

**GLOBAL TELECOM CONNECT, LLC  
POLICIES AND PROCEDURES**

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## **SECTION 1 – INTRODUCTION**

From this point forward Global telecom CONNECT, LLC will be referred to as “GTC” while GTC independent distributors will be referred to as “distributors”.

These Policies and Procedures govern the way in which a distributor conducts business with GTC. These Policies and Procedures along with the GTC Distributor Application and Agreement (the “Distributor Agreement”) and the Compensation Plan (collectively referred herein as the “Agreement”), such as may now exist or hereafter be amended, constitute the complete and binding agreement and understanding between GTC distributors and GTC. Failure to comply with the provisions of any of these documents may result in the termination of the Distributor Agreement.

Should any portion of the Agreement, or any instrument published by GTC be declared invalid in a court of jurisdiction, the balance of such rules, applications, or instruments shall remain in full force and effect.

### **1.1 Distributor Code of Conduct.**

- I will be honest and fair in my dealing as a distributor of GTC.
- I will perform my business in a manner that will enhance my reputation and the positive reputation established by GTC.
- I will be courteous and respectful of every person I contact in the course of my GTC independent activities.
- I will fulfill my leadership responsibilities as a sponsor including training, supporting and communicating with the distributors in my organization.
- I will not misrepresent GTC products or the Compensation Plan.
- I will not sponsor or attempt to sponsor any GTC distributor directly or indirectly into any other network marketing program or engage in deceptive or illegal practices.
- I will remember that even my personal experience and the benefits received from GTC products, services or programs, may be interpreted as unauthorized “extension of labeling claims”.
- I understand and agree that I am solely responsible for all financial and/or legal obligations I incur in the course of my business as a distributor and will discharge all debts and duties as required of a distributor.

### **1.2 Independent Contractor Status.**

A distributor will not be treated as an employee for federal or state tax purposes. All distributors are independent contractors engaged in their own separate business pursuits. Distributors are not considered purchasers of a franchise, nor does the Agreement between GTC and its distributors create an employee/employer relationship, agency, partnership or joint venture. Distributors are strictly prohibited from stating or implying, whether orally or in writing, that their relationship is any other than as above outlined. Each distributor shall hold GTC harmless from any claims, damages or liabilities arising out of such distributor’s business practices. Distributors have no authority to bind GTC to any obligation. Each distributor is encouraged to set up his/her own hours and to determine his/her methods of sales and promotions, as long as he/she complies with the terms of the Agreement.

### **1.3 Business Conduct.**

Each Distributor will perform all of his/her business activities in a professional and ethical manner, which will enhance the distributor’s reputation and the positive reputation of GTC. Distributors will not engage in any conduct that could negatively reflect on GTC or any other distributor’s image. Distributors will be

courteous and respectful of every person contacted including employees and executives of the corporate office of GTC, and will conduct their business in a way as to respect the products and professionalism of GTC and its other distributors. A distributor will under no circumstances disparage or infringe upon the GTC name or reputation in connection with the marketing of GTC products or misappropriate any confidential or proprietary information or trade secrets (including distributor names and address lists) of GTC for use by the distributor or others.

#### **1.4 No Purchase Required.**

No GTC distributor is required to purchase products.

#### **1.5 Confidentiality Agreement.**

Distributors may gain access to confidential information of GTC. Specifically, without limiting the foregoing, confidential information includes information contained in any genealogical or downline report provided or accessible to a distributor, customer lists, manufacturer information, commission or sales reports, product formulas, and other financial and business information of GTC. All such information (whether in electronic, oral or written form) is proprietary to and owned by GTC, and is transmitted or available to distributor in strict confidence. Each distributor agrees that he/she will not disclose any such confidential or proprietary information to any third party, directly or indirectly, or use the information to compete with GTC or for any other purpose except as expressly authorized by the Agreement. This information is to be used only for the promotion of the GTC program in accordance with the Agreement. Distributor and GTC agree that without this agreement of confidentiality and non-disclosure, GTC would not provide the information or make it accessible to distributor. This provision shall survive the termination or expiration of the Distributor Agreement.

## **SECTION 2 – BECOMING A GTC INDEPENDENT DISTRIBUTOR**

### **2.1 Distributor Enrollment.**

An applicant may mail the GTC Distributor Agreement along with Starter Kit payment to GTC's corporate offices; enroll on the replicated website of his or her sponsor.

The term of the Distributor Agreement is one (1) year from the date of its acceptance by GTC. Distributors must renew their Distributor Agreement each year by paying an annual renewal fee of Nineteen and 95/100 Dollars (\$19.95) on or prior to the anniversary date of their Distributor Agreement, unless the Distributor has attained 350 BV of personal sales volume during the year (based on the distributor anniversary date). As long as 350 BV of personal sales volume is attained in the 365 days prior to the anniversary date, the annual renewal fee will be waived for that year. If renewal is not made within thirty (30) days after the expiration of the current term of the Distributor Agreement, the Distributor Agreement will be terminated. The Automatic Renewal Program (ARP) may be utilized to avoid any delay.

### **2.2 Distributor Rights.**

All GTC distributors are authorized to sell GTC products and to participate in the GTC Compensation Plan. All GTC distributors may sponsor new distributors.

### **2.3 Legal Age.**

A distributor must be of legal age in his or her country or state of residence to be a GTC distributor.

## **2.4 Married Couples.**

Each participant or legal entity is limited to (1) one distributorship. Husbands, wives or common-law couples (collectively “spouses”) who wish to become a GTC distributor must enroll as one (1) GTC entity and may not be associated, directly or indirectly, with distributor positions in other distributor organizations. The action of one spouse will be attributed to both spouses and, therefore, the distributor position. In the event that two (2) distributors marry, they may each maintain the distributor positions they had previous to the marriage.

## **2.5 Corporations, Partnerships and Trusts.**

Corporations, limited liability companies, partnerships and/or trusts may become distributors ONLY when the completed Distributor Agreement is accompanied by copies of the incorporation, articles of incorporation, articles of organization, partnership agreement or trust document or other charter or organic document as filed with the state (where applicable).

To ensure compliance with the Distributor Agreement, distributors must disclose a complete list of all directors, officers and shareholders involved in the corporation. Limited liability companies must disclose a complete list of all members, officers and managers. Partnerships must disclose all general and limited partners. Trusts must disclose the trustee(s) and beneficiary/beneficiaries. This information may be faxed or emailed to GTC must be updated by the distributor. Proof must be provided of a Federal Tax ID number and a copy of the annual certification from the Secretary of State issued in the state of incorporation, organization, and partnership registration. If any shareholder, partner, member or manager of a distributor is itself an entity, then the information required above for the distributor shall also be required for such shareholder, partner, member or manager.

