

Solex, LLC

STATEMENT OF POLICIES Effective January 1, 2021

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SECTION 1 - INTRODUCTION

1.1 - Policies and Quantum Living Advocate Benefits Incorporated into Quantum Living Advocate Agreement

This Statement of Policies, in its present form and as amended at the sole discretion of Solex, LLC. (hereafter “Solex” or the “Company”), are incorporated into, and form an integral part of, the Solex Independent Quantum Living Advocate Licensing Agreement. Throughout this Statement of Policies, when the term “Agreement” is used, it collectively refers to the Solex Quantum Living Advocate Application and Licensing Agreement, the Statement of Policies and the Solex Quantum Living Advocate Benefits Program. These documents are incorporated by reference into the Solex Independent Quantum Living Advocate Agreement (all in their current form and as amended by Solex).

1.2 - Purpose of Policies

Solex is a network marketing company that markets its products through Independent Quantum Living Advocates. Your success and the success of your fellow Quantum Living Advocates depend on the integrity of those who market Solex products. To clearly define the relationship that exists between our Quantum Living Advocates and Solex, and to set a standard for acceptable business conduct, Solex has established this Agreement.

Solex Quantum Living Advocates are required to comply with all the Terms and Conditions set forth in the Agreement, as well as all federal, state, and local laws governing their Solex business and their conduct. Familiarity with these laws is very important. Please carefully review the information in this Statement of Policies. It sets forth the respective duties, responsibilities, and obligations governing the relationship between each Independent Quantum Living Advocate, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek clarification from Solex. Your interests are always served by seeking the advice of your attorney when you have questions regarding your situation.

1.3 - Modifications to the Agreement

To maintain a viable business and to comply with governing federal, state, and local laws, and economic conditions, Solex reserves the right to amend the Agreement and product pricing by its sole and absolute discretion. By executing the Quantum Living Advocate Agreement, a Quantum Living Advocate agrees to abide by all amendments or modifications that Solex makes upon publication and by continuing to receive or willingness to receive bonus payments. Amendments shall be effective upon publication of notice and posting of the amended provision(s). Amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. Notification of amendments shall be published by one or more of the following methods: 1.) posting on the Company’s official web site; 2.) text messages or SMS (Short Messaging Service) via the Solex technology platform; 3.) electronic mail (e-mail); 4.) in online Company publications (i.e. via the corporate website or Quantum Living Advocate back office); 5.) inclusion in product orders or bonus checks; or, 6.) special mailings. The continuation of a Quantum Living Advocate’s Solex business, the acceptance of any benefits under the Agreement, or a Quantum Living Advocate’s acceptance of bonuses constitutes acceptance of all amendments.

1.4 - Delays

Solex shall not be responsible for processing complications, shipping delays or failures in performance of its obligations when performance is made commercially impracticable. This includes, without limitation to: strikes, labor difficulties, technical difficulties, riot, war, fire, death, curtailment of a party’s source of supply,

or government decrees or orders.

1.5 - Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, the invalid portion of the provision shall be severed, and all 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.

1.6 - Waiver

Failure by Solex to exercise any right or power under the Agreement or to insist upon strict compliance by a Quantum Living Advocate with any obligation or provision of the Agreement, shall not constitute a waiver of Solex's right to Quantum Living Advocate compliance with the Agreement. No custom or practice of the parties that is at variance with the terms of the Agreement constitute a waiver. Waiver by Solex of any violation of any provision of the Agreement can be effectuated only in writing by an authorized officer of the Company. Solex's written waiver of any breach by a Quantum Living Advocate shall not affect or impair Solex's right to enforce any subsequent breach. A Solex written waiver shall not affect the obligations of any other Quantum Living Advocate. Any delay or omission by Solex to exercise any right arising from a breach shall not impair Solex's rights as to any subsequent breach. The existence of any claim or cause of action of a Quantum Living Advocate against Solex shall not constitute a defense to Solex's enforcement of any term or provision of the Agreement.

SECTION 2 - BECOMING A QUANTUM LIVING ADVOCATE

Quantum Living Advocates are independent contractors of the Company who have been granted a non-exclusive authorization and license to sell Solex products in accordance with the terms and conditions set forth by the Company. Acceptance by the Company of a Quantum Living Advocate Application does not constitute the sale of a franchise or membership.

2.1 - Independent Contractor Status

Quantum Living Advocates are independent contractors and licensees and are not purchasers of a franchise or a business opportunity. The agreement between Solex and its Quantum Living Advocates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Quantum Living Advocate. The Quantum Living Advocate shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Quantum Living Advocates are responsible for paying local, state, and federal taxes due from all compensation earned or awarded as a Quantum Living Advocate of the Company. The Quantum Living Advocate has no authority (expressed or implied), to bind the Company to any obligation. Each Quantum Living Advocate shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Quantum Living Advocate Agreement, this Statement of Policy, and applicable laws.

2.2 - Application Requirements

To become a Solex Quantum Living Advocate, each applicant must:

- i) Be of contractual age (usually 18) in the jurisdiction in which they reside and must have a legal right to be able to enter into a contract with Solex;
- ii) Reside in the United States or U.S. Territories or country that Solex has officially announced is open for business;
- iii) Provide a valid Social Security or Federal Tax ID number, required by federal law or country where

Solex is officially open for operation and as required by each opened country's laws, for income reporting purposes;

- iv) Accurately complete and submit the online Quantum Living Advocate Application and Agreement to Solex and agree to the company's terms and conditions which further highlight a Quantum Living Advocate's obligations; and,
- v) Pay the Solex Quantum Living Advocate Licensing fee that renews annually as specified in the Solex Quantum Living Advocate Benefits plan.

Solex reserves the right to accept or reject any Quantum Living Advocate Application and Agreement for any reason or for no reason.

2.3 - Applying as a Business Entity

A corporation, limited liability company (LLC), partnership, or trust (collectively referred to in this section as a "Business Entity") may apply to be a Solex Quantum Living Advocate by completing an online Quantum Living Advocate Application and Licensing Agreement and paying the indicated Quantum Living Advocate License fee that renews annually in the calendar month enrolled. All shareholders, partners or trustees of the entity must be identified for Solex's own purposes. Such identity shall remain confidential unless all parties wish to be disclosed or Solex is legally required by writ to divulge such information. All parties of interest in the entity applying are jointly and severally liable for any indebtedness or other obligation to Solex.

To prevent the circumvention of Section 3.25 (regarding transfers and assignments of Solex business), if an additional partner, shareholder, or other business entity is added to a business entity, Solex must be notified in writing prior to the close of the immediate bonus period. If the original Quantum Living Advocate wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with Section 3.25. If this process is not followed, the business shall be canceled upon the withdrawal of the original Quantum Living Advocate. All bonus checks will be sent to the address of record of the original Quantum Living Advocate. Please note that the modifications permitted within the scope of this paragraph *do not* include a change of Placement. Changes of Placement are addressed in Section 3.5. Solex may, at its discretion, require notarized documents before implementing any changes to a Solex business. Please allow thirty (30) business days after the receipt of the request by Solex for processing.

2.4 - Quantum Living Advocate Benefits

Once a Quantum Living Advocate Application and Licensing Agreement has been accepted by Solex, all benefits contained in the Quantum Living Advocate Benefits Program and the Quantum Living Advocate Agreement are available to the new Quantum Living Advocate. These benefits include the right to:

- a.) Sell Solex products;
- b.) Utilize Solex's technology platform to promote and build a Solex Business;
- c.) Participate in the Solex Quantum Living Advocate Benefits (receive commissions and/or bonuses, if eligible);
- d.) Enroll others as Customers, or Quantum Living Advocates into the Solex business and thereby build a sales and marketing organization and progress through the Solex Quantum Living Advocate Benefits program;
- e.) Receive periodic Solex communications and access to provided Solex marketing materials;
- f.) Participate in Solex support, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and,
- g.) Participate in promotional and incentive contests and programs provided by Solex for its Quantum

Living Advocates.

2.5 - Solex License and Product Purchases

At enrollment Solex Quantum Living Advocates enroll for a fee of \$45.00. In return for this enrollment fee Solex provides each Quantum Living Advocate a starter kit with product samples, marketing materials and a license to utilize Solex's proprietary technology programming. The License further provides access to the Solex App as well as a personalized replicated website that provides the Quantum Living Advocate with an online sales and marketing presence. A virtual office is also provided that allows a Quantum Living Advocate to track their business building efforts and results. Also included is an online service portfolio consisting of digital sales aids and marketing techniques that assist the Quantum Living Advocate in building an independent sales and marketing organization. Quantum Living Advocates may terminate their agreement at-will, pursuant to Section 10.4. No person is required to purchase Solex products to become a Solex Quantum Living Advocate. At its sole discretion, Solex may offer product and other promotions that waive the initial annual license fee and/or the annual renewal fee. Product promotions that reduce or eliminate volume may occur at Solex's sole discretion.

2.6 - Term and Renewal of Your Solex Business

The term of the Quantum Living Advocate Agreement and License is one (1) year from the date of its acceptance by Solex (subject to reclassification pursuant to Section 10 below). Quantum Living Advocates must renew their Quantum Living Advocate Agreement each year by generating a minimum of 100 Personal Qualifying Volume via Personal and Customer orders on or before the anniversary date of their Quantum Living Advocate Agreement. Solex will deduct \$45.00 from the Quantum Living Advocates commissions to pay the annual licensing fee. If the Quantum Living Advocate has not paid the licensing fee or generated a minimum of 100 in Personal Qualifying Volume in orders within 60 days after the expiration of the current term of the Quantum Living Advocate Agreement, the Quantum Living Advocate will have voluntarily terminated the Consultancy and the Quantum Living Advocate will be reclassified to Customer status.

SECTION 3 - OPERATING A SOLEX BUSINESS

3.1 - Adherence to the Solex Quantum Living Advocate Benefits Program

Quantum Living Advocates shall adhere to the terms of the Solex Quantum Living Advocate Benefits Program as set forth in official Solex literature, which is incorporated by reference herein. Quantum Living Advocates shall refrain from offering the Solex opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Solex literature. Quantum Living Advocates shall not require or encourage other current or prospective Customers or Quantum Living Advocates to participate in Solex in any manner that varies from the program as set forth in official Solex literature. Quantum Living Advocates shall not require or encourage other current or prospective Customers or Quantum Living Advocates to execute any agreement or contract other than official Solex agreements and contracts to become a Solex Quantum Living Advocate.

