

LiBu

STATEMENT OF POLICIES AND PROCEDURES

Effective June 3, 2016

SECTION 1 – INTRODUCTION

1.1 CODE OF ETHICS 1.2 POLICIES INCORPORATED INTO MEMBER ASSOCIATE AGREEMENT 1.3 CHANGES TO THE MEMBER ASSOCIATE AGREEMENT, POLICIES AND PROCEDURES, OR COMPENSATION PLAN 1.4 DELAYS 1.5 POLICIES AND PROVISIONS SEVERABLE 1.6 WAIVER

SECTION 2 –BECOMING A MEMBER ASSOCIATE

2.1 REQUIREMENTS TO BECOME A MEMBER ASSOCIATE 2.2 TERM AND RENEWAL OF A LiBu BUSINESS

SECTION 3 – INCOME DISCLOSURE POLICY

SECTION 4 – ADVERTISING

4.1 LiBu PRODUCT
4.2 ADHERENCE TO THE LiBu COMPENSATION PLAN 4.3 USE OF SALES AID 4.4 INTELLECTUAL PROPERTY 4.5 WEB POLICY 4.6 MEDIA AND MEDIA INQUIRIES 4.7 UNSOLICITED EMAIL AND FAX COMMUNICATION

SECTION 5 –OPERATING A LiBu BUSINESS.

5.1 - BUSINESS ENTITIES

- 5.1.1 Changes to a Business Entity
- 5.1.2 Change of Sponsor
- 5.1.3 Change of Placement

5.2 UNAUTHORIZED CLAIMS AND ACTION

- 5.2.1 Indemnification
- 5.2.2 Endorsement of LiBu Products

5.3 CONFLICTS

- 5.3.1 Non-Solicitations
- 5.3.2 Sale of Competing Goods or Services
- 5.3.3 Targeting Other Direct Sellers
- 5.3.4 Privacy and Confidentiality
- 5.3.5 The Data Management Rule

5.4 CROSS SPONSORING 5.5 GOVERNMENTAL APPROVAL OR ENDORSEMENT 5.6 IDENTIFICATION

5.7 INCOME TAXES 5.8 INDEPENDENT CONTRACTOR STATUS 5.9 BONUS BUYING 5.10 STACKING 5.11 ONE LiBu BUSINESS PER MEMBER ASSOCIATE 5.12 SUCCESSION 5.13 SALE, TRANSFER, OR ASSIGNMENT OF A LiBu BUSINESS 5.14 SEPARATION OF A LiBu BUSINESS 5.15 SPONSORING

6 RESPONSIBILITIES OF MEMBER ASSOCIATES

6.1 CHANGE OF ADDRESS, TELEPHONE NUMBER., EMAIL-ADDRESS 6.2 SPONSORING MEMBER ASSOCIATES' RESPONSIBILITIES

6.2.1 Initial Training

6.3 NON DISPARAGEMENT 6.4 REPORTING POLICY VIOLATIONS

7 AUTOMATIC BILLING

7.1 BILLING

8 BONUSES AND COMMISSIONS

8.1 BONUS AND COMMISSION QUALIFICATIONS 8.2 ERRORS OR QUESTIONS 8.3 BONUS BUYING PROHIBITED

8.4 REPORTS

9 DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1 DISCIPLINARY SANCTIONS 9.2 MEDIATION 9.3 ARBITRATION 9.4 GOVERNING LAW, JURISDICTION, AND VENUE

10 EFFECT OF CANCELLATION

10.1 EFFECT OF CANCELLATION AND TERMINATION 10.2 NON-RENEWAL

11 DEFINITIONS

LiBu- STATEMENT OF POLICIES AND PROCEDURES

Effective June 3, 2016

SECTION 1 – INTRODUCTION

1.1 - Code of Ethics

LiBu (also known as the “Company”) is the referral marketing arm of “Association of Employee Participants for Affordable Benefits”, a 501(c)(5) tax-exempt, non-profit national labor organization that operates within the confines of a ERISA section 3(40)(A)(i) as a certain Entity Claiming Exemption (ECE) and is governed and regulated United States Department of Labor (“DOL”) under the Employee Retirement Income Security Act of 1974 (“ERISA”). Through “Association of Employee Participants for Affordable Benefits”’s benefit plans, LiBu ultimately assists Customers (“Member Clients”). “Association of Employee Participants for Affordable Benefits” derives its authority to promote such benefits in trust from the DOL Office of Labor Management Standards, which has created an “Association Health Plan” under the “Association of Employee Participants for

Affordable Benefits” name. In order to comply with such standards for participation, vesting, benefit accrual and funding, “Association of Employee Participants for Affordable Benefits” conducts itself under strict financial and regulatory strictures and covered under Errors and Omissions, as well as liability insurance, and an ERISA bond.