Shareholders, members, partners, beneficiaries and trustees, as applicable, agree to remain personally liable to GTC and bound by the Agreement. A completed “Operating Under a Business Name” or DBA (Doing Business As) form must be on file with GTC. In any distributor position involving the efforts of more than one individual, whether as a corporation, partnership, limited liability company or trust, the actions of one participant shall reflect on the distributorship as a whole. If one participant is found to have violated the terms and conditions of the Agreement, then the distributorship as a whole will be considered to be in violation.

## **2.6 Fictitious and/or Assumed Names.**

A person or entity may not apply for a distributorship using a fictitious or assumed name or use the identity of another person or entity that will not be associated with the distributorship. No one may enter a Social Security Number or Federal Identification Number that was not assigned to the primary individual or entity on the distributorship.

## **2.7 Tax Identification Number.**

All U.S. distributors are required by federal law to obtain a Social Security Number or Federal Identification Number and provide it to GTC. GTC will use that number for all government reporting purposes.

## **2.8 Taxation.**

GTC distributors will be treated as independent contractors for federal and/or state tax purposes. As independent contractors, distributors will not be treated as employees, franchisees, joint venturers, partners, or agents with respect to the Internal Revenue Code, Social Security Act, Federal Unemployment Act, State Unemployment Act, or any other federal, state or local statute, ordinance, rule or regulation.

Distributors are responsible for the payment of all income, self employment and other taxes relating to their business and earnings. At the end of each calendar year, GTC will issue an IRS Form 1099 Misc. for non-employee compensation for distributors as required by law.

## **SECTION 3 – LEGAL COMPLIANCE**

### **3.1 Legal Compliance.**

All GTC distributors shall comply with all federal and state statutes, regulations and local ordinances and regulations concerning the operation of their business. All distributors are responsible for their own managerial decisions and expenditures. Since distributors are not GTC employees, GTC will not be responsible for payment or co-payment of any employee benefits.

### **3.2 No Exclusive Territories.**

There are no exclusive territories for recruiting purposes nor shall any distributor imply or state that he/she has any exclusive territory rights. There are no geographic limitations on distributor sponsoring except in those foreign countries that have not officially been opened by GTC.

### **3.3 Representation of Government Endorsements.**

Federal and state regulatory agencies do not endorse direct selling programs or their products or services. Therefore, distributors may not represent directly or indirectly that the GTC Compensation Program or its products or services have been approved, reviewed or endorsed by any government agency.

### **3.4 Medical Treatment, Approval and Therapy.**

A GTC distributor must understand that he/she may not say directly or indirectly that any GTC product is FDA approved, or discuss or suggest that any diagnosis, evaluation, prognosis, description, treatment, therapy, or management or remedy of illness, ailment or disease can be improved by consumption, use or application of the product. Distributor must understand that GTC products are not offered, intended or considered as medicinal treatment of any disorder or disease, either mental or physical. GTC distributors may make no claims regarding GTC products except as expressly authorized in writing by GTC.

### **3.5 Personal Information.**

Personal information such as the distributor ID number, a distributor's address, telephone number, and etc. will be treated as confidential and will not be used except in connection with GTC's business, unless required by law. In the event of an emergency, the inquiring party may contact GTC Compliance Department, who will advise the distributor that someone is attempting to contact him/her.

### **3.6 Non-Solicitation.**

During the term hereof and for a period of twelve (12) months after the termination or expiration of the Distributor Agreement, for any reason whatsoever, a distributor shall not on, his/her own behalf, or on behalf of any other person, or other entity, hire, solicit or enroll any employee, distributor, customer (including preferred customers), manufacturer, or supplier of GTC or any of its affiliates, or in any manner attempt to influence or induce any employee, distributor, customer, manufacturer or supplier of GTC or any of its affiliates, to alter or terminate their employment or business relationship with GTC or its affiliates or to join another network marketing company. No distributor shall use or disclose to any person any information of GTC obtained while the Distributor Agreement was in effect including names and addresses of GTC's or any affiliates' employees or distributors. It is agreed that this provision shall survive the

termination or expiration of the Distributor Agreement. Solicitation includes, but is not limited to, (i) producing or offering any promotional materials for another network marketing company which is used to solicit GTC distributors to such company; (ii) promoting or selling products which compete with GTC products to GTC customers or distributors; (iii) introducing or presenting, directly or indirectly, another network marketing company business to any GTC distributor; or (iv) offering any other company's products or business opportunity at any GTC meeting or event.

### **3.7 Non-Competition.**

Each distributor agrees not to compete with the protectable business interests of GTC by selling or promoting other products or opportunities (except as detailed under Other Services and Products) during the term of the Distributor Agreement. Distributor acknowledges and recognizes these restrictions are necessary for GTC to protect its valuable interests and agrees that any injunction and/or other remedy is necessary and appropriate for GTC to protect such interests.

### **3.8 Vendor Confidentiality.**

GTC business relationships with its vendors, manufacturers and suppliers are confidential. A distributor shall not contact, directly or indirectly, speak with, or communicate with any representative or any supplier, manufacturer, or vendor except at a GTC sponsored event which the representative is present at the request of GTC.

### **3.9 Endorsements.**

No endorsements by any third parties may be alleged, except as expressly communicated in GTC literature and communications. A GTC distributor may not state, directly or indirectly, that any GTC product is approved by the EPA or other governmental agency or may make any claim regarding its products not expressly authorized in writing by GTC.

### **3.10 Liability.**

Violation of any of the Agreement may be grounds for suspension and/or termination of that individual's distributorship. The violator also may be subject to civil or criminal liability resulting from violation of the Distributor Agreement, the Code of Professional Ethics, the Policies and Procedures of GTC, or state or federal law. Additionally, GTC may withhold payment to any GTC distributor to offset any damages suffered by GTC as the result of a distributor's violation of the Distributor Agreement, the Code of Professional Ethics, the Policies and Procedures of GTC, or state or federal law.

### **3.11 Other Services and Products.**

Distributors are not restricted from selling the services and products of other companies during the term of the Agreement. However, direct or indirect promotion of those products and services to GTC distributors is limited to those personally sponsored by a distributor.

### **3.12 Crossline Recruiting.**

Recruiting others directly or indirectly whether through written, spoke or implied means from one (1) GTC distributor organization to another is strictly prohibited.

