

# **AdBarkIt**

## **STATEMENT OF POLICIES AND PROCEDURES**

*Effective February 13, 2017*

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# **ADBARKIT**

## **STATEMENT OF POLICIES AND PROCEDURES**

### **Effective February 13, 2017**

#### **SECTION 1 – INTRODUCTION**

##### **1.1 - Code of Ethics**

AdBarkIt (hereafter “AdBarkIt” or “the Company”) is a values-based company that prides itself on the quality and character of its Affiliates (hereinafter “Affiliate”). The following guidelines help ensure a uniform standard of excellence throughout our organization. Every AdBarkIt Affiliate is expected to practice the following ethical behavior when acting in the name of the company:

A. I will be respectful of every person I meet while doing AdBarkIt related business.

B. At all times, I will conduct myself and my business in an ethical, moral, legal, and financially sound manner.

C. I will not engage in activities that would bring disrepute to AdBarkIt, any AdBarkIt corporate officer or employee, myself or other Affiliates.

D. I will not make discouraging or disparaging claims toward other AdBarkIt Affiliates. I will ensure that in all AdBarkIt business dealings I will refrain from engaging in negative language. I will refrain from making any type of slanderous statements.

E. I will provide support and encouragement to my Customers to ensure that their experience with AdBarkIt is a successful one. I understand that it is important to provide follow-up service and support to my Downline.

F. I will correctly represent all the commission/bonus plans available through AdBarkIt and the income potential represented therein. I understand I may not use my own income as an indication of others’ potential success, or use commission checks as marketing materials. I further understand that I may only disclose my AdBarkIt income to recruit a potential Affiliate(s) after I have given a copy of the Income Disclosure Statement to the potential Affiliate(s).

G. I will abide by all of AdBarkIt’s Policies & Procedures now and as they may be amended in the future.

##### **1.2 - Policies Incorporated into Affiliate Agreement**

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

##### **1.3 - Changes to the Affiliate Agreement, Policies and Procedures, or Commission Plan**

Because federal, state, and local laws, as well as the business environment, periodically change, AdBarkIt reserves the right to amend the Agreement and the prices in its AdBarkIt Product Price List in its sole and

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

#### **1.4 - Delays**

AdBarkIt shall not be responsible for delays and failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, flood, death curtailment of a party's source of supply, or government decrees or orders.

#### **1.5 –Policies and Provisions Severable**

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

#### **1.6 –Waiver**

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of AdBarkIt to exercise any right or power under the Agreement or to insist upon strict compliance by a Affiliate 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 AdBarkIt's right to demand exact compliance with the Agreement. Waiver by AdBarkIt can be effectuated only in writing by an authorized officer of the Company.

### **SECTION 2 – BECOMING AN AFFILIATE**

#### **2.1 - Requirements to Become a Affiliate**

To become an AdBarkIt Affiliate, each applicant must:

- A. Be of the age of majority in his or her state of residence;
- B. Reside in the United States or other countries, which have been officially opened by AdBarkIt;
- C. Have a valid Social Security Number or Federal Tax Identification Number;
- D. Submit a properly completed and signed Affiliate Agreement to AdBarkIt via electronically or fax.

#### **2.2 - New Affiliate Registration by the Internet**

A prospective Affiliate may self-enroll on the Referrer's web site. In such event, instead of a physically signed Affiliate agreement, AdBarkIt will accept the agreement by accepting the "electronic signature" stating the new Affiliate has accepted the terms and conditions of the Affiliate Agreement. Please note that such electronic signature constitutes a legally binding agreement between the Affiliate and AdBarkIt.

## **2.3 - Affiliate Benefits**

Once a Affiliate Agreement has been accepted by AdBarkIt, the benefits of the Commission Plan and the Affiliate Agreement are available to the new Affiliate. These benefits include the right to:

- A. Sell AdBarkIt services;
- B. Participate in the AdBarkIt Commission Plan (receive commissions and bonuses , if eligible);
- C. Refer other individuals as customers or Affiliate into the AdBarkIt business and thereby build an organization and progress through the AdBarkIt Commission Plan;
- D. Receive periodic AdBarkIt literature and other AdBarkIt communications;
- E. Participate in AdBarkIt-sponsored support service training, motivational and recognition functions; and
- F. Participate in promotional and incentive contests and programs sponsored by AdBarkIt for its Affiliate.

