New Policies and Procedures

Globally valid for all
SBS Lifestyle Consultants

April 2017

Important Note: These policies and procedures supersede all previous policies and procedures!
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1. The Corporation

SWISS BIONIC SOLUTIONS, hereinafter called the “Corporation” is a globally operating direct selling organization with the objective to market high tech health and wellness products and other related products and services to the consumer through independent representatives. The new policies and procedures herein are applicable to all independent representatives of the Corporation.

2. Representative Status

An independent representative is one who has completed a Corporation application including a representative agreement and has been accepted by the Corporation as an independent representative. All independent representatives must be of legal age in the country or state in which they reside. The Corporation reserves the right to accept or reject anyone as an independent representative. Unless waived in writing by the Corporation upon application, the Corporation will consider a legally married couple as a single independent representative. Spouses are eligible of sponsoring each other directly, but may not be sponsored in different lines. If the Corporation becomes aware that a spouse signed up in a different line by any reason, the Corporation reserves the right to change the status of the spouse from an independent representative into an end user or transfer the representative account to his or her up-line. Independent representatives are independent marketing associates of the Corporation and are not considered to be purchasers of a franchise or a distributorship. The agreement between the Corporation and its independent representatives does not create an employer/employee relationship, agency, partnership, or joint venture. Independent representatives are independent contractors; they are free to enter into separate agreements with other independent representatives involving the conduct of their relationships, subject only to the representative agreement, new policies and procedures and representative handbook. Each independent representative shall hold the Corporation harmless from any claims, damages or liabilities arising out of his/her business practices.

Independent representatives have no authority to bind the Corporation to any obligation. Each independent representative is encouraged to set up his/her own hours and to determine his/her own method of sale, as long as he she complies with the new policies and procedures of the Corporation. The Corporation’s program is built upon retail sales to the ultimate consumer. The Corporation also recognizes that independent representatives may wish to purchase products or services in reasonable amounts for their own personal or family use. For this reason, a retail sale for reward purposes shall include sales to non-participants, as well as sales to independent representatives for personal or family use which are not made for purposes of qualification or advancement, which might be part of the valid marketing and compensation structure. However, it is the policy of the Corporation to strictly prohibit the purchase of product or large quantities of inventory in unreasonable amounts solely for the purpose of qualifying for bonuses or advancement in the marketing and compensation program. Independent representatives may
not load inventory nor encourage others in the program to load up on inventory. Independent representatives must fulfill end-user and downline retail sales requirements, including requisite retail sales to non-participants, as well as supervisory responsibilities, to qualify for additional rewards.

3. Accredited Account Status

In case of Marriage: Two independent representatives who marry AFTER having established their own individual representative accounts may continue to operate their existing representative accounts. In case of Divorce: Should a married couple be registered under a common representative account and divorce, they would have to mutually agree and notify the Corporation as to who will assume legal responsibility for the representative account in one of the following manners: (a) Written notarized agreement, signed by both parties and indicating who will retain the representative account. (b) A court order delineating who receives custody over the representative account. (c) Both parties may choose to retain their joint representative account and operate it as a partnership. In case of Death: Upon the death of an independent representative, the rights and responsibilities of the representative account may be passed on to the rightful, legally-documented heir if that person is submitting a new representative application, together with a copy of the death certificate and a proof of entitlement. In case of Disability: Should an independent representative become disabled to the extent that he/she can no longer fulfill the required duties, such independent representative’s legal proxy or conservator shall: (a) Contact the Corporation within thirty (30) days of the disability and advise the Corporation of the independent representative’s status and the plans for future management or cancellation of the representative account. (b) Provide a notarized or court-confirmed copy of appointment as the legal representative or conservator. (c) Provide a notarized or court-confirmed copy of document establishing the right to administer the business. (d) Should the legal proxy or conservator plan to continue the business of the representative account, he/she shall file a new representative application and pledge to receive the required education and training consistent with the disabled independent representative’s level and status at the time of disability. The requirements shall be satisfied within a deadline of six months.

