION 4.5 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Conyers, Georgia. Except as set forth in this Agreement, the Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Georgia shall govern all other matters relating to or arising from the Agreement.

SECTION 4.5.1 - Louisiana Residents

Notwithstanding the foregoing, and the mediation and arbitration provisions in Sections 4.3 and 4.4, residents of the State of Louisiana shall be entitled to bring an action against Novae in their home forum and pursuant to Louisiana law.

SECTION 5 - EXPIRATION OR CANCELLATION OF THE AGREEMENT AND RECLASSIFICATION

SECTION 5.1 - Effect of Cancellation

So long as an Affiliate remains active and complies with the terms of the Agreement, Novae shall pay commissions to such Affiliate in accordance with the Compensation Plan. An Affiliate's commissions constitute the entire consideration for the Affiliate's efforts in generating sales of Novae products and services and all activities related to generating such sales (including building a Marketing Organization). Following an Affiliate's non-renewal of his or her Affiliate Agreement, cancellation for inactivity, or voluntary or involuntary termination of his or her Affiliate Agreement (all of these methods are collectively referred to as "cancellation"), the former Affiliate shall have no right, title, claim or interest to the Marketing Organization which he or she operated, or any commission from the sales generated by any Affiliate in his or her Marketing Organization. **An Affiliate whose business is cancelled/terminated will lose all rights as an Affiliate. This includes the right to sponsor the sale of the Novae products and services and the right to receive future commissions, bonuses or other income resulting from the sales by other Affiliates in the Affiliate's former Marketing Organization. In the event of cancellation, Affiliates waive all rights they may have, including but not limited to property rights, to their former Marketing Organization and to any bonuses, commissions or other remuneration derived from the sales of Novae services sponsored by any of the Affiliates in his or her former Marketing Organization.**

Immediately upon expiration, nonrenewal or termination of the Agreement, the affected Affiliate:

- Must remove and permanently discontinue the use of the intellectual property, copyrighted materials and any signs, labels, stationery or advertising referring to or relating to any Company products, services or program;
- Must cease representing himself or herself as an Affiliate of the Company;
- Loses all rights to his or her position in the genealogy and Compensation Plan and to all future commissions and earnings resulting therefrom; and

- Must take all action reasonably required by the Company relating to the protection of its Confidential Information and intellectual property.

The Company has the right to offset any amounts owed by an Affiliate to the Company including, without limitation, any indemnity obligation incurred, from commissions or other compensation due to the Affiliate.

An Affiliate whose Affiliate Agreement 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).

SECTION 5.2 - Termination

SECTION 5.2.1 - Involuntary Termination

An Affiliate's violation of any of the terms of the Agreement, including any amendments that may be made by Novae in its sole discretion, may result in any of the actions listed in Section 4.1, including the involuntary termination of his or her Affiliate Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to the Affiliate's last known address, email address, or fax number, or to his or her attorney, or when the Affiliate receives actual notice of termination, whichever occurs first. Where state laws on termination are inconsistent with this termination policy, the applicable state law shall apply.

Novae reserves the right to terminate all Affiliate Agreements upon thirty (30) days written notice in the event that it elects to: (a) cease business operations; (b) dissolve as a legal entity or (c) terminates the sale of its products and services via direct selling.

SECTION 5.2.2 - Voluntary Cancellation

An Affiliate has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company through the Company's ticket support system through the back office or emailed to support@novaemoney.com. The written notice must include the Affiliate's full name on the account and Affiliate username.

If such a former Affiliate has an active subscription to any of the Company's subscription-based products or services, such subscription(s) shall remain in force and the former Affiliate shall be reclassified as a Customer, unless the Affiliate also specifically requests that his or her subscription(s) also be canceled.

SECTION 5.2.3 - Non-renewal

An Affiliate may also voluntarily cancel his or her Affiliate Agreement by failing to renew the Agreement on its anniversary date. The Company may also elect not to renew an Affiliate Agreement upon its anniversary date.

SECTION 6 - MISCELLANEOUS PROVISIONS

SECTION 6.1 - Changes to the Agreement

Novae reserves the right to amend these Policies and Procedures in its sole and absolute discretion. By entering into the Affiliate Agreement, an Affiliate agrees to abide by all amendments or modifications that Novae elects to make. Amendments shall be effective 30 days after publication of notice that the Agreement has been modified. Amendments shall not apply retroactively to conduct that occurred prior to the effective

date of the amendment. Notification of amendments shall be published by one or more of the following methods: (a) posting on the Company's official web site; (b) electronic mail (e-mail); (c) posting in Affiliates' back-offices; (d) inclusion in Company periodicals; or (e) special mailings. In the event of substantive changes, you will be required to affirmatively assent to the changes. For other changes, the continuation of an Affiliate's Novae business, the acceptance of any benefits under the Agreement, or an Affiliate's acceptance of commissions from the sale of Novae products or services constitutes acceptance of the amendments.

SECTION 6.2 - Delays

Novae shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, acts of terrorism, natural disasters, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, acts or omissions of third parties, disruption in communications systems or government decrees or orders.

