

# POLICIES AND PROCEDURES

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Living R3, LLC

Effective Date June 1st, 2023

## 1.1 - POLICIES AND PROCEDURES AND COMPENSATION PLAN INCORPORATED INTO THE MATH CLUB AGREEMENT

The Policies and Procedures, in their present form and as amended from time to time at the sole discretion of Living R3, LLC (“R3” or the “Company”), are incorporated into, and form an integral part of, the R3 Math Club Agreement. Throughout these Policies and Procedures, when the term “Agreement” is used, it collectively refers to the R3 Math Club Application and Agreement, these Policies and Procedures, the R3 Math Club Compensation Plan, and the R3 Business Entity Registration Form (if applicable). These documents are incorporated by reference into the Math Club Agreement (all in their current form and as amended by R3 from time to time). Math Club Members are Independent Business Owners/Independent Contractors and have the responsibility to read, understand, adhere to, and ensure that they are aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Living R3 Distributor (*hereafter referred to as*) “Math Club Member”, it is the responsibility of the sponsoring Math Club Member to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the R3 Compensation Plan prior to execution of the Math Club Agreement.

## 1.2 - PURPOSE OF POLICIES AND PROCEDURES

Living R3, LLC is a direct sales company that markets its products through Independent Math Club Members. It is important to understand that your success and the success of your fellow Math Club Members depends on the integrity of the individuals who market our products. To clearly define the relationship that exists between Math Club Members and Living R3, and to explicitly set a standard for acceptable business conduct, Living R3, LLC has established the Agreement.

Math Club Members are required to comply with all the Policies and Procedures which Living R3 may amend from time to time, at its sole discretion, as well as all federal, state and local laws governing their R3 business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by these Policies and Procedures. Please review the information in these Policies and Procedures carefully as they explain and govern your relationship, as an independent contractor, with the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from your Sponsor or from R3.

### 1.3 - CHANGES TO THE AGREEMENT

Because Federal, state, and local laws, periodically change, and because our business environment evolves so rapidly, R3 reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the Math Club Agreement, and joining R3 as a Math Club Member, and in consideration of accepting commissions, bonuses and awards from R3, a Math Club Member agrees to abide by the most current version of these Policies and Procedures as they are amended by R3 from time to time. In its sole discretion. Amendments shall be effective thirty (30) days after publication of a notice that Policies and Procedures have been amended. Amendments shall not apply retroactively to any conduct that occurred prior to the effective date of the amendment. R3 shall provide or make available to all Math Club Members a complete copy of the amended Policies and Procedures by one or more of the following methods: (1) posting on the Company's official web site; (2) electronic mail (e-mail); (3) posting in the Math Club Members back office; (4) inclusion in Company periodicals; or (5) special mailings. By continuing to operate a Math Club Members business or by accepting commission, bonuses or awards from R3, the Math Club Member thereby acknowledges the revised Policies and Procedures and agrees to abide by them.

### 1.4 - DELAYS

Living R3, LLC shall not be responsible for delays or failure in the 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, death, curtailment of a 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. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

## 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 R3 to exercise any right or power under the Agreement or to insist upon strict compliance by a Math Club Member 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 R3's right to demand exact compliance with the Agreement. Waiver by R3 can be effectuated only in writing by an authorized officer of the Company. R3's waiver of any particular breach by a Math Club Member, or R3's waiver of any particular provision of the Math Club Agreement or these Policies and Procedures, shall not affect or impair R3's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Math Club Member. Nor shall any delay or omission by R3 to exercise any right arising from a breach affect or impair R3's rights as to that or any subsequent breach.

The existence of any claim or cause of action of a Math Club Member against R3 shall not constitute a defense to R3's enforcement of any term or provision of the Agreement.

## SECTION 2 – BECOMING AN MATH CLUB MEMBER

### 2.1 – REQUIREMENTS TO BE A MATH CLUB

To become a Math Club Member, each applicant must:

1. a) Be of the age of majority in their state of residence;
2. b) Reside in the United States, a U.S. Territory, or any country that R3 has officially announced is open for business;
3. c) Provide R3 with their valid Social Security or Federal Tax ID number associated with their legal name\*;
4. d) Purchase the minimum amount of \$100 in R3 products; or choose any one of the \$100 Combo Packs of R3 Products.
5. e) Submit a properly completed Math Club Application and Agreement to Living R3 either in hard copy or online format.
6. f) Provide a valid physical address not associated with any other R3 account. Non-physical addresses, including P.O. boxes, General Post Office (GPO), pack station, private mail bags, and other forms of non-physical addresses, will prevent payment of commissions;
7. g) Provide a valid unique email address not associated with any other R3 account;
8. h) Provide a valid unique credit card not associated with any other R3 account;
9. i) Not be in jail or prison or otherwise confined to a correctional institution;
10. j) Not have been convicted or plead no contest to a felony within the past 7 years. Felonies that occurred more than 7 years ago will be reviewed by R3's discretion and might render an applicant ineligible to become a Math Club Member;
11. k) Not be a current employee of Living R3 or any subsidiary company, or the spouse or registered domestic partner of the foregoing;
12. k) Be authorized to run a business in the United States, a US Territory, or any country that Living R3, LLC has officially announced is open for business.

\* If an invalid Social Security Number or Tax ID is used and a valid one is not presented within a reasonable time, R3 reserves the right to terminate

the Math Club Agreement. The Company reserves the right to reject any applications for a new Math Club Member or applications for renewal.

## 2.2 - BUSINESS KITS AND PRODUCT PURCHASES

No person is required to purchase a Math Club starter kit, products, services or sales aids, or pay any charge or fee to become a Math Club Member. An initial \$55 fee is due upon execution of the distributor agreement in order for the Math Club Member to receive their own replicated R3 website as well as to access our state-of-the-art back office to track sales, commissions, genealogy reports, and sales volumes.

## 2.3 - MATH CLUB BENEFITS

Once a Math Club Application and Agreement has been accepted by R3, the benefits of the Compensation Plan and the Math Club Agreement are available to the new Math Club Member. These benefits include the right to:

1. a) Sell R3 products and profit from these sales;
2. b) Receive retail rebates/commissions on retail purchases;
3. c) Participate in the R3 Compensation Plan (receive bonuses and commissions, if eligible);
4. d) Sponsor other individuals as Customers or Math Club Members into the R3 business and thereby, build an organization and progress through the Math Club Compensation Plan;
5. e) Receive periodic R3 and Math Club literature and other R3 communications;
6. f) Participate in R3-sponsored support, service, training, motivation and recognition functions, upon payment of appropriate charges, if applicable; and
7. g) Participate in promotional and incentive contests and programs sponsored by R3 for its Math Club Members.

## 2.4 - TERM AND RENEWAL OF THE AGREEMENT

The term of the Math Club Agreement is one year from the date of its acceptance by R3 (subject to prior termination pursuant to Section 10). Math Club Members may renew their Math Club Agreement each year by paying an annual renewal fee of \$55 plus any applicable taxes, on or up to 30 days before the anniversary date of their Math Club Agreement. If the renewal fee is not paid by the Math Club's anniversary date or 30 days thereafter, the Math Club Members account will become suspended for 15 days (the "Suspension Period"). During the Suspension Period, the Math Club Member may reinstate their Math Club account for a fee of \$100.00 plus any applicable taxes. If the Math Club account is not reinstated by the end of the 15-day Suspension Period, the Math Club account will be terminated along with the Math Club Agreement. Once the Math Club Agreement is canceled, the Math Club Members account will then be terminated; their down line will "roll up" to the up line and will not be replaced. The terminated Math Club Member will need to wait six months before enrolling again.

## SECTION 3 - OPERATING A MATH CLUB BUSINESS

### 3.1 - ADHERENCE TO THE MATH CLUB MARKETING PLAN

Math Club Members must adhere to the terms of the Math Club Marketing Plan as set forth in official Math Club literature. Math Club Members shall not offer the Math Club opportunity through, or in combination with, any other system, program, sales tool, or method of marketing other than that specifically set forth in official Math Club literature. Math Club Members shall not require or encourage other current or prospective Math Club Members or Customers to participate in R3 in any manner that varies from the program as set forth in official R3 literature. Math Club Members shall not require or encourage other current or prospective Math Club Members or Customers to execute any agreement or contract other than official R3 agreements and contracts to become a Math Club Member or Customer. Similarly, Math Club Members shall not require or encourage other current or prospective Customers or Math Club Members to make any purchase from, or payment to any individual or other entity to participate in the Math Club Compensation Plan other than those purchases or payments identified as recommended or required in official Math Club literature.

## 3.2 - ADVERTISING

### 3.2.1 - GENERAL

All Math Club Members shall safeguard and promote the good reputation of R3 and its products. The marketing and promotion of R3, the Math Club opportunity, the Compensation Plan, and R3 products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and tremendous opportunity R3 offers, Math Club Members must use the sales aids and support materials produced by R3. The rationale behind this requirement is simple. R3 has carefully designed its products, product labels, Compensation Plan, and promotional materials to ensure that each aspect of Living R3 and the Math Club is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If Math Club Members were allowed to develop their own sales aids and promotional materials, notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting Living R3 business is almost certain. These violations, although they may be relatively few, would jeopardize the R3 opportunity for all Math Club Members.

Accordingly, Math Club Members must not produce their own literature, advertisements, sales aids, business tools, promotional materials, or Internet web pages. Nor may Math Club Members use any literature, advertisements, sales aids, business tools, promotional materials, or Internet web pages obtained from any source other than the Company. Math Club Members may download and obtain approved promotional materials through the Back Office.

### 3.2.2 - SOCIAL MEDIA

A. In addition to meeting all other requirements specified in these Policies and Procedures, should a Math Club Member utilize any form of social media, the Math Club Member agrees to each of the following:

1. No product sales or enrollments may occur on any social media site. To generate sales, a social media site must link only to the Math Club Members Replicated R3 Website.