As a Quantum Living Advocate progresses in the Solex Benefits Plan, certain benefits provided for promotional purposes like the Rank Advancement Bonuses paid at Freedom 2 and above, require an exclusive commitment to Solex with no similar affiliation with a competing network marketing competitor. The same restriction applies to the Infinity and the Team Check Match bonuses which are directly linked to high leadership ranks. Promotional compensation is a privilege that requires loyalty, not a right.

Quantum Living Advocates shall not require or encourage other current or prospective Customers or Quantum Living Advocates to make any purchase from, or payment to, any individual or other entity to participate in the Solex Quantum Living Advocate Benefits Program other than those purchases or payments

identified as recommended or required in official Solex literature.

3.2 - Advertising

3.2.1 - General

All Quantum Living Advocates shall safeguard and promote the good reputation of Solex and its products. The marketing and promotion of Solex, the Solex opportunity, the Quantum Living Advocate Benefits Program, and Solex products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and the tremendous opportunity Solex offers, Quantum Living Advocates should use the sales tools and support materials produced by Solex. Solex has carefully designed its products, product labels, Quantum Living Advocate Benefits Program, and promotional materials to ensure that each aspect of Solex is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If Solex Quantum Living Advocates were to develop their own sales tools and promotional materials notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations effecting a Solex business is almost certain. These violations, although they may be relatively few, would jeopardize the Solex opportunity for all Quantum Living Advocates.

Accordingly, Quantum Living Advocates may only use literature, advertisements, sales tools, promotional materials, or Internet web pages created using the Company's preapproved electronic marketing system.

Quantum Living Advocates who have achieved Freedom 1 or higher may create and publish their own promotional materials for their independent business, provided these are submitted to Solex Compliance for pre-approval before they can be used or made public. Unless the Quantum Living Advocate receives specific written approval to use such tools, the request shall be deemed denied. All independently produced material must display the term Independent Quantum Living Advocate in a prominent position.

Solex will not permit Quantum Living Advocates to sell independently-produced promotional materials (including websites) to other Solex Quantum Living Advocates. Therefore, Quantum Living Advocates who receive authorization from Solex to produce their own promotional materials may not sell such material to any other Solex Quantum Living Advocate whether they are in their marketing organization or not. Quantum Living Advocates may make approved material available to their personally enrolled Downline organization free of charge if they wish, but may not charge other Solex Quantum Living Advocates for the material.

Solex further reserves the right to rescind approval for any promotional materials and Quantum Living Advocates waive all claims for damages or remuneration arising from or relating to such rescission.

It is each Quantum Living Advocate's responsibility to be aware, understand, and abide by the federal and local laws governing advertising, including, but not limited to, those United States federal regulations and laws posted by the FCC, FTC, and Food and Drug Administration (FDA).

3.2.2 - Quantum Living Advocate Web Sites

If a Quantum Living Advocate wishes to utilize an Internet web page to promote his or her business, he or she may do so through the Company's official electronic marketing system, using official Solex templates.

Alternatively, Quantum Living Advocates may develop their own web pages, however, any Quantum Living Advocate who does so: (a) must use the preapproved text of the Company's official web site; and (b) may not supplement the content of his or her web site with text from any source other than the Company.

Solex reserves the right to revoke an Independent Quantum Living Advocate's License if the Quantum Living Advocate does not comply with the above requirements or otherwise violates any provision of this Statement of Policies.

3.2.3 - Social Media

In addition to meeting all other requirements specified in this Statement of Policies, should a Quantum Living Advocate utilize any form of social media, including but not limited to blogs, Facebook, Twitter, LinkedIn, YouTube, or Pinterest, the Quantum Living Advocate agrees to each of the following:

- a.) Product transactions may occur on or through any social media site only when the selling price is at suggested retail pricing or higher.
- b.) It is each Quantum Living Advocate's responsibility to follow the social media site's terms of use. If the social media site does not allow its site to be used for commercial activity, you must abide by the site's terms of use as well as all other rules of the site.
- c.) During the term of this Agreement and for a period of 12 calendar months thereafter, a Quantum Living Advocate may not use any social media site on which they discuss or promote, or have discussed or promoted, the Solex business or Solex's products to directly or indirectly solicit Solex Quantum Living Advocates for a competing product or business opportunity. In furtherance of this provision, a Quantum Living Advocate shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Quantum Living Advocates relating to the Quantum Living Advocate's other direct selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision in Section 3.10.1.
- d.) A Quantum Living Advocate may post or "pin" photographs of Solex products on a social media site, but, to preserve brand integrity, only photos that are provided by Solex and downloaded from the Quantum Living Advocate's Back-Office may be used.
- e.) If a Quantum Living Advocate creates a business profile page on any social media site that promotes or relates to Solex, its products, or opportunity, the business profile page must relate exclusively to the Quantum Living Advocate's Solex business and Solex products. The business profile page must indicate that it is operated by a Solex Independent Quantum Living Advocate. If the Quantum Living Advocate's Solex business is cancelled for any reason or if the Quantum Living Advocate becomes inactive, the Quantum Living Advocate must deactivate the business profile page.

3.2.4 - Domain Names, Email Addresses, Vanity ID and Online Aliases

Quantum Living Advocates may not use, register, or attempt to register "Solex" or any of Solex's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name, email address, Vanity ID for use with Solex's technology platform or online alias. Additionally, a Quantum Living Advocate cannot use or register domain names, email addresses, Vanity ID, 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 Solex.

If a Quantum Living Advocate violates this policy, the Quantum Living Advocate shall assign and transfer the domain name, email address, Vanity ID, social media handle or name, or online alias to the Company immediately upon the Company's demand, and the Quantum Living Advocate shall be responsible for paying

all fees and costs, including but not limited to attorney's fees and costs and transfer costs, associated with the assignment and transfer. This remedy is in addition to, and not in place of, other remedies and/or disciplinary measures that the Company may take pursuant to this Statement of Policies.

Quantum Living Advocates wishing to use personal domain names to market their Solex business may do so provided the domain name is compliant as indicated herein. It is highly recommended that the domain point or redirect directly to the Quantum Living Advocate's replicating Solex website, so that the enrollment relationship is safeguarded.

3.2.5 - Online Classifieds

Quantum Living Advocates may use online marketplaces and social media to inform the public about the Solex business opportunity, provided the information is compliant as specified herein. The Quantum Living Advocate must be properly identified as a Solex Independent Quantum Living Advocate. Products offered for sale through any channel other than a Quantum Living Advocate's replicating website shall be offered online at the suggested retail price or higher.

3.2.6 - Online Auctions

Solex's products and services shall not be sold for less than the suggested retail price on online auction sites, nor shall Quantum Living Advocates enlist or knowingly allow a third party to sell Solex products for less than the suggested retail price on any online auction.

3.2.7 - Online Retailing

Quantum Living Advocates shall not list or sell Solex products on any online retail store or ecommerce site for anything less than the suggested retail price. Nor shall a Quantum Living Advocate enlist or knowingly allow a third party to sell Solex products on any online retail store or ecommerce site for less than the suggested retail price.

3.2.8 - Search Engine Marketing

Quantum Living Advocates wishing to engage in search engine marketing to drive traffic to their approved Independent Quantum Living Advocate websites (see Section 3.2.2 above) may do so provided they do not use any of the Company's trade names or trademarks as search terms or key words. Nor may any deceptive terms such as "direct site," "official site," "official Solex website," etc. appear in any Quantum Living Advocate Enrolled links or ads that are displayed on any search result page. Again, any web presence must properly identify the Quantum Living Advocate as being a Solex Independent Quantum Living Advocate.

3.2.9 - Trademarks and Copyrights

The name "Solex" and other names as adopted by the Company are proprietary trade names, trademarks, and service marks of Solex. The Company grants each Quantum Living Advocate a limited license to use its trademarks and trade names in promotional media when the Quantum Living Advocate's License Agreement is in effect. Upon termination of a Quantum Living Advocate's License Agreement, his or her license shall immediately expire and the Quantum Living Advocate shall immediately discontinue all use of the Company's trademarks and trade names. Under no circumstances may a Quantum Living Advocate use any of Solex's trademarks or trade names in any email address, website domain name, vanity ID, social media handle, social media name or address, or in any unapproved Sales Tools.

Solex commonly puts on live and recorded events as well as online events, social media events, webinars, and telephone conference calls. During these events Company executives, Independent Quantum Living

Advocates, and guests appear and speak. The content of such events is copyrighted material that is owned exclusively by the Company. Quantum Living Advocates may not record any Company functions for any reason, whether at a live event, a webinar, cyber event, a conference call, or delivered through any other medium. In addition, Company produced sales tools, technology platform dialogs, videos, audios, podcasts, and printed material is also copyrighted. Quantum Living Advocates shall not copy any such materials for their personal or business use without the Company's prior written approval.

As an independent Quantum Living Advocate, you may use the Solex name in the following manner:

Quantum Living Advocate's Name
Solex Independent Quantum Living Advocate

Example:
Alice Smith
Solex Independent Quantum Living Advocate

Quantum Living Advocates may not, in whole or in part, use "Solex" or "Solex" in any form, whether in a team name, a tagline, an external website name, a personal website address or extension, in an e-mail address, as a personal name, as a nickname, or in a vanity code for use with Solex's technology platform. Additionally, a Quantum Living Advocate may only use the phrase *Solex Independent Quantum Living Advocate* in telephone greetings or on an answering machine to clearly separate the Quantum Living Advocate's independent Solex business from Solex.

3.2.10 - Media and Media Inquiries

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

3.2.11 - Unsolicited Communications

Unsolicited communications are those that transpire: a.) without the recipient's prior express invitation or permission; or, b.) when a Quantum Living Advocate has not established a business or personal relationship. The Federal Trade Commission (FTC) and the Federal Communications Commission (FCC) each have laws and regulations that restrict unsolicited communication over the phone, by fax, via SMS or email. Both federal agencies (as well as many states) have "do not call" and anti-spamming regulations and laws. Even inadvertent contact with someone who is listed on the federal "do not call" registry may result in violation of the law and result in a significant penalty (up to \$11,000.00 per violation).

The Federal CAN SPAM Act also regulates unsolicited communications, particularly unsolicited emails. Quantum Living Advocates are responsible for understand and adhering to all federal laws and regulations. The Federal CAN SPAM Act includes that communications must:

- a.) Clearly disclose that the message is an advertisement or solicitation;
- b.) Not include deceptive or false information;
- c.) Include contact information;
- d.) Contain a functioning opt-out notice that advises the recipient that he or she may reply to the communication and/or request that future solicitations or correspondence not be sent to him or her;

and,

- e.) All opt-out requests, whether received by phone, text, email or regular mail, must be honored. If a Quantum Living Advocate receives an opt-out request from a recipient, the Quantum Living Advocate must forward the opt-out request to the Company so that the Company can also remain compliant.

