

7K Metals, LLC

Policies and Procedures

Effective 9/1/2018

Contents

SECTION 1 - COMPANY MISSION STATEMENT	1
SECTION 2 - INTRODUCTION	2
2.1 - PURPOSE OF THE ASSOCIATE AGREEMENT AND THE POLICIES AND PROCEDURES	2
2.2 - POLICIES AND COMPENSATION PLAN INCORPORATED INTO ASSOCIATE AGREEMENT	2
2.3 - CHANGES TO THE AGREEMENT	2
2.4 - POLICIES AND PROVISIONS SEVERABLE	3
2.5 - WAIVER	3
2.6 - COMPANY USE OF INFORMATION	3
SECTION 3 - BECOMING AN ASSOCIATE	4
3.1 - REQUIREMENTS TO BECOME AN ASSOCIATE	4
3.2 - FEES AND PRODUCT PURCHASES	4
3.3 - ASSOCIATE BENEFITS	4
3.4 - TERM AND RENEWAL OF YOUR 7K METALS BUSINESS	5
SECTION 4 - OPERATING A 7K METALS BUSINESS	6
4.1 - ADHERENCE TO THE 7K METALS COMPENSATION PLAN	6
4.2 - ADVERTISING	6
4.2.1 - General	6
4.2.2 - Trademarks and Copyrights	7
4.2.3 - Media and Media Inquiries	9
4.2.4 - Unsolicited Email	10
4.2.4.1 - Requirements for All Commercial Email Messages	10
4.2.4.2 - Additional Requirements for Email Messages Sent to Wireless Devices	12
4.2.4.3 - Commercial Email Messages Sent on Behalf of Associates	13
4.2.5 - Unsolicited Faxes	13
4.2.6 - Telephone Directory Listings	13
4.2.7 - Television and Radio Advertising	14
4.2.8 - Advertised Prices	14
4.3 - ONLINE CONDUCT	14

4.3.1 - Associate Web Sites	14
4.3.2 - 7K Metals Replicated Websites	14
4.3.3 - Domain Names, email Addresses and Online Aliases	15
4.3.4 - Monetizing Websites.....	16
4.3.5 - Online Classifieds	16
4.3.6 - eBay / Online Auctions	16
4.3.7 - Banner Advertising.....	16
4.3.8 - Spam Linking.....	16
4.3.9 - Digital Media Submission (YouTube, iTunes, PhotoBucket etc.)	16
4.3.10 - Sponsored Links / Pay-Per-Click (PPC) Ads	17
4.3.11 - Domain Names and Email Addresses.....	17
4.3.12 - Social Media.....	17
4.4 - BUSINESS ENTITIES	18
4.4.1 - Removal of an Affiliated Party	18
4.4.2 - Changes to a Business Entity	19
4.5 - CHANGE OF SPONSOR.....	19
4.5.1 - Misplacement	19
4.5.2 - Upline Approval.....	20
4.5.3 - Termination and Re-application	20
4.5.4 - WAIVER OF CLAIMS	20
4.6 - UNAUTHORIZED CLAIMS AND ACTIONS	21
4.6.1 - Indemnification	21
4.6.2 - Compensation Plan Claims	21
4.6.3 - Income Disclosure Statement.....	22
4.7 - MILITARY INSTALLATIONS.....	23
4.8 - TRADE SHOWS, EXPOSITIONS AND OTHER SALES FORUMS	25
4.9 - CONFLICTS OF INTEREST	26
4.9.1 - Crossline Recruiting	26
4.9.2 - Nonsolicitation	26
4.9.3 - Associate Participation in Other Network Marketing Programs	27
4.9.4 - Confidential Information.....	28
4.10 - TARGETING OTHER DIRECT SELLERS	29
4.11 - Errors or Questions	29
4.12 - GOVERNMENTAL APPROVAL OR ENDORSEMENT.....	29
4.13 - INCOME TAXES.....	30
4.14 - INDEPENDENT CONTRACTOR STATUS	30
4.15 - INSURANCE.....	30
4.16 - INTERNATIONAL MARKETING	30
4.17 - EXCESS INVENTORY AND BONUS BUYING	31
4.18 - ADHERENCE TO LAWS AND REGULATIONS	31
4.19 - ONE 7K METALS BUSINESS PER ASSOCIATE AND PER HOUSEHOLD.....	31

4.20 - ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED PARTIES	32
4.21 - REQUESTS FOR RECORDS	32
4.22 - ROLL-UP OF MARKETING ORGANIZATION	32
4.23 - SALE, TRANSFER OR ASSIGNMENT OF 7K METALS BUSINESS	32
4.24 - SEPARATION OF A 7K METALS BUSINESS	33
4.25 - SPONSORING ONLINE	34
4.26 - SUCCESSION	35
4.26.1 - Transfer Upon Death of an Associate	35
4.26.2 - Transfer Upon Incapacitation of an Associate	35
4.27 - TELEMARKETING TECHNIQUES	36
4.28 - BACK OFFICE ACCESS	37
4.29 - UNAUTHORIZED COMMUNICATION	37
SECTION 5 - RESPONSIBILITIES OF ASSOCIATES	38
5.1 - CHANGE OF ADDRESS, TELEPHONE, AND E-MAIL ADDRESSES	38
5.2 - CONTINUING DEVELOPMENT OBLIGATIONS	38
5.2.1 - Ongoing Training	38
5.2.2 - Increased Training Responsibilities	38
5.2.3 - Ongoing Sales Responsibilities	39
5.3 - NONDISPARAGEMENT	39
5.4 - PROVIDING DOCUMENTATION TO APPLICANTS	39
SECTION 6 - SALES REQUIREMENTS.....	40
6.1 - PRODUCT SALES	40
6.2 - NO TERRITORY RESTRICTIONS	40
6.3 - SALES RECEIPTS	40
SECTION 7 - BONUSES AND COMMISSIONS	41
7.1 - BONUS AND COMMISSION QUALIFICATIONS AND ACCRUAL	41
7.2 - ADJUSTMENT TO BONUSES AND COMMISSIONS	41
7.2.1 - Adjustments for Returned Products and Cancelled Services	41
7.2.2 - Hard Copy Commission Checks	41
7.2.3 - Tax Withholdings	41
7.3 - REPORTS	42
SECTION 8 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE	44
8.1 - PRODUCT GUARANTEE.....	44
8.1.1 - MEMBERSHIPS AND CERTIFIED COINS	44
8.1.2 - BULLION BUYBACK	44
8.1.3 - MARKET LOSS POLICY	46
8.1.4 - ASSOCIATE RETURNS.....	46
8.1.5 - GENERAL	46

8.2 - RESCISSION	47
8.2.1 - MEMBERS.....	47
8.2.2 - INFORMING MEMBERS	47
8.3 - RETURN OF INVENTORY AND SALES AIDS BY ASSOCIATES UPON TERMINATION	47
8.3.1 - Montana Residents	48
8.4 - PROCEDURES FOR ALL RETURNS.....	48
SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS.....	50
9.1 - DISCIPLINARY SANCTIONS	50
9.2 - GRIEVANCES AND COMPLAINTS.....	51
9.3 - MEDIATION	51
9.4 - ARBITRATION	51
9.5 - GOVERNING LAW, JURISDICTION, AND VENUE	53
9.5.1 - LOUISIANA RESIDENTS.....	53
SECTION 10 - PAYMENTS.....	54
10.1 - RETURNED CHECKS.....	54
10.2 - RESTRICTIONS ON THIRD PARTY USE OF CREDIT CARDS AND BANK ACCOUNT ACCESS	54
10.3 - SALES TAXES.....	54
SECTION 11 - INACTIVITY, RECLASSIFICATION, AND TERMINATION.....	55
11.1 - EFFECT OF TERMINATION	55
11.2 - TERMINATION DUE TO INACTIVITY	55
11.2.1 - FAILURE TO MEET PV QUOTA	55
11.2.2 - FAILURE TO EARN COMMISSIONS	56
11.2.3 - FAILURE TO PAY WEBSITE FEES	56
11.2.4 - RECLASSIFICATION FOLLOWING TERMINATION DUE TO INACTIVITY	56
11.3 - INVOLUNTARY TERMINATION	56
11.4 - VOLUNTARY TERMINATION.....	56
11.5 - NON-RENEWAL	57
11.6 - EXCEPTIONS TO ACTIVITY REQUIREMENTS.....	57
11.6.1 - MATERNITY	57
11.6.2 - MILITARY DEPLOYMENT.....	57
SECTION 12 - DEFINITIONS.....	58

SECTION 1 - COMPANY MISSION STATEMENT

7k Metals is on a mission to positively impact the financial and emotional well being of all our members.

SECTION 2 - INTRODUCTION

2.1 - Purpose of the Associate Agreement and the Policies and Procedures

The purposes of the Associate Agreement and the Policies and Procedures include the following:

- ❖ To assist Associates in building and protecting their businesses;
- ❖ To protect 7K Metals and its Associates from legal and regulatory risks;
- ❖ To establish standards of acceptable behavior;
- ❖ To set forth the rights, privileges, and obligations of 7K Metals and its Associates;
and
- ❖ To define the relationship between 7K Metals and its Associates.

2.2 - Policies and Compensation Plan Incorporated into Associate Agreement

These Policies and Procedures and the Compensation Plan, in their present form and as amended by 7K Metals, LLC (hereafter “7K Metals” or the “Company”), are incorporated into, and form an integral part of, the 7K Metals Independent Associate Application and Agreement (“Associate Agreement”). It is the responsibility of each Associate 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 7K Metals Associate Application and Agreement (including the Terms and Conditions), these Policies and Procedures, the 7K Metals Compensation Plan, and the 7K Metals Business Entity Addendum (if applicable). These documents are incorporated by reference into the 7K Metals Associate Agreement (all in their current form and as amended by 7K Metals).

2.3 - Changes to the Agreement

7K Metals reserves the right to amend the Agreement, the Compensation Plan, and its prices in its sole and absolute discretion. By executing the Associate Agreement, an Associate agrees to abide by all amendments or modifications that 7K Metals elects to make. Amendments shall be effective thirty (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: (1) posting on the Company’s official web site; (2) electronic mail (e-mail); (3) posting

in Associates' back-offices; (4) inclusion in Company periodicals; (5) inclusion in product orders or bonus checks; or (6) special mailings. The continuation of an Associate's 7K Metals business, the acceptance of any benefits under the Agreement, or an Associate's acceptance of bonuses or commissions constitutes acceptance of all amendments.