4. Representative Registration Platform

Every new representative can only register with the Corporation via the online registration platform, implemented under www.swissbionic.com. Completeness and validity of the provided data and information are upon the full responsibility of the registered individual. The registrant is also fully responsible to discretely update information in the provided personal back office if any data, information or status may change and therefore may create an impact on the relationship between the representative and the Corporation. This also includes any relevant and legally required information in regards to tax and corporate affairs.
5. Signing-Up

All independent representatives have the right to sign up others. In addition, every person has the ultimate right to choose his/her own up-line. If two independent representatives should claim to be the up-line of the same new independent representative, the Corporation shall regard the first application received by the corporate home office as controlling. As a general rule, it is good practice to regard the first independent representative to meaningfully work with a prospect as having first claim to up-line, but this is not necessarily controlling. Basic tenets of common sense and consideration should govern. As a convenience to its independent representatives, the Corporation provides a fair and accountable method of registering newly recruited independent representatives via online registration. Thus, although the Corporation is attempting to create convenience for its recruited representatives, it is still the responsibility of the recruited independent representative to cause delivery to the Corporation of a completed and signed representative agreement and additional documents for tax and legal purposes (varies, depending on the country where the new representative is signing up). It is solely the up-lines responsibility to follow through and ensure that the newly registered independent representative is properly informed and trained in all areas of the product, the tools, the compensation plan, the new policies and procedures and the professional policies of the direct selling and network marketing industry. When recruiting a prospect to join the Corporation’s network business, the independent representative must state expressively the following:

1. Type, intent of use and quality of the product(s)
2. Compensation plan(s)
3. Compliance issues (Medical Product Laws, Quality Management)
4. New policies and procedures
5. Independent representative’s rights and duties
6. Corporate Philosophy and Ethics

Independent representatives should never provide false information in order to encourage the conclusion of a sales agreement or to prevent the potential buyer from rescinding an agreement. Retail sales are a legitimate requirement of the Corporation’s business program. Each independent representative must identify himself or herself by name and the title “LifeStyle Consultant” to the prospect. The Corporation offers no sales discounts or other concessions, except the globally valid monthly promotions, and the representative is not allowed to offer personal and additional discounts and free bees on his/her own. Any discounts offered by a representative may be grounds for termination.

6. Transaction Submission Integrity

It is essential to the success of the Corporation, its independent representatives and customers, that submissions of transactions to the Corporation maintain integrity of communication. It is to
be expected that all transactions submissions to the Corporation, including, but not limited to, representative applications, representative communication, representative financial transactions and consumer transactions, be submitted by the individual or entity involved in the transaction. Third party submission of any and all transactions submissions is prohibited. An independent representative should not communicate any transactions submissions on behalf of another independent representative, independent representative applicant or customer. An independent representative may not use his or her credit card or bank account on behalf of another individual or independent representative, except as allowed for as an alternate payer. This rule is applicable to any and all forms of transactions submissions, including, but not limited to, online, phone, fax, email, etc.

7. Business Conduct

In the conduct of business, the independent representative shall safeguard and promote the reputation of the products and services of the Corporation and shall refrain from all conduct which might be unethical and harmful to the reputation of the Corporation or to the marketing of such products and services or inconsistent with the public interest, and shall avoid all discourteous, deceptive, misleading, or immoral conduct or practices. An independent representative shall not interfere with, harass or undermine other independent representatives and, at all times, shall respect the privacy of other independent representatives. An independent representative must not disparage the Corporation, other independent representatives, Corporation products and/or services, the marketing and compensation plans, or corporate employees. Violation of the outlined above may cause immediate termination.

8. Cancellation of Business Relationship

A registered representative has the right to cancel his/her agreement with the Corporation at any time and for any reason. A cancellation notice needs to be sent in written form to the Corporation. With the collection of the, the independent representative loses all privileges of the affiliation, and is no longer eligible for any commissions, rewards and benefits. He/she is not allowed anymore to further advertise, sell or promote the Corporation products or purchase products from the Corporation.