2. 2. It is each Math Club Members responsibility to follow the social media site's terms of use. If the social media site does not allow its site to be used for commercial activity, you must abide by the site's terms of use.
3. 3. A Math Club Member may not use any social media site on which they discuss or promote, or have discussed or promoted, the R3 business or R3's products to directly or indirectly, solicit Math Club Members for another direct selling or network marketing program (collectively, "direct selling"). In furtherance of this provision, a Math Club Member shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Math Club Members relating to the Math Club Members other direct selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision in Section 3.10 below. This provision applies during the term of this Agreement and for a period of 12 calendar months thereafter.
4. 4. Math Club Members must clearly identify themselves as Independent Living R3 contractors along with a link to their replicating site. Math Club Members may use the Independent Living R3 or Math Club logo in social networking profiles. The independent logos are available in the Back Office under Resource Library.
5. 5. Math Club Members may not take any action or create any profile to confuse a reasonable person to believe they have landed on an official Corporate social media page, including but not limited to using the R3 or Math Club logos or anything similar in their profile photo or banner.

If a Math Club Member creates a business profile page on any social media site that promotes or relates to R3, its products, or opportunity, the business profile page must relate exclusively to the Math Club Members R3 business and R3 products. If the Math Club Members business is canceled for any reason or if the Math Club Member becomes inactive, the Math Club Member must deactivate the business profile page.

## B. Testimonials and "Before and After" Photos

1.1. All testimonials and “before and after” photos must be truthful, transparent, supported, and consistent with current R3 product claims. To post “before and after” photos, Math Club Members must do the following:

1. a. Identify the person and if the person is a relative or immediate household member of an R3 independent Math Club Member”;
2. b. Share their genuine results;
3. c. Clearly and conspicuously disclose how often and how long the R3 products were used, (unless otherwise directed by corporate materials) and whether any other products or treatments contributed to the results;
4. d. Clearly and conspicuously disclose the name of the R3 product(s) used.
5. e. The “before and after” photos must be taken under the same conditions and touch-ups and photo editing are not permitted.
6. f. Subject must be recognizable as the same person in each photo.
7. h. Math Club Members may not use “stock” photos to advertise, sell, or offer to sell R3 Products.
8. i. Math Club Members must be able to defend the origin and appearance of all posts.

### 3.2.3 - 3.2.3 ONLINE CONDUCT

#### A. No Independent Websites

No Math Club Member may independently design a website that uses the names, logos, or product descriptions of R3, the Math Club or otherwise promotes (directly or indirectly) R3 products or the Math Club opportunity. A Math Club Member shall not use “blind” ads on the Internet that make product or income claims which are ultimately associated with R3 products, the Math Club opportunity, or the Math Club Compensation Plan. The use of any other Internet website or web page (including without limitation auction sites such as eBay) in any way to promote to the sale of R3 products, the Math Club opportunity, or the Compensation Plan is a breach

of these Policies and Procedures and may result in any of the disciplinary sanctions set forth in Section 8.1.

## B. Replicated Websites

If a Math Club Members desire to utilize an Internet web page to promote their business, they may do so through the Company's replicated website program only. This program permits Math Club Members to advertise on the Internet and can be personalized with the Math Club Members message and the Math Club Members contact information. These websites seamlessly linked directly to the official Living R3 website giving the Math Club Member a professional and Company-approved presence on the Internet.

There is no additional charge for the Replicated Website. Math Club Members are solely responsible and liable for the content they add to their Replicated Websites and must regularly review the content to ensure it is accurate and relevant.

Math Club Members may not alter the branding, artwork, look, or feel of their Replicated Websites, and may not use their Replicated Websites to promote, market or sell non-R3 products, services or opportunity. Specifically, a Math Club Member may not alter the look (placement, sizing etc.) or functionality of the following:

- The R3 Independent Math Club Logo
- The Math Club Members Name
- R3 Corporate Website Redirect Button
- Artwork, logos, or graphics
- Original text.

Because Replicated Websites reside on the LivingR3.com domain, Living R3, LLC reserves the right to receive analytics and information regarding the usage of your Replicated Website.

By default, a Math Club Members Replicated R3 Website URL is [www.LivingR3.com/< Math Club ID#>](http://www.LivingR3.com/< Math Club ID#>) . The Math Club Member must change this default ID and choose a uniquely identifiable website name that cannot:

- Be confused with other portions of the R3 corporate website;
- Confuse a reasonable person into thinking they have landed on a R3 corporate page;
- Be confused with any Living R3 name;
- Contain any discourteous, misleading, or off-color words or phrases that may damage Living R3 image.

Math Club Members may not monetize their Replicated Websites through affiliate programs, adSense or similar programs.

### C. Domain Names and Email Addresses

Math Club Members may not use or attempt to register any of Living R3 or Math club trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name. Nor may Math Club Members incorporate or attempt to incorporate any of the Company's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, into any email address except in manner approved by the company.

### D. Linking

When directing web traffic to an R3 Replicated Website it must be evident from a combination of the link and the surrounding context that the link will be connecting to the site of an independent R3 Math Club Member. Attempts to mislead web traffic into believing they are going to an Living R3 corporate site, when in fact they land at a Math Club Members Replicated Website, will not be allowed. The determination as to what is misleading to

a reasonable reader or user of the site will be determined by Living R3 in its sole discretion.

#### E. Online Classifieds

Math Club Members may not use online classifieds (including Craigslist) to list, sell or retail specific R3 products or product bundles. Math Club Members may use online classifieds (including Craigslist) for prospecting, recruiting, sponsoring and informing the public about the R3 opportunity, provided R3-approved templates/images are used. These templates will identify the Math Club Member as an Independent R3 Math Club Member. If a link or URL is provided, it must link to the Math Club Members Replicated Website.

#### F. eBay / Online Auctions

R3 products may not be listed on eBay or other online auction sites, nor may Math Club Members enlist or knowingly allow a third party to sell R3 products on eBay or other online auctions.

#### G. Buy and Sell Sites

Living R3 prohibits the listing or selling of R3 products on buy and sell sites such as Amazon, eBay, Facebook Groups, Walmart.com and other buy/trade/swap pages or social media platforms. The retailing of any R3 products through these sites or platforms is a serious violation and will result in sanctions up to and including the suspension or termination of your R3 account. R3 does permit the use of these forums to help promote and advertise an Independent Math Club Members availability, the Math Club opportunity and R3 products. (Please refer to 3.6.2 – Product Claims and 3.6.3 - Income Claims for further guidance.)

#### H. Banner Advertising

Math Club Members may place banner advertisements on a website provided the Math Club Member uses R3- approved templates and images. All banner advertisements must link to a Math Club Members Replicated Website. Math Club Members may not use blind ads (ads that do not disclose the identity of the Company) or web pages that make product or

income claims that are ultimately associated with R3 products or the Math Club opportunity.

#### I. Spam Linking

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

#### J. Video, Audio and Digital Media

Math Club Members may upload, submit, or publish R3 or Math club related video, audio or photo content that they develop and create to advertise or promote R3 products and the opportunity. Math Club Members must ensure that any claims made about R3 products, or the opportunity are in compliance with R3 Policies and Procedures. All material must align with R3 values, contribute to the R3 community and greater good. Math Club Members must clearly identify themselves as an Independent R3, Math Club Member in the content itself and in the content description tag, must comply with all copyright/legal requirements, and must state that they are solely responsible for the content.

#### K. Sponsored Links / Pay-Per-Click (PPC) Ads

Sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to the sponsoring Math Club Members Replicated Website. The display URL must also be to the sponsoring Math Club Members Replicated Website and must not portray any URL that could lead the user to believe they are being directed to an R3 Corporate site or be inappropriate or misleading in any way.

#### L. Enticements for Enrollment

Living R3 does not condone the use of any publicly shared enticements as a means of encouraging or enticing enrollment in the Math Club. Such unacceptable enticements include money, free or reduced product, special

training, raffles, giveaways, buy-outs, and other similar forms of enticements. Any publicly shared social media posts, announcements or give-a-ways are unacceptable and an attempt to “buy the business” and are not condoned by Living R3 or its Field Leaders.

R3 allows personally negotiated offers (such as offering product samples) between a Math Club Member and personal prospects. R3 also allows incentives offered by a Math Club Member to a member of that Math Club Members team as a deserved award for sales or recognition. This enticement policy applies to both attempted enticements of Math Club Members and Customers.

#### 3.2.4 - TELEPHONE DIRECTORY LISTINGS AND TELEPHONE ANSWERING

Math Clubs may list themselves as an “Independent R3 Math Club Member” in the white or yellow pages of the telephone directory, or with online directories, under their own name. No Math Club Member may place telephone or online directory display ads using R3’s name or logo. Math Club Members may not answer the telephone by saying “R3”, “Living R3”, or in any other manner that would lead the caller to believe that they have reached the corporate offices of Living R3. A Math Club Member may use the phrase Independent Living R3 or Math Club Member in telephone greetings or on an answering machine or voicemail system to clearly separate the Math Club Members independent Math Club business from R3.

If Math Club Members wish to post their name in a telephone or online directory, it must be listed in the following format:

Math Club Members Name  
Independent Math Club Member

#### 3.2.5 - TRADEMARKS AND COPYRIGHTS

The name of Living R3 and other names as may be adopted by R3 are proprietary trade names, trademarks and service marks of R3 (collectively “marks”). As such, these marks are of great value to Living R3 and are supplied to Math Club Members for their use only in an expressly authorized manner. Living R3 will not allow the use of its trade names, trademarks, designs, or symbols by any person, including R3 Math Club Members, without its prior, written permission. As an independent Math Club Member, you may use the Living R3 name in the following manner

Math Club's Name  
Independent Math Club Member

Example:  
Alice Smith  
Independent Math Club Member

The content of all Company sponsored events is copyrighted material. Math Club Members may not produce for sale or distribution any recorded Company events and speeches without written permission from R3; nor may Math Club Members reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

Math Club Members may create team branded gear to gift to team members. Items may not be sold for profit or be promoted at R3 events. The approved R3 logos are found in the back office. R3 reserves the right to require Math Club Members to cease distribution of any item with the name Living R3 or The Math club on it if deemed inappropriate, at R3's sole discretion.