## **SECTION 4 – SPONSORING & TRAINING AND TERMS OF TERMINATION**

### **4.1 Sponsoring.**

GTC distributors are entitled to sponsor other individuals into their organization in the United States, its territories and other countries officially opened by GTC. Distributors are compensated only for the generation of sales of product and services and not for sponsoring new distributors into the program.

### **4.2 Sale/Transfer of Distributorship.**

A GTC independent distributor position may be sold or transferred to a non-distributor only following a period of six (6) months from the distributor origination date. A completed and notarized Sales/Transfer form must be submitted to GTC either through mail, email or fax. All transfers are subject to a \$50USD transfer fee. When such transfer is approved and accepted by GTC, any volume previously accumulated may be removed. Change in business status (individual to corporation or vice versa) also requires a completed and notarized Sales/Transfer form and is subject to a \$25USD fee. All fees are payable to GTC.

### **4.3 Multiple Applications.**

If one applicant submits multiple Distributor Agreement forms listing different sponsors, only the first completed form to be received by GTC will be accepted. GTC reserves the right, in its sole discretion, to make the final decision with respect to all such disputes.

### **4.4 Placement Changes/Corrections.**

Placement changes/corrections of sponsors may be requested within a period of three (3) days from the date of enrollment. Such adjustments require written permission from both the sponsor and the applicant and be directed to the Compliance Department of GTC.

### **4.5 Sponsor Corrections.**

Sponsor changes are not permitted. However, sponsor corrections can be made if the error is reported to GTC within three (3) days of enrollment. Sponsor corrections must be requested from the current (original) sponsor, stating the reason that the correction needs to be made.

### **4.6 Acquisition of Business.**

A distributor desiring to acquire another distributor's business must first terminate his/her distributor status and wait a period of six (6) months from the date of the resignation notice, before becoming eligible for such purchase. All such transactions must be fully disclosed through the completion of a Sales/Transfer form submitted to GTC and is subject to GTC's approval.

### **4.7 Adding of Co-Applicants.**

When adding a co-applicant (either an individual or a business entity) to an existing distributorship, GTC requires both a written request and a properly executed Distributor Agreement containing both the applicant and co-applicant's Social Security Number and signatures. The original applicant must remain party to the original Distributor Agreement. If the original distributor wants to terminate his/her distributor relationship with GTC, he/she must do so in accordance to the GTC policy. If this is not followed, the business shall be terminated upon withdrawal of the original distributor. All bonus and commission checks will be sent to the address on record for the distributor position. A co-applicant may not under any circumstance be party to another distributorship. The modification permitted within the scope of this

section does not include change of sponsorship. There is a Twenty-Five Dollar (\$25.00) processing fee for changes or additions.

#### **4.8 Training Requirement.**

Distributors are required to assure the adequate training of distributors they sponsor. "Adequate training" shall include, but is not limited to, education regarding the Policies and Procedures, Compensation Plan, product information, sound business practices, sales strategies, and ethical business behavior. A sponsor must maintain an ongoing, professional leadership association with distributors in his/her organization and must fulfill the obligation of performing a bona fide supervisory, sales or distributive function on the sale or delivery of product and services to the ultimate consumer.

#### **4.9 Resignation.**

Any distributor may voluntarily resign his/her distributor status by failing to renew when required or by sending written notice to the GTC Compliance Department. Resignation is effective upon receipt of such notice. A distributor who fails to renew or resigns his/her distributorship may not reapply, either individually or have a financial interest in any other distributor entity, for a period of six (6) months from the date of resignation.

#### **4.10 Suspension.**

GTC reserves the right to suspend any distributor position at any time for cause when it is deemed that the distributor may have violated the provisions of the Agreement, as they might be amended from time to time or the provisions of the applicable laws and standards of fair dealing. GTC shall make such involuntary suspension at its discretion pending the investigation of possible Policy violation. GTC will notify the distributor by postal delivery and/or email sent to the latest address listed with GTC for the distributor. In the event of a suspension, a distributor agrees to immediately cease representing himself/herself as a distributor with GTC.

During the investigation period of the suspension, any commissions, overrides or bonuses, which may be due, if any, will be held in abeyance by GTC pending resolution. Should the infraction be deemed unsubstantiated by GTC, the suspension shall be lifted and any commissions, overrides or bonuses will be credited to the distributorship. During the applicable suspension period, GTC shall have the right to prohibit the suspended distributor from purchasing products and services. However, the suspended distributor does not have the right to represent himself/herself as a distributor, or promote his/her distributor business or the products during the applicable suspension period.

#### **4.11 Termination.**

A distributor may be terminated for violating any of the terms of the Agreement. Notice of the termination, citing the reason(s) for the action shall be provided in writing to the distributor and delivered either through postal or email. Termination shall be effective as set forth therein, if a timely appeal is not provided by the distributor in accordance with the appeal procedure set forth below.

Immediately upon termination, the terminated distributor:

- a) Must remove and permanently discontinue the use of the trademarks, service marks, trade names and any signs, labels, stationery or advertising referring to or relating to any GTC product, plan or program;
- b) Must cease representing himself or herself as a distributor of GTC;

- c) Loses all rights to his/her distributorship and position in the Compensation Plan and to all future commissions and earnings resulting there from; and
- d) Must take all action reasonably required by GTC relating to its materials and protection of its confidential information and intellectual property.

GTC has the right to offset any amounts owed by a distributor to the GTC. Where state laws on termination are inconsistent with this policy, the applicable state law shall apply.

#### **4.12 Appeal.**

A terminated distributor may appeal the action by submitting a letter to the Compliance Department of GTC stating the grounds of appeal. (Note: No telephone calls will be accepted under any circumstances). GTC must receive the letter of appeal within ten (10) business days of the date of such notice of termination, or as stated in the notification. If GTC has not received the letter of appeal by the deadline date, the involuntary termination shall automatically become final.

If a distributor files a timely appeal, GTC will, at its sole discretion, review and notify the distributor of its decision. The decision of GTC shall be final and will not be subject to further review.

In the event that an appeal is denied, the termination shall remain in effect as of the date of GTC's original notice.

#### **4.13 Cumulative Remedies.**

All rights, powers and remedies given to GTC are cumulative, not exclusive and in addition to any and all other rights provided by law. Upon a breach of the Agreement by a distributor, in addition to suspension and/or termination, GTC shall have the right to impose fines as established by GTC from time to time and/or to pursue all legal and equitable remedies to enforce its rights under the Agreement as set forth in Section 11.6. GTC will have the right to offset against commissions owed to a distributor any amounts owed to GTC by such distributor.