LiBu prides itself on the quality and character of its participants, hereinafter referred to as Member Associates. The following guidelines help ensure a uniform standard of excellence throughout our organization. Every LiBu Member Associate is expected to practice the following ethical behavior when acting in the name of the company:

- A. I will be respectful of every person I meet while doing LiBu related business.
- B. At all times I will conduct myself and my business in an ethical, moral, legal, and financially sound manner.
- C. I will not engage in activities that would bring disrepute to LiBu, any LiBu corporate officer or employee, myself, or other Member Associates.
- D. I will not make discouraging or disparaging claims toward the Company or other LiBu Member Associates. I will ensure that in all LiBu business dealings I will refrain from engaging in negative language. I will refrain from making any type of slanderous statements.
- E. I will provide support and encouragement to my Member Clients to ensure that their experience with LiBu is a successful one. I understand that it is important to provide follow-up service and support to my downline.
- F. I will correctly represent all the bonus/compensation plans available through LiBu and the income potential represented therein. I understand I may not use my own income as an indication of others’ potential success, or use compensation checks as marketing materials. I further understand that I may only disclose my LiBu income to recruit a potential Member Associate after I have given him, her, or it a copy of the Income Disclosure Statement.
- G. I will abide by all of LiBu’s Policies & Procedures now and as they may be amended in the future.

1.2 - Policies Incorporated Into Member Associate Agreement

These Policies and Procedures (“Policies”), in their present form and as amended at the sole discretion of LiBu, are incorporated into, and form an integral part of, the Libu Member Associate Agreement (hereafter “Member Associate Agreement”). Throughout these Policies, when the term “Agreement” is used, it collectively refers to the LiBu Member Associate Agreement, these Policies, and the LiBu Compensation Plan. These documents are incorporated by reference into the Member Associate Agreement (all in their current form and as amended by LiBu). It is the responsibility of each Member Associate to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies. When sponsoring a new Member Associate, it is the responsibility of the sponsoring Member Associate to provide the most current version of these Policies and Procedures prior to his or her execution of the Member Associate Agreement.

1.3 - Changes to the Member Associate Agreement, Policies and Procedures, or Compensation Plan

Because local, state, and federal laws, as well as the business environment, periodically change, LiBu reserves the right to amend the Agreement and the prices in its LiBu product prices in its sole and absolute discretion.

Notification of amendments shall appear in Official LiBu Materials. Amendments shall be effective upon publication in Official LiBu Materials, including but not limited to, posting on LiBu's website, e-mail distribution, publication in LiBu's newsletter, product inserts, or any other commercially reasonable method. The continuation of a Member Associate's LiBu business or a Member Associate's acceptance of bonuses or commissions constitutes acceptance of any and all amendments. *The ability to modify the agreement does not extend to the dispute resolution section in these Policies (Section 9), as those provisions can only be modified by way of mutual consent.*

1.4 - Delays

LiBu shall not be responsible for delays and failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, flood, and 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, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

1.6 –Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of LiBu to exercise any right or power under the Agreement or to insist upon strict compliance by a Member Associate with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of LiBu's right to demand exact compliance with the Agreement. Waiver by LiBu can be effectuated only in writing by an authorized officer of the Company.

SECTION 2 – BECOMING A MEMBER ASSOCIATE

2.1 - Requirements to Become a Member Associate

To become a LiBu Member Associate, each applicant must:

- A. Be 18 years of age or older;
- B. Reside in the United States or other countries, which have been officially opened by LiBu;
- C. Have a valid Social Security Number or Federal Tax Identification Number;
- D. Submit a properly completed and signed Member Associate Agreement to LiBu electronically;
- E. Pay the applicable enrollment fees; and
- F. Complete a LiBu certification course.

2.2–Terms and Renewal of a LiBu Business

A Member Associate must renew their status annually. If a Member Associate allows his or her business to expire due to a failure to renew the Member Associate Agreement, the Member Associate will lose any and all rights to his or her downline organization unless the Member Associate re-activates within sixty (60) days following the expiration of the agreement.

If the former Member Associate re-activates within the sixty (60) day time limit, the Member Associate will resume the rank and position held immediately prior to the expiration of the Member Associate agreement. However, such Member Associate's paid as level will not be restored unless he or she qualifies at that payout level in the new month. The Member Associate is not eligible to receive commissions for the time period that the Member Associate's business was expired.

