



POLICIES & PROCEDURES

Effective November 1, 2022

Revised July 2023

I. MISSION STATEMENT

TRANZACTCARD IS A SOCIAL IMPACT ENTERPRISE WITH A MISSION TO DOUBLE THE BUYING POWER OF MILLIONS OF PEOPLE WHOSE FINANCIAL NEEDS ARE GREATEST AND WHOSE AVAILABLE CASH AND SPENDING POWER IS LEAST.



II. INTRODUCTION

A. Purpose of the DBO Agreement and the Policies and Procedures

The purposes of the Digital Business Office Agreement and the Policies and Procedures include the following:

- ❖ To assist Digital Branch Offices (each a “DBO”) in building and protecting their businesses;
- ❖ To protect T&T and its DBOs from legal and regulatory risks;
- ❖ To establish standards of acceptable behavior;
- ❖ To set forth the rights, privileges, and obligations of T&T and its DBOs; and
- ❖ To define the relationship between T&T and its DBOs.

B. Policies and Procedures Incorporated into DBO Agreement

These Policies and Procedures, in their present form and as amended by T&T, LLC (hereafter “T&T” or the “Company”) are incorporated into, and form an integral part of, the T&T Independent DBO Application and Agreement (“DBO Agreement”). It is the responsibility of each DBO 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 T&T DBO Application and Agreement (including the Terms and Conditions), these Policies and Procedures, and the T&T Business Entity Registration Form (if applicable). These documents are incorporated by reference into the T&T DBO Agreement (all in their current form and as amended by T&T). In the event that the Business Entity Registration Form is not submitted by an entity that enrolls as a DBO within sixty (60) days of its date of enrollment, T&T is authorized to and shall withhold any and all compensation to which the DBO is due from T&T until a properly completed Business Entity Registration Form is submitted to it.

C. Changes to the Agreement

T&T reserves the right to amend the Agreement, the Compensation Plan, and its prices in its sole and absolute discretion. By executing or accepting the DBO Agreement, a DBO agrees to abide by all amendments or modifications that T&T 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 website; (2) electronic mail (e-mail); or (3) posting in your DBO back-office. The continuation of a DBO's business, the acceptance of any benefits under the Agreement, or a DBO's acceptance of bonuses or commissions constitutes acceptance of all amendments.

D. Severability

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

E. 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 TZZT to exercise any right or power under the Agreement or to insist upon strict compliance by a DBO 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 TZZT's right to demand exact compliance with the Agreement. The existence of any claim or cause of action of a DBO against TZZT shall not constitute a defense to TZZT's enforcement of any term or provision of the Agreement.

F. Company Use of Information

By submitting a DBO Application and Agreement that is accepted by TZZT, the DBO consents to allow TZZT, its affiliates, and any related company to: (a) process and utilize the information submitted in the DBO Application and Agreement (as amended from time to time) for business purposes related to the TZZT business; and (b) disclose, now or in the future, such DBO information to companies which TZZT may, from time to time, deal with to deliver



information to a DBO to improve its marketing, operational, and promotional efforts. A DBO has the right to access his or her personal information via his or her respective back office, and to submit updates thereto.

III. BECOMING A DBO

A. Requirements to Become a DBO

To become a DBO, each applicant must:

- ❖ Be at least 18 years of age;
- ❖ Reside in the United States or U.S. Territories or country that TZT has officially announced is open for business;
- ❖ Provide TZT with a valid Social Security or Federal Tax ID number;
- ❖ Pay the Enrollment Fee (optional for residents of North Dakota); and
- ❖ Submit a properly completed DBO Application and Agreement to TZT either in hard copy or online format.

TZT reserves the right to accept or reject any DBO Application and Agreement for any reason or for no reason.

A person who is recognized as a minor in his or her jurisdiction of residence may not be a DBO. A DBO shall not enroll or recruit minors or anyone unable to legally form a contract to become a DBO. Notwithstanding the foregoing, a minor over the age of 16 who desires to become a DBO must: (a) obtain a parent's or guardian's signature on the DBO Agreement; (b) be sponsored by or added to his or her parent's or guardian's DBO's business if the Parent or guardian of the minor is a DBO; and (c) must not be a signatory in any DBO's business other than a parent's or guardian's DBO's business.

B. Enrollment Fee and Product Purchases

With the exception of the Enrollment Fee, no person is required to purchase TZT products, services or sales aids, or to pay any charge or fee to become a DBO. In order to familiarize new DBOs with TZT products, services, sales techniques, sales aids, and other matters, the



Company requires that they pay the Enrollment Fee. TZT will refund the Enrollment Fee from any DBO who terminates his or her DBO Agreement pursuant to the terms of this Agreement.

C. DBO Benefits

Once a DBO Application and Agreement has been accepted by TZT, the benefits of the Compensation Plan and the DBO Agreement are available to the new DBO. These benefits include the right to:

- ❖ Sell TZT products and services;
- ❖ Participate in the TZT Compensation Plan (receive bonuses and commissions, if eligible);
- ❖ Sponsor other individuals as Customers (TranzactCard Members - each a "TCM") or DBOs into the TZT business and thereby build a marketing organization and progress through the TZT Compensation Plan;
- ❖ Receive periodic TZT literature and other TZT communications;
- ❖ Participate in TZT-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 TZT for its DBOs.

D. Term and Renewal of Your TZT Business

The term of the DBO Agreement is month-to-month, and is automatically renewed upon the payment of the monthly DBO fee and maintaining three (3) Active Customers - TCMs (only 1 TCM is required during pre-launch through November 2023). Should a DBO fail to pay the monthly fee or fail to maintain the 3 Active Customers, the DBO's business will be put on suspension and will NOT be eligible for commissions or bonuses for that month until all past-due fees are paid and has 3 Active Customers. If the DBO fails to pay the fee or fails to maintain 3 Active Customers for three consecutive months, the DBO's Agreement shall be permanently terminated. TZT shall have the right in its sole and absolute discretion not to accept the Agreement or any renewal of it.



IV. OPERATING A DIGITAL BRANCH OFFICE

A. Adherence to the Compensation Plan

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

B. Advertising

1. General

All DBOs shall safeguard and promote the good reputation of TZT and its products and services. The marketing and promotion of TZT, the TZT opportunity, the Compensation Plan, and TZT products and services 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 TZT offers, DBOs must use the sales aids, business tools, and support materials produced by TZT. 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.

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



All DBOs must not produce or use the literature, advertisements, sales aids, business tools, promotional materials, or Internet web pages or content of or for themselves or other third parties (collectively referred to as “Promotional Resources”). All Promotional Resources that have not been developed and produced by TZT may not be used by DBOs in any way.