### **SECTION 5 – SUCCESSION, DIVORCE OR DISSOLUTION**

#### **5.1 Succession.**

Notwithstanding any other provisions of this section, upon the death of a distributor, the distributor entity shall pass to his/her successor in interest as provided by law. However, GTC will not recognize such transfer until the successor in interest has submitted a completed Sales/Transfer form to GTC together with certified copies of the death certificate and will, trust or other instrument and executed a Distributor Agreement. The successor shall thereafter be entitled to all the rights and subject to all the obligations as any other distributor. In addition, the successor-in-interest must be of legal age in his/her country of residence.

#### **5.2 Divorce or Dissolution.**

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

- One of the parties may, with written consent of the other(s), operate the GTC business in writing by GTC to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee; or

- The parties may continue to operate the GTC business jointly on a business-as-usual basis, whereby all compensation paid by GTC will be paid in the joint names of the distributors or in the name of the entity to be divided as the parties may independently agree between themselves.

Under no circumstance will GTC split commissions and bonus checks between divorcing spouses or members of dissolving entities. GTC will recognize only one (1) downline organization and will issue only one (1) commission check per GTC business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties of a divorce or dissolution proceedings are unable to resolve a dispute over the disposition of commissions and ownership of the business, the Distributor Agreement shall be involuntarily cancelled.

## **SECTION 6 – TRADEMARK, LITERATURE AND ADVERTISING.**

### **6.1 Trademark.**

The name of GTC and the name of all the GTC products, services and programs are the trademarks of and owned by GTC. Only GTC is authorized to produce and market products and literature under these trademarks. This includes, but is not limited to, slides, overheads, brochures, videos, domain addresses, and training and/or marketing materials and all promotional material such as but not limited to t-shirts, caps, pins, magnetic signs, etc. Use of the GTC name on any item not produced or authorized by GTC is prohibited.

Distributor acknowledges that any right to use GTC's trademarks and copyrighted materials is non-exclusive, and that GTC has the right and sole discretion to grant others the right to use such trademarks and copyrighted materials. Distributor expressly recognizes that any and all goodwill associated with the trademarks and copyrighted materials (including goodwill arising from distributor's use) inures directly and exclusively to the benefit of GTC and is the property of GTC, and that, on expiration or termination of the Distributor Agreement, no monetary amount shall be attributable to any goodwill associated with distributor's use of the trademarks or copyrighted materials.

### **6.2 Yellow and White Page Listings.**

Distributors are not permitted to use the GTC trade name in advertising their telephone number and fax number in the white or yellow page section of the telephone directory or on the Internet telephone directory without identifying themselves as independent distributors or independent contractors.

### **6.3 "Toll Free" Telephone Number Listings.**

GTC distributors are not permitted to list their 'toll free" telephone numbers under the GTC trade name without submitting a request for approval from the Compliance Department of GTC. If approval is granted, it must be stated in the following manner:

Peter Pan

Independent GTC Distributor

OR

Independent GTC Contractor

No other variation may be used to describe the distributor's association with GTC.

#### **6.4 Imprinted Checks.**

GTC distributors are not permitted to use the GTC trade name or any of its trademarks on their business or personal checking accounts.

#### **6.5 Imprinted Business Cards or Letterheads.**

GTC independent distributors are not permitted to create their own business cards or letterhead with the use of the GTC name or trademark without written approval from GTC.

#### **6.6 GTC Literature.**

Only official GTC literature may be used in presenting GTC products and/or the GTC Compensation Plan and business. GTC literature may not be duplicated or reprinted without prior written permission from GTC which may be obtained through email communication, mail or fax directed to the Compliance Department. Banners, trade show materials, and other related promotional material must be approved in advance and in writing by GTC. Items on the corporate website and the replicating website may be downloaded for promotional purposes.

#### **6.7 Advertising.**

Only GTC approved materials may be used in the placement of any advertising in any print, radio, television, internet, electronic or other media. No person shall use the GTC name, logos, trademarks or copyrighted material in any advertising produced by GTC without express written permission from the Compliance Department of GTC. For approval mail, fax or email a copy of the proposed advertising material to the GTC Compliance Department. Once approval is obtained, no text may be amended or changed. If any change is made whatsoever, the new material must be submitted for approval. Distributors should allow forty-eight (48) hours from receipt for processing.

#### **6.8 Internet and Website Policy.**

A GTC distributor may promote his/her distributor business through GTC's replicating website program only. The website links seamlessly directly to the official GTC website giving the distributor a professional and GTC-approved presence on the Internet. No distributor may independently design a website that uses the names, logos, or product descriptions of GTC or otherwise promote (directly or indirectly) GTC products or the Compensation Program. Distributors may not use the trademarks of GTC or any derivative or abbreviation thereof as a domain name or email address. Distributors may not advertise or promote their distributor business or GTC's business, products or marketing plan or use GTC's name in any electronic media or transmission, including on the Internet via web sites or otherwise, without the prior written approval of GTC, which approval may be withheld in its sole discretion. If written approval is given, distributors must abide by the guidelines set forth by GTC, including, but not limited to the following: (a) distributors shall not make offers or solicitations in the guise of research, surveys or informal communication, when the real intent is to sell products or services or sponsor distributors; (b) distributors operating on-line websites, whether or not they collect personal information from individual consumers, shall disclose to the consumer in a prominent place on the website how the consumer information will be used; (c) distributors sharing personal information collected on-line shall provide individual consumers with an opportunity to prohibit the dissemination of such information, and if any consumer requests that his or her personal information not be shared, distributors shall refrain from sharing such information; (d) distributors shall provide individual consumers the option to terminate any further communication between the distributor and the consumer and if any consumer requests that a distributor cease

communication, the distributor shall immediately stop communicating upon such request; (e) distributors must abide by all laws and regulations regarding electronic communications; (f) distributors may not distribute content by use of distribution lists or to any person who has not given specific permission to be included in such a process; spamming or distribution of chain letters or junk mail is not allowed; (g) distributors may not distribute content that is unlawful, harassing, libelous, slanderous, abusive, threatening, harmful, vulgar, obscene or otherwise objectionable material or which could give rise to civil liability or otherwise violate any applicable local, state, national or international law or regulation; and (h) distributors may not, directly or indirectly, send bulk unsolicited e-mails to persons with whom he or she they have no prior or existing personal or business relationship.