9. Termination

The Corporation reserves the right to terminate any representative account for cause at any time, when it is determined that the independent representative has violated the provisions of the representative agreement, including the provisions of these new policies and procedures or the provisions of applicable laws and standards of fair dealing. In the event of a termination, the terminated independent representative agrees to immediately cease representing him/herself
as an independent representative of the Corporation. Whenever a decision is made to terminate
a representative account, the Corporation will inform the independent representative in writing
that the representative account is terminated, effective as of the date of the written notification.
The termination notice will be sent by certified mail to the independent representative’s address
on file with the Corporation. The independent representative will have twenty days from the date
of mailing
of the certified letter to appeal the termination in writing and provide written response to the
finding of violations of the agreement, new policies, policies, procedures and/or rules. If the
appeal is not notified within the twenty-day period, the termination will be automatically deemed
final. If an independent representative files an appeal of termination within the designated time
frame, the Corporation will review and consider the termination and any other appropriate
action and notify the independent representative of its decision. The decision of the Corporation
will be final and subject to no further review. In the event the termination is not rescinded, the
termination will be effective as of the date of the Corporation’s original termination notice. The
terminated representative cannot be registered as an independent representative again. Upon
termination of a representative account, all associated rights will cease: The independent repre-
sentative is no longer eligible for any commission, rewards or benefits. He/she cannot advertise,
sell or promote the Corporation products or purchase products from the Corporation. He/She is
not allowed anymore to further sign up prospects as independent representatives.

10. Providing Up-line Support

Any independent representative, who signs up other independent representatives, must fulfill the
obligation of performing a bona fide supervisory in the support and training of those sponsored.
Independent representatives must have ongoing contact, communication and management
supervision with their sales organization. Examples of such supervision may include, but are not
limited to: written correspondence, personal meetings, telephone contact, voice mail, electronic
mail, training sessions, corporate training, etc. Independent representatives should be able to
provide documentation to the Corporation of their ongoing fulfillment of Up-line responsibilities.

11. Taxes and Regulation

All independent representatives are personally responsible for paying applicable local, state and
national income taxes. The Corporation does not perform any withholding nor is the Corporation
responsible for unpaid taxes on behalf of independent representatives.
All independent representatives will comply with all state and federal laws and regulations
governing all commission payments earned by referring the products or services of the Corpo-
ration.
12. Change of Pricing and Terms

The Corporation is entitled to change and update product- and service-prices at any time and without prior notice and saves the unrestricted right for amendments in the statement of the new policies and procedures.

13. Corporate Advertising and Trademark Guidelines

Independent representatives shall not advertise, make statements or representations about Corporation products and services and/or marketing and compensation plans except as specifically approved, in writing, by the Corporation; such as its new policies and procedures and/or any other official printed literature and publications. Independent representatives agree to make no false or fraudulent claims about the Corporation, their products, the Corporations marketing and compensation plan and its related income potentials.

Independent representatives do not buy Swiss Bionic Solutions health and wellness systems for resale. The independent representative acts as a referral agent to retail customers, or, orders a Swiss Bionic Solutions health and wellness system for personal use in the capacity as a customer who might be also an independent representative. All Swiss Bionic Solutions health and wellness systems are sold at Swiss Bionic Solutions specified prices. Independent representative may not advertise for sale or sell a Swiss Bionic Solutions health and wellness system that deviates from Swiss Bionic Solutions pricing or offer to provide a customer with a rebate or other consideration to facilitate a lower customer price for a Swiss Bionic Solutions health and wellness system. The name of the Corporation and other names as may be adopted by the Corporation are proprietary brand names and registered trademarks of the Corporation. As such, these marks are of great value to the Corporation and are supplied to independent representatives for use only in an expressly authorized manner. Independent representatives agree not to advertise Corporation products or services in any way other than the advertising or promotional materials made available to independent representatives by the Corporation. Independent representatives agree not to use any written, printed, recorded or any other material in advertising, promoting or describing the products or services or the Corporation marketing program, or in any other manner, any material which has not been copyrighted and supplied by the Corporation, unless such material has been submitted to the Corporation and approved in writing by the Corporation, before being distributed, published or displayed. The independent representative, as an independent contractor, is fully responsible for all of his/her verbal and written statements made regarding the products, services and/or marketing programs which are not expressly contained in writing in the current representative agreement, advertising or promotional materials exclusively supplied by the Corporation. The independent representative agrees to indemnify the Corporation and hold it harmless from any and all liability including judgments, civil sentence, refunds, attorney fees, court costs, lost business or claims incurred by the Corporation as a result of independent representative’s unauthorized representations.