2. Trademarks and Copyrights

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

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

As an independent DBO, you may use the TZT or the Marks name in the following manner:

DBO's Name
Independent DBO

Example:

Alice Smith
Independent DBO

or

Alice Smith
TZT or TranzactCard
Independent DBO



DBOs may not use the name TZT or any of the Marks 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*

DBO in your phone greeting or on your answering machine to clearly separate your independent business from TZT, LLC. For example, you may not secure the domain name www.buyTZT.com, nor may you create an email address such as TZTsales@hotmail.com.

3. Independent TZT DBO Logo

If you use a TZT logo in any communication, you must use the Independent DBO version of the TZT logo. Using any other TZT logo requires written approval.

4. Media and Media Inquiries

DBOs must not attempt to respond to media inquiries regarding TZT, its products or services, or their independent TZT business. All inquiries by any type of media must be immediately referred to TZT's Media Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

5. Unsolicited Email

TZT does not permit DBOs 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.

a) 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: the opt-out mechanism works; the opt-out request is honored within 10



business days; and the 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.

6. 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.

7. Commercial Email Messages Sent on Behalf of DBOs

The T&T may periodically send commercial emails on behalf of DBOs. By entering into the DBO Agreement, DBO agrees that the Company may send such emails and that the DBO's physical and email addresses will be included in such emails as outlined above. DBOs shall honor opt-out requests generated as a result of such emails sent by the Company.

8. Telephone or Online Directory Listings

DBOs may list themselves as an "Independent DBO" in a telephone directory or online directories, under their own name. No DBO may place telephone or online directory display



ads using TZT's name or logo. DBOs may not answer the telephone by saying "TZT", "TZT LLC", or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of TZT. If a DBO wishes to post his/her name in a telephone or online directory, it must be listed in the following format:

DBO's Name
Independent DBO

9. Television and Radio Advertising

DBOs may not advertise on television and radio except with TZT's express written approval.

10. Online Conduct

a) DBO Websites

DBOs are provided with a replicated website by TZT, from which they can take orders, enroll new Customers and DBOs, as well as manage their TZT business. DBOs may use only replicated websites provided by TZT to promote their TZT business, and may not create their own websites to directly or indirectly promote TZT's products, services, or the TZT opportunity or TranzactCard ecosystem.

b) TZT Replicated Websites

DBOs receive a TZT Replicated Website subscription to facilitate online buying experience for their Customers and enrollments for prospective Customers and DBOs. DBOs 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-TZT products, services or income opportunities. Specifically, you may not alter the look (placement, sizing etc.) or functionality of the following:

- ❖ The TZT Independent DBO Logo
- ❖ Your Name
- ❖ TZT Corporate Website Redirect Button
- ❖ Artwork, logos, or graphics
- ❖ Original text.



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

c) Domain Names, email Addresses and Online Aliases

You are not allowed to use or register TZT or any of TZT's trademarks, product names, or any derivatives, for any Internet domain name, email address, social media website, blog website, online handles or online aliases. Additionally, you cannot use or register domain names, email addresses, social media websites, blog websites, online handles 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 TZT or any of its affiliates, including TranzactCard LLC. Examples of the improper use of TZT include, but are not limited to any form of TZT showing up as the sender of an email or examples such as:

www.MyTZTBiz.com

www.TZTDreamTeam.com

www.ISellTZT.com

www.TZTbyJaneDoe.com

www.TZTMoney.net

www.JanesTZTOpportunity.net

d) Monetizing Websites

DBOs may not monetize their Replicated 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, unless approved in writing by the Company.

e) Online Classifieds

DBOs may not use online classifieds (including Craigslist) to list, sell or retail specific TZT products or services. You may use online classifieds (including Craigslist) for prospecting, recruiting, sponsoring and informing the public about the TZT income opportunity, provided TZT-approved templates/images are used. These templates will identify you as an Independent TZT DBO. If a link or URL is provided, it must link to your Replicated Website.

f) Online Retailing

DBOs may not list or sell TZT products or services on any online retail store or ecommerce site (such as Amazon), nor may you enlist or knowingly allow a third party to sell TZT products



or services on any online retail store or ecommerce site. A DBO who becomes aware, or should have reasonably become aware, that a third party to whom he or she sells TZT products or services on any online retail store or ecommerce site must immediately discontinue all sales to the third party.

g) Banner Advertising

You may place banner advertisements on a website provided you use TZT-approved templates and images. All banner advertisements must link to your Replicated Website. DBOs 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 TZT products or the TZT opportunity. Banner advertisements may not be placed on any website that contains any violent, hateful, pornographic, or illegal content or any other content which may damage TZT's reputation. Whether content is or may be damaging to TZT's reputation shall be in the sole discretion of TZT.

h) 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.

i) Digital Media Submission (YouTube, iTunes, PhotoBucket etc.)

DBOs may upload, submit or publish TZT-related video, audio or photo content that they develop and create so long as it aligns with TZT's values, contributes to the TZT community greater good, and is in compliance with TZT's Policies and Procedures. All submissions must clearly identify you as an Independent TZT DBO 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. DBOs may not upload, submit or publish any content (video, audio, presentations or any computer files) received from TZT or captured at official TZT events or in buildings owned, leased, or operated by TZT without prior written permission from TZT.

j) 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 DBO's Replicated Website. The display URL must also be to the sponsoring DBO's Replicated Website, and must not portray any URL that could lead the user to believe they are being directed to a TZT Corporate site, or be inappropriate or misleading in any way.

k) Domain Names and Email Addresses

DBOs may not use or attempt to register any of TZT's 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.

l) 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, Instagram, Snapchat, 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 TZT 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 a DBO that is used to discuss or promote TZT's products or the TZT opportunity may not link to any website, social media site, or site of any other nature, other than the DBO's replicated website.
- ❖ During the term of this Agreement and for a period of 12 calendar months thereafter, a DBO may not use any social media site on which they discuss or promote, or have discussed or promoted, the TZT business or TZT's products to directly or indirectly solicit TZT DBOs for another direct selling, multilevel marketing or network marketing program (collectively, "Direct Selling"). In furtherance of this provision, a DBO shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other DBOs relating to the any other direct selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision in this agreement (Conflicts of Interest) below.