### 3.2.6 - MEDIA AND MEDIA INQUIRIES

Math Club Members must not attempt to respond to media inquiries regarding Living R3, its products, or their independent Math Club business. All inquiries from any type of media must be immediately referred to the Living R3 Home Office. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

### 3.2.7. - TELEVISION AND RADIO ADVERTISING

Math Club Members must not utilize radio or television media for the advertising, distribution or promotion of R3 products or opportunity without the express written consent of R3. In the event that R3 does grant permission for the use of such media, R3 must have final authority on every stage of the productions process with full rights to all recordings.

### 3.2.8 - UNSOLICITED EMAIL

R3 does not permit Math Club Members to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by a Math Club Member that promotes R3, the Math Club opportunity, or R3 products must comply with the following:

1. a) That the person is agreeing to receive commercial electronic messages relating to R3, its products, or the Math Club opportunity;
2. b) That the person is agreeing to receive commercial electronic messages from you, and from Living R3;
3. c) Your name;
4. d) That you are asking for consent on behalf of yourself, and Living R3
5. e) Your mailing address;
6. f) Either a telephone number, email, or web address, you use as a Math Club Member; and
7. g) A statement of consent can be withdrawn.

Living R3 may periodically send commercial emails on behalf of Math Club Members. By entering into the Math Club Agreement, Math Club Member agrees that the Company may send such emails and that the Math Club Members physical and email addresses will be included in such emails as outlined above. Math Club Members shall honor opt-out requests generated because of such emails sent by the Company.

### 3.2.9 – UNSOLICITED DIRECT MESSAGES ON SOCIAL MEDIA

Except as provided in this section, Math Club Members may not use or transmit unsolicited DM'S or "Direct messages" or use an automatic messaging system for social media in connection with the operation of their Math Club businesses. The term "unsolicited direct messages/private messages" means the transmission of a message on social media of any material or information advertising or promoting R3, its products, the Compensation Plan or any other aspect of the company, which is

transmitted to any person, except that any person with whom the Math Club Member has an established business or personal relationship. The term “established business or personal relationship” means a prior or existing relationship formed by a voluntary two-way communication between a Math Club Member and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Math Club Member; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party. The term “automatic direct/private messaging system” means software which has the capacity to: (a) store or produce messages to be sent via direct/private, using a random or sequential social media profile generator; (b) or specifically targeting a specific profile.

### 3.3 - BONUS BUYING PROHIBITED

Bonus buying is strictly prohibited. “Bonus buying” includes: (a) the enrollment of individuals or entities without the knowledge, or execution of an Independent Math Club Member Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Math Club Member; (c) “stacking” which is the specific placement of an individual Customer or Math Club Member under a person within one’s downline, other than the person who introduced them to R3, in order to qualify yourself or others for rank advancements, incentives, prizes, commissions or bonuses; (d) the enrollment or attempted enrollment of nonexistent individuals or entities as Math Club Members; (e) purchasing R3 products on behalf of another Math Club Member or under another Math Club Members I.D. number, to qualify for commissions or bonuses; (f) purchasing excessive amounts of R3 products that cannot reasonably be used or resold in a month; and (g) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that are not driven by bona fide product purchases by end consumers.

### 3.4 - BUSINESS ENTITIES

A corporation, limited liability company (LLC), sole proprietor, partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be a Math Club Member by submitting a properly completed Math Club Member Application and Agreement, a properly completed Business

Entity Registration Form, and a properly completed IRS Form W-9, or any other document listed as required on the Business Entity Registration Form. If a Math Club Member enrolls online, the Entity Documents and Business Entity Registration Form must be submitted to R3 within 30 days of the online enrollment. (If not received within the 30-day period, the Math Club Member Agreement shall automatically terminate.) The Business Entity Registration Form must be signed by all the shareholders, members, partners or trustees. The Business Entity and its shareholders, members, managers, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties") are individually, jointly and severally liable for any indebtedness to R3, compliance with the R3 Policies and Procedures, compliance with the Math Club Agreement, and all other obligations to R3 hereunder.

To prevent the circumvention of Section 3.28 (which prohibits the sale, transfer, or assignment of a R3 business without Living R3 written authorization), additional partners, shareholders, members or other Affiliated Parties may be added to a Business Entity only upon the written approval of the Company. If a partner, shareholder, member or other Affiliated Party is added without the Company's approval, the Math Club Member Agreement may be canceled at the Company's discretion. There is a \$50.00 fee for each change requested, which must be included with the written request and completed Math Club Member Application and Agreement. R3 may, at its discretion, require notarized documents before implementing any changes to a Math Club Members business. Please allow thirty (30) days after the receipt of the request by R3 for processing. Note that the changes permitted within the scope of this section do not include a change of sponsorship. Changes of sponsorship are addressed in Section 3.5 below.

#### **3.4.1 - CHANGES TO A BUSINESS ENTITY**

Math Club Members may change their status under the same Sponsor from an individual to a Business Entity or from one type of Business Entity to another. There is a \$50.00 fee for each change requested, which must be included with the Business Entity Registration form and any specific documents listed as required on the Business Entity Registration form... Such change requests must be submitted prior to December 1 to become effective on January 1 of the following year. In addition, Math Club Members operating their Math Club businesses utilizing a Business Entity must notify

R3 of the addition or removal of any officers, directors, shareholders, managers, members or other Affiliated Parties of the Business Entity.

### 3.5 - CHANGE OF SPONSOR

To protect the integrity of all Math Club Member organizations and safeguard the hard work of all Math Club Members, R3 strongly discourages changes in sponsorship. Maintaining the integrity of sponsorship is critical to the success of every Math Club Member and to Living R3. Therefore, the transfer of a Math Club Member from one sponsor to another is not permitted except when a mistake is made in choosing the correct Sponsor while completing the Math Club online enrollment.

Errors must be reported during the initial thirty (30) day period immediately following the date that a Math Club Member or Customer first joins R3. Sponsor corrections are not permitted after an initial thirty (30) day period. To request a Sponsor correction, a Math Club Member or Customer must contact Customer Service to initiate the request process. All Sponsor correction requests are subject to approval not only by the Company, but also by the current Sponsor and new Sponsor.

*\*In certain circumstances, R3 may use its discretion to assign a Sponsor that may be in the best interest of the R3 business, or the business of the Math Club Members involved.*

#### 3.5.1 - CANCELLATION AND RE-APPLICATION

Math Club Members may legitimately change organizations by voluntarily cancelling their Math Club business in writing and remaining inactive (i.e., no purchases of R3 products for resale, no sales of R3 products, no sponsoring, no attendance at any R3 functions, and no participation in any other form of Math Club activity, or operation of any other R3 business) for six (6) full months. . Spouses and other members of the Math Club Members household may not enroll during this six-month period.

#### 3.5.2 - NON-CIRCUMVENTION; WAIVER OF CLAIMS

In the event a Math Club Member circumvents the above policies regarding change of Sponsor and changes to a Business Entity or a member of the Math Club Members household enrolls prior to the six and another downline

organization has been developed in the second business developed by a Math Club Member, Living R3 reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult.

Therefore, MATH CLUB MEMBERS WAIVE ANY AND ALL CLAIMS AGAINST LIVING R3, LLC, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM R3'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.

## 3.6 - UNAUTHORIZED CLAIMS AND ACTIONS

### 3.6.1 - INDEMNIFICATION

Math Club Members are fully responsible for all of their verbal and written statements made regarding R3 products and the Compensation Plan that are not expressly contained in official R3 materials. This includes statements and representations made through all sources of communication media, whether person-to-person, in meetings, online, through social media, in print, or any other means of communication. Math Club Members agree to indemnify R3 and its directors, officers, employees, and agents and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by R3 as a result of the Math Club Members unauthorized representations or actions. This provision shall survive the termination of the Math Club Member Agreement.

### 3.6.2 - PRODUCT CLAIMS

No claims as to therapeutic, curative or beneficial properties of any products offered by Living R3 may be made except those contained in official R3 literature. In particular, Math Club Members may not make claims that R3 products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims, and they may lack adequate substantiation. Not

only are such claims in violation of the Math Club Member Agreement, but they also violate the laws and regulations of the United States, Canada, and other countries.

### 3.6.2. A - PRODUCT COMPARISONS

Living R3 strongly encourages all of its Math Club Members to promote the benefits of R3's amazing products and its revolutionary Math Club Marketing Opportunity. Math Club Members may not make product comparisons against the products of other companies, except as specifically set forth in official R3 marketing materials. Any other product comparisons made by a Math Club Member are prohibited and are a violation of these Policies and Procedures and may result in potential legal claims for trademark infringement and defamation against the Math Club Member making such comparisons, as well claims against R3.

### 3.6.3 - INCOME CLAIMS PROHIBITED

Math Club Members may only make income or lifestyle claims that are truthful, accurate and represent what the typical earner is likely to achieve. Any writings, including social media posts and profiles, email signature blocks, or written personal stories promoting or sharing personal income are strictly prohibited.

Math Club Members are also required to explain that actual earnings and sales vary from person to person depending on factors including personal skill and the time and effort dedicated to business building activities.

Math Club Members, when presenting or discussing the Math Club opportunity or Compensation Plan, may not make income projections, guaranteed income statements, disclose their Math Club income (including the showing of their R3 Payment Card records, Back-office records, bank statements, or tax records), non-typical income or lifestyle claims, stated or implied (per the R3 IDS). Additionally, Math Club Members must not engage in any misleading, deceptive or unfair conduct and not make false representations or exaggerated claims.

The Federal Trade Commission and several states have laws or regulations that prohibit certain types of income claims and testimonials made by persons engaged in direct selling. While Math Club Members may believe it

beneficial to share copies of their earnings or others, such approaches have legal consequences that can negatively impact Living R3 as well as the Math Club Member making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation.