The Corporation does not permit the use and enjoyment of its copyrights, designs, logos, trade
names, trademarks, etc. without its prior written permission. Independent representatives are not allowed to use the logos and brand names of the Corporation in their own marketing or sales materials without former approval by the Corporation. Independent Representatives may only use their status as a “Swiss Bionic Solutions LifeStyle Consultant”. In addition to general prohibitions on use and enjoyment of the Corporation trademarks or logos, the Corporation specifically prohibits the use of Corporation trademarks or logos in conjunction with the representation or sale of any other non-Corporation products. All Corporation materials, whether printed, on film, produced by sound recording, or on the Internet are copyrighted and may not be reproduced in whole or in part by independent representatives or any other person except as authorized by the Corporation. Permission to reproduce any materials will be considered only in extreme circumstances. Therefore, an independent representative should not anticipate that approval is granted. An independent representative may not produce, use or distribute any information relative to the contents, characteristics or properties of Corporation product or service, which has not been provided directly by the Corporation. This prohibition includes but is not limited to print, audio or video media. An independent representative may not produce, sell or distribute literature, films or sound recordings, which are deceptively similar in nature to those produced, published and provided by the Corporation nor may an independent representative purchase, sell or distribute non-Corporation materials which imply or suggest that said materials originate from the Corporation. Any display ads or institutional or trademark advertising copy, other than covered in the foregoing rules, must be submitted to the Corporation and approved in writing prior to publication. All advertising, direct mailing, and display including promotional products such as DVDs, CDs, USB Sticks, Brochures, Flyers, etc. must be approved in writing before being distributed, published or displayed. Advertising on radio, TV, newspaper, magazine, and website except independent representative’s own Swiss Bionic Solutions Corporate System website (www. username.swissbionic.com) is strictly prohibited. It is strictly prohibited to make any claims as to the therapeutic or curative properties about the products except the particular intent of use outlined in the user manual. The intent of use may vary depending on the country the products and services of the Corporation are distributed. This is due to different medical certifications, national rules and legal requirements. In particular, no independent representative is allowed to make any claim that the products of the Corporation are intended to diagnose, treat, cure, prevent or mitigate any particular disease. Such statements could be perceived as illegal medical claims. Not only is this against Corporation policy, but it is also against the laws of the respective country. Any violation of these guidelines will constitute grounds for disciplinary action, commission suspension and/or termination of the representative status.

14. Internet and Website Policy

Independent representatives are prohibited from creating any independently designed website relating to the Swiss Bionic Solutions business, or using any non-SBS current websites prior to written approval by the Corporation. Independent representatives are allowed to advertise on
the Internet through the approved corporate and free of charge web platform (www.username.swissbionic.com). No independent representative may independently design a website that uses the names, logos, product or service descriptions of the Corporation, nor may an independent representative use „blind“ ads on the Internet making product or income claims which are ultimately associated with Corporation products, services or the Corporation’s marketing and compensation plan prior to the approval of the Corporation. Independent Representatives using corporate names, logos, trade marks, etc. on the Internet or any other advertising medium, except as permitted by these new policies and procedures shall be subject to immediate penalty, including termination of the representative status.