- ❖ DBOs who engage in another Direct Selling Business (as defined in this Agreement) must not, directly, indirectly or through a third party use any social media account (e.g., Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, etc.) that the DBO currently uses or has used in the past to promote or discuss TZT, its products, programs, services or the business opportunity ("TZT Social Media"), to promote another Direct Selling Business. If a DBO is involved in another Direct Selling Business, the DBO must create a separate social media account to promote the other Direct Selling Business. DBOs are also prohibited from "cross-posting" from their other Direct Selling Business social media account on to the DBO's TZT Social Media and vice versa.
- ❖ A DBO may post or "pin" photographs of TZT products on a social media site, but only photos that are provided by TZT and downloaded from the DBO's Back-Office may be used.

In addition to the requirements specified in elsewhere in these Policies and Procedures, if a DBO utilizes any form of Social Media, he or she agrees to each of the following:

- a. To generate sales and/or enroll a DBO, a Social Media site must link only to the DBO's replicated website.
- b. Other than Pinterest and similar Social Media sites, any Social Media site that is directly or indirectly operated or controlled by a DBO that is used to discuss or promote TZT products or the TZT opportunity may not link to any website, Social Media site, or site of any other nature, other than the DBO's replicated website.
- c. If a DBO creates a business profile page on any Social Media site that promotes or relates to TZT, its products, or opportunity, the business profile page must relate exclusively to the DBO's TZT business and TZT products. If the DBO's TZT business is terminated for any reason, or if the DBO becomes inactive, the DBO must deactivate the business profile page.



m) Prohibited Postings

DBOs may not make any postings, or link to any postings or other material that are:

- a. Sexually explicit, obscene, or pornographic;
- b. Offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise);
- c. Graphically violent, including any violent video game images;
- d. Solicitous of any unlawful behavior;
- e. Engaged in personal attacks on any individual, group, or entity; or
- f. In violation of any intellectual property rights of the Company or any third party.

n) Responding to Negative Posts

DBOs are prohibited from conversing with others who place a negative post against them, other DBOs or the Company. The DBO must report negative posts to T&T's Compliance Department at Compliance@TranzactCard.com.

C. 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 TranzactCard Digital Branch Office by submitting a Digital Branch Office 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 TranzactCard, compliance with the TranzactCard Policies and Procedures, the TranzactCard Digital Branch Office Agreement, and other obligations to TranzactCard.

1. Addition or Removal of an Affiliated Party

When adding an Affiliated Party to an existing TranzactCard distributorship, the Company requires a signed written request as well as a properly completed Digital Branch Office Agreement containing the original Applicant's/Applicants' and new Affiliated



Party's/Parties/ information, tax identification numbers and signatures. TranzactCard may, at its discretion, require notarized documents before adding an Affiliated party to a TranzactCard business.

To prevent the circumvention of Sections 4.20 (Sale, Transfer or Assignment of TranzactCard Business) and 4.4, (Change of Sponsor), if any Affiliated Party wants to terminate his or her relationship with the Business Entity or TranzactCard, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify TranzactCard in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions of Section 4.20 (Sale, Transfer or Assignment of TranzactCard Business). When removing a co-applicant from an existing TranzactCard account, the Company requires a written and notarized request from the departing Affiliated Party/Parties, as well as a properly completed Digital Branch Office Agreement containing only the remaining Affiliate Party's/Parties' federal tax identification number and signature(s). In addition, the Affiliated Party terminating his/her/its their interest in the Business Entity may not participate in any other TranzactCard business for six consecutive calendar months in accordance with Section 4.4.3 (Termination and Re-application). If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements of Section 4.20 (Sale, Transfer or Assignment of TranzactCard Business).

There is a \$25.00 fee for each change requested, which must be included with the written request and the completed Digital Branch Office Application and Agreement. The original documents (not copies) relating to addition or removal of an Affiliate Party must be submitted to TranzactCard's Customer Service Department by mail or overnight courier to P.O. Box 7414, Jackson, Wyoming 82002 or 746 E 1910 S Suite 2, Provo, UT 84606. Please allow thirty (30) days after the receipt of the request by TranzactCard for processing.

The modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 4.4 (Change of Sponsor), below.



2. Changes to a Business Entity

Each Digital Branch Office must immediately notify TranzactCard of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business Affiliated Parties.

D. Change of Sponsor

TZT strongly discourages changes in sponsorship. In order to protect all Sponsors, no DBO may interfere with the relationship between another DBO and his or her Sponsor in any way. A DBO may not offer, entice, encourage, solicit, recruit, or otherwise influence or attempt to persuade another DBO to change his or her Sponsor or line of sponsorship, either directly or indirectly. Accordingly, the transfer of a TZT business from one sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Company, and must include the reason for the transfer. Any change in sponsorship in accordance with this Policy at any position is limited to one time in the DBO's life. TZT will not accept a DBO Agreement for a DBO wishing to change sponsors beyond the first sponsor change made in accordance with this Policy. Transfers will only be considered in the following three circumstances:

1. Misplacement

In cases in which the new DBO is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, a DBO 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 14 days from the date of enrollment. The DBO requesting the change has the burden of proving that he or she was placed beneath the incorrect Sponsor. It is up to TZT's discretion whether the requested change will be implemented.

2. Upline Approval

The Digital Branch Office seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her immediate three (3) upline DBOs in his or her marketing organization. Photocopied or facsimile signatures are not acceptable, however you may use a separate Sponsorship Transfer Form for the signature of each upline DBO. All Digital Branch Office signatures must be notarized.



The Digital Branch Office who requests the transfer must submit a fee of \$50.00 for administrative charges and data processing. If the transferring Digital Branch Office also wants to move any of the Digital Branch Office in his or her marketing organization, each downline Digital Branch Office must also obtain a properly completed Sponsorship Transfer Form and return it to TranzactCard with the \$50.00 change fee (i.e., the transferring Digital Branch Office and each Digital Branch Office in his or her marketing organization multiplied by \$50.00 is the cost to move a TranzactCard business.) Downline Digital Branch Office will not be moved with the transferring Digital Branch Office unless all of the requirements of this paragraph are met. Transferring Digital Branch Office must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by TranzactCard for processing and **verifying** change requests.

3. Termination and Re-Application

A DBO may legitimately change organizations by voluntarily canceling his or her TZT business and remaining inactive (i.e., no sales of TZT products or services, no sponsoring, no attendance at any TZT functions, participation in any other form of DBO activity, or operation of any other TZT business, no income from the TZT business) for six (6) full calendar months. Following the six month period of inactivity, the former DBO may reapply under a new Sponsor, however, the former DBO's downline will remain in their original line of sponsorship.