## **2.4-Terms and Renewal of an AdBarkIt Business**

An Affiliate must renew their Affiliate status monthly by submitting a fee of \$12.99. This payment is due on the first of every month. If the Affiliate allows his or her business to expire due to nonpayment of the renewal fee, the Affiliate will lose any and all rights to his or her Downline organization unless the Affiliate re-activates within sixty (60) days following the expiration of the agreement.

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

Any Affiliate whose agreement has expired and lapsed the 60-day grace period is not eligible to reapply for an AdBarkIt business for twelve (12) months following the expiration of the Affiliate agreement.

Any Affiliate terminated by AdBarkIt may not reapply to do business for 12 months from their termination date.

The Downline of the expired Affiliate will roll up to the immediate, active Upline Referrer.

## **SECTION 3 – INCOME DISCLOSURE POLICY**

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

A copy of the IDS must be presented to a prospective Affiliate (someone who is not a party to a current AdBarkIt Affiliate Agreement) anytime the Commission Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one Affiliate earned over a million dollars last year” or “Our average ranking Affiliate makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly

income for our higher ranking Affiliates is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

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

## **SECTION 4 – ADVERTISING**

### **4.1 - Adherence to the AdBarkIt Commission Plan**

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

### **4.2 - Use of Sales Aids**

To promote both the services and the opportunity AdBarkIt offers, Affiliates must use the sales aids and support materials produced by AdBarkIt. If AdBarkIt Affiliates develop their own sales aids and promotional materials (which includes Internet advertising), notwithstanding Affiliates' good intentions, they may unintentionally violate any number of statutes or regulations affecting an AdBarkIt business. These violations, although they may be relatively few in number could jeopardize the AdBarkIt opportunity for all Affiliates. Accordingly, Affiliates must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. Unless the Affiliate receives specific written approval to use the material, the request shall be deemed denied. All Affiliates shall safeguard and promote the good reputation of AdBarkIt and its services. The marketing and promotion of AdBarkIt, the AdBarkIt opportunity, the Commission Plan, and AdBarkIt services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

### **4.3 -Intellectual Property**

AdBarkIt will not allow the use of its trade names, trademarks, designs, or symbols outside of corporate produced and approved sales aids by any person, including AdBarkIt Affiliates, without prior written authorization from AdBarkIt. Furthermore, no Affiliate may use, publish, reproduce, advertise, sell, or display in any manner the name, picture or likeness, or voice of another Affiliate without prior written consent from the named Affiliate. This consent must be on file with AdBarkIt's Compliance department prior to any use.

### **4.4 –Web Policy**

If a Affiliate desires to utilize an Internet web page to promote his or her business, he or she may do so through Company authorized services only.

## A. General

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

## B. Domain Names, email Addresses and Online Aliases

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

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

*AdBarkIt@msn.com; www.AdBarkItDirect.com; www.facebook.com/AdBarkIt* or derivatives as described herein.

Examples of permitted URLs, email addresses, and online aliases might appear as follows:

*facebook.com/iloveAdBarkIt; jimsmith@AdBarkItAffiliate.net.*

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

## C. Approved Affiliate Websites

The term *Affiliate Website* refers to the Affiliate website offered by AdBarkIt or an approved vendor to affiliates. The term *Social Media website* refers to any site that is not specifically prohibited within the terms and conditions of this Agreement, such as Facebook.com, MySpace.com, Twitter.com, YouTube.com, personal blogs or other personal websites.

## D. Online Classifieds

You may not use online classifieds (including Craigslist) to list, sell or promote specific AdBarkIt services. You may use online classifieds (including Craigslist) for prospecting, referring, and informing the public about the AdBarkIt opportunity provided you follow the other requirements of this agreement such as identifying yourself as an independent representative of AdBarkIt, only using approved images and versions of any trademarked logos and without using fraudulent or misleading product or income claims. If a link or URL is provided, it must link to your Affiliate Website or your Social Media website.