Any Member Associate whose agreement has expired and lapsed the sixty (60) day grace period is not eligible to reapply for a LiBu business for twelve (12) months following the expiration of the Member Associate Agreement.

Any Member Associate terminated by LiBu may not reapply to do business for twelve (12) months from their termination date.

The downline of the expired Member Associate will roll up to the immediate, active upline sponsor.

SECTION 3 – INCOME DISCLOSURE POLICY

In an effort to conduct best business practices, LiBu has developed the Income Disclosure Statement (“IDS”). The LiBu IDS is designed to convey truthful, timely, and comprehensive information regarding the income that LiBu Member Associates earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective Member Associates.

A copy of the IDS must be presented to a prospective Member Associate (someone who is not a party to a current LiBu Member Associate Agreement) anytime the Compensation Plan is presented or discussed, or when 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 average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one Member Associate earned over a million dollars last year” or “Our average ranking Member Associate makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher ranking Member Associate is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claim is made, you must provide every prospective Member Associate with a copy of the IDS. Copies of the IDS may be printed or downloaded without charge from the company website at www.LiBu.Life.

SECTION 4 – ADVERTISING

4.1 – LiBu Product

LiBu Member Associates DO NOT SELL INSURANCE PRODUCTS, but rather an exclusive membership into “Association of Employee Participants for Affordable Benefits”. **MEMBERSHIP IS THE KEY.** Member Associates do not provide tax, legal, insurance, or investment advice, but instead Member Associates encourage Member Clients to seek the advice from qualified advisors.

As a non-profit corporation, “Association of Employee Participants for Affordable Benefits” promotes benefits in-trust to its Member Clients, who pay the posted membership fee of \$25 per individual/family unit, or \$99 if a business. These benefits in-trust are strictly regulated by the United States Department of Labor (“DOL”) under the Employment Retirement Security Act (ERISA) regulations.

4.2 - Adherence to the LiBu Compensation Plan

Member Associates must adhere to the terms of the LiBu Compensation Plan as set forth in Official LiBu Materials. Member Associates shall not offer the LiBu opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically stated in Official LiBu Materials. Member Associates shall not require or encourage other current or prospective Member Clients or Member Associates to participate in LiBu in any manner that varies from the program as set forth in Official LiBu Materials. Member Associates shall not require or encourage other current or prospective Member Clients or Member Associates to execute any agreement or contract other than official LiBu agreements and contracts in order to become a LiBu Member Associate. Similarly, Member Associates shall not require or encourage other current or prospective Member Clients or Member Associates to make any purchase from, or payment to, any individual or other entity to participate in the LiBu Compensation Plan other than those purchases or payments identified as recommended or required in Official LiBu Materials.

4.3 - Use of Sales Aids

To promote both the products and the opportunity LiBu offers, Member Associates must use ONLY those sales aids and support materials produced by LiBu and/or LiBu Marketing Services, Inc. If LiBu Member Associates develop their own sales aids and/or promotional materials (which includes Internet advertising), notwithstanding Member Associates’ good intentions, they may unintentionally violate any number of statutes or regulations affecting a LiBu business. These violations, although they may be relatively few in number, could jeopardize the LiBu opportunity for all Member Associates. Accordingly, Member Associates are STRICTLY PROHIBITED to produce and/or disseminate their own written sales aids, promotional materials, advertisements, websites and other literature, digital or print on Facebook or any kind of social media. Unless the Member Associate receives specific written approval by LiBu Corporate to use an approved personal material, the request shall be deemed denied. All Member Associates shall safeguard and promote the good reputation of LiBu and its products. The marketing and promotion of LiBu, the LiBu opportunity, the Compensation Plan, and LiBu products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

4.4 -Intellectual Property

LiBu will not allow the use of its trade names, trademarks, designs, or symbols outside of corporate produced and approved sales aids by any person, including LiBu Member Associates, without prior written authorization from

LiBu. Furthermore, no Member Associate may use, publish, reproduce, advertise, sell, or display in any manner the name, picture or likeness, or voice of another Member Associate without prior written consent from the named Member Associate. This consent must be on file with LiBu's Compliance department prior to any use.

4.5 –Web Policy

LiBu STRICTLY PROHIBITS the Member Associate's use of an Internet web page to promote his or her business other than the Member Associate's replicated LiBu website.