Solex Quantum Living Advocates must not engage in unsolicited communications like cold calling, faxing, emailing or texting (including SMS messaging) broadcasts to unknown recipients. The term “unsolicited communication” includes the placing of one or more telephone calls, transmitting one or more faxes, sending one or more emails, texting one or more messages to an individual or entity to induce the purchase of a Solex product, or to recruit them for the Solex opportunity. “Cold contacts” made to prospective Customers or Quantum Living Advocates that promote either Solex’s products or the Solex opportunity constitute unsolicited communications and are prohibited. However, communication with a prospective Customer or Quantum Living Advocate (a “prospect”) is permissible under the following situations:

- a.) If the Quantum Living Advocate has an established business relationship with the prospect. An “established business relationship” is a relationship between a Quantum Living Advocate and a prospect based on the prospect’s purchase, rental, or lease of goods or services from the Quantum Living Advocate, or a financial transaction between the prospect and the Quantum Living Advocate, within the eighteen (18) months immediately preceding the date of the communication to induce the prospect's purchase of a product or service;
- b.) The prospect’s personal inquiry or application regarding a product or service offered by the Quantum Living Advocate, within the three (3) months immediately preceding the date of such communication;
- c.) If the Quantum Living Advocate receives written and signed permission from the prospect authorizing the Quantum Living Advocate to call, email or text. The authorization must specify the telephone number(s) which the Quantum Living Advocate is authorized to call;
- d.) If the prospect is a family member, personal friend, or an acquaintance. 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 Solex in “card collecting” with everyone you meet and subsequently contact them, the FTC may consider this a form of unsolicited communication that is not subject to this exemption. Thus, if you Solex in contacting “acquaintances,” you must make such contact on an occasional basis only and not make this a routine practice.

Quantum Living Advocates shall not use automatic telephone dialing systems, SMS mass texting services or any related software, systems or services relative to the operation of their Solex businesses. Quantum Living Advocates shall not initiate any unsolicited outbound telephone calls, faxes, texts or emails to any person that delivers any pre-recorded message regarding or relating to the Solex products, services or opportunity.

By submitting a Quantum Living Advocate Agreement to Solex, applicants grant permission to Solex to contact them by telephone, SMS, email, and/or fax to promote the sale of Solex products and to promote the Solex opportunity.

Permission-based marketing practices prevent inadvertent violations by directing communications to those who have “given permission” (as defined by law) to receive Solex communications about their product and/or opportunity. These practices also respect the desires of prospects regarding their level of communication and engagement, if any, by providing simple ways to opt out that are posted prominently in the method of communication used.

3.2.12 - Telephone Directory Listings

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

Quantum Living Advocate's Name
Solex Independent Quantum Living Advocate

Example:

Alice Smith
Solex Independent Quantum Living Advocate

3.3 - Bonus Buying Prohibited

Solex strictly and absolutely prohibits bonus buying. “Bonus buying” includes: a.) the enrollment of individuals or entities without their knowledge; b.) the fraudulent enrollment of an individual or entity as a Quantum Living Advocate or Customer; c.) the enrollment or attempted enrollment of non-existent individuals or entities as Quantum Living Advocates or Customers (“phantoms”); d.) Purchasing Solex products on behalf of another Quantum Living Advocate or Customer, or under another Quantum Living Advocate’s or Preferred Customer’s I.D. number, to qualify for bonuses; e.) purchasing excessive amounts of goods that cannot reasonably be used or resold in a month; or f.) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product purchases by end user consumers.

3.4 – Changes to a Solex Business Entity

Each Quantum Living Advocate must immediately notify Solex of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business associates. Due to federal income reporting requirements and the complications such changes can engender, all changes to a business entity shall be processed to become effective on January 1 of the following year.

3.5 - Change of Enroller

Maintaining the integrity of Enrollment is vital for the success of every Quantum Living Advocate and marketing organization. Accordingly, the transfer of a Solex business from one Enroller to another is not permitted.

3.5.1 - Placement Change

A request for change of placement must be submitted within the completion of the seven (7) days in which enrollment took place and must be requested by the current listed Enroller. A Quantum Living Advocate can only be moved inside the same Enroller’s organization. If approved, a Quantum Living Advocate is placed on the date that the change is made. A Quantum Living Advocate that has earned a commission or achieved rank is not eligible for placement changes. Please note that decisions made for any change placement requests are at the sole discretion of the Company.

Placement changes for Customers and preferred Customers is not permitted.

3.5.2 - Upline Approval

If for any reason Solex should ever consider a change in Enrollment or Placement beyond the boundaries of 3.5 and 3.5.1, the Quantum Living Advocate seeking the change must obtain the written approval of his or her immediate Enroller and the signatures of the eight people in the Enroller's immediate upline. Photocopied or facsimile signatures are not acceptable. All Quantum Living Advocate signatures must be notarized. The Quantum Living Advocate who requests the transfer must submit a fee of \$150.00 for administrative charges and data processing. If the transferring Quantum Living Advocate also wants to move any of the Quantum Living Advocates in his or her marketing organization, each Downline Quantum Living Advocate must also obtain permission as described and return it to Solex with the \$150.00 change fee (i.e., the transferring Quantum Living Advocate and each Quantum Living Advocate in his or her marketing organization multiplied by \$150.00 is the cost to move a Solex business.) Downline Quantum Living Advocates **will not** be moved with the transferring Quantum Living Advocate unless all the requirements of this paragraph are met. Transferring Quantum Living Advocates must allow thirty (30) business days after the receipt of the required documentation by Solex for processing and verifying change requests.

Situations wherein the appropriate placement change procedures have not been followed, and a downline organization has been developed in the second business developed by a Quantum Living Advocate, Solex 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 placement is often extremely difficult. Therefore, **QUANTUM LIVING ADVOCATES WAIVE ALL CLAIMS AGAINST SOLEX THAT RELATE TO OR ARISE FROM SOLEX'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF PLACEMENT.**

At no time will the company move, reassign, or otherwise manipulate a Quantum Living Advocate's direct Downline except as provided in this Section 3.5.2 or in Sections 3.5.1, 3.5.3, or 10. No Upline will be permitted to move, reassign, or otherwise manipulate a Quantum Living Advocate's direct downline. Direct downline is defined as all Quantum Living Advocates originally enrolled by the Quantum Living Advocate and all Quantum Living Advocates descending therefrom in those lines of enrollment.

3.5.3 - Cancellation and Re-application

A Quantum Living Advocate may legitimately change organizations by voluntarily canceling his or her Solex business and remaining inactive (*i.e.*, no purchases of Solex products for resale, no sales of Solex products, no enrolling, no attendance at any Solex functions, participation in any other form of Quantum Living Advocate activity, or operation of any other Solex business) for six (6) full calendar months. Following the six-month period of inactivity, the former Quantum Living Advocate may reapply under a new Enroller, however, the former Quantum Living Advocate's downline will be altered as follows:

If the above conditions are met for six (6) consecutive months the Quantum Living Advocate is then trimmed from the tree in the following manner:

- i. Quantum Living Advocate account is changed to Customer and they become a Customer of their enrollment sponsor;
- ii. All personal Customer of the trimmed Quantum Living Advocate now become Customers of the trimmed Quantum Living Advocates Placement sponsor;
- iii. The downline of the trimmed Quantum Living Advocate now become part of the placement sponsors downline maintaining the existing structure.

Solex will consider waiving the six-month waiting period only under exceptional circumstances. Such requests for waiver must be submitted to Solex in writing and must include diagrams of any proposed change.

3.6 - Unauthorized Claims and Actions

3.6.1 - Indemnification

Quantum Living Advocates are fully responsible for all verbal and written statements made regarding Solex products and the Quantum Living Advocate Benefits Program which are not expressly contained in official Solex 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. Quantum Living Advocates agree to indemnify Solex and Solex's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Solex as a result of the Quantum Living Advocate's unauthorized representations or actions. This provision shall survive the termination of the Quantum Living Advocate Agreement.

3.6.2 - Product Claims

Except for information contained in official Solex literature, Quantum Living Advocates may not make any claims (which include personal testimonials) as to any therapeutic, curative or beneficial properties of any products offered by Solex. No Quantum Living Advocate may make any claim or give the perception that Solex products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate Solex policies, but they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

3.6.3 - Weight Loss Testimonials

If a Quantum Living Advocate makes a weight loss testimonial regarding Solex's products, the Quantum Living Advocate must adhere to each of the following:

- a.) The Quantum Living Advocate making the testimonial must clearly and conspicuously disclose that he/she is a Solex Independent Quantum Living Advocate;
- b.) The testimonial must be true and accurate, and must disclose all additional material information that impacted his/her weight loss (*e.g.*, changes in lifestyle or exercise habits, use of diet pills, etc.);
- c.) The testimonial must clearly and conspicuously disclose the generally expected results for those who go on the Solex program. The generally expected results are posted on the Solex website; and,
- d.) No testimonial may be made relating to use of the Company's products and their impact on the any weight illness suffered by the individual making the testimonial, including but not limited to diabetes claims and cholesterol reduction claims.

3.6.4 - Quantum Living Advocate Benefits Program Claims

When presenting or discussing the Solex Quantum Living Advocate Benefits Program, Quantum Living Advocates must make it clear to prospective Quantum Living Advocates that financial success with Solex requires commitment, effort, and skill in using Solex's technology platform. Conversely, Quantum Living Advocates must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include, but are not limited to:

- a.) It's a turnkey system;
- b.) The system will do the work for you;

- c.) Just get in and your Downline will build through spillover;
- d.) Just join and I will build your Downline for you;
- e.) The company does all the work for you;
- f.) You don't have to sell anything; or,
- g.) All you have to do is buy your products every month.

The above are just examples of improper representations about the Quantum Living Advocate Benefits Program. It is important that Quantum Living Advocates do not make these or any other representations that could lead a prospective Quantum Living Advocate to believe that he or she can be successful as a Solex Quantum Living Advocate without commitment, effort, and sales skill.

3.6.5 - Income Claims

A Quantum Living Advocate, when presenting or discussing the Solex opportunity or Quantum Living Advocate Benefits Program to a prospective Quantum Living Advocate, may not make income projections, income claims, or disclose his or her Solex income (including the showing of checks, copies of checks, bank statements, or tax records) unless, at the time the presentation is made, the Quantum Living Advocate provides a current copy of the Solex Income Disclosure Statement (IDS) to the person(s) to whom he or she is making the presentation.