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 a DBO, TZT 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, **DBOS WAIVE ANY AND ALL CLAIMS AGAINST TZT, ITS OFFICERS, DIRECTORS, OWNERS, MANAGERS, MEMBERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM TZT'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**



E. Unauthorized Claims and Actions

1. Indemnification

A DBO is fully responsible for all of his or her verbal and written statements made regarding TZT products, services, and the Compensation Plan that are not expressly contained in official TZT 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. DBOs agree to indemnify, defend and hold harmless TZT and its affiliates and their respective directors, managers, members, officers, employees, and agents (collectively referred to herein as "Affiliates") from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by TZT as a result of the DBO's unauthorized representations or actions. This provision shall survive the termination of the DBO Agreement.

2. Compensation Plan Claims

When presenting or discussing the TZT Compensation Plan, you must make it clear to prospects that financial success with TZT 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 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 DBO without commitment, effort, and sales skill.



3. Income Claims

Because TZT DBOs do not have the data necessary to comply with the legal requirements for making income claims, a DBO, when presenting or discussing the TZT opportunity or Compensation Plan to a prospective DBO, may not make income projections, income claims, or disclose his or her TZT income (including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records), unless he or she provides a TZT Income Disclosure Statement to each prospective DBO.

F. Commercial Outlets

DBOs may not sell TZT products from a commercial outlet, nor may DBOs display or sell TZT products or literature in any retail or service establishment. Online auction and/or sales facilitation websites, including but not limited to eBay and Craig's List constitute Commercial Outlets, and may not be used to sell TZT products or services.

G. Military Installations

The offer, promotion, or sale of the goods and services, or the offer and promotion of the TZT opportunity on a military installation is not a right – it is a privilege. Even if a DBO **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 DBO who wants to offer, promote, or sell TZT products, or offer and promote the TZT 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 DBOs to engage in such activities on the installation. If the Commander has not done so, the DBO must contact TZT’s offices to ask the Company to obtain the Commander’s permission. DBOs 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 DBO 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, DBOs 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 DBOs, 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 DBO”) 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 DBO could jeopardize the ability of all TZZT DBOs 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).

H. Trade Shows, Expositions and Other Sales Forums

DBOs shall not display and/or sell TZZT products at trade shows or professional expositions.

I. Conflicts of Interest

1. Crossline Recruiting and Communication

DBOs 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. A DBO shall not demean, discredit, or defame other TZZT DBOs in an attempt to entice another customer, DBO or prospective DBO to become part of his or her organization.

For the purposes of this Section, 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, of another TZZT DBO or Customer to enroll, join, or otherwise participate in another TZZT marketing organization, downline, or line of sponsorship other than the one in which he, she, or it originally enrolled.

DBOs are strictly prohibited from meeting privately with crossline DBOs without the presence of one or more common upline DBO(s), in person, telephonically, online or via any other method of communication. For the purposes of these Policies and Procedures:

- ❖ "Crossline DBO" means any DBO who is not in the Inviting DBO's enrollment tree upline or downline.



- ❖ “Meeting” includes, but is not limited to, the act of coming together and/or an occasion in which two or more people come together to discuss or decide something, via any means including in-person, telephonically, online or via any other method of communication.

The “Inviting DBO” is strictly prohibited from inviting or allowing into any social media group any Crossline DBOs.

2. Nonsolicitation

TZZT DBOs are free to participate in other direct selling, multilevel marketing or network marketing entities, businesses, organizations, opportunities, or ventures (collectively referred to as a “Direct Selling Business”). As a DBO, you recognize TZZT’s legitimate interests in protecting, during the term of your DBO Agreement and for a reasonable period of time following its termination, TZZT’s relationships with its Customers and DBOs. Accordingly, you understand and agree that during the term of this Agreement, any renewal or extension hereof, and for a period of one year following the termination of your Independent DBO Agreement for any reason whatsoever, with the exception of a DBO who is personally sponsored by the DBO (or former DBO, as may be applicable), you may not and will not recruit (as defined below) any TZZT DBO or Customer for another Direct Selling Business.

DBOs and the Company recognize that because direct selling 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, DBOs and TZZT agree that this non-solicitation provision shall apply nationwide throughout the United States and to all international markets in which TZZT DBOs are located. This provision shall survive the termination or expiration of the DBO Agreement for a period of one year.

The DBO recognizes TZZT’s legitimate interest in protecting, for a reasonable period of time following the termination of the DBO’s Agreement, those DBOs and Customers with which the DBO will be, is or was associated during the term of his, her or its DBO Agreement, and any renewals or extensions thereof. Accordingly, the DBO understands and agrees that for a period of two (2) years following the termination of his, her or its DBO Agreement for any reason



whatsoever, he, she or it will not, directly or indirectly, recruit any TZT DBO or Customer to another network marketing business.

For the purposes of this Section, the term “recruit” means the actual or attempted, sponsorship, solicitation, enrollment, encouragement, counsel, aid, consultation or effort to influence in any way (either directly, indirectly, or through a third party) another TZT DBO or Customer to: (1) enroll, join, or otherwise participate in another Direct Selling Business; (2) to purchase the products or services of another network marketing business; or (3) terminate or alter his or her business or contractual relationship with the TZT. The term “recruit” also includes the above activities in the event that the DBO’s actions are in response to an inquiry made by another DBO or Customer.

3. DBO Participation in Other Network Marketing Programs

If a DBO is engaged in another non-TZT Direct Selling Business, it is the responsibility of the DBO to ensure that his or her TZT business is operated entirely separate and apart from any other Direct Selling Business. To this end, the following must be adhered to:

- ❖ DBOs must not offer, present, display, market, promote or sell (collectively referred to herein as “promote”) or attempt to promote any non-TZT programs, products or services to TZT Customers or DBOs. 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, a DBO may promote non-TZT products or services to TZT Customers or DBOs who are personally-sponsored.
- ❖ DBOs shall not promote TZT promotional material, sales aids, products or services with or in the same location as, any non-TZT promotional material or sales aids, products or services.
- ❖ DBOs shall not promote the TZT opportunity, products or services in any venue, location or media (collectively referred to herein as “Venues”), including, but not limited to, physical, electronic, virtual, telephonic, video or any form of social media Venue, to prospective or existing TZT Customers or DBOs in conjunction with any non-TZT program, opportunity, product or service.