A. General Internet Advertising

It is your obligation to ensure your online marketing activities are truthful, are not deceptive and do not mislead Member Clients or potential Member Associates in any way. Websites and web promotion activities and tactics that mislead or are deceptive, regardless of intent, will not be allowed. This may include representation in any manner that you are an authorized representative for LiBu, spam linking (or blog spam), unethical search engine optimization (SEO) tactics, misleading click-through ads (i.e., having the display URL of a PPC campaign appear to resolve to an official LiBu Corporate Site when it goes elsewhere), unapproved banner ads, and unauthorized press releases. LiBu will be the sole determinant of truthfulness as to whether specific activities are misleading or deceptive.

B. Domain Names, email Addresses and Online Aliases

You cannot use or register domain names, email addresses, and/or online aliases that could cause confusion, or be misleading or deceptive, in that they cause individuals to believe or assume the communication is from, or is the property of LiBu by showing up as the sender of an email.

Examples of the improper use include but are not limited to:

LiBu@msn.com; www.LiBuDirect.com; www.facebook.com/LiBu or derivatives as described herein.
et.

Determinations as to what could cause confusion, mislead or be considered deceptive is at the sole discretion of LiBu. If you have a question whether your chosen name is acceptable, you may submit it to [info@ LiBu.team](mailto:info@LiBu.team) for review before use.

C. Online Classifieds

You may not use online classifieds (including Craigslist) to list, sell or promote specific LiBu products because those products are “Association of Employee Participants for Affordable Benefits” benefits to Member Clients only. You may use online classifieds (including Craigslist) for prospecting, recruiting, sponsoring, and informing the public about the LiBu opportunity provided you follow the other requirements of this agreement such as identifying yourself as an independent representative of LiBu, only using approved images and versions of any trademarked logos and without using fraudulent or misleading product or income claims. If a link or URL is provided, it must link to your Member Associate Replicated Website.

D. Banner Advertising

You may place banner advertisements on a website provided you use LiBu -approved templates and images. All banner advertisements must link to your LiBu Member Associate Replicated Website. You may not use *blind* ads or web pages that make non-compliant product or income claims that are ultimately associated with LiBu products or the LiBu opportunity.

E. Social Networking Sites

LiBu STRICTLY PROHIBITS Member Associates' to use Social Media as a means to sell or offer to sell specific Member Clients' "Association of Employee Participants for Affordable Benefits" products. It is imperative to understand that any kind of advertisement: social media, radio, TV, cannot be used by any Member Associate to promote, sell, recruit, etc. The reason is simple. It is going to be impossible to control compliance when the organization grows as the organization grows.

Profiles you generate in any social community where you mention or discuss LiBu must clearly identify you as a LiBu Member Associate and must appear as described herein. When you participate in those communities you must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at LiBu's sole discretion, and offending Member Associates will be subject to disciplinary action and/or termination.

You agree that you will immediately take down a non-compliant site or comments at the request of LiBu or "Association of Employee Participants for Affordable Benefits". Appeals regarding compliance may be submitted after the site has been taken down. Appeals should be directed to the email address set forth in the policy addressing dispute resolutions.

4.6 -Media and Media Inquiries

Member Associates must not initiate any interaction with the media or attempt to respond to media inquiries regarding LiBu, its products, or their independent LiBu business. All inquiries by any type of media must be immediately referred to LiBu's Compliance department. This policy is designed to ensure that accurate and consistent information is provided to the public, as well as a proper public image.

4.7 - Unsolicited Email Communication

LiBu does not permit Member Associates to send unsolicited emails.

SECTION 5 – OPERATING A LiBu BUSINESS.

5.1 - Business Entities

A corporation, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be a LiBU Member Associate by submitting a LiBu Member Associate Application and Agreement along with its Certificate of Incorporation, Articles of Organization, Partnership Agreement or trust documents (these

documents are collectively referred to as the “Entity Documents”) to LiBu. A LiBu business may change its status under the same Sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. To do so, the Member Associate(s) must provide the Entity Documents to LiBu. The Member Associate Application must be signed by all of the shareholders, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to LiBu.

5.1.1 - Changes to a Business Entity

Each Member Associate must immediately notify LiBu of any changes to the type of business entity they utilize in operating their LiBu business, and the addition or removal of business associates. A LiBu business may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. The Member Associate Agreement form must be signed by all of the shareholders, partners, or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to LiBu.

5.1.2 - Change Of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Member Associates, LiBu rarely allows changes in sponsorship, with the rare exception of direct line changes (meaning placement is not affected). A direct line change request must be made by submitting a completed Sponsor Change Request Form within a seven (7) day period from the date of enrollment, and must come from the current listed sponsor.