2.4 - Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

2.5 - 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 7K Metals to exercise any right or power under the Agreement or to insist upon strict compliance by an Associate 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 7K Metals' right to demand exact compliance with the Agreement. The existence of any claim or cause of action of an Associate against 7K Metals shall not constitute a defense to 7K Metals' enforcement of any term or provision of the Agreement.

2.6 - Company Use of Information

By submitting an Associate Application and Agreement that is accepted by 7K Metals, the Associate consents to allow 7K Metals, its affiliates, and any related company to: (a) process and utilize the information submitted in the Associate Application and Agreement (as amended from time to time) for business purposes related to the 7K Metals business; and (2) disclose, now or in the future, such Associate information to companies which 7K Metals may, from time to time, deal with to deliver information to an Associate to improve its marketing, operational, and promotional efforts. An Associate has the right to access his or her personal information via his or her respective back office, and to submit updates thereto.

SECTION 3 - BECOMING AN ASSOCIATE

3.1 - Requirements to Become an Associate

To become a 7K Metals Associate, each applicant must:

- ❖ Be at least 18 years of age;
- ❖ Reside in the United States or U.S. Territories or country that 7K Metals has officially announced is open for business;
- ❖ Provide 7K Metals with his/her valid Social Security or Federal Tax ID number;
- ❖ Submit a properly completed Associate Application and Agreement to 7K Metals online.

7K Metals reserves the right to accept or reject any Associate Application and Agreement for any reason or for no reason.

3.2 - Fees and Product Purchases

With the exception of an enrollment fee, no person is required to purchase 7K Metals products, services or sales aids, or to pay any charge or fee to become an Associate.

3.3 - Associate Benefits

Once an Associate Application and Agreement has been accepted by 7K Metals, the benefits of the Compensation Plan and the Associate Agreement are available to the new Associate. These benefits include the right to:

- ❖ Sell 7K Metals products and services;
- ❖ Participate in the 7K Metals Compensation Plan (receive bonuses and commissions, if eligible);
- ❖ Sponsor other individuals as Members or Associates into the 7K Metals business and thereby, build a marketing organization and progress through the 7K Metals Compensation Plan;
- ❖ Receive periodic 7K Metals literature and other 7K Metals communications;
- ❖ Participate in 7K Metals-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 7K

Metals for its Associates.

3.4 - Term and Renewal of Your 7K Metals Business

The term of the Associate Agreement is one year from the date of its acceptance by 7K Metals (subject to reclassification for inactivity after six months pursuant to Section 11.2). Associates must renew their Associate Agreement each year by paying an annual renewal fee of \$75.00 on or before the anniversary date of their Associate Agreement. If the renewal fee is not paid within thirty (30) days after the expiration of the current term of the Associate Agreement, the Associate Agreement will be automatically terminated. Associates may elect to utilize the Automatic Renewal Program (“ARP”). Under the ARP, the renewal fee will be charged to the Associate’s credit card on file with the Company. Associates without a credit card or bank account must renew by phone or mail. 7K Metals shall have the right in its sole and absolute discretion not to accept the Agreement or any renewal of it.

SECTION 4 - OPERATING A 7K METALS BUSINESS

4.1 - Adherence to the 7K Metals Compensation Plan

Associates must adhere to the terms of the 7K Metals Compensation Plan as set forth in official 7K Metals literature. Associates shall not offer the 7K Metals opportunity through, or in combination with, any other system, program, sales tools, or method of marketing other than that specifically set forth in official 7K Metals literature. Associates shall not require or encourage other current or prospective customers (Members) or Associates to execute any agreement or contract other than official 7K Metals agreements and contracts in order to become a 7K Metals Associate. Similarly, Associates shall not require or encourage other current or prospective Members or Associates to make any purchase from, or payment to, any individual or other entity to participate in the 7K Metals Compensation Plan other than those purchases or payments identified as recommended or required in official 7K Metals documents or literature.

4.2 - Advertising

4.2.1 - General

All Associates shall safeguard and promote the good reputation of 7K Metals and its products. The marketing and promotion of 7K Metals, the 7K Metals opportunity, the Compensation Plan, and 7K Metals products must avoid all discourteous, deceptive, misleading, unethical or immoral, or illegal conduct or practices.

To promote both the products and services, and the tremendous opportunity 7K Metals offers, Associates must use the sales aids, business tools, and support materials produced or approved by 7K Metals. The Company has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that they are promoted in a fair and truthful manner, that they are substantiated, and the materials comply with the legal requirements of federal and state laws.

Accordingly, Associates may only advertise or promote their 7K Metals business using approved tools, templates or images acquired through 7K Metals. No approval is necessary to use these approved tools for general social media use and personal email communications. If you wish to design your own online or offline marketing materials of any kind, your designs must be submitted to the 7K Metals advertising department (support@7KMetals.com) for consideration for final use. Unless you receive specific written approval from 7K Metals to use

such tools, the request shall be deemed denied. Go to the *Template Library* tab in your back office for guidelines and to access the library.

Associates may not sell sales aids to other 7K Metals Associates. Therefore, Associates who receive authorization from 7K Metals to produce their own sales aids may not sell such material to any other 7K Metals Associate. Associates may make approved material available to other Associates free of charge if they wish, but may not charge other 7K Metals Associates for the material.

7K Metals further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Associates waive all claims for damages or remuneration arising from or relating to such rescission.

4.2.2 - Trademarks and Copyrights

The name of 7K Metals and other names as may be adopted by 7K Metals are proprietary trade names, trademarks and service marks of 7K Metals (collectively “marks”). As such, these marks are of great value to 7K Metals and are supplied to Associates for their use only in an expressly authorized manner. 7K Metals will only allow the limited non-exclusive use of its marks, designs, or symbols, or any derivatives thereof, solely by an Associate in the furtherance or operation of his or her 7K Metals business, consistent with these Policies and Procedures. 7K Metals will not allow the use of its marks, designs, or symbols, or any derivatives thereof, by any person, including 7K Metals Associates, in any manner without its prior, written permission.

The content of all Company sponsored events is copyrighted material. Associates may not produce for sale or distribution any recorded Company events and speeches without written permission from 7K Metals, nor may Associates reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

As an independent Associate, you may use the 7K Metals name in the following manner

Associate's Name
Independent 7K Metals Associate

Example:

Alice Smith
Independent 7K Metals Associate

or

Alice Smith
7K Metals
Independent Associate

Associates may not use the name 7K Metals in any form in your team name, a tagline, an external website name, your personal website address or extension, in an e-mail address, as a personal name, or as a nickname. Additionally, only use the phrase *Independent 7K Metals Associate* in your phone greeting or on your answering machine to clearly separate your independent 7K Metals business from 7K Metals, LLC. For example, you may not secure the domain name [www.buy7K Metals.com](http://www.buy7KMetals.com), nor may you create an email address such as [7K Metalsales@hotmail.com](mailto:7KMetalsales@hotmail.com), 7ksales@hotmail.com, 7k.teamname@hotmail.com

4.2.2.1 - Independent 7K Metals Associate Logo

If you use a 7K Metals logo in any communication, you must use the Independent Associate version of the 7K Metals logo. Using any other 7K Metals logo requires written approval. Please see examples below:

Logos Approved for Associate Use



Logos Not Approved for Associate Use



4.2.3 - Media and Media Inquiries

Associates must not attempt to respond to media inquiries regarding 7K Metals, its products or services, or their independent 7K Metals business. All inquiries by any type of media must be immediately referred to 7K Metals' Marketing Department. via the support team at

support@7kmetals.com. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

4.2.4 - Unsolicited Email

7K Metals does not permit Associates to send unsolicited commercial emails unless such emails strictly comply with applicable state and federal laws and regulations including, without limitation, the federal CAN SPAM Act. The CAN-SPAM Act regulates the transmission of all commercial e-mail messages, not just unsolicited messages. A commercial e-mail message is defined as any e-mail that has a “primary purpose of . . . commercial advertisement or promotion of a commercial product or service.” This includes commercial e-mails sent to business e-mail accounts, as well as those sent to individual consumers.

4.2.4.1 - Requirements for All Commercial Email Messages

The Mailing List

- ❖ The mailing list may include only persons who have affirmatively agreed (opted in) to receive commercial e-mail from you.
- ❖ The mailing list must not include any recipient who has previously asked not to receive commercial e-mail from the business (opted out).
- ❖ You must “scrub” the mailing list against available “do not e-mail” list at the last possible, commercially reasonable moment before the e-mail is sent.

The E-mail Message

- ❖ The message must include complete and accurate transmission and header information.
- ❖ The “From” line must identify your business as the sender. This does not have to include your business’s formal name, if any. For example, it may contain your business’s name, trade name, or product or service name. The key requirement is that the “From” line provide the recipient with enough information to understand who is sending the message.
- ❖ The “Subject” line must accurately describe the message’s content.
- ❖ The message must clearly include the business’s valid, current physical postal address. This address can be a:

- street address;
 - post office box that the business has accurately registered with the US Postal Service; or
 - private mailbox that the business has accurately registered with a commercial mail receiving agency established pursuant to US Postal Service regulations.
- ❖ The message must disclose that it is an advertisement or solicitation unless the e-mail message is sent only to recipients who have affirmatively agreed (opted in) to receive these messages from the business.
 - ❖ There must be a functioning return email address to the sender.
 - ❖ The use of deceptive subject lines and/or false header information is prohibited.

The Opt-out Mechanism

- ❖ The message must clearly explain that the recipient may opt out of receiving future commercial messages from the business.
- ❖ The message must include either an e-mail address or other online mechanism that the recipient may use for this opt out. The mechanism must not require the recipient to:
 - do anything more than reply to the e-mail or visit a single web page to opt out;
 - make any payment or submit any personal information, including account information (other than e-mail address), to opt out; and
 - the opt-out mechanism must work for at least 30 days after the e-mail is sent.
- ❖ You must ensure that the explanation of how a recipient can opt out is easy to read and understand.
- ❖ You may include a menu of opt-out options that permit the recipient to select the types of commercial messages the recipient would like to continue receiving. However, one option must permit opting out of all commercial messages from you.
- ❖ You must honor all opt-out requests within ten business days.
- ❖ Opt-out requests do not expire. An opt-out is overridden only by the recipient's subsequent express (opt in) request to receive commercial e-mail.
- ❖ All opt-out requests, whether received by email or regular mail, must be honored. If you receive an opt-out request from a recipient of an email, you must forward the

opt-out request to the Company.

- ❖ You may not sell, share or use a business's opt-out list for any reason other than to comply with the law.