- ❖ In the event that a DBO wants to promote a non-TZT Direct Selling Business, opportunity or products/services via any form of social media, the DBO may not include any non-TZT Direct Selling Business, products, services or opportunity within the same social media account in which TZT, its opportunity or its product and services are promoted. That is to say, a DBO who wants to promote both the TZT opportunity, products or services and a non-TZT opportunity, products or services must do so through two completely separate and discrete social media accounts.
- ❖ DBOs may not promote any non-TZT products, services or opportunity at any TZT-related meeting, seminar, convention, webinar, teleconference, or other function.
- ❖ DBOs may not produce any literature, audio or video recording or promotional material of any nature (including but not limited to social media postings and emails) which is used by the DBO or any third person to recruit DBOs or customers to participate in any other Direct Selling Business;
- ❖ DBOs may not engage or participate in any activity that may reasonably be foreseen to draw an inquiry from TZT's DBOs or customers relating to the DBO's other Direct Selling Business activities, products or services.

All of these provisions as outlined in this Section shall survive the termination or expiration of the DBO Agreement for a period of two (2) years after such termination or expiration.

4. Confidential Information

“Confidential Information” includes, but is not limited to TZT and its affiliates, Customers and DBOs, contact information of TZT Customers and DBOs, DBOs' personal and group sales volumes, DBO position 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 TZT and constitutes a business trade secret belonging to TZT. Confidential Information is, or may be available, to DBOs in their respective back-offices. DBO access to such Confidential Information is password protected, and is confidential and constitutes proprietary information and business trade secrets belonging to TZT. Such Confidential Information is provided to DBOs in strictest confidence and is made available to DBOs for the sole purpose of assisting DBOs in working with their respective downline



organizations in the development of their T&T business. DBOs may not use the reports for any purpose other than for developing, managing, or operating their T&T business. Where a DBO participates in other multi-level marketing ventures, he/she is not eligible to have access to Downline Genealogy Reports. DBOs should use the Confidential Information to assist, motivate, and train their downline DBOs. The DBO and T&T agree that, but for this agreement of confidentiality and nondisclosure, T&T would not provide Confidential Information to the DBO.

To protect the Confidential Information, DBOs 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 T&T or for any purpose other than promoting his or her T&T business;
- ❖ Recruit or solicit any DBO or Customer of T&T listed on any report or in the DBO's back-office, or in any manner attempt to influence or induce any DBO or Customer of T&T, to alter their business relationship with T&T; 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 a DBO's Agreement has been terminated, or whether the DBO is or is not otherwise affiliated with the T&T. Upon nonrenewal or termination of the Agreement, DBOs must immediately discontinue all use of the Confidential Information and if requested by the T&T promptly return all materials in their possession to the T&T within five (5) business days of request at their own expense.

5. Targeting Other Direct Sellers

T&T does not condone DBOs specifically or consciously targeting the sales force of another direct sales company to sell T&T products or to become DBOs for T&T, nor does T&T condone DBOs 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 DBOs



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 a DBO alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, TZT will not pay any of the DBO's defense costs or legal fees, nor will TZT indemnify the DBO for any judgment, award, or settlement.

J. Errors or Questions

If a DBO has questions about or believes any errors have been made regarding commissions, bonuses, genealogy lists, or charges, the DBO must notify TZT in writing within 60 days of the date of the purported error or incident in question to DBOsupport@tranzactcard.com. TZT will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

K. 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, DBOs shall not represent or imply that TZT or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

L. Income Taxes

Each DBO is responsible for paying local, state, and federal taxes on any income generated as an Independent DBO. Unfortunately, we cannot provide you with any personal tax advice. Please consult your own tax accountant, tax attorney, or other tax professional. If a DBO's TZT business is tax exempt, the Federal tax identification number must be provided to TZT. Every year, TZT 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.

M. Independent Contractor Status

DBOs are independent contractors. The agreement between TZT and its DBOs does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the DBO. DBOs shall not be treated as an employee for services or for Federal or State tax purposes. All DBOs are responsible for paying local, state, and federal taxes due



from all compensation earned as a DBO of the Company. The DBO has no authority (expressed or implied), to bind the Company to any obligation. Each DBO shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the DBO Agreement, these Policies and Procedures, and applicable laws.

N. International Marketing

DBOs are authorized to promote and/or sell TZT products and services, and enroll Customers or DBOs only in the countries in which TZT is authorized to conduct business, as announced in official Company literature (an “Official Country”). TZT products or sales aids may not be given, transferred, distributed, shipped into or sold in any Unauthorized Country (see definition below). DBOs not may sell, give, transfer, or distribute TZT products or sales aids from one Official Country into another Official Country.

DBOs have no authority to take any steps in any country toward the introduction or furtherance of the Company. This includes, but is not limited to, any attempt to register, reserve or otherwise secure any Company names, trademarks, trade names, copyright, patent, other intellectual property, to secure approval for products or business practices, or to establish business or governmental contacts. You agree to indemnify the Company for all costs incurred by it for any remedial action needed to exonerate the Company in the event you improperly act purportedly on behalf of the Company.

Only after the Company has announced that a country is officially open for business (an “Official Country”) may DBOs conduct business in that Official Country by promoting the Company (or related entity) and/or promoting, marketing or selling products and services, and enrolling other DBOs or Customers. DBOs are required to follow all laws, rules and regulations of the Official Country. DBO may use only promotional materials approved by the Company for use in an Official Country and sell only products approved for sale in that country.

In addition, no DBO may, in any Unauthorized Country:

- advertise the Company, the Compensation Plan or its products;
- offer Company products or services for sale or distribution
- conduct sales, enrollment or training meetings;



- enroll or attempt to enroll potential Customers or DBOs;
- Accept payment for enrollment or recruitment from citizens of countries where TZT does not conduct business;
- promote international expansion via the Internet or in promotional literature; or
- conduct any other activity for the purpose of selling TZT products, establishing a marketing organization, or promoting the TZT opportunity.

A DBO is solely responsible for compliance with all laws, tax requirements, immigration customs laws, rules and regulations of any country in which he or she conducts business. DBOs accept the sole responsibility to conduct their independent businesses lawfully within each country in which he or she conducts business.

A DBO's right to receive commissions in a country may be revoked at any time if the Company determines that he or she has not conducted business in a particular country in accordance with the terms and conditions contained herein or the governing operations within such country.

The Company reserves the right to establish additional policies and procedures that are applicable to a specific country. A DBO who conducts business internationally agrees to abide by all special policies established by the Company for the specific country or countries in which he or she conducts business.

O. Adherence to Laws, Regulations and the Agreement

DBOs must comply with all federal, state, and local laws, regulations, ordinances, codes, and the terms of the Agreement 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 DBOs because of the nature of their business. However, DBOs must obey those laws that do apply to them. If a city or county official tells a DBO that an ordinance applies to him or her, the DBO shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of TZT. In addition, DBOs must not recommend, encourage or teach other DBOs to violate federal, state, or local laws, regulations, ordinances, codes, or the terms of the Agreement in the operation of their TZT business.