5.1.3 - Change Of Placement

A request for change of placement must be submitted within seven (7) days of the date of enrollment and must be requested by the current listed sponsor. A Member Associate can only be moved inside of the same sponsor’s organization. If approved, a Member Associate is placed in the first available open bottom position on the date that the change is made. Member Associates who have earned commissions or achieved rank are not eligible for placement changes. Please note that decisions made for any change request (sponsor or placement) are at the sole discretion of LiBu.

5.2 - Unauthorized Claims and Action

5.2.1 - Indemnification

A Member Associate is fully responsible for all of his or her verbal and/or written statements made regarding LiBu products and the Compensation Plan, which are not expressly contained in Official LiBu Materials. Member Associates agree to indemnify LiBu and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by LiBu as a result of the Member Associate’s unauthorized representations or actions. This provision shall survive the cancellation of the Member Associate Agreement.

5.2.2 –Endorsements of LiBu Products

No claims as to any products offered by LiBu may be made except those contained in Official LiBu Materials.

5.3 - Conflicts

5.3.1 – Non-solicitations

LiBu Member Associates are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “Network Marketing”). However, during the term of this Agreement, Member Associates may not directly or indirectly recruit other LiBu Member Associates or Member Clients other than those they have personally sponsored for any other Network Marketing business. Following the cancellation of a Member Associate Agreement, and for a period of one (1) calendar year thereafter, with the exception of a Member Associate who is personally sponsored by the former Member Associate, a former Member Associate may not recruit any LiBu Member Associate or Member Clients for another Network Marketing business.

5.3.2 - Sale of Competing Goods or Services

During this agreement and for six (6) months thereafter, non-broker Member Associates (Master or Executive memberships) must not sell, or attempt to sell, any competing non- LiBu programs or products to LiBu Member Clients or Member Associates. Any program, product, service, or direct selling opportunity in the same generic categories as the LiBu products are deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

5.3.3 - Targeting Other Direct Sellers

Should Member Associates engage in solicitation and/or enticement of members of another direct sales company to sell or distribute LiBu products, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Member Associate alleging that they engaged in inappropriate recruiting activity of its sales force or Customers, LiBu will not pay any of Member Associate’s defense costs or legal fees, nor will LiBu indemnify the Member Associate for any judgment, award, or settlement.

5.3.4 - Privacy and Confidentiality

All Member Associates are required to abide by the Company’s Privacy Policy with regard to Member Associates and Member Clients information.

5.3.5- The Data Management Rule

The Data Management Rule is intended to protect the Line of Sponsorship (LOS) for the benefit of all Member Associates, as well as LiBu. LOS information is information compiled by LiBu that discloses or relates to all or part of the specific arrangement of sponsorship within the LiBu business, including, without limitation, Member Associate lists, sponsorship trees, and all Member Associate information generated therefrom, in its present and future forms. The LiBu LOS, constitutes a commercially advantageous, unique, and proprietary trade secret (Proprietary Information), which it keeps proprietary and confidential and treats as a trade secret. LiBu is the exclusive owner of all Proprietary Information, which is derived, compiled, configured, and maintained through the expenditure of considerable time, effort, and resources by LiBu and its Member Associates. Through this Rule, Member Associates are granted a personal, non-exclusive, non-transferable and revocable right by LiBu to use Proprietary Information only as necessary to facilitate their business as contemplated under these Policies and Procedures. The Company reserves the right to deny or revoke this right, upon reasonable notice to the Member Associate stating the reason(s) for such denial or revocation, whenever, in the reasonable opinion of LiBu, such is necessary to protect the confidentiality or value of Proprietary Information. All Member

Associates shall maintain Proprietary Information in strictest confidence, and shall take all reasonable steps and appropriate measures to safeguard Proprietary Information and maintain the confidentiality thereof.

5.4 -Cross Sponsoring

Actual or attempted cross-group sponsoring is strictly prohibited. “Cross-group sponsoring” is defined as the enrollment, indirect or otherwise, of an individual or entity that already has a current Member Client number or Member Associate Agreement on file with LiBu, or who has had such an agreement within the preceding twelve (12) calendar months, within a different line of sponsorship. The use of a spouse’s or relative’s name, trade names, DBAs, assumed names, corporations, partnerships, trusts, Federal Tax Identification Numbers or fictitious identification numbers to circumvent this policy is prohibited. This policy shall not prohibit the transfer of a LiBu business in accordance with the “Sale, Transfer or Assignment of LiBu Business” section of these Policies and Procedures.