15. Prohibition of Advertising and Sales on Unauthorized Internet Sites.

An independent representative is prohibited from selling or promoting SBS products on Internet shopping platforms, Internet auction platforms, and Internet classified listings including, but not limited to eBay, Amazon, Facebook, Craigslist etc. Any violation against this policy will constitute grounds for commission suspension and/or termination of the representative status. All Warranties on Corporation products are limited and non-transferable. The Corporation disclaims all statutory and implied warranties to the extent permitted by law. Warranty benefits shall extend only to the original purchaser, unless written permission has been provided by the Corporation.

16. Printed Material

Any printed materials, including business cards and stationery, must be approved by the Corporation prior to final production. Criteria for approving these materials will include a judgment regarding the quality of the materials as well as properly setting forth the “independent status” of the independent representative. To avoid complicated and protracted approval processes, the personal back office contains a variety of pre-approved templates for immediate utilization.

17. Telephone Solicitation

It is strictly prohibited to use the Corporation’s name or copyrighted materials with automatic calling devices or “boiler room enterprises” either to solicit independent representatives or end-users.

18. Trade Shows

Participation at trade shows in order to present the product(s) and business opportunity of the
Corporation might be granted upon request and confirmation in written form. A request for participation must be submitted in writing to the Corporation at least two weeks prior to the beginning of the event. Written authorization from the Corporation must be received prior to participation. Only Corporation product(s) and produced marketing materials can be displayed or distributed. It is strictly prohibited to sell or promote the Corporation products or services at swap-, flea markets or garage sales.

19. Media Inquiries

Any inquiries by the press have to be immediately forwarded to the Corporation. This policy is to assure accuracy and a consistent public image.

20. No Spam Policy

Unsolicited emails (spamming) or information by facsimile relating to the Corporation’s business opportunity and products and services are strictly prohibited. The Corporation has a zero tolerance policy of spamming practices. Independent representatives who violate the Corporation’s “no spam policy” are subject to immediate termination, suspension and further disciplinary action.

21. Public Image of Representative Status

An independent representative must clearly set forth and display the “independent status” in all publications. Example: If the independent representative operates a business phone, the phone number may not be listed under the Corporation’s name. The independent representative is obligated to clearly state and use the status “independent”.

22. Retail Establishments

Corporation products or services may only be displayed and sold in retail establishments where the nature of the business is to make appointments with customers (such as studios, salons, doctor’s offices, clinics, health and fitness clubs where appointments are made for personal training or classes are scheduled). The sale of products or services within such retail facilities must be conducted by an independent representative and must be preceded by a discussion where the independent representative introduces the prospective client to the products or services and opportunity in the same way than they would have met outside of the retail facility. Corporation produced literature and banners only may be displayed on a shelf, counter. Products or services may not be sold from a shelf or taken from a display for purchase by a customer. Corporation products or services may not be sold in any retail establishment, even by appointment, if competitive products or services are sold in the establishment. From time to time, the Corporation may
announce policies and rules that expand or contract restrictions on sales in retail establishments.

23. Assigned Territory

Independent representatives are not assigned exclusive territories for marketing and sales purposes, nor shall any independent representative imply or state that he/she does have an exclusive territory status. There are no general geographic limitations in signing up independent representatives or selling product(s) within the territories, which are already assigned, served, supported and administrated by the Corporation.

24. Cross Country Sales

No independent representative is allowed to autonomously export or sell directly or indirectly to clients, who are residing in a different country than the domicile of the Independent representative. Independent representatives, who choose to sign up or sell internationally, may do so only in countries, in which the Corporation already operates a registered subsidiary or at least offers full administrative service. As the list of countries is constantly increasing, the independent representative may seek support, information and updates from the responsible Swiss Bionic Solutions Country Office. All Sign-Ups and sales have to be performed in full compliance with the designated terms and rules of the operation in that country. Any violation against this policy is a serious offence and may cause immediate termination of the representative status.