P. One TZT Business Per DBO

Except as provided in this section, a Digital Branch Office may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one TranzactCard business. Spouses, regardless of whether one or both are signatories to the Digital Branch Office Application and Agreement, may not own or operate any other TranzactCard business, either individually or jointly, nor may they participate directly, indirectly or equitably (as a shareholder, partner, trustee, trust beneficiary, or have any other legal or equitable ownership) in the ownership or management of another TranzactCard business in any form. No individual may have, operate or receive compensation from more than one TranzactCard business.

Individuals of the same Household may maintain, own, and operate their own TranzactCard 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 Digital Branch Office 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 Digital Branch Office 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 Digital Branch Office at different times, the Household member who joined TranzactCard first must be the Sponsor for all other Household members.

Q. Actions of Household Members or Affiliated Parties

If any member of a Digital Business Office's Household or any member of an Affiliated Party's Household, engages in any activity which, if performed by the Digital Business Office, would violate any provision of the Agreement, such activity will be deemed a violation by the Digital Branch Office and TranzactCard may take disciplinary action pursuant to these Policies and Procedures against the Digital Branch Office. 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 TranzactCard may take disciplinary action against the Business Entity. Likewise, if a Digital Branch Office enrolls in TranzactCard 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.



R. Roll-up of Marketing Organization

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

S. Sale, Transfer or Assignment of TZZT Business

Although a TZZT DBO is a privately owned and independently operated business, the sale, transfer or assignment of a TZZT DBO (collectively referred to herein as "transfer") is subject to certain limitations. If a DBO wishes to transfer his or her TZZT business, the following criteria must be met:

- ❖ The selling DBO must offer TZZT the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. TZZT 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 TZZT DBO. If the buyer is an active TZZT DBO, he or she must first terminate his or her TZZT business and wait six (6) calendar months before acquiring any interest in a different TZZT business.
- ❖ Before the transfer can be finalized and approved by TZZT, any debt obligations the selling party has with TZZT must be satisfied.
- ❖ The transferring party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to transfer a TZZT business.

Prior to transferring an independent TZZT DBO, the transferring DBO must notify TZZT in writing and advise of his or her intent to transfer his/her TZZT DBO. The transferring DBO must receive written approval from the Company before proceeding with the transfer. The decisions of TZZT regarding a transfer shall be made in its sole and absolute discretion. No changes in line of sponsorship can result from the transfer of a TZZT business. In the event that a DBO transfers his or her TZZT business without the express written approval of the Company, such transfer shall be voidable in the sole and absolute discretion of TZZT.



T. Separation of a TranzactCard Business

TranzactCard Digital Branch Office sometimes operate their TranzactCard 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 TranzactCard business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize TranzactCard to deal directly and solely with the other spouse or non-relinquishing shareholder, member, partner, or trustee.
- ❖ The parties may continue to operate the TranzactCard business jointly on a “business-as-usual” basis, whereupon all compensation paid by TranzactCard 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 TranzactCard split commission and bonus checks between divorcing spouses or members of dissolving entities. TranzactCard will recognize only one downline organization and will issue only one commission check per TranzactCard 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 TranzactCard 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 a Digital Branch Office. In either case, the former spouse or business affiliate shall have no rights to any Digital Branch Office in their former organization or to any former Customer. They must develop the new business in the same manner as would any other new Digital Branch Office.

U. Sponsoring Online

When sponsoring a new DBO 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, T&T's Policies and Procedures, and the T&T Compensation Plan. The sponsor may not fill out the online DBO Application and Agreement on behalf of the applicant and agree to these materials on behalf of the applicant.**

V. Succession

Upon the death or incapacitation of a DBO, 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, including but not limited to, letters of administration, letter testamentary and any Final Order of Probate, or similar court order. Accordingly, a DBO should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a T&T business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased DBO's marketing organization provided the following qualifications are met. The successor(s) must:

- ❖ Execute a DBO Agreement;
- ❖ Comply with terms and provisions of the Agreement;
- ❖ Meet all of the qualifications for the deceased DBO's status;
- ❖ The devisee must provide T&T with an "address of record" to which all bonus and commission will be sent;



1. Transfer Upon Death of a DBO

To effect a testamentary transfer of a TZT business, the executor of the estate must provide the following to TZT: (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 TZT specifying to whom the business and income should be transferred.

2. Transfer Upon Incapacitation of a DBO

To effectuate a transfer of a TZT business because of incapacity, the successor must provide the following to TZT: (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 TZT business; and (3) a completed DBO Agreement executed by the trustee.

W. 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 TZT does not consider DBOs 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, DBOs must not engage in telemarketing in the operation of their TZT businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a TZT product or service, or to recruit them for the TZT opportunity. "Cold calls" made to prospective customers or DBOs that promote either TZT's products or services or the TZT opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or DBO (a "prospect") is permissible under the following situations:

- ❖ If the DBO has an established business relationship with the prospect. An "established business relationship" is a relationship between a DBO and a



prospect based on the prospect's purchase, rental, or lease of goods or services from the DBO, or a financial transaction between the prospect and the DBO, 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 DBO, within the three (3) months immediately preceding the date of such a call.
- ❖ If the DBO receives written and signed permission from the prospect authorizing the DBO to call. The authorization must specify the telephone number(s) which the DBO 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.
- ❖ DBOs shall not use automatic telephone dialing systems or software relative to the operation of their TZT businesses.
- ❖ DBOs shall not place or initiate any outbound telephone call to any person who delivers any pre-recorded message (a "robocall") regarding or relating to the TZT products, services or opportunity.

X. Back Office Access

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

Y. Unauthorized Communication

In the excitement and enthusiasm of working his or her TZT business, a DBO 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 must be directed to the Company.

V. RESPONSIBILITIES OF DBOs

A. Change of Address, Telephone, and E-Mail Addresses

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

B. Continuing Development Obligations

1. Ongoing Training

Any DBO who sponsors another DBO into TZT must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her TZT business. DBOs must have ongoing contact and communication with the DBOs in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voicemail, email, and the accompaniment of downline DBOs to TZT meetings, training sessions, and other functions. Upline DBOs are also responsible to motivate and train new DBOs in TZT product knowledge, effective sales techniques, the TZT Compensation Plan, and compliance with Company Policies and Procedures and applicable laws. DBOs should monitor the DBOs in their Downline Organizations to guard against downline DBOs making improper product or business claims, violation of the Policies and Procedures, or engaging in any illegal or inappropriate conduct.