3.6.6 - Income Disclosure Statement ("IDS")

Solex's corporate ethics compel us to do not merely what is legally required, but rather, to conduct the absolute best business practices. To this end, we may develop a Solex Income Disclosure Statement ("IDS"). A Solex IDS is designed to convey truthful, timely, and comprehensive information regarding the income that Solex Quantum Living Advocates earn. To accomplish this objective, the IDS must be presented to all prospective Quantum Living Advocates where a representation of earnings is made. A copy of the IDS must be presented to a prospective Quantum Living Advocate (someone who is not a party to a current Solex Quantum Living Advocate Agreement) anytime the Quantum Living Advocate Benefits Program is presented or discussed, or any type of income claim or earnings representation is made.

The terms "income claim" and/or "earnings representation" (collectively "income claim") include: 1.) statements of actual earnings; 2.) statements of projected earnings; 3.) statements of earnings ranges; 4.) income testimonials; 5.) lifestyle claims; and, 6.) hypothetical claims.

A lifestyle income claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one's dreams, having everything one always wanted, and are phrased in terms of "opportunity" or "possibility" or "chance." Claims such as, "my Solex income exceeded my salary after six months in the business," or "our Solex business has allowed my wife to come home and be a full-time mom" also fall within the purview of "lifestyle" claims.

A hypothetical income claim exists when you attempt to explain the operation of the Quantum Living Advocate Benefits Program through the use of a hypothetical example. Certain assumptions are made regarding the: 1.) number of Quantum Living Advocates enrolled; 2.) number of down-line Quantum Living Advocates; 3.) average product volume per Quantum Living Advocate; and, 4.) total organizational volume. Running these assumptions through the Quantum Living Advocate Benefits Program yields income figures which constitute income claims.

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

Copies of the IDS may be printed or downloaded without charge from the corporate website when available.

A Quantum Living Advocate who develops sales aids and tools (as provided in Section 3.2.1 above) in which the Quantum Living Advocate Benefits Program or income claims are present must incorporate the most current IDS into each such sales aid or tool prior to submission to the Company for review.

3.7 - Repackaging and Re-Labeling Prohibited

Solex products may only be sold in their original packaging. Quantum Living Advocates may not repackage, re-label, or alter the labels on Solex products. Tampering with labels/packaging could be a violation of federal and state laws, and may result in civil or criminal liability. Quantum Living Advocates may affix a personalized sticker with the Quantum Living Advocate's personal/contact information to each product or product container, if this is done without removing existing labels or covering any text, graphics, or other material on the product label.

3.8 - Commercial Outlets

Quantum Living Advocates may sell Solex products from a commercial outlet and may display or sell Solex products or literature in any retail establishment for no less than the Suggested Retail Price. Online auction and/or sales facilitation websites, including but not limited to Amazon, eBay, and Facebook Marketplace constitute Commercial Outlets, and may be used to sell Solex products for no less than the Suggested Retail Price. Solex's technology platform is not available as a resource for retail sales. Furthermore, given that the sale takes place outside of the Solex system, all returns must be processed by the retail establishment in conjunction with the supplying Quantum Living Advocate.

3.8.1- Personal Services

Displaying, promoting and selling (retail included) Solex's technology platform, Solex literature, and products in service-oriented establishments that function by appointment only. Solex's technology platform may be used to facilitate the processing of Customers.

3.9 - Trade Shows, Expositions and Other Sales Forums

Quantum Living Advocates may display, promote Solex's technology platform and/or sell Solex products at trade shows, professional expositions, swap meets, garage sales, flea markets or farmer's markets.

3.10 - Conflicts of Interest

The parties agree that any violation of these Conflicts of Interest policies shall cause Solex irreparable harm for which there is no adequate remedy at law, and that such harm will outweigh any injury to acting

Quantum Living Advocate, should injunctive relief be granted to the Company. Solex shall therefore be entitled to immediate and permanent equitable relief to prevent further violations of the policy.

3.10.1 - Non-Solicitation

Solex Quantum Living Advocates are free to participate in other marketing business ventures or marketing opportunities. However, during the term of this Agreement, Quantum Living Advocates may not directly or indirectly recruit other Solex Quantum Living Advocates or Customers for any other marketing business or activity.

Following the cancellation of a Quantum Living Advocate's Independent Quantum Living Advocate Agreement, and for a period of twelve calendar months thereafter, except for a Quantum Living Advocate who is personally Enrolled by the former Quantum Living Advocate, a former Quantum Living Advocate may not Recruit any Solex Quantum Living Advocate or Preferred Customer for a competing marketing business. Quantum Living Advocates and the Company recognize that because competing marketing companies conduct business through networks of independent contractors dispersed globally, and such business is commonly conducted via the internet and telephone, any effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Quantum Living Advocates and Solex agree that this non-solicitation provision shall apply to all markets in which Solex conducts business.

The term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Solex Quantum Living Advocate or Customer to enroll or participate in another Network Marketing, Affiliate Marketing or Direct Sales opportunity. The conduct described in the preceding sentence constitutes recruiting even if the Quantum Living Advocate's actions are in response to an inquiry made by another Quantum Living Advocate or Customer.

3.10.2 - Quantum Living Advocate Participation in Competing Programs/Opportunities

If a Quantum Living Advocate is Solex in other non-Solex sales and marketing programs/opportunities, it is the responsibility of the Quantum Living Advocate to ensure that his or her Solex business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- a.) Quantum Living Advocates must not sell, or attempt to sell, any competing non-Solex programs, products or services to Solex Customers or Quantum Living Advocates. Any program, product or services in the same generic categories as Solex products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors. Any exception to this rule, based on extraordinary circumstances, must be granted in writing by Solex Compliance;
- b.) Quantum Living Advocates shall not display Solex promotional material, sales aids, or products with or in the same location (physical or virtual) as, any non-Solex promotional material or sales aids, products or services;
- c.) Quantum Living Advocates shall not offer the Solex opportunity or products to prospective or existing Customers or Quantum Living Advocates in conjunction with any non-Solex program, opportunity, product or service; and,
- d.) Quantum Living Advocates may not offer any non-Solex opportunity, products, services or opportunity at any Solex-related meeting, seminar or convention.

3.10.3 – Confidential Information

Confidential Information includes, but is not limited to, the identities of Solex Preferred Customers and Quantum Living Advocates, contact information of Solex Preferred Customers and Quantum Living Advocates, Quantum Living Advocates' Personal and/or Organization points, and Quantum Living Advocate bonuses and/or achievement levels. Confidential Information is, or may be available, to Quantum Living Advocates in their respective Back-Offices. Quantum Living Advocate access to such Confidential Information is password protected, and such Confidential Information constitutes proprietary business trade secrets belonging to Solex. Such Confidential Information is provided to Quantum Living Advocates in strictest confidence and is made available to Quantum Living Advocates for the sole purpose of assisting Quantum Living Advocates in working with their respective Marketing Organizations in the development of their Solex business. Each Quantum Living Advocate and Solex agree that, but for this agreement of confidentiality and nondisclosure, Solex would not provide Confidential Information to the Quantum Living Advocate.

To protect Confidential Information, a Quantum Living Advocate shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- a.) Directly or indirectly disclose any Confidential Information to any third party;
- b.) Directly or indirectly disclose the password or other access code to his or her Back-Office;
- c.) Use any Confidential Information to compete with Solex or for any purpose other than promoting his or her Solex business; or,
- d.) Recruit or solicit any Quantum Living Advocate or Preferred Customer of Solex listed on any report or in the Quantum Living Advocate's Back-Office, or in any manner attempt to influence or induce any Quantum Living Advocate or Customer of Solex, to alter their business relationship with Solex.

Upon demand by the Company, any current or former Quantum Living Advocate will return any original and all copies of any Confidential Information to the Company (whether printed or in digital format).

3.11 - Targeting a Competitor's Sales Force

Solex does not condone Quantum Living Advocates specifically or consciously targeting the sales force of a competing company to sell Solex products or to become Quantum Living Advocates for Solex, nor does Solex condone Quantum Living Advocates solicitation or enticement of Quantum Living Advocates of the sales force of another direct sales company to violate the terms of their contract with such other company. Should a Quantum Living Advocate Solex in such activity, the Quantum Living Advocate bears the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against a Quantum Living Advocate alleging that he or she Solexd in inappropriate recruiting activity of a company's sales force or Customers, Solex will not pay any of Quantum Living Advocate's defense costs or legal fees, nor will Solex indemnify the Quantum Living Advocate for any judgment, award, or settlement. Should the third party bring or threaten legal action against Solex based on the conduct of the Quantum Living Advocate, the Quantum Living Advocate agrees that it shall indemnify Solex for all judgments, settlements, payments of any other nature, litigation costs, and attorney's fees that Solex incurs in relation to such legal action or threat of legal action.

3.12 - Cross-Enrolling

Actual or attempted cross enrolling is strictly prohibited. "Cross enrolling" is defined as the enrollment of an individual who is already a Solex Customer or an Individual/entity that already has a current Independent Quantum Living Advocate License Agreement on file with Solex, or who has had such an agreement within the preceding six calendar months, within a different line of Enrollment. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID

numbers, any straw-man or other artifice to circumvent this policy is prohibited. Quantum Living Advocates shall not demean, discredit or defame other Solex Quantum Living Advocates to entice another Quantum Living Advocate to become part of the first Quantum Living Advocate's marketing organization. This policy shall not prohibit the transfer of a Solex business in accordance with Section 3.25.

If Cross Enrolling is discovered, it must be brought to the Company's attention immediately. Solex may take disciplinary action against the Quantum Living Advocate that changed organizations and/or those Quantum Living Advocates who encouraged or participated in the Cross Enrolling. Solex may also move all or part of the offending Quantum Living Advocate's down-line to his or her original down-line organization if the Company deems it equitable and feasible to do so. However, Solex is under no obligation to move the Cross Enrolled Quantum Living Advocate's down-line organization, and the ultimate disposition of the organization remains within the sole discretion of Solex. **Quantum Living Advocates waive all claims and causes of action against Solex arising from or relating to the disposition of a Cross Enrolled Quantum Living Advocate's down-line organization.**

3.13 - Errors or Questions

If a Quantum Living Advocate has questions about or believes any errors have been made regarding bonuses, genealogy lists, enrollments, or charges, the Quantum Living Advocate must notify Solex in writing within thirty (30) days of the date of the purported error or incident in question. Solex will not be responsible for any errors, omissions or problems not reported to the Company within thirty (30) days.

3.14 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any sales and/or marketing companies or programs utilizing the services of Independent Contractors. Therefore, Quantum Living Advocates shall not represent or imply that Solex or its Quantum Living Advocate Benefits Program have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.15 - Identification

All Quantum Living Advocates are required to provide their government identification number to Solex to receive compensation. Solex uses this information for income reporting purposes only. Upon enrollment, the Company will provide a unique Quantum Living Advocate Identification Number to the Quantum Living Advocate by which he or she will be identified. This number will be used to place orders, and track bonuses.