Monitoring Opt-out Capabilities – If you use a third-party service provider you must implement procedures to ensure that your opt-out capabilities actually work. An example of a basic procedure to test the opt-out procedure is as follows:

- ❖ Establish e-mail accounts with several major private e-mail account providers (for example, Gmail, Yahoo, Hotmail, AOL, and so on) and add these e-mail addresses to the business's mailing list. For each e-mail address created for monitoring purposes, use the business's opt-out mechanism to remove the e-mail address from the mailing list.
- ❖ Repeat this procedure on a regular basis (for example, at least every two weeks).
- ❖ Examine the e-mail received by the monitoring e-mail account to confirm that the: z opt-out mechanism works; z opt-out request is honored within 10 business days; and z monitoring e-mail account no longer receives commercial messages from the business.
- ❖ If the monitoring and testing process reveals problems, the business should immediately fix the issues.

Third-party Marketing Affiliates or Service Providers - When using third-party service providers, including affiliate marketers you should ensure that the written contract with the service provider clearly sets out each party's responsibilities for compliance with the CAN-SPAM Act and includes appropriate and adequate remedies for noncompliance.

4.2.4.2 - Additional Requirements for Email Messages Sent to Wireless Devices

When sending commercial messages to wireless devices:

- ❖ Ensure that you have the recipient's prior, affirmative consent (opt in) to send the commercial message. The consent can be oral, written or electronic.
- ❖ Ask for consent in a way that involves no cost to the recipient, for example:
 - do not send the request to the wireless device; and

- allow the recipient to respond in a way that involves no cost (such as an online, e-mail or postal mail sign-up).
- ❖ When seeking consent, make it clear that the recipient:
 - is agreeing to receive commercial e-mail on his wireless device;
 - may be charged to receive the e-mail; and
 - can revoke his consent at any time.

4.2.4.3 - Commercial Email Messages Sent on Behalf of Associates

The 7K Metals may periodically send commercial emails on behalf of Associates. By entering into the Associate Agreement, Associate agrees that the Company may send such emails and that the Associate's physical and email addresses will be included in such emails as outlined above. Associates shall honor opt-out requests generated as a result of such emails sent by the Company.

4.2.5 - Unsolicited Faxes

Except as provided in this section, Associates may not use or transmit unsolicited faxes in connection with their 7K Metals business. The term "unsolicited faxes" means the transmission via telephone facsimile or computer of any material or information advertising or promoting 7K Metals, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Associate 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 Associate and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Associate; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

4.2.6 - Telephone Directory Listings

Associates may list themselves as an "Independent 7K Metals Associate" in the white or yellow pages of the telephone directory, or with online directories, under their own name. No Associate may place telephone or online directory display ads using 7K Metals' name or logo. Associates may not answer the telephone by saying "7K Metals", "7K Metals Incorporated", or in

any other manner that would lead the caller to believe that he or she has reached corporate offices of 7K Metals. If an Associate wishes to post his/her name in a telephone or online directory, it must be listed in the following format:

Associate's Name

Independent 7K Metals Associate

4.2.7 - Television and Radio Advertising

Associates may not advertise on television and radio except with 7K Metals' express written approval.

4.2.8 - Advertised Prices

Associates may not create their own marketing or advertising material offering any 7K Metals products at a price less than the current Option-Ship price plus shipping and applicable taxes.

4.3 - Online Conduct

4.3.1 - Associate Web Sites

Associates are provided with a replicated website by 7K Metals, from which they can take orders, enroll new Members and Associates, place Members on the Option-Ship Program, as well as manage their 7K Metals business. Associates may use only replicated websites provided by 7K Metals to promote their 7K Metals business, and may not create their own websites to directly or indirectly promote 7K Metals' products, services, or the 7K Metals opportunity.

4.3.2 - 7K Metals Replicated Websites

Associates receive a 7K Metals Replicated Website subscription to facilitate online buying experience for their Members and enrollments for prospective Members and Associates. There is a ten dollar (\$10.00) monthly charge for Replicated Websites. Associates are solely responsible and liable for the content they add to their Replicated Website and must regularly review the content to ensure it is accurate and relevant.

Associates may not alter the branding, artwork, look, or feel of their Replicated Website, and may not use their Replicated Website to promote, market or sell non-7K Metals products,

services or income opportunities. Specifically, you may not alter the look (placement, sizing etc.) or functionality of the following:

- ❖ The 7K Metals Independent Associate Logo
- ❖ Your Name
- ❖ 7K Metals Corporate Website Redirect Button
- ❖ Artwork, logos, or graphics
- ❖ Original text.

Because Replicated Websites reside on the 7K Metals.com domain, 7K Metals reserves the right to receive analytics and information regarding the usage of your website.

By default, your 7K Metals Replicated Website URL is www.7KMetals.com/<distributorID#>. You must change this default ID and choose a uniquely identifiable website name that cannot:

- ❖ Be confused with other portions of the 7K Metals corporate website;
- ❖ Confuse a reasonable person into thinking they have landed on a 7K Metals corporate page;
- ❖ Be confused with any 7K Metals name;
- ❖ Contain any discourteous, misleading, or off-color words or phrases that may damage 7K Metals' image.

4.3.3 - Domain Names, email Addresses and Online Aliases

You are not allowed to use or register 7K Metals or any of 7K Metals' trademarks, product names, or any derivatives, for any Internet domain name, email address, or online aliases. Additionally, you cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of 7K Metals. Examples of the improper use of 7K Metals include, but are not limited to any form of 7K Metals showing up as the sender of an email or examples such as:

www.My7KMetalsBiz.com

www.7KDreamTeam.com

www.ISell7KMetals.com

www.7KMetalsbyJaneDoe.com

www.7KMoney.net

www.Janes7KOpportunity.net

4.3.4 - Monetizing Websites

Associates may not monetize their Replicated Website or their Registered External Website through affiliate programs, pay-per-click or cost-per-impression advertising, selling ad space, accepting donations, accepting sponsored posts or articles, adSense, or similar programs.

4.3.5 - Online Classifieds

You may use online classifieds (including Craigslist) to list, sell or retail specific 7K Metals products or product bundles. However, you are solely and exclusively responsible for complying with all applicable federal, state and local laws, if any. In addition, you may also use online classifieds (including Craigslist) for prospecting, recruiting, sponsoring and informing the public about the 7K Metals income opportunity, provided 7K Metals-approved templates/images are used. These templates will identify you as an Independent 7K Metals Associate. If a link or URL is provided, it must link to your Replicated Website.

4.3.6 - eBay / Online Auctions

7K Metals' products may be listed, offered and sold on eBay or other online auctions.

4.3.7 - Banner Advertising

You may place banner advertisements on a website provided you use 7K Metals-approved templates and images. All banner advertisements must link to your Replicated Website. Associates may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or income claims that are ultimately associated with 7K Metals products or the 7K Metals opportunity.

4.3.8 - Spam Linking

Spam linking is defined as multiple consecutive submissions of the same or similar content into blogs, wikis, guest books, websites or other publicly accessible online discussion boards or forums and is not allowed. This includes blog spamming, blog comment spamming and/or spamdexing. Any comments you make on blogs, forums, guest books, etc., must be unique, informative and relevant.

4.3.9 - Digital Media Submission (YouTube, iTunes, PhotoBucket etc.)

Associates may upload, submit or publish 7K Metals-related video, audio or photo content that they develop and create so long as it aligns with 7K Metals' values, contributes to the 7K Metals community greater good, and is in compliance with 7K Metals' Policies and Procedures. All submissions must clearly identify you as an Independent 7K Metals Associate in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that you are solely responsible for this content. Associates may not upload, submit or publish any content (video, audio, presentations or any computer files) received from 7K Metals or captured at official 7K Metals events or in buildings owned, leased, or operated by 7K Metals without prior written permission from 7K Metals.

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

Except as prohibited elsewhere within the Policies and Procedures, sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to the sponsoring Associate's Replicated Website. The display URL must also be to the sponsoring Associate's Replicated Website, and must not portray any URL that could lead the user to believe they are being directed to a 7K Metals Corporate site, or be inappropriate or misleading in any way.

4.3.11 - Domain Names and Email Addresses

Except as set forth in the Associate Website Application and Agreement, Associates may not use or attempt to register any of 7K Metals' trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative of the foregoing, for any Internet domain name, email address, or social media name or address.

4.3.12 - Social Media

In addition to meeting all other requirements specified in these Policies and Procedures, should you utilize any form of social media, including but not limited to Facebook, Twitter, LinkedIn, YouTube, or Pinterest, you agree 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 your 7K Metals Replicated Website.
- ❖ It is your 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, you must abide by the site's terms of use.
- ❖ Any social media site that is directly or indirectly operated or controlled by an

Associate that is used to discuss or promote 7K Metals' products or the 7K Metals opportunity may not link to any website, social media site, or site of any other nature, other than the Associate's 7K Metals replicated website.

- ❖ During the term of this Agreement and for a period of 12 calendar months thereafter, an Associate may not use any social media site on which they discuss or promote, or have discussed or promoted, the 7K Metals business or 7K Metals' products to directly or indirectly solicit 7K Metals Associates for another direct selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, an Associate shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Associates relating to the Associate's other direct selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision in Section 4.10 (Conflicts of Interest) below.
- ❖ An Associate may post or "pin" photographs of 7K Metals products on a social media site, but only photos that are provided by 7K Metals and downloaded from the Associate's Back-Office may be used.

If an Associate creates a business profile page on any social media site that promotes or relates to 7K Metals, its products, or opportunity, the business profile page must relate exclusively to the Associate's 7K Metals business and 7K Metals products. If the Associate's 7K Metals business is cancelled for any reason or if the Associate becomes inactive, the Associate must deactivate the business profile page.

4.4 - Business Entities

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a 7K Metals Associate by submitting an Associate Application and Agreement along with a properly completed Business Entity Registration Form and a properly completed IRS Form W-9. The Business Entity, as well as all shareholders, members, managers, partners, trustees, or other parties with any ownership (legal or equitable) interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties") are individually, jointly and severally liable for any indebtedness to 7K Metals, compliance with the 7K Metals Policies and Procedures, the 7K Metals Associate Agreement, and other obligations to 7K Metals.

4.4.1 - Removal of an Affiliated Party

To prevent the circumvention of Sections 4.23 (Sale, Transfer or Assignment of 7K Metals Business) and 4.5, (Change of Sponsor), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or 7K Metals, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify 7K Metals in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions of Section 4.24 (Sale, Transfer or Assignment of 7K Metals Business). In addition, the Affiliated Party foregoing their interest in the Business Entity may not participate in any other 7K Metals business for twelve consecutive calendar months in accordance with Section 4.5.3 (Termination and Re-application). If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 4.25 (Sale, Transfer or Assignment of 7K Metals Business).

The modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 4.5 (Change of Sponsor), below. There is a \$50.00 fee for each change requested, which must be included with the written request and the completed Associate Application and Agreement. 7K Metals may, at its discretion, require notarized documents before implementing any changes to a 7K Metals business. Please allow thirty (30) days after the receipt of the request by 7K Metals for processing.

4.4.2 - Changes to a Business Entity

Each Associate must immediately notify 7K Metals of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business Affiliated Parties.

4.5 - Change of Sponsor

7K Metals strongly discourages changes in sponsorship. In order to protect all Sponsors, no Associate may interfere with the relationship between another Associate and his or her Sponsor in any way. An Associate may not offer, entice, encourage, solicit, recruit, or otherwise influence or attempt to persuade another Associate to change his or her Sponsor or line of sponsorship, either directly or indirectly. Accordingly, the transfer of a 7K Metals business from one sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Associate Services Department, and must include the reason for the transfer. Transfers will only be considered in the following three circumstances:

4.5.1 - Misplacement

In cases in which the new Associate is sponsored by someone other than the individual

he or she was led to believe would be his or her Sponsor, an Associate may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within thirty (30) days from the date of enrollment. The Associate requesting the change has the burden of proving that he or she was placed beneath the incorrect sponsor. It is up to 7K Metals' discretion whether the requested change will be implemented.

4.5.2 - Upline Approval

The Associate seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her immediate four (4) upline Associates in his or her marketing organization. Photocopied or facsimile signatures are not acceptable. All Associate signatures must be notarized. The Associate who requests the transfer must submit a fee of fifty dollars (\$50.00) for administrative charges and data processing. If the transferring Associate also wants to move any of the Associates in his or her marketing organization, each downline Associate must also obtain a properly completed Sponsorship Transfer Form and return it to 7K Metals with the fifty dollars (\$50.00) change fee (i.e., the transferring Associate and each Associate in his or her marketing organization multiplied by fifty dollars (\$50.00) is the cost to move a 7K Metals business.) Downline Associates will not be moved with the transferring Associate unless all of the requirements of this paragraph are met. Transferring Associates must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by 7K Metals for processing and **verifying** change requests.

4.5.3 - Termination and Re-application

An Associate may legitimately change organizations by voluntarily canceling his or her 7K Metals business and remaining inactive (*i.e.*, no purchases of 7K Metals products for resale, no sales of 7K Metals products, no sponsoring, no attendance at any 7K Metals functions, participation in any other form of Associate activity, or operation of any other 7K Metals business, no income from the 7K Metals business) for twelve (12) full calendar months. Following the twelve month period of inactivity, the former Associate may reapply under a new sponsor, however, the former Associate's downline will remain in their original line of sponsorship. 7K Metals will consider waiving the six month waiting period under exceptional circumstances. Such requests for waiver must be submitted to 7K Metals in writing.

4.5.4 - Waiver of Claims

In cases in which the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by an Associate, 7K Metals reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **ASSOCIATES WAIVE ANY AND ALL CLAIMS AGAINST 7K METALS, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM 7K METALS' DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

4.6 - Unauthorized Claims and Actions

4.6.1 - Indemnification

An Associate is fully responsible for all of his or her verbal and written statements made regarding 7K Metals products, services, and the Compensation Plan that are not expressly contained in official 7K Metals 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. Associates agree to indemnify 7K Metals and 7K Metals' directors, officers, employees, and agents, and hold them harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by 7K Metals as a result of the Associate's unauthorized representations or actions. This provision shall survive the termination of the Associate Agreement.

4.6.2 - Compensation Plan Claims

When presenting or discussing the 7K Metals Compensation Plan, you must make it clear to prospects that financial success with 7K Metals requires commitment, effort, and sales skill. Conversely, you must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include:

- ❖ It's a turnkey system;
- ❖ 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 every month.

The above are merely examples of improper representations about the Compensation Plan. It is important that you do not make these or any other representations that could lead a prospect to believe that they can be successful as a 7K Metals Associate without commitment, effort, and sales skill.

4.6.3 - Income Disclosure Statement

7K Metals' corporate ethics compel us to do not merely what is legally required, but rather, to conduct the absolute best business practices. To this end, we have developed the 7K Metals Income Disclosure Statement ("IDS"). The 7K Metals IDS is designed to convey truthful, timely, and comprehensive information regarding the income that 7K Metals Associates earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective Associates. The failure to comply with this policy constitutes a significant and material breach of the 7K Metals Associate Agreement and will be grounds for disciplinary sanctions, including termination, pursuant to Section 9.1 (Disciplinary Sanctions).

An Associate, when presenting or discussing the 7K Metals opportunity or Compensation Plan to a prospective Associate, may not make income projections, income claims, or disclose his or her 7K Metals income (including the showing of checks, copies of checks, bank statements, or tax records) unless, at the time the presentation is made, the Associate provides a current copy of the 7K Metals Income Disclosure Statement (IDS) to the person(s) to whom he or she is making the presentation.

A copy of the IDS must be presented to a prospective Associate (someone who is not a party to a current 7K Metals Associate Agreement) anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms "income claim" and/or "earnings representation" (collectively "income claim") include: (1) statements of actual earnings; (2) statements of projected earnings; (3) statements of earnings ranges; (4) income testimonials; (5) lifestyle claims; and (6) 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 7K Metals income exceeded my salary after six months in the business," or "Our 7K Metals business has allowed my wife to come home and be a full-time mom" also fall within the purview of "lifestyle" claims.

A hypothetical income claim exists when you attempt to explain the operation of the compensation plan through the use of a hypothetical example. Certain assumptions are made regarding some or all of the following: (1) number of personally-enrolled Members and Associates; (2) number of downline Members and Associates; (3) average sales/purchase volume/sales volume per Member and Associate; and (4) total organizational volume. Applying these assumptions through the compensation plan yields income figures which constitute hypothetical income claims.

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

Copies of the IDS may be printed or downloaded without charge from the corporate website at <http://www.7KMetals.com/IDS>.

Associates 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 submission to the Company for review.

4.7 - Military Installations

The offer, promotion, or sale of the goods and services, or the offer and promotion of the 7K Metals opportunity on a military installation is not a right – it is a privilege. Even if an Associate *lives* on a military installation, he or she does not have the right to offer our products or opportunity to anyone on that installation without the permission of the installation Commander. For the purposes of the U.S. Navy personnel and Navy Regulations, the definition of an “installation” also includes U.S. Navy vessels.

Any Associate who wants to offer, promote, or sell 7K Metals products, or offer and promote the 7K Metals opportunity (these activities will be collectively referred to as “commercial solicitation activities”) on a military installation must make an inquiry to the office of the installation Commander to determine whether the Commander has granted permission for 7K Metals Associates to engage in such activities on the installation. If the Commander has not done so, the Associate must contact 7K Metals’ offices to ask the Company to obtain the Commander’s permission. Associates are prohibited from seeking such permission from any installation Commander. If obtained, the permission to engage in commercial solicitation activities on a military installation is granted only for one particular installation.

Any Associate who intends to engage in commercial solicitation activities on a military installation must be aware of and become completely familiar with the applicable military Regulation or Instruction. There are many activities that are permissible in a civilian environment that are not permissible on a military installation. Some of these activities include, but are not limited to:

- ❖ Solicitation during enlistment or induction processing or during basic combat training, and within the first half of the one station unit training cycle.
- ❖ Solicitation of “mass,” “group,” or “captive” audiences.
- ❖ Making appointments with or soliciting military personnel during their normally-scheduled duty hours.
- ❖ Soliciting without an appointment in areas used for housing or processing transient personnel, or soliciting in barracks areas used as quarters.
- ❖ Use of official military identification cards or vehicle decals by active duty, retired, or reserve members of the military services to gain access to Army installations for the purpose of soliciting. (When entering the installation for the purpose of solicitation,

- Associates with military identification cards and/or installation vehicle decals must present documentation issued by the installation authorizing solicitations.)
- ❖ Offering rebates to promote transaction or to eliminate competition.
 - ❖ Any oral or written representations which suggest or appear that the military branch sponsors or endorses the Company or its Associates, or the goods, services, and commodities offered for sale.
 - ❖ The designation of any agent or the use by any agent of titles (for example, “Battalion Insurance Counselor,” “Unit Insurance Advisor,” “Servicemen’s Group Life Insurance Conversion Consultant”) that in any manner states or implies any type of endorsement from the U.S. Government, the Armed Forces, or any State or Federal agency or Government entity.
 - ❖ Entry into any unauthorized or restricted area.
 - ❖ Distribution of literature other than to the person being interviewed.
 - ❖ Contacting military personnel by calling a Government telephone, faxing to a Government fax machine, or sending e-mail to a Government computer, unless a pre-existing relation (that is, the military member is a current client or requested to be contacted) exists between the parties and the military member has not asked for the contact to be terminated.
 - ❖ Soliciting door to door or without an appointment.

The foregoing items are not an all-inclusive list. There are many more prohibited activities that are addressed in the applicable military Regulation or Instruction. The violation of military Regulations or Instructions by one Associate could jeopardize the ability of all 7K Metals Associates to engage in commercial solicitation activities on a particular military installation or even the entire branch of the military involved (e.g., Army, Air Force, Navy, Marines, or Coast Guard).

4.8 - Trade Shows, Expositions and Other Sales Forums

Associates may display and/or sell 7K Metals products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Associates must contact the Associate Services department in writing for conditional approval, as 7K Metals’ policy is to authorize only one 7K Metals business per event. Final approval will be granted to the first Associate who submits an official advertisement of the event, a copy of the contract signed by both the Associate and the event official, and a receipt indicating that a deposit for the booth has

been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Marketing Department. 7K Metals further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the 7K Metals opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image 7K Metals wishes to portray.

4.9 - Conflicts of Interest

4.9.1 - Crossline Recruiting

Associates are prohibited from crossline recruiting. The use of a spouse or relative's name, trade names, DBAs, assumed names, entities, federal identification numbers, or fictitious identification numbers, or any other device or contrivance to circumvent this policy is prohibited. An Associate shall not demean, discredit, or defame other 7K Metals Associates in an attempt to entice another Member, Associate or prospective Associate to become part of his or her organization.

For the purposes of this Section 4.10.1, the term "crossline recruiting" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any way, either directly, indirectly, or through a third party, another 7K Metals Associate or Member to enroll, join, or otherwise participate in another 7K Metals marketing organization, downline, or line of sponsorship other than the one in which he, she, or it originally enrolled.