#### 3.6.4 - COMPENSATION PLAN CLAIMS

When presenting or discussing the Math Club Compensation Plan, Math Club Members must make it clear to prospective Math Club Members that financial success with R3 requires effort, commitment, honor, and sales skill. Conversely, Math Club Members must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include:

- It's a turnkey system;
- The system will do the work for you;
- Just get in and your downline will build through spillover;
- Just join and I will build your downline for you;
- The company does all the work for you;
- You don't have to sell anything; or
- All you have to do is buy your products every month.

The above are just examples of improper representations of the Compensation Plan. It is important that Math Club Members do not make these or any other representations that could lead a prospective Math Club Member to believe that an individual can be successful as a Math Club Member without commitment, effort, and sales skill.

#### 3.7 - REPACKAGING AND RE-LABELING PROHIBITED

R3 products may only be sold in their original packaging. Math Club Members may not repackage, re-label, or alter the labels on R3 products. Tampering with labels/packaging could be a violation of federal and state laws and may result in civil or criminal liability. Math Club Members may affix a personalized sticker with the Math Club Members personal/contact information to each product or product container, if this is done without removing existing labels or covering any text, graphics, or other material on the product label.

### 3.8 - COMMERCIAL OUTLETS

Math Club Members may sell R3 products from a commercial outlet and may display or sell R3 products or literature in a retail or service establishment but only as outlined below.

Math Club Members may sell R3 products from service establishments that are open to the public on an appointment basis and the R3 products (or literature) are not displayed in locations that are accessible to the general public. (i.e., The individual stall or reception area is acceptable but, in the window, or reception area of a salon is not acceptable).

Online auction and/or sales facilitation websites, including but not limited to eBay and Craig's List constitute Commercial Outlets, and may not be used to sell R3 products.

### 3.9 - TRADE SHOWS, EXPOSITIONS AND OTHER SALES FORUM

Math Club Members may display and/or sell R3 products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Math Club Members must contact the R3 Home Office and obtain permission in writing for conditional approval, as Living R3 policy is to authorize only one R3 business per event. Final approval will be granted to the first Math Club Member who submits an official advertisement of the event, a copy of the contract signed by both the Math Club Member and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any request to participate in future events must again be submitted to the Brand Guideline Department. R3 further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products or the Math Club opportunity. Approval will not be given for swap

meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image R3 wishes to portray.

### 3.10 - PARTICIPATION IN OTHER DIRECT SELLING OR COMPETING VENTURES

Math Club Members are free to participate in other direct selling ventures or marketing opportunities, multilevel marketing, network marketing, or relationship marketing opportunities, as long as they keep their organizations and downlines separate.

If a Math Club Member of their immediate household, is engaged in multilevel marketing, network marketing, relationship marketing or direct sales opportunity or any business that sells competing products, it is the responsibility of the Math Club Member to ensure that the R3 business is operated entirely separate and apart from any other program in which the Math Club Member participates. To this end, Math Club Members shall:

1. a.) Not target, or share non-R3 opportunities or products with, Math Club Members, employees or Customers via any social media platforms used to promote R3 products.
2. b.) Not display R3 promotional materials, sales aids, or products with or in the same location as any non-R3 promotional materials, sales aids, products, or services.
3. c.) Not offer the R3 opportunity or products to prospective or existing Customers or Math Club Members in conjunction with any non-R3 program, opportunity, product, or service.
4. d.) Not offer any non-R3 opportunity, products, services, training, or opportunity at any R3- related meeting, seminar, convention, webinar, teleconference, or other function.
5. e.) Not transfer their business or use other names or ID numbers (including that of a spouse, relative, household member, business, or others legal entity such as a corporation or trust), to evade or circumvent the above policies.

6. f.) Not display or bundle R3 products or services in sales literature, on a website, social media or in sales meetings, with any other products or services.

General:

During the period that a Math Club Member operates an independent Math Club business and continues to receive commission or bonus payments from Living R3 in connection with that independent R3-Math Club business (the "Term of the Agreement") Math Club Members may not directly or indirectly, recruit any other Math Club Member, employee or Customer for any other direct selling business.

A violation of any of the provisions in this Section 3.10, as well as Section 3.10.1, shall constitute unreasonable and unwarranted contractual interference between R3 and its Math Club Members and would cause irreparable harm on R3. In such event, R3 may, at its sole discretion, impose any sanction it deems necessary or appropriate against such Math Club Member or such Math Club Members independent distributorship, or seek immediate injunctive relief without the necessity of posting a bond. Such sanction may include, without limitation, suspension of commissions and bonuses, fines, restriction from R3 events and recognition or termination of a Math Club Members independent R3 distributorship.

### 3.10.1 - NON-SOLICITATION

Math Club Members may not directly or indirectly recruit any other Math Club Member or Customer for any other direct selling business. The term "recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or any effort to influence in any other way, either directly or indirectly (i.e., through a third party), another Math Club Member, employee, or Customer to enroll or participate in another multilevel marketing, network marketing, relationship marketing or direct sales opportunity. This includes:

1. a.) posting or messaging information about another multilevel marketing, network marketing, relationship marketing or direct sales

opportunity or products on any social media site utilized by a Math Club Member to promote their R3 business\* and “business” is inclusive of information shared about the products, services, or income opportunity of R3,

2. b.) tagging any Math Club Member, employee, or customer in a post on any social media site that provides information or offers to provide information about another multilevel marketing, network marketing, relationship marketing or direct sales opportunity,
3. c.) communicating information or offering to provide information about another multilevel marketing, network marketing, relationship marketing or direct sales opportunity.

\*In reference to a.) above, deleting past R3 content from a social media page in order to circumvent this policy is not permitted.

A Math Club Member shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other Math Club Members relating to the Math Club Members other direct selling, network.

Violation of Section 3.10.1 may result in the immediate termination of the violating Math Club Members Agreement

Math Club Members and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Math Club Members and R3 agree that the non-solicitation provision set forth in this Section 3.10.1 shall apply nationwide and to all international markets in which R3 Math Club Members are located.

### 3.10.2 - MATH CLUB ACTIVITY (GENEALOGY) REPORTS— CONFIDENTIAL INFORMATION

“Confidential Information” includes, but is not limited to, Math Club Activity Reports, the identities of R3 Customers and Math Club Members, contact

information of R3 Customer and Math Club Members, Math Club Members' sales volume information. Confidential Information is or may be available for Math Club Member access and viewing at the Back Office of each Math Club Members replicated R3 website. Math Club Member access to such Confidential Information is password protected. All Math Club Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to R3. Math Club Activity Reports are provided to Math Club Members in strictest confidence and are made available to Math Club Members for the sole purpose of assisting Math Club Members in working with their respective Marketing Organizations in the development of their R3 businesses. Math Club Members may not use any Confidential Information for any purpose other than for developing their independent R3 businesses. Where a Math Club Member participates in other direct selling or multilevel marketing ventures, the Math Club Member is not eligible to have access to certain Confidential Information, including, but not limited to, Downline Genealogy Reports. Math Club Members should use the Confidential Information to assist, motivate, and train their downline Math Club Members, and for no other purpose. In so doing, Math Club Members may not disclose the Confidential Information to any third party, including, without limitation, downline Math Club Members. The Math Club Member and R3 agree that, but for this agreement of confidentiality and nondisclosure, R3 would not provide Confidential Information (including Math Club Activity Reports) to the Math Club Member.

To protect the Confidential Information, Math Club Members shall not, on their own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly use or disclose any Confidential Information to any third party;
- Directly or indirectly disclose, to any individual, partnership, association, corporation, or other entity, the password or other access code to their Back Office;
- Use any Confidential Information to compete with R3 or for any purpose other than promoting or supporting their R3 business; or
- Recruit or solicit any Math Club Member or Customer listed on any Math Club Member Activity Report or any other report in the Math Club Members Back Office, or in any manner attempt to influence or

induce any such Math Club Member or Customer to alter their business relationship with R3.

The obligation of a Math Club Member to not disclose any Confidential Information shall survive cancellation or termination of the Agreement and shall remain effective and binding irrespective of whether a Math Club Members Agreement has been terminated, or whether the Math Club Member is or is not otherwise affiliated with the Company.

Upon demand by the company, any current or former Math Club Member will return the original and all copies of Math Club Member Activity Reports to the Company.

### 3.11 - TARGETING OTHER DIRECT SELLERS

R3 does not condone Math Club Members specifically or consciously targeting the sales force of another direct sales company to sell R3 products or to become Math Club Members for R3 nor does R3 condone Math Club Members solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Math Club Members engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against a Math Club Member alleging engagement in inappropriate recruiting activity of its sales force or customers, R3 will not pay any of the Math Club Members defense costs or legal fees, nor will R3 indemnify the Math Club Member for any judgment, award, or settlement.

### 3.12 - CROSS-SPONSORING

Actual or attempted cross-sponsoring is strictly prohibited. "Cross-sponsoring" or "Poaching" is defined as the enrolment of an individual or entity that already has a current Math Club Agreement on file with R3 or who has had such an agreement within the preceding six 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 ID numbers, fictitious ID numbers or any strawman or other artifice to circumvent this policy is prohibited. Math Club Members shall not

demean, discredit or defame other Math Club Member in an attempt to entice another Math Club Member to become part the first Math Club Members Marketing Organization.

If Cross-Sponsoring is discovered, it must be brought to the Company's attention immediately. R3 may take disciplinary action against the Math Club Member that changed organizations and/ or those Math Club Members who encouraged or participated in the Cross-Sponsoring. R3 may also move all or part of the offending Math Club Members Marketing Organization to the original marketing Organization if the Company deems it equitable and feasible to do so. However, R3 is under no obligation to move the Cross-Sponsored Math Club Members Marketing Organization, and the ultimate disposition of the organization remains within the sole discretion of R3. Math Club Members waive all claims and causes of action against R3 arising from or relating to the disposition of the Cross-Sponsored Math Club Members Marketing Organization.

### 3.13 - ERRORS OR QUESTIONS

If a Math Club Member has questions about or believes any errors have been made regarding commissions, bonuses, Math Club Member Activity Reports, or charges, the Math Club Member must notify R3 in writing within 30 days of the date of the purported error or incident in question. R3 will not be responsible for any errors, omissions or problems not reported to the Company within 30 days.