Under its right of contract, Solex retains the right to revoke a Quantum Living Advocate's License who does not provide a valid Social Security Number or Federal Employer Identification Number and any earnings will be forfeited.

3.16 - Income Taxes

Each Quantum Living Advocate is responsible for paying local, state and federal taxes on any income generated as an Independent Quantum Living Advocate. If a Solex business is tax exempt, the Federal tax identification number must be provided to Solex. Every year, as required by law, Solex will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1.) has earnings in excess of the annual minimum as established by the Internal Revenue Service in the previous calendar year; or 2.) made purchases during the previous calendar year in excess of \$5,000.

Solex cannot provide Quantum Living Advocates with any personal tax advice. Quantum Living Advocates should consult with their own tax accountant, tax attorney, or other tax professional.

3.17 - Insurance

Quantum Living Advocates may wish to arrange insurance coverage for their business. Typically, a homeowner's insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment. Quantum Living Advocates should contact their insurance agent to make certain that their business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's policy, however, it is encouraged that Quantum Living Advocates seek the advice of insurance professionals in order to meet their needs and interests.

3.18 - International Marketing

Because of critical legal and tax considerations, Solex must limit the resale of Solex, products, and the presentation of the Solex business to prospective Customers and Quantum Living Advocates located within the United States and U.S. Territories and those other countries that the Company has announced are officially opened for business. Moreover, allowing a few Quantum Living Advocates to conduct business in markets not yet opened by Solex would violate the concept of affording every Quantum Living Advocate the equal opportunity to expand internationally.

Solex shall hold Quantum Living Advocates personally liable for losses related to illegal business activities in unauthorized markets, and Quantum Living Advocates agree to indemnify Solex and Solex's directors, officers, employees, and agents, and hold them harmless from all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Solex as a result of a Quantum Living Advocate's unauthorized violation of this policy. This provision shall survive the termination of the Quantum Living Advocate Agreement.

Accordingly, Quantum Living Advocates are authorized to sell Solex products and enroll Customers or Quantum Living Advocates only in the countries in which Solex is authorized to conduct business, as announced in official Company literature. Solex products or sales aids cannot be shipped into or sold in any foreign country. Quantum Living Advocates may sell, give, transfer, or distribute Solex products or sales aids only in their home country. In addition, no Quantum Living Advocate may, in any unauthorized country: a.) conduct sales, enrollment or training meetings; b.) enroll or attempt to enroll potential Customers or Quantum Living Advocates; or c.) conduct any other activity for selling Solex products, establishing a marketing organization, or promoting the Solex opportunity. Quantum Living Advocates understand that conducting any pre-launch activity in countries not officially open for Solex business is against company policy and may be illegal in some countries.

3.19 - Inventory Loading

Quantum Living Advocates must never purchase more products than they can reasonably use or sell to retail Customers in a month, and must not influence or attempt to influence any other Quantum Living Advocate to buy more products than they can reasonably use or sell to retail Customers in a month. For the protection of new Quantum Living Advocates, initial orders may not exceed \$2,500.

By placing additional orders, Quantum Living Advocates certify that at least 70% of their previously purchased inventory has been sold or consumed. Quantum Living Advocates may be asked to verify retail sales, and the company reserves the right to decline a Quantum Living Advocate's orders if retail sales verification cannot be confirmed.

3.20 - Adherence to Laws and Ordinances

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

3.21 - Minors

A person who is recognized as a minor in his/her state of residence may not be a Solex Quantum Living Advocate. Quantum Living Advocates shall not enroll or recruit minors into the Solex program.

3.22 - Position Holder Restrictions

An individual may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in one Solex business.

A Quantum Living Advocate may not have a simultaneous beneficial interest or participate in more than one Solex business without the written consent of the company. A beneficial interest includes but is not limited to any ownership, interest, equitable interest, any rights to present or future benefits, financial or otherwise, unless otherwise approved in writing by the company. A Quantum Living Advocate shall not have an ownership interest in, operational or management control of, or derive any benefits directly or indirectly from any subsequent ownership not in the same line of Enrollment as the individual's initial business center.

Husbands and wives or common-law couples (collectively "spouses") who wish to maintain separate Solex business centers may do so, but must join the same line of Enrollment as his or her spouse and be directly Enrolled by and placed under the Original Enroller. Change of the Original Enroller is not permitted. The actions of one spouse will be attributed to both spouses and will result in disciplinary action against both spouses. Once enrolled, a spouse may not be moved.

3.23 - Actions of Household Quantum Living Advocates or Associated Individuals

If any member of a Quantum Living Advocate's immediate household Solexs in any activity which, if performed by the Quantum Living Advocate, would violate any provision of the Agreement, such activity will be deemed a violation by the Quantum Living Advocate and Solex may take disciplinary action pursuant to this Statement of Policies against the Quantum Living Advocate. Similarly, if any partner, shareholder, Quantum Living Advocate, or other individual having ownership or management capacity (collectively "Associated Individual") in a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity and each Affiliated Individual, and Solex may take disciplinary action jointly and severally against the Business Entity and/or each Associated Individual.

3.24 - Requests for Records

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

3.25 - Sale, Transfer or Assignment of Solex Business

Although a Solex business is a privately owned, independently operated business, the sale, transfer or

assignment of a Solex business, and the sale, transfer, or assignment of an interest in a Business Entity that owns or operates a Solex business, is subject to certain limitations. If a Quantum Living Advocate wishes to sell his or her Solex business, or interest in a Business Entity that owns or operates a Solex business, the following criteria must be met:

- a.) Protection of the existing line of Enrollment must always be maintained so that the Solex business continues to be operated in that line of Enrollment;
- b.) The buyer or transferee must become a qualified Solex Quantum Living Advocate. If the buyer is an active Solex Quantum Living Advocate, he or she must first terminate his or her Solex business and wait six calendar months before acquiring any interest in a different Solex business;
- c.) Before the sale, transfer or assignment can be finalized and approved by Solex, any debt obligations the selling Quantum Living Advocate has with Solex must be satisfied;
- d.) The selling Quantum Living Advocate must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a Solex business; and,
- e.) Solex must approve any sale or transfer in writing.

Prior to selling a Solex business, the selling Quantum Living Advocate must notify Solex's Compliance Department in writing of his or her intent to sell the Solex business. No changes in line of Enrollment can result from the sale or transfer of a Solex business.

3.26 - Separation of a Solex Business

Solex Quantum Living Advocates sometimes operate their Solex businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. When a marriage may end in divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as "entities") 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 Enrollment. If the separating parties fail to provide for the best interests of other Quantum Living Advocates and the Company in a timely fashion, Solex will involuntarily terminate the Quantum Living Advocate Agreement.

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

- a.) One of the parties may, with consent of the other(s), operate the Solex business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Solex to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee; or,
- b.) The parties may continue to operate the Solex business jointly on a "business-as-usual" basis, whereupon all compensation paid by Solex 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 Solex split commission and bonus checks between divorcing spouses or Quantum Living Advocates of dissolving entities. Solex will recognize only one Downline Organization and will issue only one commission check per Solex business per monthly commission cycle. Commission checks shall always be issued to the same individual or entity. If parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of bonuses and ownership of the

business in a timely fashion as determined by the Company, the Quantum Living Advocate Agreement and License shall be involuntarily canceled/revoked.

If a former spouse has completely relinquished all rights in the original Solex business pursuant to a divorce, he or she is thereafter free to enroll under any enroller of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, Quantum Living Advocate, or other entity Quantum Living Advocate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Quantum Living Advocate. In either case however, the former spouse or business Quantum Living Advocate shall have no rights to any Quantum Living Advocates in their former organization or to any former retail Customer. They must develop the new business in the same manner as would any other new Quantum Living Advocate.

3.27 - Enrolling

All active Quantum Living Advocates in good standing have the right to enroll others into Solex. Each prospective Customer or Quantum Living Advocate has the ultimate right to choose his or her own Enroller. If two Quantum Living Advocates claim to be the Enroller of the same new Quantum Living Advocate or Customer, the Company shall regard the first application received by the Company as controlling.

When sponsoring a new Quantum Living Advocate 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, Solex's Statement of Policies, and the Solex Quantum Living Advocate Benefits Program. The Sponsor may not fill out the online application and agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

3.28 - Succession

Upon the death or incapacitation of a Quantum Living Advocate, his or her business may be passed to his or her heirs. Appropriate legal documentation as described in sections 3.28.1 and 3.28.2 must be submitted to the Company to ensure the transfer is proper. Accordingly, a Quantum Living Advocate should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a Solex business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and bonuses of the deceased Quantum Living Advocate's marketing organization provided the following qualifications are met. The successor(s) must:

- a.) Execute a Quantum Living Advocate Agreement;
- b.) Comply with terms and provisions of the Solex Independent Quantum Living Advocate License Agreement; and,
- c.) Meet all the qualifications for the deceased Quantum Living Advocate's status.

Bonus and commission checks (or the electronic deposit equivalent) of a Solex business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide Solex with an "address of record" to which all bonus and commission checks will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer Identification number. Solex will issue all bonus and commission checks and one 1099 to the business entity.

3.28.1 - Transfer Upon Death of a Quantum Living Advocate

To affect a testamentary transfer of a Solex business, the executor of the estate must provide the following to Solex: 1.) an original death certificate; 2.) certified letters testamentary or a letter of

administration appropriating an executor; and, 3.) written instructions from the authorized executor to Solex specifying to whom the business and income should be transferred.

3.28.2 - Transfer Upon Incapacitation of a Quantum Living Advocate

To effectuate a transfer of a Solex business because of incapacity, the successor must provide the following to Solex: 1.) a notarized copy of an appointment as trustee or conservator; 2.) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Solex business; and, 3.) a completed Quantum Living Advocate Agreement executed by the trustee or conservator.

3.29 – Back Office Access

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

SECTION 4 - RESPONSIBILITIES OF QUANTUM LIVING ADVOCATES

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

To ensure timely delivery of products, support materials, and commission checks, it is critically important that Solex's records are always kept current. Street addresses are required for shipping. Quantum Living Advocates planning to change their e-mail address or move must send their new address and telephone number(s) to Solex's Corporate Offices to the attention of the Customer Care. To guarantee proper delivery, two weeks advance notice must be provided to Solex on all changes.