25. Prohibition on Affiliation with Other PEMF Companies

It would undermine the basic representative relationship if an independent representative is simultaneously offering competing PEMF systems, or any other products which are in the portfolio of the Corporation. Therefore, as long as an independent representative intends to maintain an active rep status with the Corporation, he or she may not sell or market any competing products that are similar to the products sold by the Corporation. 6GX-X rewards are only accessible to independent representatives who are registered exclusively with the Corporation and maintain no other active account with any other Direct Selling or MLM company.

26. Prohibition on Raiding and Cross-Solicitation

The Corporation is intended to seriously protect the subsistence of its sales forces and the ongoing efforts invested to build and maintain a direct sales organization. Raiding and solicitation actions against independent representatives who are registered and active in a direct selling organization or a MLM-based company, severely undermine the business concept of the Corporation, interfere with the relationship between the Corporation and its sales force and destroy the basis of existence
of other independent representatives, who are working hard and consistent to build their own business and the benefits they earn by helping others to build their sales organization. Therefore, independent representatives shall not directly or indirectly sell to or solicit independent representatives from any direct selling or MLM-company or in any way promote to other independent representatives business opportunities at any time. An independent representative shall not become involved in any recruiting or promotion activity that targets other independent representatives for opportunities or products of other direct selling and MLM companies or business opportunities, either directly or indirectly, by themselves or in conjunction with others, nor shall an independent representative participate, directly or indirectly, in interference, raiding or solicitation activity of independent representatives for other direct selling and MLM companies. Unless approved in writing by the Corporation, this prohibition includes sales or solicitation of non-Corporation products and services at meetings organized for Corporation introduction, education, promotion, training, recruitment, demonstration, etc. This prohibition on targeting, interference, soliciting and raiding shall be in effect during the term of the representative agreement and for a period of one year after the termination of the representative agreement. For the term of this agreement and for one year after termination hereof, an independent representative shall not, directly or indirectly, recruit any independent representatives to join other direct sales or MLM companies nor solicit, directly or indirectly, independent representatives to purchase services or products, or in any other way interfere with the contractual relationships between the Corporation and its independent representatives.

27. Supplier Confidentiality

The Corporation’s business relationship with its suppliers and manufacturers is confidential. An independent representative shall not contact directly or indirectly, or speak to or communicate with any representative of any supplier or manufacturer of the Corporation except during corporate events at which the representative is present at the request of the Corporation. Violation against this policy may result in termination and possible claims, if the relationship between the Corporation and the suppliers/manufacturers is compromised by the representative contact.

28. Commission Redemption

The Corporation is entitled to reclaim any, previously paid commission, reward or financial benefit on a product sale or service, if the product/service purchase is cancelled, reversed (e.g. chargeback), or a refund has to be paid for a terminated purchase. The Corporation shall recover the commission by setting it off against the representative’s next commission payment. In the event that no commission is available for adjustment, the independent representative who has received the commission, reward or benefit must repay the commission paid on the „reversed sale“ within 30 days of the Corporation’s notice.
29. Downline Information Confidentiality

The Swiss Bionic Solutions “Personal Back Office” of each registered representative will supply data processing information and reports to the independent representative, including the independent representative’s downline sales organization and all product purchases within the organization. The independent representative agrees that this information is strictly proprietary and confidential and it is also transmitted to the independent representative in confidence. The independent representative confirms, that he or she will not disclose such information to any third party directly or indirectly, nor use the information to compete with the Corporation directly or indirectly during or after the term of the representative agreement.

30. Privacy Policy

The Corporation collects information from independent representatives during application processes and as required for internal purposes such as compliance with state and federal laws and regulations. The Corporation may also collect information through the use of “cookies” whenever online transactions are conducted via the Corporation’s website. The information collected may be used for, among other things, personalizing the independent representative’s experience, improving the Corporation’s website and service, processing transactions, sending periodic correspondence and administering marketing initiatives. The Corporation implements a variety of security measures to maintain the safety of the information collected. The Corporation does not sell or trade any information collected. The Corporation only shares information as permitted or required by law and with third-party partners (e.g. merchant services) for everyday business purposes such as credit card processing companies. Outside of these parameters, the Corporation will solely share your information with your permission.