### 3.14 - GOVERNMENTAL APPROVAL, CERTIFICATION, OR ENDORSEMENTT

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Math Club Members shall not represent or imply that R3 or its Math Club Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

Math Club Members must not state or imply that R3's products and ingredients are certified or approved by regulatory or government entities. The Food and Drug Administration regulates cosmetic and supplement products in the marketplace but does not approve or certify these categories of products.

### 3.15 - HOLDING APPLICATIONS OR ORDERS

Math Club Members must not manipulate enrollments of new applicants and purchases of products. All Math Club Member Applications and Agreements must be sent to Living R3 within 72 hours from the time they are signed by an Applicant. Likewise, all product orders must be submitted to Living R3 within 72 hours from the time that they are placed by Customers.

### 3.16 - IDENTIFICATION

All Math Club Members are required to provide their legal name associated with their valid Social Security Number or a Federal Employer Identification Number to Living R3 on the Math Club Member Application and Agreement. Upon enrollment, the Company will provide a unique Math Club Member Identification Number to the Math Club Member. This number will be used for identification, to place orders, and track commissions and bonuses.

### 3.17 - INCOME TAXES

Each Math Club Member is responsible for paying local, state and federal taxes on any income generated as an Independent Math Club. If a Math Club Members R3 business is tax exempt, the Federal tax identification number must be provided to R3. Every year, R3 will provide an IRS form 1099 NEC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings, received trips, prizes or awards, in any combination valued at \$600 or more in the previous calendar year.

R3 cannot provide Math Club Members with any personal tax advice. Math Club Members should consult with their own tax accountant, tax attorney, or other tax professional.

### 3.18 - INDEPENDENT CONTRACTOR STATUS

Math Club Members are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between R3 and its Math Club Members does not create an employer/ employee relationship, agency, partnership, or joint venture between the Company and the Math Club Member. Math Club Members shall not be treated as employees for their services or for Federal or State tax purposes. All Math Club Members are responsible for paying local, state, and federal taxes due from all

compensation earned as a Math Club Member of the Company. The Math Club Member has no authority (expressed or implied), to bind the Company to any obligation. Math Club Members shall establish their own goals, hours, and methods of sale, so long as they complied with the terms of the Consultant Agreement, these Policies and Procedures, and applicable laws.

### 3.19 - INSURANCE

Math Club Members may wish to arrange insurance coverage for their business. Homeowner's insurance policies typically do not cover business-related injuries or the theft of or damage to inventory or business equipment. Math Club Members are advised to contact their insurance agents to make certain that their business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to the Math Club Members homeowner's policy.

### 3.20 - INVENTORY LOADING

Math Club Members must never purchase more products than they can reasonably use or sell to Customers in a month, and must not influence or attempt to influence any other Math Club Member to buy more products than they can reasonably use or sell to Customers in a month.

Math Club Members certify with each new product order that they have sold or consumed a minimum of 70% of all products purchased in prior orders. R3 reserves the right to verify resale of product inventory and inspect documentation of Customer sales. Math Club Members are not required to carry an inventory of products or sales aids.

### 3.21 - ADHERENCE TO LAWS AND ORDINANCES

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

### 3.22 - MINORS

A person who is recognized as a minor in his/her state of residence may not be a Math Club Member. Math Club Members shall not enroll or recruit minors into the R3-Math Club program.

### 3.23 - ONE R3 BUSINESS PER MATH CLUB MEMBER AND PER HOUSEHOLD

A Math Club Member may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Math Club business. No individual may have, operate or receive compensation from more than one Math Club business.

An exception to the one business per Math Club Member/Household rule will be considered on a case-by-case basis if two Math Club Members get married or move in together, or in cases of a Math Club Member receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to the Compliance Department.

### 3.24 - ACTIONS OF HOUSEHOLD MEMBERS OR AFFILIATED

INDIVIDUALS

If any member of an Math Club Members immediate household engages in any activity which, if performed by the Math Club Member, would violate any provision of the Agreement, such activity will be deemed a violation by the Math Club Member and R3 may take disciplinary action pursuant to these Policies and Procedures against the Math Club Member. Similarly, if any individual associated in any way with a Business Entity (collectively “affiliated individual”) violates the Agreement, such action (s) will be deemed a violation by the entity, and R3 may take disciplinary action against the Business Entity.

### 3.25 - REQUEST FOR RECORDS

Records are available online at no additional charge in the Math Club Members back-office account. Any request from a Math Club Member for copies of invoices, applications, Math Club Member Activity Reports, or other records will require a fee of \$2.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

### 3.26 - ROLL-UP

When a vacancy occurs in a Marketing Organization due to the termination of a Math Club Members Agreement, each Math Club Member in the first level immediately below the terminated Math Club Member on the date of the cancellation will be moved to the first level (“front line”) of the terminated Math Club Members sponsor. For example, if A sponsors B, and B sponsors C1, C2, and C3, if B terminates her business, C1, C2, and C3 will “roll-up” to A and become part of A’s first level.

*\* In certain circumstances, R3 may use its discretion to assign a Sponsor who is different than the Sponsor that would be assigned through a front-line roll-up.*

### 3.27 - SALE, TRANSFER OR ASSIGNMENT OF A R3 BUSINESS

Although a Math Club business is a privately owned and independently operated business, the sale, transfer or assignment of a Math Club business, and the sale, transfer, or assignment of an interest in a business entity that owns or operates a Math Club business, is subject to certain limitations. If a Math Club Member wishes to sell their Math Club business, or interest in a

business entity that owns or operates a Math Club business, the following criteria must be met:

1. a) The selling Math Club Member must offer R3, in writing, the right of first refusal to purchase the business on the same terms as agreed upon with a third-party buyer. R3 shall have fifteen (15) days from the date of receipt of the written offer to exercise its right of first refusal.
2. b) The buyer or transferee must become a qualified Math Club Member. The buyer or transferee must accept the R3/Math Club Agreement and the R3 Policies and Procedures. If the buyer is an active Math Club Member, they must first terminate their active Math club position.
3. c) Before the sale, transfer or assignment can be finalized and approved by R3, any debt obligations the selling party has with R3 must be satisfied.
4. d) The selling party must be in good standing and not in violation of any of the terms of the Agreement, or the Policies and Procedures, to be eligible to sell, transfer or assign a R3 business.
5. e) The buyer or transferee must pay a \$150 R3 account transfer fee.

Prior to selling an independent Math Club business or Business Entity interest, the selling Math Club Member must notify R3's Compliance Department in writing and advise of their intent to sell their R3 business or business entity interest. The selling Math Club Member must also receive written approval from the Compliance Department before proceeding with the sale. No changes in line of sponsorship can result from the sale or transfer of an independent R3 business.

### 3.28 - SEPARATION OF A R3 BUSINESS

Math Club Members may sometimes operate their Math Club businesses as husband-wife partnerships, regular partnerships, corporations, LLCs, trusts, or other Business Entities. When a marriage ends in divorce or a

corporation, LLC, partnership, trust, or other Business Entity dissolves, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

1. a) One of the parties may, with consent of the other(s), operate the R3 business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize R3 to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
2. b) The parties may continue to operate the R3 business jointly on a “business-as-usual” basis, in which case all compensation paid by R3 will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Marketing Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will R3 split commission and bonus payments between divorcing spouses or members of dissolving entities. R3 will recognize only one Marketing Organization and will issue only one commission payment per R3 business per commission cycle. Commission payments shall always be issued to the same individual or entity. If parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Math Club Agreement shall be involuntarily cancelled.

If a former spouse has completely relinquished all rights in the original R3 business pursuant to a divorce, they are thereafter free to enroll under any sponsor of their choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Math Club Member. In either case, however, the former spouse or business affiliate shall have no rights to any Math Club Members in their former organization or to any former Retail or Customer. They must develop the new business in the same manner as would any other new Math Club Member.

### 3.29 - SPONSORING

All active Math Club Members in good standing have the right to sponsor and enroll others into R3. Each prospective Math Club Member has the ultimate right to choose their own Sponsor. New Math Club Members and Customers should be sponsored by the first person who introduced the Math Club Opportunity. Manipulation of enrollments is expressly prohibited as noted in Section 3.3. If two Math Club Members claim to be the Sponsor of the same new Math Club Member, the Company shall regard the first application received by the Company as controlling.

When sponsoring a new Math Club Member or Customer through the online enrollment process, the Sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online application and agreement, R3's Policies and Procedures, and the R3 Compensation Plan. The Sponsor may not fill out the online application and agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

### 3.30 - SUCCESSION

Upon the death or incapacitation of a Math Club Member, the business may be passed to the heirs. Whenever a Math Club business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Math Club Members Marketing Organization provided the following qualifications are met. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper, such as:

1. A certified copy of the death certificate
2. A notarized copy of the will or other appropriate legal documentation establishing the heir's right to administer the business.
3. A copy of the heir's valid, government issued ID.

Accordingly, a Math Club Member should consult an attorney to assist in the preparation of a will or other testamentary instrument. If the successor should decide to take over the deceased's R3 business, the successor(s) will also be required to:

1. Complete and execute a Math Club Agreement;

2. Comply with terms and provisions of the Agreement; and
3. Meet all of the qualifications for the deceased Math Club Members status.

If the business is bequeathed to joint devisees, they must form a Business Entity and acquire a federal taxpayer identification number. R3 will issue all bonus and commission payments and one 1099 to the business entity. The devisees must provide R3 with an “address of record” for proper completion.

### 3.31 - TRANSFER UPON DEATH OF A MATH CLUB MEMBER

To effectuate a testamentary transfer of a Math Club business, the Personal Representative or Executor of the estate of the deceased Math Club Member must provide all necessary documentation to establish a successors or successors’ right(s) to the subject Math Club business. The successor or successors must complete and execute a Math Club Member Agreement and meet the other requirements set forth in Section 3.31.