4.9.2 - Nonsolicitation

7K Metals Associates are free to participate in other direct selling, multilevel marketing, or network marketing entities, businesses, organizations, opportunities, or ventures (collectively referred to as a "network marketing business"). However, during the term of this Agreement, any renewal or extension hereof, and for a period of six calendar months following the termination of an Associate's Independent Associate Agreement, with the exception of an Associate who is personally sponsored by the Associate (or former Associate, as may be applicable), an Associate (or former Associate) may not recruit any 7K Metals Associate or Member for another network marketing business. Associates and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United

States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Associates and 7K Metals agree that this non-solicitation provision shall apply nationwide throughout the United States and to all international markets in which Associates are located. This provision shall survive the termination or expiration of the Associate Agreement.

For the purposes of this Section 4.10.2, the term “recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any way (either directly, indirectly, or through a third party) another 7K Metals Associate or Member to: (1) enroll, join, or otherwise participate in another network marketing business; or (2) terminate or alter his or her business or contractual relationship with the 7K Metals. The term “recruit” also includes the above activities in the event that the Associate’s actions are in response to an inquiry made by another Associate or Member.

4.9.3 - Associate Participation in Other Network Marketing Programs

If an Associate is engaged in other non-7K Metals network marketing business, it is the responsibility of the Associate to ensure that his or her 7K Metals business is operated entirely separate and apart from any other network marketing business. To this end, the following must be adhered to:

- ❖ Associates must not sell, or attempt to sell, any competing non-7K Metals programs, products or services to 7K Metals Members or Associates. Any program, product or services in the same generic categories as 7K Metals products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors. This provision does not apply where professional services are the primary source of revenues and the product sales are secondary to the provision of such services (e.g., physician’s offices, health clinics, health clubs, gyms, spas or beauty salons). However, an Associate may sell non-competing products or services to 7K Metals Members or Associates who are personally-sponsored.
- ❖ Associates shall not display 7K Metals promotional material, sales aids, products or services with or in the same location as, any non-7K Metals promotional material or sales aids, products or services.
- ❖ Associates shall not offer the 7K Metals opportunity, products or services to

prospective or existing Members or Associates in conjunction with any non-7K Metals program, opportunity, product or service.

- ❖ Associates may not offer any non-7K Metals opportunity, products, services or opportunity at any 7K Metals-related meeting, seminar, convention, webinar, teleconference, or other function.

4.9.4 - Confidential Information

“Confidential Information” includes, but is not limited to, Downline Genealogy Reports, the identities of 7K Metals Members and Associates, contact information of 7K Metals Members and Associates, Associates’ personal and group sales volumes, Associate rank and/or achievement levels, and other financial and business information. All Confidential Information (whether oral or in written or electronic form) is proprietary information of 7K Metals and constitutes a business trade secret belonging to 7K Metals. Confidential Information is, or may be available, to Associates in their respective back-offices. Associate access to such Confidential Information is password protected, and is confidential and constitutes proprietary information and business trade secrets belonging to 7K Metals. Such Confidential Information is provided to Associates in strictest confidence and is made available to Associates for the sole purpose of assisting Associates in working with their respective downline organizations in the development of their 7K Metals business. Associates may not use the reports for any purpose other than for developing, managing, or operating their 7K Metals business. Where an Associate participates in other multi-level marketing ventures, he/she is not eligible to have access to Downline Genealogy Reports. Associates should use the Confidential Information to assist, motivate, and train their downline Associates. The Associate and 7K Metals agree that, but for this agreement of confidentiality and nondisclosure, 7K Metals would not provide Confidential Information to the Associate.

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

- ❖ Directly or indirectly disclose any Confidential Information to any third party;
- ❖ Directly or indirectly disclose the password or other access code to his or her back-office;
- ❖ Use any Confidential Information to compete with 7K Metals or for any purpose other than promoting his or her 7K Metals business;

- ❖ Recruit or solicit any Associate or Member of 7K Metals listed on any report or in the Associate's back-office, or in any manner attempt to influence or induce any Associate or Member of 7K Metals, to alter their business relationship with 7K Metals; or
- ❖ Use or disclose to any person, partnership, association, corporation, or other entity any Confidential Information.

The obligation not to disclose Confidential Information shall survive cancellation or termination of the Agreement, and shall remain effective and binding irrespective of whether an Associate's Agreement has been terminated, or whether the Associate is or is not otherwise affiliated with the 7K Metals. Upon nonrenewal or termination of the Agreement, Associates must immediately discontinue all use of the Confidential Information and if requested by the 7K Metals promptly return all materials in their possession to the 7K Metals within five (5) business days of request at their own expense.

4.10 - Targeting Other Direct Sellers

7K Metals does not condone Associates specifically or consciously targeting the sales force of another direct sales company to sell 7K Metals products or to become Associates for 7K Metals, nor does 7K Metals condone Associates solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Associates engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an Associate alleging that he or she engaged in inappropriate recruiting activity of its sales force or Members, 7K Metals will not pay any of the Associate's defense costs or legal fees, nor will 7K Metals indemnify the Associate for any judgment, award, or settlement.

4.11 - Errors or Questions

If an Associate has questions about or believes any errors have been made regarding commissions, bonuses, genealogy lists, or charges, the Associate must notify 7K Metals in writing within 60 days of the date of the purported error or incident in question. 7K Metals will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

4.12 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct

selling or network marketing companies or programs. Therefore, Associates shall not represent or imply that 7K Metals or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

4.13 - Income Taxes

Each Associate is responsible for paying local, state, and federal taxes on any income generated as an Independent Associate. Unfortunately, we cannot provide you with any personal tax advice. Please consult your own tax accountant, tax attorney, or other tax professional. If an Associate's 7K Metals business is tax exempt, the Federal tax identification number must be provided to 7K Metals. Every year, 7K Metals will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: (1) Had earnings of over \$600 in the previous calendar year; or (2) Made purchases during the previous calendar year in excess of \$5,000.

4.14 - Independent Contractor Status

Associates are independent contractors. The agreement between 7K Metals and its Associates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Associate. Associates shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Associates are responsible for paying local, state, and federal taxes due from all compensation earned as an Associate of the Company. The Associate has no authority (expressed or implied), to bind the Company to any obligation. Each Associate shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Associate Agreement, these Policies and Procedures, and applicable laws.

4.15 - Insurance

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

4.16 - International Marketing

Associates are authorized to sell 7K Metals products and services, and enroll Members or

Associates only in the countries in which 7K Metals is authorized to conduct business, as announced in official Company literature. 7K Metals products or sales aids may not be shipped into or sold in any foreign country. Associates may sell, give, transfer, or distribute 7K Metals products or sales aids only in their home country. In addition, no Associate may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential Members or Associates; or (c) conduct any other activity for the purpose of selling 7K Metals products, establishing a marketing organization, or promoting the 7K Metals opportunity.

4.17 - Excess Inventory and Bonus Buying

Associates must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other Associate to buy more products than they can reasonably use or sell to retail customers in a month. In addition, bonus buying is strictly prohibited. Bonus buying includes any mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers. Bonus buying includes, but is not limited to, purchasing products through a straw man or other artifice.

4.18 - Adherence to Laws and Regulations

Associates must comply with all federal, state, and local laws, regulations, ordinances, and codes in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Associates because of the nature of their business. However, Associates must obey those laws that do apply to them. If a city or county official tells an Associate that an ordinance applies to him or her, the Associate shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of 7K Metals.

4.19 - One 7K Metals Business Per Associate and Per Household

An Associate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one 7K Metals business. No individual may have, operate or receive compensation from more than one 7K Metals business.

Individuals of the same Household may maintain, own, and operate their own 7K Metals Business. A "Household" is defined as spouses and dependent adult children living at or doing

business at the same address. In the event that two members of the same Household elect to become Associates at the same time, one must be enrolled by the other. In the event that more than two members of the same Household elect to become Associates at the same time, they must elect one Household member to enroll the others. In the event that members of the same Household elect to become Associates at different times, the Household member who joined 7K Metals first must be the Enroller for all other Household members.

4.20 - Actions of Household Members or Affiliated Parties

If any member of an Associate's immediate household engages in any activity which, if performed by the Associate, would violate any provision of the Agreement, such activity will be deemed a violation by the Associate and 7K Metals may take disciplinary action pursuant to the these Policies and Procedures against the Associate. Similarly, if any individual associated in any way with a corporation, partnership, limited liability company, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and 7K Metals may take disciplinary action against the Business Entity. Likewise, if an Associate enrolls in 7K Metals as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

4.21 - Requests for Records

Any request from an Associate for copies of invoices, applications, downline activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

4.22 - Roll-up of Marketing Organization

When a vacancy occurs in a Marketing Organization due to the termination of a 7K Metals business, the Associate in the first level immediately below the terminated Associate on the date of the termination will not be moved to the first level ("front line") of the terminated Associate's sponsor. The position occupied by the terminated Associate shall remain permanently vacant.

4.23 - Sale, Transfer or Assignment of 7K Metals Business

Although a 7K Metals business is a privately owned and independently operated business, the sale, transfer or assignment of a 7K Metals business, and the sale, transfer, or assignment of an interest in a Business Entity that owns or operates a 7K Metals business, is subject to certain

limitations. If an Associate wishes to sell his or her 7K Metals business, or interest in a Business Entity that owns or operates a 7K Metals business, the following criteria must be met:

- ❖ The selling Associate must offer 7K Metals the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. 7K Metals shall have fifteen days from the date of receipt of the written offer from the seller to exercise its right of first refusal.
- ❖ The buyer or transferee must become a qualified 7K Metals Associate. If the buyer is an active 7K Metals Associate, he or she must first terminate his or her 7K Metals business and wait six calendar months before acquiring any interest in a different 7K Metals business;
- ❖ Before the sale, transfer or assignment can be finalized and approved by 7K Metals, any debt obligations the selling party has with 7K Metals must be satisfied.
- ❖ The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a 7K Metals business.

Prior to selling an independent 7K Metals business or Business Entity interest, the selling Associate must notify 7K Metals' Compliance Department in writing and advise of his or her intent to sell his/her 7K Metals business or Business Entity interest. The selling Associate must also receive written approval from the Compliance Department before proceeding with the sale. No changes in line of sponsorship can result from the sale or transfer of a 7K Metals business. In the event that an Associate transfers, assigns, or sells his or her 7K Metals business without the express written approval of the Compliance Department, such transfer, assignment, or sale shall be voidable in the sole and absolute discretion of 7K Metals.