SECTION 6.3 - Severability

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.

SECTION 6.4 - 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 Novae to exercise any right or power under the Agreement or to insist upon strict compliance by an Affiliate 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 Novae's right to demand exact compliance with the Agreement. The existence of any claim or cause of action of an Affiliate against Novae shall not constitute a defense to Novae's enforcement of any term or provision of the Agreement.

SECTION 6.5 - Notice

Any communication, notice or demand of any kind whatsoever, which either the Affiliate or the Company may be required or may desire to give or to serve upon the other shall be in writing and delivered either (a) by electronic communication (whether by email or telecopy (if confirmed in writing sent by registered or certified mail, postage pre-paid, return receipt requested or by personal service), (b) personally or by same day local courier services or overnight express delivery services; or (c) by registered or certified mail, postage pre-paid, return receipt requested, or by personal service or overnight courier service. Notices delivered personally, by overnight express delivery service or by local courier service shall be deemed given as of actual receipt. Mailed notices shall be deemed given three Business Days after mailing. "Business Day" means any Monday through Friday other than any such day which, in the State of Georgia, is a legal holiday or a day on which banking institutions are authorized or required by law or regulation to close. Any such communication, notice or demand shall be deemed to have been given or served on the date personally received by personal service or overnight courier service, on the date of confirmed dispatch if by electronic communication, or on the date shown

on the return receipt or the other evidence if delivery is by mail. Any party may change its address for notice by giving written notice to the other in the manner provided in this Section.

SECTION 6.6 - Survival

Any provision of the Agreement, which, by its terms, is intended to survive termination or expiration of the Affiliate Agreement shall so survive, including, without limitation, the arbitration, non-competition, non-solicitation, trade secrets and confidential information covenants contained in the Agreement.

SECTION 6.7 - Offset

The Company shall have the right to offset any amounts owed by Affiliate to the Company (including, without limitation, fees charged in connection with the payment of commissions and amounts owed as a result of product refunds) against the amount of any commissions or bonuses owed to Affiliate.

SECTION 6.8 - Fees

From time to time, the Company or its third-party administrator may charge fees for various services it provides, including fees for processing and issuing commission and bonus payments. Please check the Company's website and other Company materials for specific information concerning such fees. These fees may be deducted from commission payments.

SECTION 6.9 - Retail Sales Rule

In order to qualify for commissions, an Affiliate must make retail sales in the calendar period in which commissions are earned.

SECTION 6.10 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."

Chargebacks made by Affiliates:

When Novae receives a chargeback notice, the account in which the service was purchased is immediately canceled, and all related services in the Affiliate account are terminated. Novae 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 one 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 to Novae Support at 678.528.9513 to allow us to restore account access as quickly as possible. You may contact our Support Team via email at accounting@novaemoney.com and we will be happy to help you resolve the issue.

The second and final way to restore a cancelled account due to a chargeback, is to pay the \$50 chargeback fee, repay charged back amount, and fill out a credit card authorization form for that payment and future payments to be made to Novae.

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

Chargebacks made by customers:

Novae is a company that prides itself on inspiring individuals to want more out of life, educating them on ways to go about it, and finally providing opportunities to make that happen! To this end, customer service is highly important to us!

Customer service is not solely the responsibility of our customer service department, but customer service starts with a conversation about Novae initiated by our Affiliates.

It is important that all Novae Affiliates are honest with potential customers and potential affiliates when attempting to get them enrolled with our products, services, and or affiliate program.

Even though Novae has an aggressive compensation plan that pays handsomely and quickly for the initial sell; maintaining a high level of integrity and following up with customers to ensure they have the proper expectations are very important.

When new customers or new affiliates feel they have been lied to or misled, they typically report the purchase to their banks or credit card companies as fraud so they may get their money back. This is also known as a chargeback.

There are several consequences for fraud in the financial services industry and we want to make sure we implement policies that protect the company from such activity and also protect Novae's affiliates as well.

A customer reporting a company as fraud isn't always the truth. There are several people out there that have little integrity and lie in attempts to get their money back after not following instructions or not giving the services time to work.

To protect the company and the affiliates from the potential of customers lying about fraud or not knowing they were enrolled for Novae services, it is recommended to have

the customer complete a Novae Money paper application, sign the front, and initial the back. This is in addition to enrolling them online through the affiliate's website.

If the customer enrolls on the affiliate's website, have the customer complete the application but only place the last 4 numbers of their credit card and CVV code on the application, in addition to ALL the other information. The affiliate will keep the application for their records in case this issue presents itself.

If Novae is contacted by the bank or credit card company, for potential fraud, Novae can supply this application to prove otherwise. If Novae is contacted by the bank or credit card company about one of the affiliate's customers claiming fraud and they have charged back their payment, the affiliate account will be:

1. accessed a \$50 fee per chargeback debited from their Novae Personal Account.
2. debited the original commission and volume received for the customer sale.

If the affiliate supplies us with the signed application for the customer in question, Novae will reverse this fee made to the affiliate's account. The commission reversal will also be given back as well if the signed application is provided.