2. Increased Training Responsibilities

As DBOs progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the TZT program. They will be called upon to share this knowledge with lesser experienced DBOs within their organization.

3. Ongoing Sales Responsibilities

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

4. Reporting Policy Violations

DBOs who are aware of a violation of these Policies and Procedures by another DBO must submit a written report of the violation directly to the attention of TZT's Compliance Department by mail or email at compliance@TranzactCard.com. Details of the incident in question such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report. Any incident reported to the Compliance Department must have supporting documentation such as images, screenshots, text messages, emails, etc. Any incident reported without proper supporting documentation will not be reviewed.

C. Nondisparagement

TZT wants to provide its independent DBOs 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 Company. Remember, to best serve you, we must hear from you! While TZT welcomes constructive input, negative comments and remarks made in the field by DBOs about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other TZT DBOs.

For this reason, and to set the proper example for their downline, during the term of this Agreement and at any time thereafter, DBO agrees not make any false, derogatory, demeaning or disparaging statements (collectively "disparage") or encourage or induce others to disparage TZT, other TZT DBOs, the Compensation Plan or any of TZT's past and present



owners, officers, managers, directors, employees, vendors, products or services (the “Company Parties”) including, but not limited to: (i) making any statements, or take any other actions whatsoever, to disparage, defame, demean, sully or compromise the goodwill, name, brand or reputation of the Company, its products, services, marketing, Compensation Plan, Customers, DBOs or any of its TZT Affiliates (collectively, the “Company Goodwill”) or (ii) committing any other action that could likely injure, hinder or interfere with the Business, business relationships or Company Goodwill of the Company, its DBOs or its Customers.

For purposes of this Section, the term “disparage” includes, without limitation, comments or statements to the press, any media outlet, industry group, financial institution, the TZT’s DBOs, employees or to any individual or entity with whom TZT has a business relationship (including, without limitation, any vendor, supplier, Customer, DBO or independent contractor), social media posts, or any public statement, that in each case is intended to, or can be reasonably expected to, materially damage any of the Company Parties. Notwithstanding the foregoing, nothing in this Section shall prevent a DBO from making any truthful statement to the extent, but only to the extent: (1) necessary with respect to any litigation, arbitration or mediation involving this Agreement, including, but not limited to, the enforcement of this Agreement, in the forum in which such litigation, arbitration or mediation properly takes place; or (2) required by law, legal process or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent jurisdiction over the DBO.

D. Providing Documentation to Applicants

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

VI. SALES REQUIREMENTS

A. Product Sales

The TZT Compensation Plan is based on the sale of products and services that are purchased with the TranzactCard debit card. DBOs must fulfill personal and organizational sales requirements (as well as meet other responsibilities set forth in the TZT Compensation Plan) to be eligible for bonuses, commissions and advancement to higher levels of achievement.



B. No Territory Restrictions

There are no exclusive territories granted to anyone.

VII. RETURNS OF SALES AIDS

A. Return of Sales Aids by DBOs Upon Termination

Upon termination of a DBO's Agreement, the DBO may return tangible sales aids that he or she personally purchased from TranzactCard (purchases from other DBOs 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. Upon receipt of a Resalable sales aids, the DBO will be reimbursed 90% of the net cost of the original purchase price(s), less any amounts or compensation the DBO received on account of the purchase of the returned sales aids. Neither shipping and handling charges incurred by a DBO when the sales aids were purchased, nor return shipping fees, will be refunded. If the purchases were made through a credit card or debit card, the refund will be credited back to the same account.

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) they are still in TranzactCard's current inventory; (5) the expiration date(s) for any returned products has not passed; and (6) they are returned to TranzactCard within one year from the date of purchase. Any item that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

Montana Residents

A Montana resident may cancel his or her DBO Agreement within 15 days from the date of enrollment, and may receive a full refund of his or her DBO enrollement fee within such time period.



B. Procedures for All Returns

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

- ❖ All items must be returned by the DBO who purchased it directly from TranzactCard.
- ❖ All items to be returned must have a Return Authorization Number which is obtained by calling the DBO 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 unused portion of 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 TranzactCard shipping pre-paid. TranzactCard does not accept shipping-collect packages. The risk of loss in shipping for returned items shall be on the DBO. If the returned items are not received by the Company's Distribution Center, it is the responsibility of the DBO to trace the shipment.

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

VIII. BONUSES AND COMMISSIONS

A. Bonus and Commission Qualifications and Accrual

A DBO must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a DBO complies with the terms of the Agreement, TZT shall pay commissions to such DBO in accordance with the Compensation plan.

B. Adjustment to Bonuses and Commissions

1. Adjustments for Return, Disputed Charges and Chargebacks

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bonuses, commissions, or overrides on the sales of the refunded product(s) or cancelled service, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered; or (2) the bonuses, commissions, or overrides attributable to the returned or repurchased products or cancelled service may be deducted from any refunds or credits to the DBO who received the bonuses, commissions, or overrides on the sales of the refunded products or cancelled service. In the event that the Company is unable, within two (2) months from the payment of any refund(s) by the Company or the debiting of any chargebacks, to recover all bonuses, commissions, or overrides on the sales of the refunded product(s) or cancelled service(s) from the DBO or upline DBOs who received them, the Company shall be entitled to assert a claim against such DBO(s) for payment.

DBOs receive bonuses, commissions, or overrides based on the actual purchases of products or services made with the TranzactCard debit card. When a service is cancelled or a product is returned to a merchant for a refund, a purchaser disputes a charge, or a purchaser initiates a chargeback, any of the following may occur at the Company's discretion: (1) the bonuses, commissions, or overrides attributable to the returned, repurchased or charged-back products or cancelled service will be deducted from payments to the DBO and upline DBOs who received bonuses, commissions, or overrides on the sales of the refunded product(s) or cancelled service, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered; or (2) the DBO or upline DBOs who earned bonuses, commissions, or overrides based on the sale of the returned products or cancelled service will have the corresponding points deducted from their Basis Points in the next month and all subsequent months until they are completely recovered. In the event that the Company is unable, within six (6) months from the payment of any refund(s) by the Company or the debiting of any chargebacks, to recover all bonuses, commissions, or overrides on the sales of the refunded product(s) or cancelled service(s) from the DBO or upline DBOs who received them, the Company shall be entitled to assert a claim against such DBO(s) for payment.

2. Hard Copy Commission Checks

The Company pays commissions via checks and intends to pay by direct deposit into DBOs' bank accounts or via direct payment onto the DBO's bank card account.



3. Tax Withholdings

If a DBO fails to provide his or her correct tax identification number, TZT will deduct the necessary withholdings from the DBO's commission checks as required by law.