31. Rights of the Corporation

The Corporation reserves the unrestricted right to amend and complement supersede and regulations, new policies and procedures, product portfolios and compensation plan(s). Upon written notification, amendments are automatically incorporated as part of the agreement between the Corporation and the independent representative. Corporation communication of amendments may include, but shall not be limited to mail, email, fax, corporate website posts, publication in corporate newsletters or other publications. (a) Swiss Bionic Solutions reserves the right to make all final decisions as to the interpretation of the articles stated in these new policies and procedures. The final Corporation decision based on the interpretation of the articles stated in the new policies and procedures is effective immediately. All independent representatives are obligated to follow the Corporation’s decision as to the interpretation of the articles of these new policies and procedures.
32. Representative Accounts in 7CR

A legal entity or registered corporation may register as an independent representative. However, no individual may register and maintain more than three (3) independent representative accounts in any form without express written permission from the Corporation in 7CR. (a) A representative account may change status under the same up-line from individual to a legal entity or corporation with comprehensible and complete documentation. (b) In order to form a new representative account as a legal entity or corporation or to change status to one of these forms of businesses, an independent representative must request a specific form from the Corporation's headquarters office. This form must be submitted detailing all partners, stockholders, officers or directors within the legal entity or corporation. The partner or officer who submits the form must be authorized to enter into binding contracts on behalf of the legal entity or corporation.

33. Special Rewards and Incentives

Whenever independent representatives make exceptional contributions to the Corporation, they become eligible for Special Rewards. Factors demonstrating exceptional contribution include, but are not limited to, outstanding direct sales efforts and remarkable group developing efforts. Special Rewards may differ in name and amount depending on the status of the independent representative and are all granted at the sole discretion of the Corporation. Special Rewards are not paid automatically and will differ based on the overall efforts of the independent representatives. All Special Rewards, its requirements, qualification terms and calculation details are explained in detail in the Corporation's compensation plan publications.

34. Disciplinary Actions

Any violation of new policies and procedures, of the representative agreement, terms and conditions or of any illegal, fraudulent, deceptive, or unethical business conduct may result in one or more of the following disciplinary actions, at the Corporation's sole discretion: (a) Issuance of a written warning or admonition, (b) Imposition of a fine, which may be imposed immediately or withheld from future commission payments, (c) Freezing of commissions for an indefinite period, (e) Suspension, which may result in final termination or reinstatement with further conditions and/or restrictions, (f) Termination of the representative account.

35. Change of Up-line

A request for up-line change is rarely permitted and discouraged. Maintaining the integrity of affiliation is absolutely mandatory for the sustainability and success of the overall organization.
Transfers will generally be approved in only one of two circumstances:

1. In case of unethical sponsoring by the original up-line. In such cases, the Corporation will be the final authority.

2. Entire resigning from the Corporation followed by a mandatory waiting period of six (6) months before reapplying under a different up-line.

In cases of unethical sponsoring, the independent representative shall be transferred with the attached downline; in all other events, the individual is transferred solo without any attached downline being removed from the original hierarchy.