4.2 - Ongoing Training and Development Obligations

Any Quantum Living Advocate who enrolls another Quantum Living Advocate into Solex must perform a bona fide assistance and training function to ensure that his or her Organization is properly operating his or her Solex business. Quantum Living Advocates must have ongoing contact and communication with the Quantum Living Advocates in their Organizations. Examples of such contact and communication may include, but are not limited to personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of Downline Quantum Living Advocates to Solex meetings, training sessions, and other functions. Upline Quantum Living Advocates are also responsible to motivate and train new Quantum Living Advocates in Solex product knowledge, effective sales techniques, the Solex Quantum Living Advocate Benefits Program, and compliance with this Statement of Policies. Communication with and the training of Organizational Quantum Living Advocates must not, however, violate Section 3.2 (regarding the development of Quantum Living Advocate-produced sales aids and promotional materials).

Quantum Living Advocates should monitor the Quantum Living Advocates in their Organizations to guard against Organizational Quantum Living Advocates making improper product or business claims, or engaging in any illegal or inappropriate conduct.

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

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

4.3 - Non-Disparagement

Solex wants to provide its independent Quantum Living Advocates with the best products, Quantum Living Advocate Benefits Program, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Compliance Department.

While Solex welcomes constructive input, negative comments and remarks made in the field by Quantum Living Advocates about the Company, its products, or Quantum Living Advocate Benefits Program serve no purpose other than to sour the enthusiasm of other Solex Quantum Living Advocates. For this reason, and to set the proper example for their Downline, Quantum Living Advocates must not disparage, demean, or make negative remarks about Solex, other Solex Quantum Living Advocates, Solex's products, the Quantum Living Advocate Benefits Program, or Solex's directors, officers, or employees.

Complaints and concerns about Solex should be directed to the Compliance Department. Disputes or disagreements between any Quantum Living Advocate and Solex shall be resolved through the dispute resolution process set forth in this License Agreement, and the Company and Quantum Living Advocates agree specifically not to demean, discredit, disparage, or criticize one another on the internet or any other public forum.

4.4 - Providing Documentation to Applicants

Quantum Living Advocates must provide the most current version of the Statement of Policies and the Quantum Living Advocate Benefits Program to individuals whom they are enrolling to become Quantum Living Advocates before the applicant signs a Quantum Living Advocate License Agreement, or ensure that they have online access to these materials. Additional copies of this Statement of Policy can be downloaded from Solex's website.

4.5 - Reporting Policy Violations

Quantum Living Advocates observing a Policy violation by another Quantum Living Advocate should submit a written report of the violation directly to the attention of the Solex Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

SECTION 5 - SALES REQUIREMENTS

5.1 - Product Sales

The Solex Quantum Living Advocate Benefits Program is based on the sale of Solex products to end consumers. Quantum Living Advocates must fulfill personal and Organization sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses and advancement to higher levels of achievement. The following sales requirements must be satisfied for Quantum Living Advocates to be eligible for bonuses:

- a.) Quantum Living Advocates must satisfy the Personal Points and Organizational Points requirements to fulfill the requirements associated with their rank or bonus payouts as specified in the Solex Quantum Living Advocate Benefits Program. Personal Qualifying Volume includes purchases made by the

Quantum Living Advocate and purchases made by the Quantum Living Advocate's personal Customers. Organization Volume shall include the total Qualifying Volume of all Quantum Living Advocates in his or her marketing organization, but shall not include the Quantum Living Advocate's Personal Qualifying Volume;

- b.) At least 70% of a Quantum Living Advocate's total monthly Personal Qualifying Volume must be sold to product consumers; and,
- c.) Solex recommends that Quantum Living Advocates service at least three to five retail Customers each monthly (calendar month) qualification period.

5.2 - No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

5.3 - Sales Receipts

All Quantum Living Advocates must provide retail Customers, who do not purchase directly from Solex, with two copies of an official sales receipt at the time of sale. Sales receipts must set forth the no-questions-asked, 72-hour, cooling off period that allows them to cancel at will and is required by federal law (see Section 7). Quantum Living Advocates must orally inform the buyer of his or her cancellation rights.

Solex further offers a sixty (60) day Customer Satisfaction Guarantee the Quantum Living Advocate must honor. Quantum Living Advocates must maintain all retail sales receipts for a period of two years and furnish them to Solex at the Company's request. Records documenting purchases made by of Quantum Living Advocates and Customers through Solex's computerized sales system will be maintained by Solex.

SECTION 6 - BONUSSES

6.1 - Bonus Qualifications

A Quantum Living Advocate must be active and in compliance with the Independent Quantum Living Advocate License Agreement to qualify for bonuses. The status of the Quantum Living Advocate will be determined at the time the commission period ends and the bonus calculations begin. So long as a Quantum Living Advocate complies with the terms of the Agreement, Solex shall pay bonuses to such Quantum Living Advocate in accordance with the Quantum Living Advocate Benefits Program. The minimum amount for which Solex will issue a check and ACH is \$30 and \$100, respectively. If a Quantum Living Advocate's bonuses do not equal or exceed the minimum, the Company will accrue the bonuses until they total the minimum required for the respective request. Requests for payment will be issued once the minimum threshold has been accrued.

Notwithstanding the foregoing, all commissions, bonuses or other compensation owed a Quantum Living Advocate, regardless of the amount accrued, will be paid at the last pay period of the year or upon the completion of the monthly commission period in which the termination of a Quantum Living Advocate's Quantum Living Advocate Agreement takes place.

6.1.1 - Forced Ranks

Any forced rank allowed by the Company shall not pay Advancement Bonuses, Fixed Payments, or any unearned bonuses. Forced ranks will be any rank that is unearned by the Quantum Living Advocate and where the Company elects to force the paid-as rank. Forced ranks are for title only and are limited in payment based on the earned Qualified and Commissionable Volume per the compensation plan at the time that the forcing

of the rank was initiated.

6.2 - Commission and Bonus Calculations

6.2.1- Monthly Commission Period

The monthly commission period begins at 12:00:00 AM on the first day of each calendar month and ends at 11:59:59 PM on the last day of each calendar month. The calculation of bonuses take place on the 10th day of the following calendar month, unless the 10th day falls on a weekend or holiday. Weekends are Saturday and Sunday for this section. If the 10th day is on a weekend or holiday, calculations shall take place the following business day. Calculation results post on the day of calculation may be posted as late as 11:59:59 PM, barring any unforeseen or unexpected circumstance, beyond the control of Solex, as determined by Solex.

6.3 - Adjustment to Bonuses

6.3.1 Adjustments for Returned Products

Quantum Living Advocates receive bonuses based on the actual sales of products to end consumers. When a product is returned to Solex for a refund or is repurchased by the Company, any bonuses attributable to the returned or repurchased product(s) will be deducted, in the bonus calendar month or bonus week or both, where applicable, the refund is given, and continuing every pay period thereafter until the bonus is recovered, from the Quantum Living Advocates who received bonuses on the sales of the refunded products Or, the Quantum Living Advocates who earned bonuses based on the sale of the returned products will have the corresponding Commissionable Volume deducted from their Organization Volume in the next month and all subsequent months until it is completely recovered.

6.3.2 Garnishments or Court Orders

Solex reserves the right to withhold or reduce any Quantum Living Advocate's compensation as it deems necessary to comply with any garnishment or court order directing Solex to retain, hold, or redirect such compensation to a third party.

6.3.3 Bonus Checks

Bonuses are deposited into a Quantum Living Advocate's eWallet and remain there until a check or ACH request is received from the Quantum Living Advocate. A Quantum Living Advocate may request a minimum, check of \$30 or ACH of \$100, whenever there are sufficient funds in their account. The Company will deduct a \$2 for check, \$4 for ACH, processing fee from each issuance to a Quantum Living Advocate.

6.3.4 Tax Withholdings

No Bonus Check will be issued without a valid government identification number. Failure to provide a valid Social Security Number or Federal Tax Identification Number will result in the accrual of bonuses in a Quantum Living Advocate's eWallet. Prior to the income reporting deadline established by the Internal Revenue Services, a check for the amount accrued during the calendar year will be issued minus the necessary back-up withholdings required by law.

6.4 Reports

All information provided by Solex in an Organizational activity or reports, including but not limited to Point (or any part thereof), and Downline enrolling activity is believed to be accurate and reliable. Nevertheless, due to numerous factors, including but not limited to: the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; or, credit card and electronic check charge-backs, the information is not guaranteed by Solex or any persons creating or transmitting the information.

ALL PERSONAL AND GROUP 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, SOLEX AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY QUANTUM LIVING ADVOCATE OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO QUALIFYING VOLUME AND ORGANIZATION VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF SOLEX 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, SOLEX 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 Solex's 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 Solex's reporting services and your reliance upon the information.

SECTION 7 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

7.1 - Customer and Preferred Customer Order Cancellation and Satisfaction Guarantee

Federal and state law requires that Quantum Living Advocates notify their retail Customers that they have three (3) business days (5 business days for Alaska residents and 15 days for residents of North Dakota age 65 or older) within which to cancel their purchase and receive a full refund upon return of the products in substantially as good condition as when they were delivered. Saturday is a business day, Sundays and legal holidays are not business days. Quantum Living Advocates shall verbally inform their Customers of this right, shall provide their Customers with TWO (2) copies of a retail receipt at the time of the sale, and shall highlight this cancellation right stated on the receipt.

Solex offers a 100%, fifteen (15) day, money-back satisfaction guarantee (less shipping charges) to all Retail Customers and Preferred Customers who purchase product directly from the Company. Solex extends this offer and within thirty (30) days, all Retail and Preferred Customers can receive a ninety percent (90%) refund for any product returned.

If a Retail Customer purchases product from a Quantum Living Advocate, the Quantum Living Advocate is bound to honor the satisfaction guarantee. If, for any reason, a retail Customer is dissatisfied with any Solex product, the retail Customer may return the unused portion of the product to the Quantum Living Advocate from whom it was purchased, within thirty (30) days, for a replacement, exchange or a ninety percent (90%) refund of the purchase price (less shipping costs). When a Quantum Living Advocate issues a refund to a retail Customer pursuant to this policy, the Quantum Living Advocate may return the product to Solex for an exchange. To receive the exchange, the Quantum Living Advocate must return the product within ten (10)

days of the date that the product was received from the retail Customer and send a copy of the retail sales receipt with the returned product.

Abnormal quantities of refunds from retail and preferred Customers, as determined by the Company may result in disciplinary action and restrictions from participating in associated bonus offerings connected with the Customer enrollment and purchasing activities (i.e. Liftoff, monthly commission bonus).