C. Reports

All information provided by TZT 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 debit card and electronic check payments; returned products; debit card and electronic check charge-backs; the information is not guaranteed by TZT 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, TZT AND ITS AFFILIATES AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY DBO 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 TZT OR ITS AFFILIATES 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, TZT OR ITS AFFILIATES 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 TZT's online and 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 TZT's online and reporting services and your reliance upon the information.

IX. DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

A. 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 a DBO 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 DBO's TZT business), may result, at TZT's discretion, in one or more of the following corrective measures:

- ❖ Issuance of a written warning or admonition;
- ❖ Requiring the DBO 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;
- ❖ TZT may withhold from a DBO all or part of the DBO's bonuses and commissions during the period that TZT is investigating any conduct allegedly violative of the Agreement. If a DBO's business is canceled for disciplinary reasons, the DBO will not be entitled to recover any commissions withheld during the investigation period;
- ❖ Suspension of the individual's DBO Agreement for one or more pay periods;
- ❖ Permanent or temporary loss of, or reduction in, the current and/or lifetime position of a DBO (which may subsequently be re-earned by the DBO);
- ❖ Transfer or removal of some or all of a DBO's downline DBOs from the offending DBO's downline organization.
- ❖ Involuntary termination of the offender's DBO Agreement;
- ❖ Suspension and/or termination of the offending DBO's TZT website or website access;



- ❖ Any other measure expressly allowed within any provision of the Agreement or which TZT deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the DBO's policy violation or contractual breach;
- ❖ In situations deemed appropriate by TZT, the Company may institute legal proceedings for monetary and/or equitable relief.

B. Grievances and Complaints

When a DBO has a grievance or complaint with another DBO regarding any practice or conduct in relationship to their respective TZT businesses, the complaining DBO 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 Company. The Company will review the facts and attempt to resolve it.

C. 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 virtually or in Provo, Utah, and shall last no more than one business day.

D. 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 JAMS under its Expedited Commercial Arbitration Rules. All arbitration proceedings shall be held in Provo, Utah. There shall be one arbitrator selected from the panel that JAMS provides. Each



party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. 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.

E. Governing Law, Jurisdiction, and Venue

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

1. Louisiana Residents

Notwithstanding the foregoing, and the arbitration provision in this Agreement, residents of the State of Louisiana shall be entitled to bring an action against TZT in their home forum and pursuant to Louisiana law.



X. PAYMENTS

A. Insufficient Funds and Insufficient Credit

All checks returned by a DBO'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 DBO. After receiving a returned check from a customer or a DBO, all future orders must be paid by credit or debit card, money order or cashier's check. Any outstanding balance owed to TZT by a DBO for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks. TZT is not obliged to contact you regarding orders that are canceled due to insufficient funds or credit. DBOs must be sure that there are sufficient funds or credit available to cover any orders they place.

B. Restrictions on Third Party Use of Credit Cards and Bank Account Access

A DBO shall not permit other DBOs or Customers 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. A DBO 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.

C. Sales Taxes

If TZT is required to charge and remit sales taxes, TZT will collect and remit sales taxes on behalf of DBOs, according to applicable tax rates in the state to which the shipment is destined. If a DBO has submitted, and TZT 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 DBO (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 TZT is not retroactive.



XI. INACTIVITY AND TERMINATION

A. Effect of Termination

So long as a DBO remains active and complies with the terms of the DBO Agreement and these Policies and Procedures, T&T shall pay commissions to such DBO in accordance with the Compensation Plan. A DBO's bonuses and commissions constitute the entire consideration for the DBO's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following a DBO's non-renewal of his or her DBO Agreement, termination for inactivity, or voluntary or involuntary termination of his or her DBO Agreement (all of these methods are collectively referred to as "termination"), the former DBO 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. **A DBO whose business is cancelled will lose all rights as a DBO. This includes the right to sell T&T products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the DBO's former downline sales organization. In the event of termination, DBOs 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 a DBO's termination of his or her DBO Agreement, the former DBO shall not hold himself or herself out as a T&T DBO and shall not have the right to sell T&T products or services. A DBO 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).

B. Termination Due to Inactivity

1. Failure to Earn Commissions

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

2. Failure to Pay Fees

If a DBO fails to pay the required monthly fees, he/she will be inactive and not eligible



to earn commissions that month. If the monthly fees are not paid for three consecutive months, the DBO will be cancelled for inactivity.

C. Involuntary Termination

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

TZZT reserves the right to terminate all DBO Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; or (2) terminate selling of its products via direct selling.

D. 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 DBO's signature, printed name, address, and DBO I.D. Number. In addition to written termination, DBOs who have consented to electronic contracting will cancel their DBO Agreement should they withdraw their consent to contract electronically.

E. Non-renewal

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



XII. DEFINITIONS

Active Customer — A Customer who has a TranzactCard debit card and in current status with annual fees.

Active DBO — A DBO who is engaged with training produced and directed by the Company, are actively enrolling TranzactCard (TCM) members, and are at a current status with the monthly fee.

Active Position — The term “active position” refers to the current position of a DBO, as determined by the TZT Compensation Plan, for a particular pay period. To be considered “active” relative to a particular position, a DBO must meet the criteria set forth in the TZT Compensation Plan for the respective position.

Agreement - The contract between the Company and each DBO includes the DBO Agreement Terms and Conditions, the TZT Policies and Procedures, and the TZT Compensation Plan all in their current form and as amended by TZT in its sole discretion. These documents are collectively referred to as the “Agreement.”

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

Downline — Your downline (or downline organization) consists of the DBOs you personally enroll or sponsor (your first level DBOs), the DBOs that first level DBOs enroll or sponsor, as well as the DBOs 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.

Level — The layers of downline Customers and DBOs in a particular DBO’s downline. This term refers to the relationship of a DBO relative to a particular upline DBO, determined by the



number of DBOs between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A's fourth level.

Official TZT Material — Literature, audio or video tapes, websites, and other materials developed, printed, published and/or distributed by TZT to DBOs.

Position — The “title” that a DBO holds pursuant to the TZT Compensation Plan.

Recruit — For purposes of TZT's Conflict of Interest Policy, 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 TZT DBO or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

Replicated Website – A website provided by TZT to DBOs which utilizes website templates developed by TZT.

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 — A DBO who enrolls a Customer or another DBO into the Company, and is listed as the Sponsor on the DBO Application and Agreement.

Sponsoring — The act of introducing a prospective DBO to TZT and assisting him or her to execute a DBO Application and Agreement and thereby become a TZT DBO.

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