5.5 -Governmental Approval or Endorsement

Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Member Associates shall not represent or imply that LiBu or its Compensation Plan have been “approved,” “endorsed,” or otherwise sanctioned by any government agency.

5.6 -Identification

All Member Associates are required to provide their Social Security Number, Federal Employer Identification Number, or their Government Issued ID Number to LiBu either on the Member Associate Agreement or at the company’s request. Upon enrollment, the Company will provide a unique Member Associate Identification Number to the Member Associate by which they will be identified. This number will be used to place orders and track commissions and bonuses.

5.7 - Income Taxes

Every year, LiBu will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident as required by the Internal Revenue Service. Each Member Associate is responsible for paying local, state and federal taxes on any income generated as a Member Associate. If a LiBu business is tax exempt, the Federal Tax Identification Number must be provided to LiBu. Any Member Associate that does not provide a valid social security number is subject to the federal backup withholding laws and 33% of their commissions and bonus will be withheld and submitted to the IRS.

5.8 - Independent Contractor Status

You are an independent contractor. You are not an agent, employee, partner, or joint venture with the Company. You may not represent yourself as anything other than a Member Associate. You have no authority to bind LiBu to any obligation. You are responsible for paying your own self-employment taxes, federal income taxes and other taxes required by law. You must obey any federal, state, and local laws, as well as Company rules and regulations pertaining to your independent LiBu business or the acquisition, receipt, holding, selling, distributing or advertising of LiBu’s products or opportunity.

Member Associates may not answer the telephone by saying “LiBu,” “LiBu Company,” or by any other manner that would lead the caller to believe that they have reached LiBu’s corporate offices. A Member Associate may

only represent that he/she is a LiBu Member Associate. Therefore, all correspondence and business cards relating to or in connection with a Member Associate's LiBu business shall contain the Member Associate's name followed by the term "Member Associate."

5.9–Bonus Buying

Paying membership fees solely for the purpose of collecting bonuses or achieving rank is prohibited.

5.10 – Stacking

Stacking is the unauthorized manipulation of the LiBu compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Member Associate in an unearned manner. One example of stacking occurs when a sponsor places participants under an inactive downline participant (who may not know or have any relationship with the clients) in order to trigger unearned qualification for commissioning. Another example of stacking is the manipulative placement of Member Associates within a downline organization in order to trigger a promotion. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the Member Associate's positions of all individuals found to be directly involved.

5.11 - One LiBu Business per Member Associate

A Member Associate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one LiBu business. No individual may have, operate or receive compensation from more than one LiBu business. Individuals of the same family unit may each enter into or have an interest in their own separate LiBu businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A "family unit" is defined as spouses and dependent children living at or doing business at the same address.

5.12 - Succession

Upon the death or incapacitation of a Member Associate, their business may be passed to a designated heir(s). Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Whenever a LiBu business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Member Associate's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute a Member Associate Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Member Associate's rank/status;
- Provide LiBu with an "address of record" to which all bonus and commission checks will be sent. Bonus and commission checks of a LiBu business transferred pursuant to this section will be paid in a single check jointly to the successor(s).
- Form a business entity and acquire a federal Taxpayer Identification Number, if the business is bequeathed to joint successors. LiBu will issue all bonus and commission checks and one 1099 to the business entity.

5.13 - Sale, Transfer, or Assignment of a LiBu Business

Although a LiBu business is a privately owned, independently operated business, the sale, transfer or assignment of a LiBu business is subject to certain limitations. If a Member Associate wishes to sell their LiBu business, the following criteria must be met:

- A. Protection of the existing line of sponsorship must always be maintained so that the LiBu business continues to be operated in that line of sponsorship;
- B. The buyer or transferee must become a qualified LiBu Member Associate. If the buyer is an active LiBu Member Associate, they must first terminate their LiBu business and wait six (6) calendar months before acquiring any interest in the new LiBu business;
- C. Before the sale, transfer, or assignment can be finalized and approved by LiBu, any debt obligations the selling Member Associate has with LiBu must be satisfied; and
- D. The selling Member Associate 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 LiBu business.

Prior to selling a LiBu business, the selling Member Associate must notify LiBu's Compliance department of their intent to sell the LiBu business. No changes in line of sponsorship can result from the sale or transfer of a LiBu business. A Member Associate may not sell, transfer, or assign portions of their business—the position must be sold in its entirety.