36. Sale and Transfer

Products sold to third parties do not qualify those third parties automatically as independent representatives; all those who wish to become independent representatives must apply via the provided application and registration platform. Independent representatives agree to inform all third parties of the facts above and further agree not to promise any possibility of transferring representative status. An independent representative may not sell, assign or otherwise transfer his or her representative account, marketing position or other representative rights without written request and approval by the Corporation. This paragraph is also applicable to transfer of any interest in an entity that owns a representative account, including but not limited to a corporation, partnership, trust or other non-individual entity. The potential buyer must be at the higher rank as the selling independent representative. The representative account must be offered in writing first to the direct independent representative’s up-line. If the up-line declines the offer, the independent representative may offer the representative account for sale to the next direct up-line within the same group. An independent representative who sells his or her representative account shall not be eligible to re-qualify as an independent representative for a period of at least six (6) months after the sale. The Corporation reserves the right to review the sales agreement and to verify waiver from the up-line in the event the up-line declines to purchase the representative account. An independent representative may not add a co-applicant to their representative account and thereafter, remove their name from the representative account, as an effort to circumvent the Corporation’s sale, assignment, delegation or merger procedures. The primary independent representative must wait twelve (12) months after adding a co-applicant to the representative account before they are allowed to remove their name from the representative account. It is prohibited to use a sale or transfer to attempt to circumvent Corporation policy on raiding, soliciting, cross-sponsoring or interference. For the term of three (3) years after sale or transfer, an independent representative agrees that he/she shall not, directly or indirectly, disrupt, damage, impair or interfere with the business of the Corporation, whether in terms of interfering with, or raiding its employees or representatives, disrupting its relationship with customers, agents, representatives, suppliers or manufacturers or otherwise. “Disrupting” or “interfering” shall include, but not be limited to, direct or indirect solicitation or recruitment for other direct selling business opportunities or products or services of other direct selling companies. An independent representative seeking to sell or transfer his/her represen-
tative account must acknowledge and agree to this provision prior to the finalization of the sale or transfer of their representative account.

37. Income Claims

It is strictly prohibited to make income claims or income projections and displaying of commission checks (“check waving”) to prospects. Any false, deceptive or misleading claims regarding the business opportunity or products and service are prohibited. Representing hypothetical income figures, based upon the inherent power of direct selling and MLM, as actual income projections is counter-productive and unethical, since new independent representatives may be rapidly disappointed if their own results do not reflect the forecast of the hypothetical model. The Corporation firmly believes in the fact, that the effective income potential is promising enough to be highly attractive, without referring to artificial and exaggerated estimations.

38. Judgment and Tax Lien

The Corporation will fully comply with any court order or instruction/demand by any governing tax authority within the country that orders, instructs or demands the withholding of an independent representative’s commission from his/her representative account with the Corporation.

39. Subpoena for Production of Evidence

Assuming proper jurisdiction, the Corporation will comply with all subpoenas demanding financial compensation records of an independent representative in his/her capacity as an independent contractor with the Corporation.

40. Request for Records

The Corporation will fully comply with all requests for records accompanied by a properly prepared and signed authorization form by the person whose records are being demanded. The Corporation will also fully comply with all requests for records by government agencies with the authority to request such records and accompanied by the requisite legal documentation.

41. Hold-Harmless Clause

The independent representative hereby indemnifies and releases the Corporation, its officers, directors, agents and assigns from and against the full amount of any and all claims, causes of action, judicial and administrative proceedings suits, charges, liabilities, losses, damages, costs
and expenses, including without limitation court costs and reasonable fees and expenses of attorneys and consultants, which are or may be made, filed or assessed against Corporation at any time arising out of representative’s business operations and representations made by representative in the operation of his/her business, arising from the following:

- Violation and/or lack of compliance with terms of the representative agreement, new policies and procedures, rules and regulations, marketing tools, compensation plan(s), manuals or any other directive from the Corporation.
- Engaging in any unauthorized conduct.
- Any fraud, negligence or deliberate misconduct in the operation of the independent representative business.
- Misrepresentation or unauthorized representation regarding the Corporation’s products or service and business opportunity.
- Failure to adhere to any national, federal, state, or local law, regulation, ordinance and/or any order or rule issued by any court of appropriate jurisdiction.
- Engaging in any action, which exceeds the scope of authority to the independent representative as granted by the Corporation.
- Engaging in any activity over which Corporation has no effective control as to the behavior and actions of the representative.

Important note: In case of legal matters the governing laws of the location of the Swiss Bionic Solutions Office within the respective country, state or county, will apply!

**Swiss Bionic Solutions Holding**

**Switzerland**

**April 2017**