4.24 - Separation of a 7K Metals Business

7K Metals Associates sometimes operate their 7K Metals businesses as husband-wife partnerships, regular partnerships, limited liability companies, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, limited liability company, partnership, trust or other Business Entity may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship.

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

- ❖ One of the parties may, with consent of the other(s), operate the 7K Metals business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize 7K Metals to deal directly and solely with the other spouse or non-relinquishing shareholder, member, partner, or trustee.
- ❖ The parties may continue to operate the 7K Metals business jointly on a “business-as-usual” basis, whereupon all compensation paid by 7K Metals will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will 7K Metals split commission and bonus checks between divorcing spouses or members of dissolving entities. 7K Metals will recognize only one downline organization and will issue only one commission check per 7K Metals business per commission cycle. Commission checks shall always be issued to the same individual or entity.

If a former spouse has completely relinquished all rights in the original 7K Metals business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as an Associate. In either case, the former spouse or business affiliate shall have no rights to any Associates in their former organization or to any former Member. They must develop the new business in the same manner as would any other new Associate.

4.25 - Sponsoring Online

When sponsoring a new Associate through the online enrollment process, the sponsor may assist the new applicant in filling out the enrollment materials. ***However, the applicant must personally review and agree to the online application and agreement, 7K Metals’ Policies and Procedures, and the 7K Metals Compensation Plan. The sponsor may not fill***

out the online Associate Application and Agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

4.26 - Succession

Upon the death or incapacitation of an Associate, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, an Associate should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a 7K Metals business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Associate's marketing organization provided the following qualifications are met. The successor(s) must:

- ❖ Execute an Associate Agreement;
- ❖ Comply with terms and provisions of the Agreement;
- ❖ Meet all of the qualifications for the deceased Associate's status;
- ❖ The devisee must provide 7K Metals with an "address of record" to which all bonus and commission checks will be sent;
- ❖ If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. 7K Metals will issue all bonus and commission checks and one 1099 to the business entity.

4.26.1 - Transfer Upon Death of an Associate

To effect a testamentary transfer of a 7K Metals business, the executor of the estate must provide the following to 7K Metals: (1) an original death certificate; (2) certified letters testamentary or a letter of administration appointing an executor; and (3) written instructions from the authorized executor to 7K Metals specifying to whom the business and income should be transferred.

4.26.2 - Transfer Upon Incapacitation of an Associate

To effectuate a transfer of a 7K Metals business because of incapacity, the successor must provide the following to 7K Metals: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to

administer the 7K Metals business; and (3) a completed Associate Agreement executed by the trustee.

4.27 - Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. Although 7K Metals does not consider Associates to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that your inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties.

Therefore, Associates must not engage in telemarketing in the operation of their 7K Metals businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a 7K Metals product or service, or to recruit them for the 7K Metals opportunity. “Cold calls” made to prospective customers (Members) or Associates that promote either 7K Metals’ products or services or the 7K Metals opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Associate (a “prospect”) is permissible under the following situations:

- ❖ If the Associate has an established business relationship with the prospect. An “established business relationship” is a relationship between an Associate and a prospect based on the prospect’s purchase, rental, or lease of goods or services from the Associate, or a financial transaction between the prospect and the Associate, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service.
- ❖ The prospect’s personal inquiry or application regarding a product or service offered by the Associate, within the three (3) months immediately preceding the date of such a call.
- ❖ If the Associate receives written and signed permission from the prospect authorizing the Associate to call. The authorization must specify the telephone number(s) which the Associate is authorized to call.
- ❖ You may call family members, personal friends, and acquaintances. An

“acquaintance” is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.

- ❖ Associates shall not use automatic telephone dialing systems or software relative to the operation of their 7K Metals businesses.
- ❖ Associates shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a "robocall") regarding or relating to the 7K Metals products, services or opportunity.

4.28 - Back Office Access

7K Metals makes online back offices available to its Associates. Back offices provide Associates access to confidential and proprietary information that may be used solely and exclusively to promote the development of an Associate's 7K Metals business and to increase sales of 7K Metals products. However, access to a back office is a privilege, and not a right. 7K Metals reserves the right to deny Associates' access to the back office at its sole discretion.

4.29 - Unauthorized Communication

In the excitement and enthusiasm of working his or her 7K Metals business, an Associate may attempt to contact the Company's vendors, suppliers, or advisors with questions or ideas. Any such communication without the Company's prior written consent is strictly prohibited. Vendors, suppliers, and advisors are often not set up to handle a large volume of contacts. Equally important, we must respect their rights to privacy. Questions regarding any of these Entities may be directed to 7k Support Team at support@7kmetals.com.

SECTION 5 - RESPONSIBILITIES OF ASSOCIATES

5.1 - Change of Address, Telephone, and E-Mail Addresses

To ensure timely delivery of products, support materials, commission, and tax documents, it is important that the 7K Metals' files are current. Street addresses are required for shipping since UPS and FedEx cannot deliver to a post office box. Associates planning to change their e-mail address or move must send their new address and telephone numbers to 7K Metals' Corporate Offices to the attention of the Associate Services Department. To guarantee proper delivery, two weeks advance notice must be provided to 7K Metals on all changes. In the alternative, an Associate's whose contact information changes may amend their contact information through their Associate Back Office.

5.2 - Continuing Development Obligations

5.2.1 - Ongoing Training

Any Associate who sponsors another Associate into 7K Metals must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her 7K Metals business. Associates must have ongoing contact and communication with the Associates in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Associates to 7K Metals meetings, training sessions, and other functions. Upline Associates are also responsible to motivate and train new Associates in 7K Metals product knowledge, effective sales techniques, the 7K Metals Compensation Plan, and compliance with Company Policies and Procedures and applicable laws. Communication with and the training of downline Associates must not, however, violate Sections 4.1 and/or 4.2 (regarding the development of Associate-produced sales aids and promotional materials).

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

5.2.2 - Increased Training Responsibilities

As Associates progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the 7K Metals

program. They will be called upon to share this knowledge with lesser experienced Associates within their organization.

5.2.3 - Ongoing Sales Responsibilities

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

5.3 - Nondisparagement

7K Metals wants to provide its independent Associates with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Member Care Department. Remember, to best serve you, we must hear from you! While 7K Metals welcomes constructive input, negative comments and remarks made in the field by Associates about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other 7K Metals Associates. For this reason, and to set the proper example for their downline, Associates must not disparage, demean, or make negative remarks about 7K Metals, other 7K Metals Associates, 7K Metals' products, the Marketing and Compensation plan, or 7K Metals' directors, officers, or employees.

5.4 - Providing Documentation to Applicants

Associates must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Associates before the applicant signs an Associate Agreement, or ensure that they have online access to these materials.

SECTION 6 - SALES REQUIREMENTS

6.1 - Product Sales

The 7K Metals Compensation Plan is based on the sale of 7K Metals products and services to end consumers. Associates must fulfill personal and Downline Organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for Associates to be eligible for commissions:

- ❖ Associates must satisfy the Personal Volume and Group Sales Volume requirements to fulfill the requirements associated with their rank as specified in the 7K Metals Compensation Plan. “Personal Sales Volume” includes purchases made by the Associate and purchases made by the Associate’s personal Members. “Group Volume” shall include the total Sales Volume of all Associates in his or her marketing organization, but shall not include the Associate’s Personal Sales Volume.
- ❖ At least 70% of an Associate’s total monthly personal sales volume must be sold to personal Members.
- ❖ Associates must develop or maintain at least five Members.

6.2 - No Territory Restrictions

There are no exclusive territories granted to anyone.

6.3 - Sales Receipts

All Associates must provide their Members with two copies of an official 7K Metals sales receipt at the time of their initial sale or order. These receipts set forth the Member Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. Associates must maintain all retail sales receipts for sales to their Members for a period of two years and furnish them to 7K Metals at the Company’s request. Records documenting the purchases of Associates’ Members will be maintained by 7K Metals.

Remember that Members must receive two copies of the sales receipt. In addition, Associates must orally inform the buyer of his or her cancellation rights.

SECTION 7 - BONUSES AND COMMISSIONS

7.1 - Bonus and Commission Qualifications and Accrual

An Associate must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as an Associate complies with the terms of the Agreement, 7K Metals shall pay commissions to such Associate in accordance with the Marketing and Compensation plan. The minimum amount for which 7K Metals will issue a commission is twenty-five dollars (\$25.00).

7.2 - Adjustment to Bonuses and Commissions

7.2.1 - Adjustments for Returned Products and Cancelled Services

Associates receive bonuses, commissions, or overrides based on the actual sales of products and Memberships to end consumers. When a Membership is cancelled or a product is returned to 7K Metals for a refund or is repurchased by the Company, any of the following may occur at the Company's discretion: (1) the bonuses, commissions, or overrides attributable to the returned or repurchased product(s) or cancelled Membership will be deducted from payments to the Associate and upline Associates who received bonuses, commissions, or overrides on the sales of the refunded product(s) or cancelled Membership, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered; (2) the Associate or upline Associates who earned bonuses, commissions, or overrides based on the sale of the returned product(s) or cancelled Membership will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until it is completely recovered; or (3) the bonuses, commissions, or overrides attributable to the returned or repurchased product(s) or cancelled Membership may be deducted from any refunds or credits to the Associate who received the bonuses, commissions, or overrides on the sales of the refunded product(s) or cancelled Membership.

7.2.2 - Hard Copy Commission Checks

The Company pays commissions via hard-copy commission checks.

7.2.3 - Tax Withholdings

If an Associate fails to provide his or her correct tax identification number or submit a W-9 form, 7K Metals will deduct the necessary withholdings from the Associate's commission checks as required by law.

7.3 - Reports

All information provided by 7K Metals in downline activity reports, including but not limited to personal and group sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, digital, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by 7K Metals or any persons creating or transmitting the information.

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

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, 7K METALS AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY ASSOCIATE OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND/OR GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF 7K METALS 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, 7K METALS 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 7K Metals' online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you

are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to 7K Metals' online and telephone reporting services and your reliance upon the information.