## E. Online Retailing

Approved affiliate websites are intended to provide Affiliates with the tools and means for generating leads, prospecting business, communicating with others, selling products and services, and otherwise advancing your AdBarkIt business. You may not sell AdBarkIt services on any other online retail store or ecommerce site, nor may you enlist or knowingly allow a third party (customer) to sell AdBarkIt products on any online retail store or ecommerce site.

Social Media sites such as Facebook may also be used to promote your AdBarkIt business. You must provide approved AdBarkIt links to your Affiliate replicated website for sales and order processing. All online sales of AdBarkIt products must take place and be produced through the Affiliate Replicated website (or corporate site).

## F. Banner Advertising

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

## G. Spam Linking

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

## H. Social Networking Sites

You may use social networking websites (Facebook, MySpace, LinkedIn, blogs, forums and other social shared interest sites) to share information about the AdBarkIt product, mission and business opportunity and for prospecting and referring. However, these sites may not be used to sell or offer to sell specific AdBarkIt services.

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

You agree that you will immediately take down a non-compliant site at the request of AdBarkIt. Appeals regarding compliance may be submitted after the site has been taken down. Appeals should be directed to the email address set forth in the policy addressing dispute resolutions.

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

Sponsored links or pay-per-click ads (PPC) are acceptable. The destination URL must be to your Affiliate Website. The display URL must also be to your Affiliate Website and must not portray any URL that could lead



the user to assume they are being led to an AdBarkIt Corporate site, or be inappropriate or misleading in any way.

## J. External Websites

You are allowed external websites to promote your AdBarkIt business and the AdBarkIt opportunity. If you wish to use an external website you must do the following:

- a.) Identify yourself as an Independent Affiliate for AdBarkIt.
- b.) Use only the approved images and wording authorized by AdBarkIt.
- c.) Adhere to the branding, trademark, and image usage policies described in this document.
- d.) Agree to modify your website to comply with current or future AdBarkIt policies.

You are solely responsible and liable for your own website content, messaging, claims, and information and must ensure your website appropriately represents and enhances the AdBarkIt brand and adheres to all AdBarkIt guidelines and policies. Additionally, your website must not contain disingenuous popup ads or promotions or malicious code. Decisions and corrective actions in this area are at AdBarkIt's sole discretion. You are encouraged to use the approved AdBarkIt images that are available through the business suite.

## K. AdBarkIt Affiliate Image Mandate

When using a Social Media or external website it must contain:

- a.) An AdBarkIt Affiliate Logo from the approved templates.
- b.) Your Name and Title (example: Jack Jones, Independent Affiliate, AdBarkIt).
- c.) A link to your Affiliate Replicated website.

Although AdBarkIt brand themes and images are desirable for consistency, anyone landing on your page needs to clearly understand that they are at an Independent Affiliate site, and not an AdBarkIt Corporate page.

## 4.6 - Advertised Price

You may not advertise any of AdBarkIt's services at a price LESS than the highest company published price of the equivalent service. No special enticement advertising is allowed. This includes but is not limited to offers of free membership or other such offers that grant advantages beyond those available through the Company.

## 4.7 - Generic Business Advertisements

If you advertise via newspaper or other advertising venues, the following rules apply:

- A. No advertisement may imply that a job, position, salary, or any type of employment is allowed.
- B. No advertisement may promote, represent, or imply salaried positions, management positions, hourly wages, full or part-time employment, or guaranteed incomes. The AdBarkIt opportunity is not a job, and may not be presented as such. Terms such as "manager trainee," "management positions available," "travel provided," "call for interview," "positions available," "now hiring," and other misleading statements are not allowed.

- C. No specific income can be promised or implied, and any references to compensation must use the word “commissions” to indicate the independent contractor status of Affiliates.
- D. Advertisements may not contain references to AdBarkIt or its services and may not use any of AdBarkIt’s trademarks or trade-names.

Any requests for variances from the above rules must be submitted to AdBarkIt and approved in writing prior to publication. Please direct any inquiries to [compliance@AdBarkIt.com](mailto:compliance@AdBarkIt.com), or by fax to the attention of the Compliance department at .