### 3.32 - TRANSFER UPON INCAPACITATION OF A MATH CLUB MEMBER

To effectuate a transfer of a Math Club business because of incapacity, the Trustee of the incapacitated Math Club Member must provide all necessary documentation to establish the right of the subject Trust and Trustee to the subject Math Club business. The Trustee must, on behalf of the Trust, complete and execute a Math Club Member Agreement and meet the other requirements set forth in Section 3.31.

### 3.33 - TELEMARKETING TECHNIQUES

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as several states) have “do not call” regulations as part of their telemarketing laws. Although R3 does not consider Math Club Members to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that your inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause

you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$43,792.00 per violation).

Therefore, Math Club Members must not engage in telemarketing in the operation of their R3 businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a R3 product, or to recruit them for the R3 opportunity. “Cold calls” made to prospective Customers or Math Club Members that promote either R3’s products or the R3 opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective Customer or Math Club Member (a “prospect”) is permissible under the following situations:

1. a) If the Math Club Member has an established business relationship with the prospect. An “established business relationship” is a relationship between a Math Club Member and a prospect based on the prospect’s purchase, rental, or lease of goods or services from the Math Club Member, or a financial transaction between the prospect and the Math Club Member, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service.
2. b) The prospect’s personal inquiry or application regarding a product or service offered by the Math Club Member, within the three (3) months immediately preceding the date of such a call.
3. c) If the Math Club Member receives written and signed permission from the prospect authorizing the Math Club Member to call. The authorization must specify the telephone number(s) which the Math Club Member is authorized to call.
4. d) If the Math Club Member has been referred to call an individual who has expressed an interest in the Math Club opportunity or R3 Products.
5. e) You may call family members, personal friends, and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship within the preceding three months.

In addition, Math Club Members shall not use automatic telephone dialing systems or software relative to the operation of their R3 businesses. Math Club Members shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a “robocall”) regarding or relating to the R3 products or opportunity.

### 3.34 - BACK OFFICE ACCESS

R3 makes online Back Offices available to its Math Club Members. Back Offices provide Math Club Members access to confidential and proprietary information that may be used solely and exclusively to promote the development of a Math Club Members R3 business and to increase sales of R3 products. Access to the Back Office is password protected. Math Club Members may not under any circumstance provide their Back Office login credentials to any other person or entity.

Access to the Back Office is a privilege and not a right. R3 reserves the right to deny Math Club Members access to the Back Office at its sole discretion.

## SECTION 4 - RESPONSIBILITIES OF MATH CLUB MEMBERS

### 4.1 - CHANGE OF ADDRESS OR TELEPHONE

To ensure timely delivery of products and support materials, it is important that R3’s files are current. Street addresses are required for shipping. Math Club Members planning to move should update their mailing address, email address and telephone number information via either Customer/ Math Club Member Care or through the Back Office of the Math Club Members replicated R3 Website. To guarantee proper delivery, two weeks’ advance notice must be provided to R3 on all changes.

### 4.2 - ONGOING DEVELOPMENTAL OBLIGATIONS

#### 4.2.1 - ONGOING TRAINING

Any Math Club Member who sponsors another Math Club Member into R3 must perform a bona fide assistance and training function to ensure that the

downline Math Club Members are properly operating their respective R3 businesses. Math Club Members must have ongoing contact and communication with the Math Club Members in their Marketing Organizations. Examples of such contact and communications may include but not be limited to newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline Math Club Members to R3 meetings, training sessions, and other functions. Upline Math Club Members are also responsible to motivate and train new Math Club Members in R3 product knowledge, effective sales techniques, the R3 Compensation Plan and compliance with Company Policies and Procedures. Communication and the training of downline Math Club Members must not, however, violate Section 3.2.

Math Club Members may not charge for R3 training.

Math Club Members must monitor the Math Club Members in their marketing Organizations to ensure that downline Math Club Members do not make improper product or business claims or engage in any illegal or inappropriate conduct.

#### 4.2.2 - INCREASED TRAINING RESPONSIBILITIES

As Math Club Members progress through the various stages of leadership, they will become more experienced in Sales Techniques, Product Knowledge and an understanding of the R3 Business Program. They will be called upon by R3 from time to time to share this knowledge with lesser experienced Math Club Members within their organization.

#### 4.2.3 - ONGOING SALES RESPONSIBILITIES

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

#### 4.3 - NONDISPARAGEMENT

R3 wants to provide Math Club Members with the best products, compensation plan and service in the industry. Accordingly, we value

constructive criticisms and comments. All such comments should be submitted in writing to the Customer Service Department. While R3 welcomes constructive input, negative comments and remarks made in the field by Math Club Members about the Company, its products or compensation plan serve no purpose other than to demotivate other R3 Math Club Members. For this reason, and to set the proper example for their Marketing Organization, Math Club Members must not disparage, demean, or make negative remarks about R3, other R3 Math Club Members, R3 Products, the Compensation Plan, or R3's directors, officers or employees.

#### 4.4 - PROVIDING DOCUMENTATION TO APPLICANTS

Math Club Members must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Math Club Members before the applicant signs a Math Club Agreement (or ensure that such individuals have online access to these materials). In addition, copies of the Policies and Procedures and the Compensation Plan can be downloaded from R3's website.

#### 4.5 - REPORTING POLICY VIOLATIONS

Math Club Members observing a Policy violation by another Math Club Member should submit a written report of the violation to the attention of the Compliance Department. Details of the incidents such as dates, numbers of occurrences, persons involved, and any supporting documentation should be included in the report.

### SECTION 5 – SALES REQUIREMENTS

#### 5.1 - PRODUCT SALES

The Math Club Compensation Plan is based on the sale of R3 products to end consumers. Math Club Members must fulfill personal and Marketing Organization retail sales requirements (as well as meet other requirements as set forth in the Agreement) in order to be eligible for bonuses, commissions and advancement to higher levels of achievement.

The following sales requirements must be satisfied for Math Club Members to be eligible for commissions:

1. a) Math Club Members must satisfy the Personal Volume requirements to fulfill the requirements associated with their rank as set out in the Math Club Compensation Plan
2. b) Math Club Members must satisfy the Group Volume requirements to fulfill the requirements associated with their rank as set out in the Math Club Compensation Plan

## 5.2 -NO TERRITORY RESTRICTIONS

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

## 5.3 - R3 AUTOSHIP PROGRAM

As an added convenience to its Customers, VIP Customers and Math Club Members, R3 offers a Autoship Program with automatic monthly delivery of R3 products to your home address.

Unique credit cards, addresses, phone numbers and email addresses are required per account. R3 will audit and investigate any suspect orders and accounts. Commissions may be withheld pending an investigation.

\*Time of placement for orders associated with a Autoship Program will default to Eastern Standard Time Zone (EST).

## 5.4 - SALES RECEIPTS

Records documenting online purchases made by Customers will be maintained by R3.

## 5.4 - AUTOMATIC UPDATES TO STORED CREDIT/DEBIT CARDS

R3 participates in account update services offered by some banks to help keep your credit card information up to date in our system. If your bank participates, this service will automatically update your card number and expiration date in our system. If you do not wish for your credit/debit card information to be automatically updated, you may opt out of these services by contacting your credit card issuing bank. Any automatic charges that may apply to your account because of one's failure to opt-out of this service, will not be refunded. R3 will not be responsible for these charges.

## SECTION 6 - BONUSES AND COMMISSIONS

### 6.1 - BONUS AND COMMISSION QUALIFICATIONS

A Math Club Member must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as a Math Club Member complies with the Terms of the Agreement, R3 shall pay commissions to such Math Club Member in accordance with the Compensation Plan. The minimum amount for which R3 will issue payment is \$15.00. If a Math Club Members commissions and bonuses do not equal or exceed \$15.00, the Company will accrue the bonuses and commissions until they total \$15.00. Payment will be issued once \$15.00 has been accrued.

Accepting any form of commissions, bonuses, awards or incentive trips from R3 constitutes a Math Club Members agreement to be bound by R3's Policies and Procedures.

### 6.2 - ADJUSTMENT TO BONUSES AND COMMISSIONS

#### 6.2.1 - ADJUSTMENTS FOR RETURNED PRODUCT

Math Club Members receive bonuses and commissions based on the actual sales of products to end consumers. When a product is returned to R3 for a refund or is repurchased by the Company, the bonuses and commissions attributed to this returned or repurchased product will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the bonuses and commissions are recovered, from the Math Club Members who received bonuses and commissions on the sales of the refunded products. In the event that any such Math Club Member terminates

their Math Club Member Agreement, and the amounts of the bonuses and commissions attributable to the returned products have not yet been fully recovered by the Company, the remainder of the outstanding balance may be set off against any amounts owed to the terminated Math Club Member.

### 6.3 - REPORTS

All information provided by R3 in any Math Club Member Activity Reports, including but not limited to Personal Volume and Group Volume (or any part thereof) and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to, the inherent possibility of human, digital, electronic, or mechanical error, the accuracy, completeness and timeliness of orders; the denial of credit card and electronic check payments; returned products; credit card and electronic check chargebacks; the information is not guaranteed by R3 or any persons creating or transmitting the information.

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

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, R3 AND OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY MATH CLUB OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND GROUP VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES OR COMMISSIONS, LOSS OF OPPORTUNITY AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS INCONVENIENCE, DELAY OR LOSS OF THE USE OF THE INFORMATION) EVEN IF R3 OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, TO THE FULLEST EXTENT PERMITTED BY LAW, R3 OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of R3's online reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue the use of and access to R3's online and telephone reporting services and your reliance upon this information.

## SECTION 7 - PRODUCT GUARANTEES AND RETURNS

### 7.1 - 30-DAY MONEY BACK GUARANTEE

R3 offers a 30-Day Money Back Guarantee (less shipping and handling charges) on all orders. If, for any reason, you are not satisfied with any R3 product you buy, you may return the unused portion of the product to R3 within 30 days of your receipt of the order, for a full refund of the purchase price (less shipping and handling charges).

All refunds will be credited ONLY to the credit or debit card that was used to make the original purchase.

Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be eligible for a refund.

### 7.2 - CUSTOMER RIGHT OF RESCISSION – Cooling off Period

A Customer who makes a purchase of \$25.00 or more has three business days (five business days for residents of Alaska and 15 business days for residents of North Dakota who are age 65 or older) after the sale or execution of a contract to cancel their order and receive a full refund consistent with the cancellation notice on the order form or sales receipt. When a Math Club makes a sale or takes an order from a customer who cancels or requests a refund within the applicable period, the Math Club must promptly refund the Customer's money if the products are returned to the Math Club in substantially as good condition as when received. Math Clubs must inform Customers of their right to rescind a purchase or an order within the applicable time period and ensure that the date of the order or purchase is entered on the order form or sales receipt. All

Customers must be provided with two copies of an official R3 sales receipt at the time of the sale. The back of the receipt provides the Customers with written notice of their rights to cancel the sales transaction.

### 7.3 - RETURN OF INVENTORY AND SALES AIDS BY MATH CLUB MEMBERS UPON CANCELLATION

Upon cancellation of a Math Club Members Agreement, the Math Club Member may return any products and sales aids they may have in their inventory for a refund. In order to receive a **refund from R3 pursuant to this policy, the following requirements must be met:**

1. a) The items being returned must have been personally purchased by the Math Club Member from R3 (Purchases from other Math Club Members or third parties are not subject to refund);
2. b) The items must be in Resalable condition (see Definition of "Resalable" below); and
3. c) The items must have been purchased from R3 within 30 days prior to the date of cancellation

The Math Club Member will be reimbursed 90% of the net cost of the original purchase price. Shipping charges incurred by a Math Club Member when the items were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If a Math Club Member was paid a bonus or commission based on a product that they purchased, and such product is subsequently returned for a refund, the bonus and/or commission that was paid to the Math Club Member based on that product purchase will be deducted from the amount of the refund.

Products and sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) they are returned to R3 within 30 days from the date of purchase. Any merchandise that is clearly identified at the

time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be Resalable.

## 7.5 - MONTANA RESIDENTS

Montana residents may cancel their Math Club Member Agreement within 15 days of the date of enrollment and may return the initial purchase for a full refund.

## 7.5 - PROCEDURES FOR ALL RETURNS

The following procedures apply to all returns for refund:

Return on items eligible for returns are accepted within 30 days of receipt. Items must be returned unopened / unused, in their original packaging. To return product for a refund, you must return the products directly to R3 and follow the steps listed below:

1. a) You must first obtain a Return Authorization Number (RMA) by contacting the R3 Customer Care team at 972-200-3472

or by email at:

USA: [support@LivingR3.com](mailto:support@LivingR3.com)

You will need to provide the order number and specify if requesting a full refund or partial refund.

The Return Authorization expires after 30 days. Product needs to be received at warehouse within 30 days of the RMA# being assigned.

2. b) Proper shipping cartons and packing materials must be used when packaging products to be returned. All returns must be prepaid by the Math Club Member or Customer. R3 does not accept shipping-collect packages. The risk of loss in shipping for the returned product shall be on the Math Club Member or Customer returning the product. If a returned product is not received by Living R3 offices, it is the responsibility of the Math Club Member or Customer to trace the shipment.
3. c) The items must be returned to Living R3 within 30 days from the date of purchase.

## 7.6 - RECEIVING A REFUND

A refund will be issued once we have received your returned items from the listed RMA process above. Any items that are damaged when we receive them are not eligible for a refund. Refunds do not include any shipping or handling charges. Your refund will be credited to the original form of payment used for the original transaction and will be in the amount of the product price less shipping and handling fees.

Please note that credit or debit card refunds may take up to 10 business days for your bank to post to your account, depending on their processing times. This can vary greatly among credit or debit card issuers.

## SECTION 8 – DISPUTE RESOLUTION AND CONTRACTUAL REMEDIES

### 8.1 - DISCIPLINARY SANCTIONS

Violation of the Agreement, these Policies and Procedures, violation of any common law, 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 Math Club that, in the sole discretion of the Company may damage its reputation or goodwill (such act or omission need not be related to the Math Club Members business), may result, at R3's discretion, in one or more of the following corrective measures:

1. a) Issuance of a written warning or admonition;
2. b) Requiring the Math Club Member to take immediate corrective measures;
3. c) Imposition of a fine, which may be withheld from the Math Club Members bonus and commission payments;
4. d) Loss of rights to one or more bonus and commission payments;
5. e) R3 may withhold from a Math Club Member all or part of the Math Club Members bonuses and commissions during the period that R3 is investigating any conduct allegedly violating the Agreement. (If a Math Club Members business is cancelled for disciplinary reasons the

Math Club Member will not be entitled to recover any commissions or bonuses withheld during the investigative period);

6. f) Suspension of the individual's Math Club Member Agreement for one or more pay periods;
7. g) Permanent or temporary loss of, or reduction in, the current Title Rank of the Math Club Member (which may subsequently be re-earned by the Math Club Member);
8. h) Transfer or removal of a portion or all of the Math Club Members Marketing Organization or downline Math Club Members from the offending Math Club Members Marketing Organization;
9. i) Involuntary termination of the offender's Math Club Member Agreement;
10. j) Suspension or termination of the offending Math Club Members access to the Back Office and/or Replicated Website; or
11. k) Any other measure expressly allowed within any provision of the Agreement or which R3 deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Math Club Members policy violation or contractual breach. In situations deemed appropriate by R3, the Company may institute legal proceedings for monetary and/or equitable relief.

## 8.2 - GRIEVANCES AND COMPLAINTS

When a Math Club Member has a grievance or complaint with another Math Club Member regarding any practice or conduct in relationship to their respective R3 businesses, the complaining Math Club Member should first report the problem to their Sponsor who should review the matter and try to resolve it with the other party's upline Sponsor. If the matter involves interpretation or violation of any Company policy, it must be reported in writing to the Compliance Department. The Compliance Department will review the facts and attempt to resolve it.

## 8.3 - ALTERNATIVE DISPUTE RESOLUTION AND CLASS ACTION WAIVER

Any dispute, claim or grievance which a Math Club Member may have relating to the Company, the Math Club Members Agreement or the breach thereof, shall be settled through confidential and binding arbitration.

### 8.3 - MEDIATION

Prior to instituting any arbitration as provided in section 8.4 below, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to The Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediation shall occur within 60 days of the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorney fees, costs and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Doral, Florida and shall last no more than two business days.

### 8.4 - ARBITRATION

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by The American Arbitration Association ("AAA") under its Commercial Arbitration Rules (available to view at [www.adr.org](http://www.adr.org)), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties waive all rights to trial by jury or by any court. Copies of the AAA's Commercial Arbitration Rules will be emailed to Math Club Member upon request to R3's Compliance Department. Notwithstanding the rules of AAA, the following shall apply to all arbitration proceedings:

1. a) The Federal Rules of Evidence shall apply in all cases;
2. b) The parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
3. c) The parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;

4. d) The arbitration shall occur within 180 days from the date on which the arbitrator is appointed, and shall last no more than five business days; and
5. e) The parties shall be allotted equal time to present their respective cases, including cross- examinations.

All arbitration proceedings shall be held in the City of Dallas, Texas unless the laws of the state in which a Math Club Member resides expressly requires venue in such state, in which case the arbitration shall be held in the capital of that state. The arbitration will be administered by the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions, and who shall be knowledgeable in the Direct Selling Industry, selected from the panel which the AAA provides. If the parties cannot agree on an arbitrator, the AAA will choose an arbitrator from the panel that meets all necessary criteria. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. All issues of arbitrability or whether a matter is properly brought before an arbitrator for arbitration shall be determined solely by the arbitrator.

Each party to the arbitration shall be responsible for its own costs and expenses of arbitration including legal and filing fees. The parties shall equally share the AAA’s administrative fees and the arbitrator’s compensation. However, if the arbitrator determines that a party has generally prevailed in the arbitration proceeding, then the arbitrator shall award to that party its reasonable, out-of-pocket expenses related to the arbitration. Including filing fees, arbitrator compensation, attorney fees and legal costs. 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 Section 8.4 shall survive any termination or expiration of The Agreement.

## 8.5 - CLASS ACTION WAIVER

No Math Club Member shall assert any claim as a class, collective, or representative action. This paragraph shall be enforceable where the applicable law permits reasonable class action waivers and shall have no effect otherwise. In any case this class action waiver provision, as well as

any other provision, is severable in the event it is found to be unenforceable or inapplicable in a particular case.

The parties agree that class action claims are not arbitrable under any circumstances; but in the event a court of competent jurisdiction declines to certify a class, all individual plaintiffs shall resolve any and all remaining claims of law by way of individual arbitration.

## 8.6 - GOVERNING LAW, JURISDICTION AND VENUE

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

### 8.6.1 - LOUISIANA RESIDENTS

Notwithstanding the foregoing, and the mediation and arbitration provisions in Sections 8.3 and 8.4, residents of the State of Louisiana shall be entitled to bring an action against R3 in their home forum and subject to Louisiana law.

## SECTION 9 - PAYMENT AND SHIPPING

### 9.1 - RESTRICTIONS ON THIRD PARTY USE OF CREDIT CARDS AND CHECKING ACCOUNT ACCESS

Math Club Members shall not permit other Math Club Members or Customers to use their credit cards, or permit debits to their checking accounts, to enroll or to make purchases from the Company.

### 9.2 - SALES TAXES

In creating the R3 opportunity, one of our guiding philosophies has been to free our Math Club Member from as many administrative, operational, and logistical tasks as possible. In doing so, Math Club Member are free to concentrate on those activities that directly affect their incomes, namely

product sales and enrollment activities. To these ends, R3 relieves Math Club Member of the burdens of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales tax. By virtue of its business operations, R3 is required to charge sales taxes on all purchases made by Math Club Members, and Retail Customers, and remit the taxes charged to the respective states. Accordingly, all orders submitted to the Company must include the appropriate sales taxes. R3 will collect and remit sales taxes on behalf of Math Club Member, based on the Suggested Retail Price of the products, according to applicable tax rates in the state to which the shipment is destined. If a Math Club Member has submitted, and R3 has accepted a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Math Club Member. Exemption from the payment of sales taxes is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop shipped to another state. Any sales tax exemption accepted by R3 is not retroactive.