## **6.9 Domain Names.**

Distributors may not use or attempt to register any GTC trade names, trademarks, service marks, product names, GTC name or any derivative thereof, for any Internet domain name.

## **6.10 Email and Newsgroup Marketing.**

Distributor emailing or employing the services to email unsolicited and unapproved email flyers are fully responsible for all information regarding the product and marketing program which is not expressly contained in advertising and promotional materials supplied directly by GTC. "Spamming" as well as telephoning or faxing without consent in compliance with various laws is strictly prohibited. Distributors shall not defame, abuse, harass, stalk, threaten or otherwise violate the legal rights (such as rights of privacy and publicity) of others. Distributors shall not publish, post, upload, distribute, or communicate any inappropriate, profane, defamatory, infringing, obscene, indecent or unlawful topic, name, material or information. Distributors shall not advertise or offer to sell any goods or services for any commercial purpose or conduct or forward surveys, contests, pyramid schemes or chain letters. Users of GTC website will not participate in any activity that will restrict or inhibit any other user from using and enjoying the website.

## **6.11 Auction Sales.**

Distributors may not sell GTC products or promote the GTC program via live, silent, internet or any other type of auctions even if offered at the distributor suggested retail price.

## **6.12 Income Claims.**

Distributors may not display, in any manner for recruiting purposes or any other reasons, commission checks or make specific income claims or representations.

## **6.13 Trade Shows.**

With prior written authorization from GTC, distributors may display GTC products and the opportunity at trade shows. Requests for participation in trade shows must be received in writing by GTC at least two (2) weeks prior to the event. GTC products and the GTC business are the only products and opportunity that may be offered directly or indirectly at the trade show booth or table. Only GTC approved marketing materials may be displayed or distributed.

## **6.14 Re-Packaging Prohibited.**

The repackaging of GTC products for resale or for any reason whatsoever is prohibited.

### **6.15 Recordings.**

Distributors shall not produce or reproduce GTC produced audio or video materials detailing the GTC opportunity or products. Distributors shall not audiotape in any manner any GTC function.

### **6.16 Telephone Answering.**

Distributors may not answer the telephone or create recordings saying "GTC", "GTC" or in any manner that could lead the caller to believe that he or she has reached the Corporate Office of GTC.

### **6.17 Voicemail Systems.**

GTC maintains a voicemail system for use by distributors. This system is a tool intended to promote communication with downline organizations. Under no circumstance shall a distributor use the GTC voicemail system to promote the sale of other services and products or any non-GTC program or opportunity.

### **6.18 Media Interviews.**

Distributors are prohibited from granting radio, television, newspaper, tabloid, Internet, or magazine interviews, or using public appearances, public speaking engagements, or making any type of statement to the public media to publicize GTC, its products or their GTC businesses, without the express prior written approval of GTC. All media inquiries should be referred to GTC's corporate office.

## **SECTION 7 – PAYMENT OF BONUSES AND OVERRIDES**

### **7.1 Distributor Agreement.**

Bonuses and overrides cannot be paid until a completed GTC Distributor Agreement has been received and accepted by GTC. Bonuses are paid ONLY on the sales of GTC products. No bonuses are paid on the purchases of any sales material, sales aids or the recruitment of distributors.

### **7.2 Commission Checks.**

The minimum amount of payment of commission checks is Ten Dollars (\$10.00) or as otherwise mandated by any country in which GTC operates. If the earned amount is less than that amount, it will be accumulated until such time that the amount exceeds Ten Dollars (\$10.00).

### **7.3 Deductions.**

A check processing fee of Two and 50/100 Dollars (\$2.50) will be deducted from all commission checks.

### **7.4 Unclaimed Commissions and Credits.**

There shall be a Fifteen Dollar (\$15.00) charge for reissuing a check and a Ten Dollar (\$10.00) fee for each notice that is sent to the distributor advising that the check had not been cashed.

### **7.5 Dormant Outstanding Commission Payments.**

A monthly dormant commission fee of Twenty Dollars (\$20.00) will be charged for the following:

1. All outstanding commissions checks that have not been negotiated within six (6) months of issuance;

2. Commissions in a distributor's wallet when there has been no activity in the wallet for a period of six (6) months;
3. Pending commission payments that are delayed for a period of six (6) months due to the action or inaction of a distributor.

The fee will be charged monthly on each outstanding weekly commission payment. The dormant commission fee cannot reduce the commission below \$0.

## **7.6 Funds Availability Policy**

GTC strives to maximize the use of company resources, including its cash deposits. It is the company's policy to always have sufficient cash on hand to meet the normal commission payments and funds requests of its members. However, large funds requests that are not consistent with the normal weekly requests may require special arrangements and take extra time. For this reason, it is GTC's policy to limit funds requests to a maximum of \$15,000 per week. Special arrangements can be made to accommodate larger funds requests with advance notice.

## **SECTION 8 – PURCHASE AND SALE OF PRODUCTS**

### **8.1 Sales Presentations.**

At sales presentations, distributors shall truthfully identify themselves, the GTC products, and the purpose of their business to prospective customers. Distributors may not use any misleading, deceptive, or unfair sales practices. Explanation and demonstration of products 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. Distributors must immediately discontinue a demonstration or sales presentation upon the request of the consumer. Distributors shall not directly or by implication, denigrate any other company or product. Distributors shall refrain from using comparisons which are likely to mislead and which are incompatible to the principles of fair competition. Points of comparison shall not be unfairly selected and shall be based on facts which can be substantiated. Distributors shall not abuse the trust of individual consumers, shall respect the lack of commercial experience of consumers and shall not exploit a customer's age, illness, lack of understanding or lack of language expertise.

### **8.2 Purchase at Discount.**

GTC distributors are entitled to purchase products from GTC at a discounted price.

### **8.3 Stockpiling Prohibited.**

The success of GTC depends upon retail sales to the ultimate consumer; therefore, all forms of stockpiling are discouraged. GTC recognizes that distributors may wish to purchase certain products in reasonable quantities for their own use, for inventory purposes and for the purpose of provisioning new distributors as they are sponsored. However, GTC strictly prohibits the purchase of products solely in an attempt to qualify for advancement in the Compensation Plan.

### **8.4 Back Orders.**

Should any GTC product or sales material be unavailable for any period of time, GTC distributors will be given the option of placing the order(s) and waiting for availability or cancelling the order with full reimbursement without penalties until those items are ready for shipping.