7.2 - Return of Inventory and Sales Aids by Quantum Living Advocates Upon Cancellation

Upon cancellation of a Quantum Living Advocate's Agreement, the Quantum Living Advocate may return any products and sales aids held in his or her inventory for a refund. Quantum Living Advocates may only return products and sales aids that: a.) he or she personally purchased from Solex (purchases from other Quantum Living Advocates or third parties are not subject to refund); b.) are in Resalable condition (see Definition of "Resalable" below); and, c.) were purchased within one year prior to the date of cancellation or expiration. Upon receipt of Resalable products and sales aids, the Quantum Living Advocate will be reimbursed 90% of the net cost of the original purchase price(s). Shipping charges incurred by a Quantum Living Advocate when the products or sales aids were purchased will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If a Quantum Living Advocate was paid a bonus based on any product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on that product purchase will be deducted from the amount of the refund.

Products and sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1.) they are unopened and unused; 2.) packaging and labeling has not been altered or damaged; and, 3.) they are returned to Solex within one (1) year from the date of purchase (the one-year limitation shall not apply to Quantum Living Advocates who are residents of Maryland, Massachusetts, Wyoming and Puerto Rico). Any merchandise that is clearly identified at the time of sale as a "closeout," nonreturnable, discontinued, or as a seasonal item, shall not be Resalable.

7.3 - Procedures for All Returns

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

- a.) All merchandise must be returned by the Quantum Living Advocate or Customer who purchased it directly from Solex;
- b.) All products to be returned must have a Return Authorization Number which is obtained by calling the Customer Services Department. A list of items being returned must be enclosed and must include the Return Authorization Number;
- c.) The return must be accompanied by a copy of the original dated retail sales receipt;
- d.) Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to Solex shipping pre-paid. Solex does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Quantum Living Advocate. If returned product is not received by the Company's Distribution Center, it is the responsibility of the Quantum Living Advocate to trace the shipment; and,
- e.) If a Quantum Living Advocate is returning merchandise to Solex that was returned to him or her by a personal retail Customer, the product must be received by Solex within ten (10) days from the date on which the retail Customer returned the merchandise to the Quantum Living Advocate, and must be accompanied by the sales receipt the Quantum Living Advocate gave to the Customer at the time of

the sale.

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

SECTION 8 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 - Disciplinary Sanctions

Violation of the Agreement, this Statement of Policies, 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 Quantum Living Advocate 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 Quantum Living Advocate's Solex business), may result, at Solex's discretion, in one or more of the following corrective measures:

- a.) Issuance of a written warning or admonition;
- b.) Requiring the Quantum Living Advocate to take immediate corrective measures;
- c.) Imposition of a fine, which may be withheld from bonus checks;
- d.) Loss of rights to one or more bonus checks;
- e.) Withholding from a Quantum Living Advocate all or part of the Quantum Living Advocate's bonuses during the period that Solex is investigating any conduct allegedly violative of the Agreement. If a Quantum Living Advocate's business is canceled for disciplinary reasons, the Quantum Living Advocate will not be entitled to recover any bonuses withheld during the investigation period;
- f.) Reassignment of all or part of their marketing organization;
- g.) Suspension of the individual's Quantum Living Advocate Agreement for one or more pay periods;
- h.) Involuntary termination of the offender's Quantum Living Advocate Agreement;
- i.) Suspension and/or termination of the offending Quantum Living Advocate's Solex website or website access;
- j.) Any other measure expressly allowed within any provision of the Agreement or which Solex deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Quantum Living Advocate's policy violation or contractual breach; or,
- k.) In situations deemed appropriate by Solex, the Company may institute legal proceedings for monetary and/or equitable relief.

Each violation is reviewed on a case-by-case basis and all disciplinary actions are at the sole discretion of Solex. The company will adhere to the following process for disciplinary actions:

- 1.) Upon receiving a written complaint from a credible source about a Quantum Living Advocate, the company will investigate the claim(s). The Quantum Living Advocate in question does not have the right to be informed of the investigation nor have access to any materials involved (including the complaint). However, the company may disclose such information to the subject Quantum Living Advocate at its discretion. A Quantum Living Advocate's compensation, bonuses, and standing with the company will not be affected during an investigation;
- 2.) If and only if an investigation produces reasonable proof that the accusation is true, the company may take disciplinary action against the Quantum Living Advocate as provided above. Prior to imposing any

such sanction, the Company will follow due process by providing notification of the proposed sanction to the affected Quantum Living Advocate together with a copy of all of the evidence that the Company has based its decision to impose the sanction on. The Quantum Living Advocate shall have ten (10) days to submit any information and materials that he or she wishes the Company to consider prior to making a final decision on the matter. Following its receipt of any such information and materials from the Quantum Living Advocate, the Company will, at its sole discretion, make a final determination on the matter. The company will not suspend or terminate a Quantum Living Advocate without sufficient evidence that outweighs the Quantum Living Advocate's defense;

- 3.) If the Quantum Living Advocate's actions did not seriously threaten or harm the company, as determined by the Company at its sole discretion, the Quantum Living Advocate will be suspended for up to three (3) months. The Quantum Living Advocate will forfeit all compensation and other forms of remuneration during the period of suspension and will not be allowed to personally sponsor new Quantum Living Advocates without company approval. Before the suspension is lifted, the Quantum Living Advocate must agree in writing to never repeat the offensive behavior and give a general explanation of how he or she will avoid similar behavior in the future;
- 4.) The company may only terminate a Quantum Living Advocate in two situations. First, when an offense has seriously threatened or harmed the company. Second, if the Quantum Living Advocate has violated the company's "two (2) strike" policy. This means that a Quantum Living Advocate has been previously suspended and commits another violation at any time in the future, whether related or unrelated to the original suspension.

8.2 - Grievances and Complaints

When a Quantum Living Advocate has a grievance or complaint with another Quantum Living Advocate regarding any practice or conduct in relationship to their respective Solex businesses, the complaining Quantum Living Advocate should first report the problem to his or her Enroller who should review the matter and try to resolve it with the other party's Upline Enroller. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Compliance Department at the Company. The Compliance Department will review the facts and attempt to resolve the issue.

8.3 - Mediation

Prior to instituting 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 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 ten (10) days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Provo, Utah and shall last no more than two (2) business days.

8.4 - Arbitration

Except as otherwise provided in the Agreement, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled through confidential arbitration. The Parties waive all rights to trial by jury or to any court. This arbitration provision applies to claims that were not successfully resolved through the foregoing mediation process. The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") in accordance with the AAA's Commercial Arbitration Rules and Mediation Procedures which are available on the AAA's website at www.adr.org. Copies of the AAA's

Commercial Arbitration Rules and Mediation Procedures will also be emailed to Quantum Living Advocates upon request to Solex's Customer Service Department. Notwithstanding the rules of the AAA, unless otherwise stipulated by the parties, the following shall apply to all Arbitration actions:

- 1.) The Federal Rules of Evidence shall apply in all cases;
- 2.) The parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- 3.) The parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- 4.) The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Utah, without regard to principles of conflicts of laws, shall govern all other matters relating to or arising from the Agreement.
- 5.) The arbitration hearing shall commence no later than 365 days from the date on which the arbitrator is appointed, and shall last no more than five business days;
- 6.) The parties shall be allotted equal time to present their respective cases; and,
- 7.) The arbitration shall be brought on an individual basis and not as part of a class or consolidated action.

All arbitration proceedings shall be held in Provo, Utah. There shall be one arbitrator selected from the panel that the AAA provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. 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 to which the parties have consented to jurisdiction as set forth in the Agreement. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

The parties and the arbitrator shall maintain the confidentiality of the arbitration proceedings and shall not disclose to third parties:

- 1.) The substance of, or basis for, the controversy, dispute, or claim;
- 2.) The substance or content of any settlement offer or settlement discussions or offers associated with the dispute;
- 3.) The pleadings, or the content of any pleadings, or exhibits thereto, filed in any arbitration proceeding;
- 4.) The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- 5.) The terms or amount of any arbitration award; or,
- 6.) The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, nothing in the Agreement shall prevent either party from applying to and obtaining from any court to which the parties have consented to jurisdiction as set forth in the Agreement a temporary restraining order, preliminary or permanent injunction, or other equitable relief to safeguard and protect its intellectual property rights, trade secrets, and/or confidential information, including but not limited to enforcement of its rights under the Nonsolicitation provisions of the Agreement.

Any violation of the confidentiality requirements of these this arbitration provision by a party, the party's counsel, or an agent of a party, shall cause irreparable harm to the non-disclosing party. Damages to

the non-disclosing party shall be very real, but shall be difficult to quantify. Therefore, if a party, the party's counsel, or an agent of the party violates the non-disclosure provisions of this Statement of Policies, or files an action in any public forum (except an action for equitable relief as is permitted in this Statement of Policies), the non-disclosing party shall be entitled to liquidated damages in the sum of \$25,000.00 for each violation. The non-disclosing party shall also be entitled to a rebuttable presumption that the disclosure was done with malice and with the intention to harm the reputation and business of the non-disclosing party, and the non-disclosing party may petition the Arbitrator for exemplary damages for the misconduct of the disclosing party. Notwithstanding the foregoing, it shall not be a violation of the confidentiality provisions of this Arbitration policy for a party to show evidentiary documents and/or materials to bona fide witnesses to the case, or to discuss claims and facts involved in the case, with bona fide witnesses, for purposes of developing evidence and testimony for the case or for purposes of rebutting the claims and allegations of a party.

8.5 - Class Action Waiver

Any action brought by a Quantum Living Advocate shall be brought on an individual basis, and not on behalf of a class or on a consolidated basis. Quantum Living Advocates waive all rights to bring an action against Solex, its officers, owners, directors, employees and agents as a class or consolidated action.

8.6 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Utah County, Utah or the United States District Court for the District 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.

8.7 - Louisiana Residents

Notwithstanding the foregoing regarding the mediation and arbitration provisions set forth in Sections 9.3 and 9.4, residents of the State of Louisiana shall be entitled to bring an action against Solex in their home forum and pursuant to Louisiana law.

8.8 - Damage Limitation

In any action arising from or relating to the Agreement, the parties waive all claims for incidental and/or consequential damages, even if the other party has been apprised of the likelihood of such damage. The parties further waive all claims to exemplary and punitive damages. Notwithstanding the foregoing, this Damage Limitation shall not apply to claims alleging the breach of the nonsolicitation or confidentiality provisions contained in this Statement of Policies.

8.9 - Indemnification

Quantum Living Advocates agree to indemnify Solex for any and all costs, expenses, consumer reimbursements, fines, sanctions, damages, settlements or payments of any other nature that Solex incurs resulting from or relating to any act or omission by Quantum Living Advocate that is illegal, fraudulent, deceptive, negligent, unethical, or in violation of the Agreement. Solex may elect to exercise its indemnification rights through withholding any compensation due the Quantum Living Advocate. This right of setoff shall not constitute Solex's exclusive means of recovering or collecting funds due Solex pursuant to its right to indemnification.