5.14 - Separation of a LiBu Business

LiBu Member Associates sometimes operate their LiBu businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as 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 sponsorship. If the separating parties fail to provide for the best interests of other Member Associates and the Company in a timely fashion, LiBu will involuntarily terminate the Member Associate 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 LiBu business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize LiBu to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee.
- B. The parties may continue to operate the LiBu business jointly on a "business-as-usual" basis, whereupon all compensation paid by LiBu 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. The Company will never remove a party to a position from a Member Associate account without that party's written permission and signature. Under no circumstances will the downline organization of divorcing spouses or a dissolving business entity be divided. Under no circumstances will LiBu split commission and bonus checks between divorcing spouses or members of dissolving entities. LiBu will recognize only one downline organization and will issue only one commission check per LiBu business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over

the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Member Associate Agreement shall be involuntarily cancelled. If a former spouse has completely relinquished all rights in the original LiBu business pursuant to a divorce, they are thereafter free to enroll under any sponsor of their choosing without waiting six (6) calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Member Associate. In either case, however, the former spouse or business affiliate shall have no rights to any Member Associates in their former organization or to any former Member Clients. They must develop the new business in the same manner as would any other new Member Associate.

5.15- Sponsoring

All Active Member Associates in good standing have the right to sponsor and enroll others into LiBu. Each prospective Member Client or Member Associate has the ultimate right to choose his or her own Sponsor. If two Member Associates claim to be the Sponsor of the same new Member Associate or Member Client, the Company shall regard the first application received by the Company as controlling.

SECTION 6 – RESPONSIBILITIES OF MEMBER ASSOCIATES

6.1 - Change of Address, Telephone, Email-Address

To ensure timely communications, delivery of support materials and commission payments, it is critically important that the LiBu's files are current. Member Associates planning to move or change their email address must submit an amended Member Associate Agreement complete with the new information. **6.2 – Sponsoring**

Member Associate's Responsibilities

6.2.1 – Initial Training

Any Member Associate who sponsors another Member Associate into LiBu must perform a bona fide assistance and training function to ensure that their downline is properly operating their LiBu business. Member Associates must provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and Compensation Plan to individuals whom they are sponsoring to become Member Associates before the applicant signs a Member Associate Agreement. They must also attend mandatory trainings for the benefit plans that their Member Clients will be acquiring through "Association of Employee Participants for Affordable Benefits", starting first with the mandatory initial training that certifies them by "Association of Employee Participants for Affordable Benefits".

6.3 – Non disparagement

Member Associates must not disparage, demean, or make negative remarks about LiBu, other LiBu Member Associates, LiBu's products, the Compensation plan, or LiBu's owners, board members, directors, officers, or employees.

6.4- Reporting Policy Violations

Member Associates observing a Policy violation by another Member Associate should submit a written report of the violation directly to the attention of the LiBu Compliance department, complete with all supporting evidence and pertinent information. It is important to understand that information that is submitted will be kept confidential.

SECTION 7 – AUTOMATIC BILLING

7.1 - Billing

The program is automatically renewed annually with a credit or debit card maintained on file with LiBu. The Member Associate may make adjustments to their annual subscription in the back office of the LiBu website.

SECTION 8 – COMMISSIONS AND REFUND POLICY

8.1 - Bonus and Commission Qualifications

In order to qualify to receive commissions and bonuses, a Member Associate must be in good standing and comply with the terms of the Agreement and these Policies and Procedures. A Member Associate will qualify to receive commissions and bonuses so long as he/she is active. This is accomplished through the monthly payment of LiBu administrative fees and the sale of LiBu products other referred Member Clients and Member Associates. **A Member Associate is not required to maintain a personal membership but may do so if desired for purposes of this section. LiBu pays bonuses and commissions only when LiBu products are purchased by Member Clients and not for the recruitment of other Member Associates.**

8.2 - Errors or Questions

If a Member Associate has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Member Associate must notify LiBu in writing within thirty (30) days of the date of the purported error or incident in question. LiBu will not be responsible for any errors, omissions, or problems not reported to the Company within thirty (30) days.

8.3 - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of a Member Associate Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Member Associate or Member Client; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Member Associates or Member Clients (“phantoms”); and/or (d) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

8.4 - Reports

All information provided by LiBu, including but not limited to personal sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and

timeliness of orders; denial of credit card and electronic check payments, returned products; credit card and electronic check charge-backs, the information is not guaranteed by LiBu or any persons creating or transmitting the information.

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

8.5 – Refund Policy

LiBu offers a thirty (30) day satisfaction guarantee on all initial fees paid to the company. All subsequent fees are nonrefundable. When a refund is requested by a Member Associate the bonuses and commissions attributable to the refunded service will be deducted from the Member Associate who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the commission is recovered.