## **8.5 Seventy Percent Rule.**

In order to qualify for commission and overrides, each distributor must certify with the purchase of product that he/she has sold to retail customers and/or has consumed seventy percent (70%) of all products previously purchased. This is known in the industry as the "Seventy Percent Rule".

## **8.6 Retail Sales Required.**

In order to qualify for any compensation payable under the GTC Compensation Plan, a distributor should make retail sales to the ultimate consumer.

## **8.7 Shipping Address.**

GTC will only accept street addresses for shipping purposes. Orders will be shipped via UPS or other shipper as determined by GTC so that they may be tracked and, if necessary, replaced in a timely manner. Post office boxes are accepted for the mailing of commission checks only.

## **8.8 Direct Purchases.**

A GTC distributor should purchase product needs directly from GTC. In the event that a distributor obtains product from his/her sponsor or upline distributor's personal inventory, the commissions associated with the purchase will be attributed to the sponsor or upline who purchased the product.

## **8.9 Credit Card Purchases.**

Credit card purchases may only be made by the individual whose name and address is on the credit card. Any distributor who uses another individual's credit card to pay for purchases should submit a credit card authorization form to GTC with the order prior to placing the order. GTC considers unauthorized credit card use as fraudulent and will report such actions to the proper authorities for settlement.

## **8.10 Credit Card Chargebacks.**

Under no circumstance will any distributor charge back any credit card purchase. Any distributor who does so will immediately lose all credit card ordering privileges until the charges are replaced with certified funds. If an erroneous charge is applied to a distributor's credit card, the distributor should immediately contact GTC to initiate an investigation and resolution.

## **8.11 Commission Adjustments.**

Any upline distributor affected by returned products to GTC will accordingly be subject to adjustment in his/her commissions, overrides and bonus accounts, personal volume, etc. based upon all commissions and bonuses paid on the returned products.

## **8.12 Bonus Buying.**

Bonus buying includes (a) the enrollment of an individual or entity as a GTC distributor without the knowledge of and/or execution of a Distributor Agreement by such individual or entity; (b) the fraudulent enrollment of an individual or entity as a distributor; (c) the enrollment or attempted enrollment of a non-existent individual or entities as distributors (phantoms); or (d) the use of a credit card on behalf of a distributor when the distributor is not the account holder of such credit card. Bonus buying constitutes a breach of these Policies and Procedures, and is strictly prohibited.

### **8.13 Shipping Costs.**

It is the ordering distributor's sole responsibility to indicate (a) method and means of shipping, and (b) destination address. The methods available are stated on each order form and on the GTC website along with prepaid costs for shipping. Shipping costs will be automatically calculated.

Should the receiving party of an order shipped from GTC refuse delivery and the shipment is returned to GTC, the ordering distributor's status will be made "suspended" pending resolution of the delivery refusal. Return delivery charges will be deducted from the distributor's account.

### **8.14 Returned Packages.**

In the event that a package is returned due to a distributor's error or if the package was not picked up in a timely manner and returned, GTC will charge the distributor a re-shipping fee.

### **8.15 Special Orders.**

GTC will not "hold" orders or delay shipment of products that have been processed. Once payment has been received, all orders must be released for shipping.

### **8.16 Consignment.**

In order to protect the GTC business and the integrity of GTC, GTC products may not be delivered to a GTC distributor or another party on consignment. Only authorized GTC distributors may sell GTC products.

### **8.17 Damaged Shipments.**

1. Accept delivery.
2. Before the driver leaves, document on the delivery receipt the number of boxes, which appear to be damaged.
3. Save the damaged product and box(es) for inspection by the shipping agent.
4. Make an appointment with the shipping company to have the damaged goods inspected.
5. File a claim with the shipping company.
6. Notify the Customer Service Department of GTC.

### **8.18 Short Shipments.**

GTC takes pride in fulfilling orders in an accurate and timely manner. However, in those rare instances where errors may occur, a correction will be handled quickly to avoid further delay to the recipient. Distributors must report any damages within five (5) business days following receipt of shipment. Once notified and verified, GTC will ship missing items to the address on the original order.

### **8.19 Sales Tax.**

For purchases made from GTC, GTC collects and remits applicable state and local taxes which may be due on the suggested retail price of those products and/or materials. The applicable rate of tax due is based upon the address to which the product and/or sales materials are to be delivered.

Exemption from payment of sales tax is applicable to orders that are shipped to a state in which a valid sales tax exemption of a distributor is on file with and accepted by GTC. Applicable sales taxes will be charged on orders which are drop-shipped to another state. Tax exemptions are not retroactive.

## **SECTION 9 – SALES AND PRICING**

### **9.1 Price Changes.**

All GTC products and literature prices are subject to change without prior notice.

### **9.2 Suggested Retail Pricing.**

GTC provides a suggested retail price as a guideline. GTC distributors may sell GTC products at whatever price they and their customers agree upon, however a distributor is not permitted to advertise any price below the GTC suggested retail price. This includes but is not limited to “free” products or any other special pricing that would fall below the suggested retail price. No GTC product may be offered along with the products of any other company regardless of whether that product is offered through network marketing or any other means.

### **9.3 Receipts: Retail Customers.**

GTC distributors will provide all retail customers of GTC products with printed sales receipts.

### **9.4 Insufficient Funds.**

It is the responsibility of each distributor to make certain that current credit card information is on file for autoship payments and that there are sufficient funds for the draft.

### **9.5 Returned Checks.**

All distributor checks used for payment of product will be re-submitted for payment. A Twenty-Five Dollar (\$25.00) processing fee will be charged to the account of the offending distributor. All subsequent orders must be paid by credit card, money order or cashier’s check.

## **SECTION 10 - RETAIL GUARANTEE AND REFUND POLICY**

### **10.1 Retail Customer Returns.**

GTC offers, through its Distributors, a 100% 30-day return policy to all Retail Customers--on the first purchase of a GTC hardware product only. Every Distributor is bound to honor the Retail Customer guarantee. If, for any reason, a Retail Customer is dissatisfied with any GTC product, the Retail Customer may return the unused portion of the product to the Distributor from whom it was purchased, within 30 days, for a replacement, exchange or a prorated refund for the product that is returned in resalable condition (less shipping costs). GTC will not refund sales of GTC communication services.

### **10.2 Return by Online and Preferred Customers.**

GTC offers online and preferred customers a 30-day return policy, if, for any reason, an Online Customer or Preferred Customer is dissatisfied with any GTC hardware product, he or she may return his or her initial purchase of that product to the Company in resalable condition within 30-days, for a replacement, exchange or a refund of the purchase price for the product returned in resalable condition (less shipping). GTC will not refund sales of GTC communications services.