SECTION 9 - PAYMENT AND SHIPPING

9.1 - Payments

Solex accepts payments in the forms of Visa, MasterCard, American Express or Discover Card. The Company will not process orders that are not accompanied by full and proper payment.

The Company will not be responsible for the loss of any bonuses or other payments because of declined payments, delays or errors in orders, charges, receiving agreements or other acts outside the control of the company.

All orders in an unsuccessful status will be cancelled prior to the monthly commission run

Credit cards on accounts, linked to subscriptions, and on a la carte orders that return an error requesting “pick up card” and the like or “invalid card number” and the like, will be removed and the order cancelled. The subscription profile will be adjusted to another credit card payment option, if available, or cancelled if after the removal of the card at issue this leaves no credit card payment.

9.2 - Restrictions on Third Party Use of Credit Cards and Checking Account Access

Quantum Living Advocates shall not permit other Quantum Living Advocates or Customers to use his or her credit card, or permit debits to their checking accounts, to Enroll in or to make purchases from the Company, unless an authorization letter is on file or permission is granted or represented by the holder of the financial account to the Company prior to the transaction.

9.3 - Sales Taxes

By its business operations, Solex is required to charge sales taxes on all purchases made by Quantum Living Advocates and Customers, and remit the taxes charged to the respective states. Accordingly, Solex will collect and remit sales taxes on behalf of Quantum Living Advocates, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined.

SECTION 10 - INACTIVITY, RECLASSIFICATION & CANCELLATION

10.1 - Effect of Cancellation

So long as a Quantum Living Advocate remains active and complies with the terms of the Quantum Living Advocate Agreement and this Statement of Policies, Solex shall pay bonuses to the Quantum Living Advocate in accordance with the Quantum Living Advocate Benefits Program. A Quantum Living Advocate’s bonuses constitute the entire consideration for the Quantum Living Advocate's efforts in generating sales and all activities related to generating sales (including building a Downline organization). Following a Quantum Living Advocate’s cancellation for inactivity, or voluntary or involuntary Quantum Living Advocate Agreement cancellation (all of these methods are collectively referred to as “cancellation”), the former Quantum Living Advocate shall have no right, title, claim or interest to the marketing organization which he or she operated, or any bonus from the sales generated by the organization. **A Quantum Living Advocate whose business is cancelled will lose all rights as a Quantum Living Advocate. This includes the right to sell Solex products and services and the right to receive future bonuses, or other income resulting from the sales and other activities of the Quantum Living Advocate’s former Downline sales organization. In the event of cancellation, Quantum Living Advocates agree to waive all rights they may have, including but not limited to property rights, to their former Downline organization and to any bonuses, bonuses or other remuneration derived from the sales and other activities of his or her former Downline organization.**

Following a Quantum Living Advocate’s voluntary cancellation of his or her Quantum Living Advocate Agreement, the former Quantum Living Advocate shall not hold himself or herself out as a Solex Quantum Living Advocate and shall not have the right to sell Solex products or services. A Quantum Living Advocate

whose Quantum Living Advocate Agreement is canceled shall receive any unpaid bonuses for the last full pay period he or she was active prior to voluntary cancellation (less any amounts held in dispute, for any reason, between Solex and the Quantum Living Advocate.

10.2 - Cancellation Due to Inactivity

If a Quantum Living Advocate has not earned a bonus for six (6) consecutive months (and thus become “inactive”), the Quantum Living Advocate Agreement shall be canceled for inactivity and the Quantum Living Advocate shall be reclassified as a Customer.

10.2.1 - Reclassification Following Cancellation Due to Inactivity

If a Quantum Living Advocate does not earn a commission or bonus for six (6) consecutive months, the Quantum Living Advocate Agreement and License will be cancelled for inactivity. If on the Company’s Monthly Convenience Order program, the Monthly Convenience Order shall remain in force and the former Quantum Living Advocate shall be reclassified as a Customer. If the former Quantum Living Advocate was not on Monthly Convenience Order, he or she will be reclassified as a Customer and entitled to continue purchasing products directly from the company at the lowest price.

10.3 - Involuntary Cancellation

A Quantum Living Advocate’s violation of any of the terms of the License Agreement, including any amendments by Solex, may result in any of the sanctions listed in Section 9.1, including the involuntary cancellation of the Quantum Living Advocate Agreement and License. Cancellation shall be effective on the date on which written notice is mailed, faxed, emailed or delivered by an express courier, to the Quantum Living Advocate’s last known address (or fax number), email address on record, or to the Quantum Living Advocate’s attorney, or when the Quantum Living Advocate receives actual notice of cancellation, whichever occurs first.

Solex reserves the right to terminate all Quantum Living Advocate Agreements upon thirty (30) days written notice if it elects to: 1.) cease business operations; 2.) dissolve as a corporate entity; or, 3.) terminate distribution of its products via Social Direct Marketing.

10.4 - Voluntary Cancellation

A Solex Quantum Living Advocate has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Quantum Living Advocate’s signature, printed name, address, and Quantum Living Advocate I.D. Number. If a Quantum Living Advocate was on the Company’s Monthly Convenience Order program at the time of cancellation, the Monthly Convenience Order shall remain in force unless the Quantum Living Advocate also specifically requests that the Monthly Convenience Order be cancelled. If the former Quantum Living Advocate does not request that the Monthly Convenience Order be cancelled, he or she shall be reclassified as a Customer.

10.5 - Non-renewal

A Quantum Living Advocate may also voluntarily cancel his or her Quantum Living Advocate Agreement by failing to renew the online version of the Agreement at least annually. The Company may also elect not to renew a Quantum Living Advocate's Agreement.

SECTION 11 - DEFINITIONS

Qualified Quantum Living Advocate — A Quantum Living Advocate who satisfies the minimum Personal Qualifying Volume requirements, as set forth in the Solex Quantum Living Advocate Benefits Program, to ensure that he or she is eligible to receive bonuses associated with the Rank achieved during a given monthly bonus qualification period.

Active Quantum Living Advocate — A Quantum Living Advocate who generates a minimum of 100 Personal Points during six (6) consecutive monthly bonus qualification periods.

License Agreement — The contract between the Company and each Quantum Living Advocate includes the Quantum Living Advocate Application and Agreement, the Solex Statement of Policies, the Solex Quantum Living Advocate Benefits Program, all in their current form and as amended by Solex in its sole discretion. These documents are collectively referred to as the “License Agreement.”

Monthly Convenience Order — A standing order that is automatically processed and shipped on the day of the month selected by the Quantum Living Advocate, or any day thereafter. Payment for Monthly Convenience Orders is automatically charged to the participating Quantum Living Advocate’s credit or debit card, as specified by the Quantum Living Advocate. Participation in the Monthly Convenience Order program is OPTIONAL for Quantum Living Advocates.

Automatic Telephone Dialing System: Any equipment which has the capacity to store or produce telephone numbers to be called, using a random or sequential number generator, and to dial such numbers.

Cancel — The termination of a Quantum Living Advocate’s business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

Quantum Living Advocate Benefits Program — The guidelines and referenced literature for describing how Quantum Living Advocates can generate bonuses.

Enroller — A Quantum Living Advocate who introduces and enrolls a Customer, Preferred Customer, or a new Quantum Living Advocate to Solex and is listed as the Enroller on the Quantum Living Advocate Application and Agreement. Due to the bifurcation of the Placement position, the Enroller/Enroller might not also be the new Quantum Living Advocate’s Placement Upline. *See the definition of “Placement” below.*

Genealogy Report — A monthly report generated by Solex that provides critical data relating to the identities of Quantum Living Advocates, sales information, and enrollment activity of each Quantum Living Advocate’s Marketing Organization. This report contains confidential and trade secret information which is proprietary to Solex.

Immediate Household — Heads of household and dependent family Quantum Living Advocates residing in the same house.

Line — Each one of the individuals enrolled immediately underneath you and their respective marketing organizations represents one “Line” in your marketing organization. This applies to both Enrollment and Placement trees.

Level — The layers of Downline Quantum Living Advocates in an originating Quantum Living Advocate’s Marketing Organization. This term also refers to the relationship of a Quantum Living Advocate relative to an

Upline Quantum Living Advocate, determined by the number of Quantum Living Advocates between them who are related by enrollment or placement. For example, if A enrolls B, who enrolls C, who enrolls D, who enrolls E, then E is on A's fourth level.

Marketing Organization — The Customers, Preferred Customers, and Quantum Living Advocates enrolled below a particular Quantum Living Advocate.

Official Solex Material — Literature, audio or video tapes, and other materials developed, printed, published and distributed by Solex to Quantum Living Advocates.

Personal Production — Moving Solex products to an end consumer for personal use.

Commissionable Volumes — A value assigned to each product and used to calculate Team Bonuses and True Infinity Bonuses.

Qualifying Volume — A value used to determine Rank qualifications.

Personal Qualifying Volume — A value that includes all personal orders and personal Customer orders.

Customer — A Customer uses Solex products but does not Solex in building a business. Generally, Customers, or retail Customers, purchase product at the retail pricing.

Placement Upline — A Quantum Living Advocate under whom an Enroller places a new Quantum Living Advocate, and who is listed as the "Placement" on the Quantum Living Advocate or Customer Application and Agreement.

Preferred Customer — A consumer who establishes a Monthly Convenience Order (see below) and pays the discounted loyalty price per unit of product ordered directly from Solex. Additional orders enjoy the same discounted pricing.

Recognition Title — The highest "title" that a Quantum Living Advocate has achieved pursuant to the Solex Quantum Living Advocate Benefits Program. Titles are used to recognize productivity at corporate events and in official publications and are permanent until a higher recognition title is achieved. May also be referred to as Recognition Rank, but can differ from a Quantum Living Advocate's Active Rank (see definition of "Active Rank" above).

Recruit — For purposes of Solex's Conflict of Interest Policy (Section 4.10), the term "Recruit" means the actual or attempted Enrollment, solicitation, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Solex Quantum Living Advocate or Customer to enroll or participate in another Quantum Living Advocate marketing or direct sales opportunity.

Resalable — Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to Solex within one year from the date of purchase; 5) the product contains current Solex labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resaleable.

Upline — This term refers to the Quantum Living Advocate or Quantum Living Advocates above a particular Quantum Living Advocate in an Enrollment or Placement line up organizational tree. Conversely stated, it is the line of enrollers that links a particular Quantum Living Advocate to the Company.