SECTION 8 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

8.1 - Product Guarantee

8.1.1 - Memberships and Certified Coins

7K Metals offers: (1) a three day money-back guarantee on Memberships; and (2) a refund, return and/or exchange on Numismatic coins [less a 10% restocking fee]. The refund, return and/or exchange policy for Numismatic coins only applies to Members who notify our Member Service Department by telephone at (208) 502-0982 or email at support@7KMetals.com within forty five days from the date on which the Member receives the item. All Numismatic coins must be kept in its original packaging. If an exchange is requested, 7K Metals reserves the right to find an acceptable replacement or make a refund if an acceptable replacement is not available. This product guarantee does not apply to any bullion products. The return of bullion products is addressed in Section 8.1.2. Shipping and handling charges are non-refundable. Returns must be carefully packaged and the Member is responsible for the cost of return shipping. 7K Metals reserves the right, at its sole discretion, to reject any return that does not comply with these requirements.

8.1.2 - Bullion Buyback

If you want to return bullion to us, please notify our Member Service Department by telephone at (208) 502-0982 or email at support@7KMetals.com. You will receive instructions for shipping your bullion to 7K Metals. You must contact 7K Metals via email at support@7KMetals.com or telephone at (208) 502-0982 to provide a tracking number so that we can confirm that the product is en route. Members are responsible for all costs related to shipping and insuring bullion products to 7K Metals. The buy-back price will *not* be assigned to the purchase order until it is received at the corporate office.

There is no contract or transaction until such time 7K Metals is in possession of the bullion. At that time 7K Metals will inspect the bullion to ascertain type, quality standards, and quantity of the bullion received. We reserve the right to cancel any purchase order at any time and for any reason. All risk of loss in any purchase order transaction is borne by you until 7K Metals takes actual physical custody and control of each and all of the product(s) that are the subject of the purchase order.

When we receive the package containing your purchase order items, and after we have confirmed the quality, quantity and otherwise the entire accuracy of the transaction, we will assign the order the current market buy-back price at the time the bullion is received and inspected. We will typically send you the payment due within 7 – 10 Business Days in one of the following ways. You can select the payment method as described below that best suits your needs.

Payment options for purchase orders of less than \$5,000.00 (USD) are:

- Check sent priority mail (you are responsible for a \$7.95 (USD) priority fee which will be deducted);
- Check sent first class mail (\$5.00 fee); or
- Funds sent by ACH (\$3.00 fee)

Payment options for purchase orders of \$5,000.00 (USD) or more are:

- Bank Wire (you are responsible for a \$25.00 (USD) priority fee which will be deducted);
- Check sent priority mail (you are responsible for a \$7.95 (USD) priority fee which will be deducted);
- Check sent first class mail (\$5.00 fee); or
- Funds sent by ACH (\$3.00 fee)

Once we have received and inspected your package we will present you with the buy-back price. You must accept via e-mail. Since spot pricing is subject to constant change, if an e-mail acceptance is not immediately received your buy-back price is subject to change. One buy-back price has been accepted (a) all prices are locked-in, and (b) there is a binding contract between us for your transaction and, as a result, you have no right to cancel purchase order(s).

All buy-back cancellations are subject to our Market Loss Policy plus a thirty-five dollar (\$35.00 USD) cancellation fee. Buy-back cancellations will be confirmed and you will be responsible for shipping charges to return your bullion. At that time, if any Market Loss to 7K Metals has occurred, it will be calculated and added to the \$35.00 cancellation fee. If applicable,

you agree you have full responsibility and liability to 7K Metals for any cancellation fee and/or Market Loss and you agree to remit immediately (upon notice) to 7K Metals good funds for any cancellation fee and/or Market Loss. No future Orders may be permitted until any Market Loss is paid in full. Any Market Gain on purchase order cancellations vests in and shall remain the property of 7K Metals, and 7K Metals shall have no responsibility to you for Market Gain. Upon written confirmation by 7K Metals of your payment of the \$35.00 cancellation fee plus the Market Loss, we will forgive further action against you and your responsibility for any breach by you and all resulting damages owed to 7K Metals.

8.1.3 - Market Loss Policy

When you buy from 7 K Metals, once we have issued a sales order confirmation number, you have a binding contract, the transaction price is locked-in and any corresponding market risk is transferred to you. This is a benefit to you because you know your price at your sales order confirmation time and we believe this is one of the key benefits of transacting with 7 K Metals. If you default in your performance of payment, shipment or any other act required by you, we may cancel your sales order(s). If your sales order(s) is cancelled, you agree you have full responsibility and liability to 7 K Metals for any market loss, plus a thirty-five dollar (\$35.00 USD) cancellation fee. You must also pay, and have full responsibility and liability to, 7 K Metals for all fees and costs associated with 7 K Metals' efforts in collecting from you. Any market gain on sales order cancellations shall vest in and remain the property of 7 K Metals, and 7 K Metals shall have no responsibility to you for market gain. We reserve the right to cancel any Sales Order at any time and for any reason. All future sales orders will be held for shipment until any/all outstanding market loss and/or cancellation fee balances have been paid in full.

8.1.4 - Associate Returns

If an Associate returns more than two-hundred fifty dollars (\$250.00) for a refund in any 12 consecutive month period, the request will constitute the Associate's voluntary termination of his/her Associate Agreement, and the refund will be processed as an inventory repurchase pursuant to Section 8.3, and the Associate's Agreement will be terminated and his or her 7K Metals business will be cancelled.

8.1.5 - General

Members are solely responsible for all risks related to the returned products they ship to 7K Metals until 7K Metals confirms receipt of such product(s). 7K Metals is not responsible or liable for products that are lost or damaged in transit, whether being shipped to or from 7K Metals.

8.2 - Rescission

8.2.1 - Members

Federal and state law requires that a Member who makes a purchase of \$25.00 or more in a transaction in which the Associate is physically present with the Member (an “Applicable Transaction”), has three business days (five business days for Alaska residents and 15 business days in North Dakota for Individuals age 65 and older) (excluding Sundays and legal holidays) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form or sales receipt. Associates must notify their personally-enrolled Members that they have three business days (5 business days for Alaska residents and 15 business days in North Dakota for Individuals age 65 and older) within which to cancel their purchase or order of an Applicable Transaction, and receive a full refund upon return of the products in substantially as good condition as when they were delivered. Associates should also notify their Members about these time limits at the time they enroll as Members and place their first order (if the transaction is an Applicable Transaction). Products shipped directly to a Member by the Company must be returned to the Company and the refund will be issued to the Member by the Company. Members may contact the Company for a “call tag” that will provide return shipping back to the Company at no cost to the Member.

8.2.2 - Informing Members

For Applicable Transactions, Associates **MUST** verbally inform their Members of this right of rescission, they **MUST** provide their Members with TWO copies of a retail receipt at the time of the sale, and **MUST** point out this cancellation right stated on the receipt. If a Member places an order online, the Company will provide the Member with the receipt. Associates must ensure that the date of the order or purchase is entered on the Retail Sales Receipt. All Members must be provided with two copies of an official 7K Metals Retail Sales Receipt at the time of the sale. The back of the receipt provides the Members with written notice of his or her rights to cancel the sales agreement.

8.3 - Return of Inventory and Sales Aids by Associates Upon Termination

Upon termination of an Associate's Agreement, the Associate may return products and sales aids that he or she personally purchased from 7K Metals (purchases from other Associates

or third parties are not subject to refund) that are in Resalable (see Definition of “Resalable” below) condition and which have been purchased within one year prior to the date of termination. Please see Section 8.4 for additional information regarding the return of inventory and sales aids.

Upon receipt of resalable sales aids, the Associate will be reimbursed 90% of the net cost of the original purchase price(s). Upon receipt of resalable bullion and coins, the Associate will be reimbursed 90% of the spot price on the day on which the return is authorized by 7K Metals' Associate Services Department.

Neither shipping and handling charges incurred by an Associate when the products or sales aids were purchased, nor return shipping fees, will be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Associate was paid a commission, rebate, or any other form of compensation based on a product(s) that he or she purchased, and such product(s) is/are subsequently returned for a refund, the commission, rebate, or any other form of compensation that was paid based on that product purchase will be deducted from the amount of the refund.

Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: (1) they are unopened and unused [in applicable]; (2) packaging and labeling has not been altered or damaged; (3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and (4) they are returned to 7K Metals within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable. Replicated Website fees are not refundable except as required by applicable state law.

8.3.1 Montana Residents

A Montana resident may cancel his or her Associate Agreement within 15 days from the date of enrollment, and may return any items purchased for a full refund within such time period.

8.4 - Procedures for All Returns

The following procedures apply to all returns for refund, repurchase, or exchange:

- ❖ All items must be returned by the Associate or Member who purchased it directly

from 7K Metals.

- ❖ All items to be returned must have a Return Authorization Number which is obtained by calling the Associate Services Department. This Return Authorization Number must be written on each carton returned.
- ❖ The return is accompanied by:
 - The original packing slip with the completed (and signed Consumer Return information, if applicable);
 - The item(s) in its/their original container.
- ❖ Proper shipping carton(s) and packing materials are to be used in packaging the items(s) being returned, and the best and most economical means of shipping is suggested. All returns must be shipped to 7K Metals shipping pre-paid. 7K Metals does not accept shipping-collect packages. The risk of loss in shipping for returned items shall be on the Associate. If the returned items are not received by the Company's Distribution Center, it is the responsibility of the Associate to trace the shipment.

No refund or replacement of any items will be made if the conditions of these rules are not met.

SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Associate 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 Associate's 7K Metals business), may result, at 7K Metals' discretion, in one or more of the following corrective measures:

- ❖ Issuance of a written warning or admonition;
- ❖ Requiring the Associate to take immediate corrective measures;
- ❖ Imposition of a fine, which may be withheld from bonus and commission checks;
- ❖ Loss of rights to one or more bonus and commission checks;
- ❖ 7K Metals may withhold from an Associate all or part of the Associate's bonuses and commissions during the period that 7K Metals is investigating any conduct allegedly violative of the Agreement. If an Associate's business is canceled for disciplinary reasons, the Associate will not be entitled to recover any commissions withheld during the investigation period;
- ❖ Suspension of the individual's Associate Agreement for one or more pay periods;
- ❖ Permanent or temporary loss of, or reduction in, the current and/or lifetime rank of an Associate (which may subsequently be re-earned by the Associate);
- ❖ Transfer or removal of some or all of an Associate's downline Associates from the offending Associate's downline organization.
- ❖ Involuntary termination of the offender's Associate Agreement;
- ❖ Suspension and/or termination of the offending Associate's 7K Metals website or website access;
- ❖ Any other measure expressly allowed within any provision of the Agreement or which 7K Metals deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Associate's policy violation or contractual breach;
- ❖ In situations deemed appropriate by 7K Metals, the Company may institute legal

proceedings for monetary and/or equitable relief.