#### **10.2.1 - Returns by Distributors (Products Purchased for Personal Consumption)**

If a Distributor is unsatisfied with any GTC hardware product purchased for personal use, the Company offers a 100% 30-day money-back return policy (less shipping) on his or her first purchase of a GTC

hardware product returned in resalable condition. This guarantee is limited to the Distributor's initial purchase of a GTC hardware product only. If a Distributor wishes to return subsequent purchases, the return will be deemed an inventory repurchase and the Company shall repurchase the inventory pursuant to the terms of this agreement, and the Distributor's Agreement shall be canceled. GTC will not refund sales of GTC communication services.

### **10.2.2 - Returns by Distributors (Products Returned by Personal Retail Customers)**

If a personal Retail Customer returns his or her initial purchase of a hardware product to the Distributor from whom it was purchased, the Distributor may return it to the Company for an exchange or refund for any unused hardware product returned in resalable condition (less shipping). All products returned by personal Retail Customers must be returned to the Company within 10 days from the date on which it was returned to the Distributor along with the sales receipt which the Distributor gave to the Retail Customer. GTC will not refund sales of GTC communication services.

### **10.2.3 – Cancellation of Communication Services**

Preferred Customers, Online Customers, Retail Customers, and Distributors must notify GTC of the cancellation of monthly communication service at least 10 days prior to the monthly billing date for Customer or Distributor communication service. Failure to cancel the service ten days prior to the billing date will result in the termination being effective for the following monthly billing cycle.

### **10.3 Return Product Authorization.**

Before any product may be returned to GTC, whether it is a shipping error, retail customer return, damaged product or resignation, the distributor must contact GTC customer service either by fax, postal delivery or email to obtain a Return Merchandise Authorization number (RMA). Any package received without such identification clearly visible on the package exterior will be refused.

### **10.4. Quality Control (QC).**

GTC will replace, within thirty (30) days of purchase any product found to be defective. However, no product should be returned to GTC prior to the approval to do so from GTC Customer Service whether through a telephone, mail, fax, or email request. In order to assure that replacement product will be issued, strict compliance to the following procedure is required:

1. A written replacement request must be submitted, stating the reason for the request and accompanied by verification of payment and a copy of the product order form and packing slip.
2. Upon notification GTC will instruct the distributor where to ship the product and will issue an RMA (Return Merchandise Authorization) number, which must be clearly written on the exterior of the returned package(s). Upon receipt and verification GTC will ship out the replacement product(s).

### **10.5 Resignation Returns.**

If a distributor wishes to return product purchased for personal use, inventory purposes or sales aids while the Distributor Agreement was in effect, all product in CURRENT, REUSABLE AND RESALABLE condition which has been purchased within twelve (12) months shall be repurchased subject to compliance with the Seventy Percent Rule (see item 8.5) . The purchase shall be at a price of not less than ninety percent (90%) of the original net cost to the participant minus any freight charges and commissions paid to the distributor. Any such requests will be considered a resignation of the distributorship.

All international returns must be made within ninety (90) days \*\* from the date of purchase and are subject to all other guidelines stated herein.

In the event that inventory is returned that does not meet the above conditions for return, such merchandise will be held for a period of thirty (30) days during which time the distributor has the right to request return of those items. Distributors will pay for all shipping charges. Should this request not be received by the customer service department in the time period noted above, GTC reserves the right to destroy such inventory without further compensation to that distributor.

\*\* The permission return period may vary according to country and state laws.\*\*

In order to ensure that a distributor refund issued in a timely manner, the following steps should be followed:

1. A written request must be submitted, either by fax, postal delivery or email to GTC customer service, clearly citing the reason for the resignation and for the return of product and/or sales materials.
2. Upon receipt of the proper information, GTC will instruct the distributor where to ship the products along with the RMA (Return Merchandise Authorization) number, which must be clearly visible on the exterior of all packages. Any return without this information on the outside of the package will be refused without exception. GTC will issue the refund within approximately thirty (30) days from the date of receipt of the authorized merchandise.
3. The distributor assumes the cost of shipping any merchandise to GTC.
4. The distributor assumes responsibility for packing and shipping products in a manner that will ensure that it is received in a timely manner and with minimal damage. GTC will not accept damaged merchandise for refund.
5. Refunds will be issued in the same manner that payment was received. This means that if a credit card was used to place the order, the reimbursement will be issued back to that same card. If the payment was made by check, the refund will be issued in the same name as received.

## **10.6 Unauthorized Returns.**

Should a distributor refuse delivery of any GTC shipment or request to return any previously purchased product for a refund, such request will be deemed as a voluntary suspension.

## **10.7 Buyer's Right to Cancel.**

Federal law empowers a buyer to cancel certain sales without penalty prior to midnight of the third (3rd) business day following the transaction. This rule covers retail consumer sales of Twenty-Five Dollars (\$25.00) or more that occur away from the retailer's main office. In addition, the distributor must orally inform the buyer of the three (3) day right to cancel at the time the buyer signs the contract of sales or purchases the goods.

## **10.8 Exchanges.**

GTC will not accept product exchanges from distributors.

## **10.9 Distributor Responsibility.**

If a retail customer mails or delivers to a distributor a valid notice of cancellation prior to midnight on the third (3rd) business day after ordering or purchasing product, it must be honored by the distributor. If a

buyer has taken delivery of the goods, that product must be returned along with the notice, in as good a condition as when delivered. Within ten (10) business days after receiving the notice, the distributor must refund all payment made under the contract of sale.

Should retail customers contact GTC customer service concerning refusal of a distributor to issue the appropriate refund in the time period indicated, such distributor will be subject to suspension of distributorship pending resolution of the complaint.

### **10.10 Warranties.**

Except as expressly stated herein, GTC makes no warranty or representation as to the merchantability, fitness for a particular purpose, workmanship or any other warranty concerning any product or service purchased from or through GTC.

## **SECTION 11 – GENERAL PROVISIONS**

### **11.1 Record Keeping.**

GTC encourages all of its distributors to maintain complete and accurate records of their business transactions. GTC may exercise its option to request records relating to retail sales or other matters as described herein or as required by applicable law.