SECTION 9 – DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive, or unethical business conduct, or any act or omission by a Member Associate that, in the sole discretion of the Company, may damage its reputation or goodwill (such damaging act or omission need not be related to the Member Associate’s LiBu business), may result, at LiBu’s discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Member Associate to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- Withholding from a Member Associate all or part of the Member Associate’s bonuses and commissions during the period that LiBu is investigating any conduct allegedly contrary to the Agreement. If a Member Associate’s business is cancelled for disciplinary reasons, the Member Associate will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual’s Member Associate Agreement for one or more pay periods;
- Involuntary termination of the offender’s Member Associate Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which LiBu deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Member Associate’s policy violation or contractual breach;
- Instituting 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 LiBu.

9.2 - 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 **Clovis, California**, and shall last no more than two (2) business days.

9.3 - Arbitration

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by confidential arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Member Associates waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in **Clovis, California**. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Panel 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 of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.

Nothing in these Policies and Procedures shall prevent LiBu from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect LiBu's interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

9.4 - Governing Law, Jurisdiction, and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in **Clovis, California**. The Federal Arbitration Act shall govern all matters relating to arbitration. The laws of California shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the arbitration provision in this Agreement, residents of the State of Louisiana shall be entitled to bring an action against LiBu in their home forum and pursuant to Louisiana law.

SECTION 10 – EFFECT OF CANCELLATION

10.1- Effect of Cancellation and Termination

So long as a Member Associate remains active and complies with the terms of the Member Associate Agreement and these Policies, LiBu through "Association of Employee Participants for Affordable Benefits" shall pay

commissions to such Member Associate in accordance with the Compensation Plan. A Member Associate's bonuses and commissions constitute the entire consideration for the Member Associate's efforts in generating sales and all activities related to generating sales (including, but not limited to, building a downline organization). Following a Member Associate's non-continuation of his or her Member Associate Agreement, cancellation for inactivity, or voluntary or involuntary cancellation (termination) of his or her Member Associate Agreement (all of these methods are collectively referred to as "Cancellation"), the former Member Associate shall have no right, title, claim or interest to the downline organization which he or she operated, or any commission or bonus from the sales generated by the organization. Member Associates waive any and all rights, including, but not limited to, property rights, in the downline which they may have had. Following a Member Associate's cancellation of his or her Member Associate Agreement, the former Member Associate shall not hold him or herself out as a LiBu Member Associate and shall not have the right to sell LiBu products. A Member Associate whose Member Associate Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

A LiBu participant 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, or via email to LiBu. The written notice must include the Member Associate's signature, printed name, address, and ID Number.

10.2- Non-Renewal

A Member Associate may also voluntarily cancel their Member Associate Agreement by failing to pay the renewal fee. Member Associates have a sixty (60) day grace period to get back into compliance for failure to pay the administrative fee.

SECTION 11 – DEFINITIONS

AGREEMENT: The contract between the Company and each Member Associate, which includes the Member Associate Agreement, the LiBu Policies and Procedures, and the LiBu Compensation Plan, all in their current form and as amended by LiBu in its sole discretion. These documents are collectively referred to as the "Agreement."

CANCEL: The termination of a Member Associate's business. Cancellation may be either voluntary, involuntary, or through non-renewal.

COMPENSATION PLAN: The guidelines and referenced literature for describing how Member Associates can generate commissions and bonuses.

MEMBER CLIENTS: A Member Client who purchases a membership into American Labor Alliance and does not engage in building a business or selling the products.

MEMBER ASSOCIATE: An individual who pays the appropriate LiBu fees, and generates sales and business building commissions.

LINE OF SPONSORSHIP (LOS): A report generated by LiBu that provides critical data relating to the identities of Member Associates, sales information, and enrollment activity of each Member Associate's organization. This report contains confidential and trade secret information which is proprietary to LiBu.

ORGANIZATION: The Member Clients and Member Associates placed below a particular Member Associate.

OFFICIAL LiBu MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by LiBu to Member Associates.

PLACEMENT: Your position inside your Sponsor's organization.

RECRUIT: For purposes of LiBu's Conflict of Interest Policy, 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 LiBu Member Associate or Member Client to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

SPONSOR: A Member Associate who enrolls a Member Client or another Member Associate into the Company, and is listed as the Sponsor on the Member Associate Agreement. The act of enrolling others and training them to become Member Associates is called "sponsoring."

UPLINE: This term refers to the Member Associate(s) above a particular Member Associate in a sponsorship line up to the Company. It is the line of sponsors that links any particular Member Associate to the Company.