9.2 - Grievances and Complaints

When an Associate has a grievance or complaint with another Associate regarding any practice or conduct in relationship to their respective 7K Metals businesses, the complaining Associate 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 Associate Services Department at the Company. The Associate Services Department will review the facts and attempt to resolve it.

9.3 - Mediation

Prior to instituting an arbitration, 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 60 days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys' fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the City of Idaho Falls, Idaho, and shall last no more than two business days.

9.4 - 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. The Parties waive all rights to trial by jury or to any court.** The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") or JAMS Endispute ("JAMS") under their respective rules and procedures. The *Commercial Arbitration Rules and Mediation Procedures* of the AAA are available on the AAA's website at www.adr.org. The *Streamlined Arbitration Rules & Procedures* are available on the JAMS website at www.jamsadr.com. Copies of AAA's *Commercial*

Arbitration Rules and Mediation Procedures or JAM's *Streamlined Arbitration Rules & Procedures* will also be emailed to Associates upon request to 7K Metals' Compliance Department.

Notwithstanding the rules of the AAA or JAMS, 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 arbitration shall occur within 180 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- ❖ The Parties shall be allotted equal time to present their respective cases, including cross-examinations.

All arbitration proceedings shall be held in Idaho Falls, Idaho. There shall be one arbitrator selected from the panel that the Alternate Dispute Resolution service provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The arbitration shall occur within 180 days from the date on which the arbitration is filed, and shall last no more than five business days. The parties shall be allotted equal time to present their respective cases. The decision of the arbitrator shall be final and binding on the parties and may if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose 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;
- ❖ The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect its intellectual property rights, and/or to enforce its rights under the non-solicitation provision of the Agreement.

9.5 - Governing Law, Jurisdiction, and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Bonneville County, State of Idaho. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Idaho shall govern all other matters relating to or arising from the Agreement.

9.5.1 - Louisiana Residents

Notwithstanding the foregoing, and the arbitration provision in Section 9.4, residents of the State of Louisiana shall be entitled to bring an action against 7K Metals in their home forum and pursuant to Louisiana law.

SECTION 10 - PAYMENTS

10.1 - Returned Checks

All checks returned by an Associate's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the Associate. After receiving a returned check from a Member or an Associate, all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to 7K Metals by an Associate for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.

10.2 - Restrictions on Third Party Use of Credit Cards and Bank Account Access

An Associate shall not permit other Associates or Members to use his or her credit card, or permit debits to his or her checking or savings account, to enroll in or to make purchases from the Company. An Associate shall not use the credit card or debit card of a third party, or make debits to the checking or savings account of a third party, to enroll in or to make purchases from the Company.

10.3 - Sales Taxes

7K Metals is required to charge sales taxes on all purchases made by Associates and Members, and remit the taxes charged to the respective states. Accordingly, 7K Metals will collect and remit sales taxes on behalf of Associates, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If an Associate has submitted, and 7K Metals has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Associate (unless the state in question does not accept a Sales Tax Exemption Certificate and Sales Tax Registration License from a direct selling independent contractor). Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by 7K Metals is not retroactive.

SECTION 11 - INACTIVITY, RECLASSIFICATION, AND TERMINATION

11.1 - Effect of Termination

So long as an Associate remains active and complies with the terms of the Associate Agreement and these Policies and Procedures, 7K Metals shall pay commissions to such Associate in accordance with the Compensation Plan. An Associate's bonuses and commissions constitute the entire consideration for the Associate's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an Associate's non-renewal of his or her Associate Agreement, termination for inactivity, or voluntary or involuntary termination of his or her Associate Agreement (all of these methods are collectively referred to as "termination"), the former Associate shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **An Associate whose business is cancelled will lose all rights as an Associate. This includes the right to sell 7K Metals products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Associate's former downline sales organization. In the event of termination, Associates agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former downline organization.**

Following an Associate's termination of his or her Associate Agreement, the former Associate shall not hold himself or herself out as a 7K Metals Associate and shall not have the right to sell 7K Metals products or services. An Associate whose business is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to termination (less any amounts withheld during an investigation preceding an involuntary termination).

11.2 - Termination Due to Inactivity

11.2.1 - Failure to Meet PV Quota

If an Associate fails to personally generate at least twenty-five (25) PV for three (3) consecutive months, his or her Associate Agreement shall be canceled for inactivity.

11.2.2 - Failure to Earn Commissions

If an Associate has not earned a commission for six consecutive months (and thus become “inactive”), his or her Associate Agreement shall be canceled for inactivity.

11.2.3 - Failure to Pay Website Fees

If an Associate fails to pay his/her replicated website fees, he/she will be inactive and not eligible to earn commissions that month. If replicated website fees are not paid for three consecutive months, the Associate will be cancelled for inactivity.

11.2.4 - Reclassification Following Termination Due to Inactivity

If an Associate is cancelled for inactivity, his or her Associate Agreement will be terminated. If he or she is on the Company's Option-Ship program, the Option-Ship agreement shall remain in force. If the former Associate was not on Option-Ship, he or she will be entitled to continue purchasing products directly from the company at the Direct Customer price.

11.3 - Involuntary Termination

An Associate's violation of any of the terms of the Agreement, including any amendments that may be made by 7K Metals in its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary termination of his or her Associate Agreement. Termination shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Associate's last known address, email address, or fax number, or to his/her attorney, or when the Associate receives actual notice of termination, whichever occurs first.

7K Metals reserves the right to terminate all Associate Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.

11.4 - Voluntary Termination

A participant in this network marketing plan has a right to cancel at any time, regardless of reason. Termination must be submitted in writing to the Company at its principal business address. The written notice must include the Associate's signature, printed name, address, and Associate I.D. Number. In addition to written termination, Associates who have consented to Electronic Contracting will cancel their Associate Agreement should they withdraw their consent

to contract electronically. If an Associate is also on the Option-Ship program, the Associate's Option-Ship order shall continue unless the Associate also specifically requests that his or her Option-Ship Agreement also be canceled.

11.5 - Non-renewal

An Associate may also voluntarily cancel his or her Associate Agreement by failing to renew the Agreement on its anniversary date or by failing to pay his/her annual renewal fee. The Company may also elect not to renew an Associate's Agreement upon its anniversary date.

11.6 - Exceptions to Activity Requirements

11.6.1 - Maternity

A pregnant Associate shall be exempt from meeting her Personal Volume and Group Volume requirements for a period of three (3) months prior to and four (4) months following the birth of a child. The Associate should notify the Associate Services Department to request a Maternity Waiver Form.

11.6.2 - Military Deployment

Military personnel shall be exempt from meeting their Personal Volume and Group Volume requirements for the duration of the deployment and three (3) full calendar months thereafter while deployed into a foreign country. The Associate should notify the Associate Services Department to request a Deployment Waiver Form.

SECTION 12 - DEFINITIONS

Active Member — A Member who purchases 7K Metals products or services during a particular month, and whose account has been paid for the ensuing year.

Active Associate — An Associate who has received a commission during the preceding six months.

Active Rank — The term “active rank” refers to the current rank of an Associate, as determined by the 7K Metals Compensation Plan, for a particular pay period. To be considered “active” relative to a particular rank, an Associate must meet the criteria set forth in the 7K Metals Compensation Plan for his or her respective rank. *(See the definition of “Rank” below.)*

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

Agreement — The contract between the Company and each Associate includes the Associate Application and Agreement Terms and Conditions, the 7K Metals Policies and Procedures, the 7K Metals Compensation Plan, and the Business Entity Addendum (where appropriate), all in their current form and as amended by 7K Metals in its sole discretion. These documents are collectively referred to as the “Agreement.”

Business Day — Is a day other than a Saturday, a Sunday or a day that is a holiday under the federal law of the United States of America.

Cancel — The termination of an Associate’s business. Termination may be either voluntary, involuntary, through non-renewal or inactivity.

Downline — Your downline (or downline organization) consists of the Associates you personally enroll or sponsor (your first level Associates), the Associates that first level Associates enroll or sponsor, as well as the Associates that are subsequently enrolled or sponsored beneath them.

Downline Leg — Each one of the individuals personally enrolled immediately underneath you

and their respective marketing organizations represents one “leg” in your marketing organization.

Enroll — The act of introducing a prospective Associate to 7K Metals and assisting them to execute an Associate Application and Agreement and thereby become a 7K Metals Associate. (Also see the definition of “Sponsor.”) These activities are called “enrolling.”

Enroller — The person who enrolls a prospective Associate into 7K Metals.

Group Volume — The commissionable value of services and products purchased by the Members and Associates in the downline of a particular Associate.

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

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

Market Gain - When a sales order or sale, as the case may be, is cancelled by 7k Metals, market gain occurs when the fair market value of the product(s) on the date of the cancelled sales order or sale is greater than the original sales price of the product(s) as it appears on the cancelled sales order. When a purchase order or purchase, as the case may be, is cancelled by 7k Metals, market gain occurs when the fair market value of the product(s) on the date of the cancelled purchase order or purchase is less than the original purchase price of the product(s) as it appears on the cancelled purchase order.

Market Loss - When a sales order or sale, as the case may be, is cancelled by 7k Metals, market loss occurs when the fair market value of the product(s) on the date of the cancelled sales order or sale is less than the original sales price of the product(s) as it appears on the cancelled sales order. When a purchase order or purchase, as the case may be, is cancelled by 7k Metals, market loss occurs when the fair market value of the product(s) on the date of the cancelled purchase order or purchase is greater than the original purchase price of the product(s) as it appears on the cancelled purchase order.

Official 7K Metals Material — Literature, audio or video tapes, websites, and other materials developed, printed, published and/or distributed by 7K Metals to Associates.

Personal Production — Moving 7K Metals products or services to an end consumer for actual use.

Personal Volume — The commissionable value of products purchased by: (1) an Associate; and (2) the Associate's personally-enrolled Members.

Rank — The "title" that an Associate holds pursuant to the 7K Metals Compensation Plan. "Title Rank" refers to the highest rank an Associate has achieved in the 7K Metals compensation plan at any time. "Paid As" rank refers to the rank at which an Associate is qualified to earn commissions and bonuses during the current pay period.

Recruit — For purposes of 7K Metals' Conflict of Interest Policy (Section 4.10), the term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another 7K Metals Associate or Member to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

Replicated Website — A website provided by 7K Metals to Associates which utilizes website templates developed by 7K Metals.

Resalable — Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to 7K Metals within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

Retail Sales – Sales to a Member.

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, and YouTube.

Sponsor — An Associate under whom an Enroller places a new Associate or Member, and is listed as the Sponsor on the Associate or Member Application and Agreement.

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