### **11.2 Amendments.**

GTC, at its discretion, reserves the right to amend the Policies and Procedures as set forth therein, its distributor or suggested retail prices, product availability and formulations, and Compensation Plan, as it deems appropriate without prior notice. Such Policies and Procedures and Compensation Plan modifications and all changes thereto, shall become a binding part of the Agreement upon publication on the official GTC website. It is the distributor's responsibility to stay abreast of current and updated information, and GTC is in no way liable for any distributor's lack of knowledge of the updated and current information. In the event of any conflict between the applicable Agreement and any such amendment, the amendment shall control. If GTC brochures, product catalogs, price lists, literature, website, fax on demand information, etc. are revised, only the most current version is authorized for use by GTC distributors.

### **11.3 Non-Waiver Provisions.**

No failure of GTC to exercise any power under these Policies and Procedures or to insist on strict compliance by a distributor with any obligation to provision herein, and no custom or practice of the parties at variance with these Policies and Procedures shall constitute a waiver of GTC's right to demand exact compliance with these Policies and Procedures. Waiver by GTC can be affected only in writing by an authorized officer of GTC. GTC's waiver of any particular default by a distributor shall not affect or impair GTC's right or obligation of any other distributor, nor shall any delay or omission by GTC to exercise any right arising from default affect or impair GTC's right as to that or any subsequent default.

### **11.4 Certain Residents Only.**

The following only applies to distributors who are residents of Georgia, Louisiana, Massachusetts, Wyoming, Montana, and other states that may specifically require the following: A distributor in this multilevel marketing plan has the right to cancel at any time regardless of reason. Cancellation must be submitted in writing to GTC either by postal delivery, fax or through email.

If the distributor has purchase product for administrative services while this Agreement was in effect, taking into consideration any sales made by or through such distributor prior to the notification to GTC of the election to cancel, GTC shall repurchase all unencumbered product in reasonable resalable or reusable condition which was acquired by the distributor from GTC. Such repurchase shall be at a price of no less than ninety percent (90%) of the original cost minus any freight charges and commissions paid to that distributor.

The repayment of all administrative fees and services shall be at not less than ninety percent (90%) of the cost to the distributor of such fees and services and shall reflect all administrative services that have not, at the time of resignation, been provided to the distributor. GTC shall further refund not less than ninety percent (90%) of the cost to the distributor of any other consideration paid by the distributor in order to participate in the program. The distributor will be held responsible for all shipping expenses incurred in returning sales aids or products to GTC.

### **11.5 Reporting Policy Violations.**

Distributors observing a policy violation by another distributor should submit a written report of the violation to the Compliance Department of GTC either through fax, postal delivery or email. Such documents must bear the distributor's signature and Personal Identification Number (PIN). Anonymous complaints will not be accepted under any condition. No telephone calls will be accepted with such matters as documentation must be presented in writing, both from the complaining party or parties and ultimately from the individual(s) cited for policy violation. Details of the incident such as dates, number of occurrences, persons involved, witnesses and any other supporting documentation should be include in the report.

### **11.6 Arbitration.**

All disputes and claims relating to GTC, the Agreement, or its products, the rights and obligations of a distributor of GTC, or any claims or causes of actions relating to the performance of either a distributor or any GTC under the Agreement, and/or a distributor's purchase of product(s) shall be settled totally and finally by arbitration in Altamonte Springs, Florida or such other location as GTC prescribes, in accordance with the Federal Arbitration Act, and the Commercial Arbitration Rules of the American Arbitration Association. There shall be one (1) arbitrator, an attorney at law, who shall have expertise in business law transactions, with preference being an attorney knowledgeable in the direct selling industry, selected from a panel, which the American Arbitration Association approves. Each party to the arbitration shall be responsible for its own costs and expenses or arbitration, including legal and filing fees. If a distributor files a claim or counterclaim against GTC, a distributor shall do so on an individual basis and not with any other distributor or as part of a class action. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement for arbitration shall survive any termination or expiration of the Distributor Agreement.

Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity or registration or any mark of other intellectual property or proprietary or confidential information of GTC, without GTC's written consent. GTC may seek any applicable remedy in any applicable forum with respect to these disputes and with respect to money owing to GTC. In addition to monetary damages, GTC may obtain injunctive relief against a distributor in violation of the Agreement, and for any violation of misuse of GTC's trademark, copyright or confidential information policies.

Nothing in this rule shall prevent GTC from terminating the Distributor Agreement or 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 GTC'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 Policies or Procedures, Compensation Plan or the Distributor Agreement.

The existence of any claim or cause of action by a distributor against GTC, whether predicated on the Distributor Agreement or otherwise, shall not constitute a defense to GTC enforcement of the covenants and agreements contained in the Distributor Agreement.

### **11.7 Entire Agreement.**

This Agreement (comprised of these Policies and Procedures, the Distributor Agreement and the Compensation Plan, as may exist or hereafter be amended, constitutes the entire agreement of the parties regarding their relationship, the subject matter hereof and related hereto.

### **11.8 Severability.**

If under any applicable and binding law or rule of any applicable jurisdiction, any provision of the Agreement, including these Policies and Procedures, or any specification, standard or operating procedure which GTC has prescribed is held to be invalid or unenforceable, GTC shall have the right to modify the invalid or unenforceable provision, specification, standard operating procedure or any portion thereof to the extent required to be valid and enforceable. A distributor shall be bound by any such modification. The modification shall be effective in the jurisdiction on which it is required.

### **11.9 Limitation of Damages.**

To the extent allowed by law, GTC and its affiliates, officers, directors, employees and other distributors shall not be liable for and each distributor hereby releases the foregoing from, and waives any claim for loss of profit, incidental, special, consequential or exemplary damages, which may arise out of any claims whatsoever relating to GTC's performance, non-performance, act of omission with respect to the business relationship or other matter between the distributor and GTC whether in contract, tort or strict liability. Furthermore, it is agreed that any damage to the distributor shall not exceed and is hereby expressly limited to, the amount of unsold GTC product owned by the distributor, which was directly purchased thereby from GTC and any commissions or bonuses due

### **11.10 Indemnity Agreement.**

Each and every distributor agrees to indemnify and hold harmless GTC, its shareholders, 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 distributor's (a) activities as a distributor; (b) breach of the terms of the Distributor Agreement or these Policies and Procedures; and/or (c) violation of or failure to comply with any applicable federal, state or local law or regulation.

### **11.11 Force Majeure.**

GTC shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as strikes, labor difficulties, fire, war, government decrees or orders or curtailment of a party's usual source of supply.

### **11.12 Governing Law.**

The Agreement shall be governed by the laws of the State of Florida.