### 9.3 - SHIPPING POLICY

The customer will normally receive their order within 7-10 business days of its placement. R3 will ship any part of an order currently in stock. If, however, an ordered item is out of stock, it will be placed on back order and sent when R3 receives additional inventory.

## SECTION 10 - INACTIVITY AND CANCELLATION

### 10.1 - EFFECT OF CANCELLATION

As long as a Math Club Member remains active and complies with the terms of the Math Club Member Agreement and these Policies and Procedures, R3 shall pay commissions and bonuses to such Math Club Member in accordance with the Compensation Plan. A Math Club Members bonuses and commissions constitute the entire consideration for the Math Club Members efforts in generating sales and all activities related to the generating of sales (including building a Marketing Organization).

Following a Math Club Members non-renewal of the Math Club Member

Agreement, or voluntary or involuntary cancellation of the Math Club Member Agreement (all of these methods are collectively referred to as "cancellation"), the former Math Club Member shall have no right, title, claim or interest to the Marketing Organization which they operated, or any commission or bonus from the sales generated by the organization. A Math Club Member whose business is cancelled will lose all rights as a Math Club Member. This includes the right to sell R3 products and the right to receive future commissions, bonuses or other income resulting from the sales and other activities of the Math Club Members Former Marketing Organization. In the event of cancellation, the Math Club Member agree to waive all rights they may have, including but not limited to; property rights to their former Marketing Organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of their former Marketing Organization.

Following a Math Club Members cancellation of the Math Club Agreement, the former Math Club Member shall not hold themselves out as a Math Club Member and shall not have the right to sell R3 products. A Math Club Member whose Math Club Agreement is canceled shall receive commissions and bonuses only for the last full pay period they were active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

## 10.2 - CANCELLATION DUE TO INACTIVITY

Math Club Members who personally produce less than 100 Personal Volume for any pay period will not receive a commission for the sales generated through their Marketing Organization for that pay period. If a Math Club Member fails to renew their agreement each year by paying the annual fee, then their account will be cancelled and any downline and customers they have will be compressed to the cancelled Math Club Members next upline.

## 10.3 - INVOLUNTARY CANCELLATION

A Math Club Members violation of any of the Terms of the Agreement, including any amendments that may be made by R3 in its sole discretion, may result in any of the sanctions listed in 8.1, including the involuntary cancellation of the Math Club Member Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed or delivered to an express courier for delivery to the Math Club Members last

known address, email address, or fax number, or to their attorney, or when the Math Club Member receives actual notice of cancellation whichever occurs first.

If involuntarily terminated by R3, a Math Club Member may not re-apply, under any name or entity, for 12 months from the date of termination. The request will require the express written consent of an officer of R3, following a review by R3 Compliance.

R3 reserves the right to terminate all Math Club Member Agreements upon thirty (30) days written notice in the event that it elects to:

1. a) Cease business operations;
2. b) Dissolve as a corporate entity; or
3. c) Terminate the distribution of its products via direct selling.

#### 10.4 - VOLUNTARY CANCELLATION

A participant in this Direct Selling program has a right to cancel at any time, regardless of the reason. Cancellations must be submitted in writing to the Company at its principal business address or by email. The written notice must include the Math Club Members ID Number, signature, printed name, address, and reason for cancelation.

#### 10.5 - NON-RENEWAL

A Math Club Member may also voluntarily cancel the Math Club Member Agreement by failing to renew the Agreement by the anniversary date. The Company may also elect not to renew a Math Club Members Agreement upon the anniversary date.

#### 10.6 - CODE OF CONDUCT

This Code is designed to protect you, your business, the R3 brand, and all Consumers.

It is important to understand that your success and the success of your fellow Math Club Members depends on the integrity of the individuals who market our products. R3 has established standards for acceptable business conduct, and you must always communicate honestly, respectfully, accurately and with integrity, allow for and appreciate differences, show fairness, tolerance and respect to all the people associated with R3, regardless of race, gender, social class or religion. This allows for an open atmosphere of teamwork, good morale, and community spirit.

You are required to safeguard and promote the good reputation of R3 and its products.

You must avoid all discourteous, deceptive, misleading, unethical, immoral conduct or practices including off-color words or phrases that may damage R3's image.

You must read and understand the Math Club Agreement and the Policies and Procedures. You acknowledge you are entering R3 and the business opportunity voluntarily and of your own free will, assuming all responsibilities and financial risks.

You are required to comply with all of the Policies and Procedures which R3 may amend from time to time, at its sole discretion, as well as all federal, state and local laws governing your R3 business and your conduct.

You must always identify yourself as an Independent Math Club Member and not make improper product or business claims or engage in any illegal or inappropriate conduct.

You are to present accurate information and explain the Agreement or Math Club Agreement, the Compensation Plan and the Policies and Procedures prior to assisting anyone with their enrollment.

You must always inform customers, and new Math Club Members of our 30-day money back guarantee policy.

You should respect each person you encounter; this includes potential customers, other Math Club Members, and corporate employees. Use appropriate language, verbally and in writing. Being abusive or using sexually harassing language or behavior is inappropriate.

You are expected to attempt to resolve business issues in a timely and

professional manner by using tact, sensitivity, good will and take care not to create additional problems. You should provide the level of service you desire in your interactions.

You should focus on the positive. Making disparaging statements about R3, the industry, other companies or their products, other Math Club Members, employees, products, sales and marketing campaigns or the Compensation Plan, or making statements that unreasonably offend, belittle, mislead or coerce others serve no other purposes than to damage R3 and dampen the enthusiasm of other Math Club Members.

## SECTION 11 - GLOSSARY OF TERMS

### ACTIVE MATH CLUB MEMBER

A Math Club Member is an Independent Business Owner who satisfies the minimum Personal Volume requirements, as set forth in the Math Club Compensation Plan, to ensure eligibility to receive bonuses and commissions for a particular month.

### AFFILIATED PARTY

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

### AGREEMENT

The contract between the Company and each Math Club Member includes the Math Club Application and Agreement, the R3 Policies and Procedures, the R3 Compensation Plan and the Business Entity Registration Form (where appropriate), all in their current form and as amended by R3 in its sole discretion. These documents are collectively referred to as the Agreement.

## BUSINESS ENTITY

A corporation, partnership, trust, limited liability company, or other type of entity that enrolls as a Math Club and submits the required R3 Business Entity Registration Form.

## CANCELATION OF AN ACCOUNT

The termination of a Math Club Members account. Cancellation may be either voluntary through resignation, non-renewal or inactivity, or termination for cause.

## COMPANY

The term "Company" as it is used throughout the Agreement refers to Living R3, LLC.

## GROUP

All the Math Club Members sponsored below a particular Math Club Member, down to the ninth level.

## GROUP VOLUME

The personal volume from you and your downline to the ninth level.

## IMMEDIATE HOUSEHOLD

All individuals who are living at or doing business at the same residential address, and who are related by blood or marriage, or who are living together as a family unit or in a family-like setting. A household includes, but is not limited to, spouses, heads-of-household, and dependent family members residing in the same residence.

## LEVEL

The layers of downline Math Club Members in a particular Math Club Members Marketing Organization. This term refers to the relationship of a

Math Club Member, relative to a particular upline Math Club Member, determined by the number of Math Club Members between them who are related by Sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E; then E is on A's fourth level.

## MATH CLUB MEMBER ACTIVITY REPORT

An online report generated by R3 that provides critical data relating to the identities of Math Club Members, Sales Information, and enrollment activity of each Math Club Members Marketing Organization. This report contains confidential and trade secret information which is proprietary to R3 and is accessible to Math Club Members through the Back Office.

## OFFICIAL R3 MATERIAL

Literature, audio or video presentations, and other materials developed, printed, published and distributed by R3 to Math Club Members.

## PERSONAL VOLUME

The total Volume of products sold in a calendar month:

1. a) By the Company to a Math Club Member
2. b) By the Company to the Math Club Members Retail Customers

## RECRUIT

For purposes of R3's Conflict of Interest Policy (3.10), the term recruit means the actual or attempted sponsorship, solicitation, enrollment, encouragement or effort to influence in any other way, either directly, indirectly or through a third party another R3 Math Club Member or Customer to enroll or participate in another multilevel marketing, network marketing or Direct Sales opportunity.

## REPLICATED WEBSITE

A website provided by R3 to Math Club Members which utilizes website templates developed by R3. The cost of the Replicated Website is included in the initial \$55 replicated website and back-office fee and annual renewal fee.

## RETAIL CUSTOMER

An individual who purchases R3 products from a Math Club Member but who is not a participant in the R3 Compensation Plan.

## ROLL-UP

The method by which a vacancy is filled in an organization when a Math Club Member Agreement has been canceled.

## SOCIAL MEDIA

Any type of online media that invites, expedites or permits conversation, comment, rating, and/or user generated content, as opposed to traditional media, which delivers content but does not allow readers/viewers/listeners to participate in the creation or development of content, or the comment or response to content. Examples of social media include, but are not limited to, blogs, chat rooms, Facebook, Instagram Twitter, LinkedIn, Pinterest, Delicious, and YouTube.

## SPONSOR

A Math Club Member who enrolls another Math Club Member into the Company and is listed as the Sponsor on the Math Club Member Application and Agreement. The act of enrolling others and training them to become Math Club Members is called "sponsoring."

## TITLE RANK

"Career Title" refers to the highest rank a Math Club has achieved in the Math Club compensation plan at any time. "Paid-As- Title" refers to the rank

at which a Math Club Member is qualified to earn commissions and bonuses during the current pay period.

## UPLINE

This term refers to the Math Club Member or Math Club Members above a particular Math Club Member in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular Math Club Member to the Company.