If a customer does a chargeback for whatever reason and wants to reactivate their service with Novae, they will be required to sign credit card authorization forms and the application. In addition, they will have to pay a \$25 reactivation fee.

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

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

If you have further questions about this policy, please contact our support team at support@novaemoney.com or (678) 750 - 3787.

SECTION 6.11 Adjustment to Bonuses and Commissions.

Affiliates receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to Novae 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 Affiliates who received bonuses and commissions on the sales of the refunded products; or (2) the upline Affiliates 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.

SECTION 6.12 – Training Programs

Novae maintains a strict stance regarding policies and procedures as they relate to training in order to protect the name and integrity of Novae and its business model, our core philosophical beliefs, and to further protect the Independent Novae Business Owners

from any misleading or mistaken information that could be delivered from unreliable sources. Therefore, Novae provides one solely approved corporate training platform, through Novae University. Novae solely authorizes, approves, supports and endorses the training curriculum, tuitions and fees associated with attending such Novae University training programs and events. Only verifiable top producing Affiliates who go through rigorous training and screening, held to the highest standard, may represent Novae University.

Novae supports the practice of training events, such as Business Opportunity Meetings or Corporate Overviews, (taking place in an office, hotel or home), Saturday Trainings, "Super Saturday" Trainings or other evening trainings, as they are valuable educational tools when held properly with both professionalism and integrity and held within the parameters of the policies and procedures within Novae's Affiliate Terms and Conditions. The true intent of such events should be to provide further education of the Novae Affiliate Opportunity and to gain product knowledge on how to be successful within this business endeavor.

Under no circumstances are these events or any other type of Novae meeting/training session intended to produce income to those who are sponsoring or conducting the event. These events must be offered gratis, or without charge. Under no circumstances are guests to be charged any form of admission to an event being hosted by, promoted by, or encouraged by an Affiliate. An Affiliate may only be charged a nominal fee, up to a **\$25.00** maximum, for any and all events to offset room rental or hotel fees.

No training or event that discusses, presents, or markets the business of Novae can last longer than 5 hours in any 48-hour period. Any training program or event that is longer than 5 hours will be considered a violation of Novae's policies and procedures, and is strictly prohibited.

Any Novae Affiliate found hosting, promoting or encouraging other Affiliates to attend any type of unauthorized event or training program, or any Novae Affiliates found to be attending any unauthorized event, will be considered in violation of Novae's policies and procedures.

Anyone conducting events within the guidelines of Novae's event/training policies, but who is utilizing and or selling materials (brochures, CDs, DVDs, websites or any other type of electronic or printed marketing material, or materials utilizing the name or likeness of Novae) for a fee will be considered in violation of Novae's policies and procedures.

Attendance at any Novae University event or any other training program is not required nor is it a prerequisite to be an Affiliate with Novae. Novae makes no claims or guarantee for your individual success in this business because of your attendance and participation in any Novae University events.

SECTION 7 - DEFINITIONS

Active Affiliate — An Affiliate is one who satisfies the minimum Business Volume requirements, as set forth in the Novae Compensation Plan, to ensure that he or she is eligible to receive bonuses and commissions.

Agreement — The contract between the Company and each Affiliate including the Affiliate Agreement, the Novae Policies and Procedures, and the Novae Compensation

Plan, all in their current form and as amended by Novae in its sole discretion. These documents are collectively referred to as the "Agreement."

Business Entity — A corporation, partnership, trust, limited liability company, or other type of entity.

Group Volume (GV) - The commissionable value of products and services sold in a calendar month: (1) by the Company to an Affiliate; and (2) by the Company to the Affiliate's personally enrolled Customers and Affiliates (who make optional product purchases).

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

Customer — An individual or entity that purchases Novae products or services from an Affiliate, but who is not an Affiliate, or falls within an immediate Household family member's account.

Household — All individuals who are living at or doing business at the same address, and who are related by blood or marriage, or who are living together as a family unit or in a family-like setting. A Household includes, but is not limited to, spouses, heads-of-Household, dependent family members residing in the same residence and roommate situations.

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

Marketing Organization — The Affiliates sponsored below a particular Affiliate make up such Affiliate's Marketing Organization.

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

Recruit — For purposes of Novae's Conflict of Interest Policy (Section 3.7), 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 Novae Affiliate or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

Customer Sales — Sales to Customers. *(See the definition of "Customer" above).*

Personal Production — Moving product or services to an end consumer for personal use.

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, chat rooms, Facebook, MySpace, Twitter, LinkedIn, Delicious, Pinterest, Instagram, and YouTube.

Sponsor — An Affiliate who enrolls another Affiliate into Novae, and is listed as the Sponsor on the Affiliate Agreement. The act of enrolling others and training them to become Affiliates is called "sponsoring."

Upline — This term refers to the Affiliate or Affiliates above a particular Affiliate in a sponsorship line up to the Company. Conversely stated, it is the line of Sponsors that links any particular Affiliate to the Company.

Updated January 1, 2019 version 4