#### **4.8 -Media and Media Inquiries**

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

#### **4.9 - Unsolicited Email and Fax Communication**

AdBarkIt does not permit Affiliates to send unsolicited emails unless such emails strictly comply with applicable laws and regulations, including, without limitation, the federal CAN SPAM Act. Any email sent by an Affiliate that promotes AdBarkIt, the AdBarkIt opportunity, or AdBarkIt services, must comply with the following:

- A. There must be a functioning return email address to the sender.
- B. There must be a notice in the email that advises the recipient that they may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
- C. The email must include the Affiliate’s physical mailing address.
- D. The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- E. The use of deceptive subject lines and/or false header information is prohibited.
- F. All opt-out requests, whether received by email or regular mail, must be honored. If an Affiliate receives an opt-out request from a recipient of an email, the Affiliate must forward the opt-out request to the Company. AdBarkIt may periodically send commercial emails on behalf of Affiliates. By entering into the Affiliate Agreement, Affiliate agrees that the Company may send such emails and that the Affiliate’s physical and email addresses will be included in such emails as outlined above. Affiliates shall honor opt-out requests generated as a result of such emails sent by the Company. Except as provided in this section, Affiliates may not use or transmit unsolicited faxes or use an automatic telephone dialling system relative to the operation of their AdBarkIt businesses.

### **SECTION 5 – OPERATING AN ADBARKIT BUSINESS.**

#### **5.1 - Business Entities**

A corporation, partnership or trust (collectively referred to in this section as a “Business Entity”) may apply to be an AdBarkIt Affiliate by submitting an AdBarkIt Affiliate Application and Agreement along with its Certificate of Incorporation, Articles of Organization, Partnership Agreement or trust documents (these

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

### **5.1.1 - Changes to a Business Entity**

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

### **5.1.2 - Change Of Referrer**

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

### **5.1.3 - Change Of Placement**

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

## **5.2 - Unauthorized Claims and Action**

### **5.2.1 - Indemnification**

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

### **5.2.2 –Endorsements of AdBarkIt Services**

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

## **5.3 - Conflicts**

### **5.3.1 – Non- solicitations**

AdBarkIt Affiliates are free to participate in other affiliate marketing business ventures or marketing opportunities (collectively “Affiliate Marketing”). However, during the term of this Agreement, Affiliates may not directly or indirectly recruit other AdBarkIt Affiliates or Customers other than those they have personally referred for any other Network Marketing business. Following the cancellation of a Affiliate Agreement, and for a period of one (1) calendar year thereafter, with the exception of a Affiliate who is personally referred by the former Affiliate, a former Affiliate may not recruit any Affiliate or Customer for another referral marketing business.

### **5.3.2 - Sale of Competing Goods or Services**

During this agreement and for six (6) months thereafter, Affiliates must not sell, or attempt to sell, any competing non-AdBarkIt programs or services to AdBarkIt Customers or Affiliates. Any program, product, service, or affiliate marketing opportunity in the same generic categories as the AdBarkIt services are deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

### **5.3.3 - Targeting Other Direct Sellers**

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

### **5.3.4 - Privacy and Confidentiality**

All Affiliates are required to abide by the Company’s Privacy Policy with regard to Affiliate and customer information.

### **5.3.5- The Data Management Rule**

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

## **5.4 -Cross Referring**

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

## **5.5 -Governmental Approval or Endorsement**

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

## **5.6 -Identification**

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

## **5.7 - Income Taxes**

Every year, AdBarkIt will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident as required by the Internal Revenue Service. Each Consultant is responsible for paying local, state and federal taxes on any income generated as an Affiliate. If an AdBarkIt business is tax exempt, the Federal Tax Identification Number must be provided to AdBarkIt. Any Affiliate that does not provide a valid social security number is subject to the federal backup withholding laws and 28% of their commissions and bonus will be withheld and submitted to the IRS.

## **5.8 - Independent Contractor Status**

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

Affiliates may not answer the telephone by saying “AdBarkIt,” “AdBarkIt Incorporated,” or by any other manner that would lead the caller to believe that they have reached AdBarkIt’s corporate offices. A Affiliate may only represent that he/she is an AdBarkIt Affiliate. Therefore, all correspondence and business cards relating to or in connection with an Affiliate’s AdBarkIt business shall contain the Affiliate’s name followed by the term “Affiliate.”

## **5.9–Bonus Buying**

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

## **5.10 – Stacking**

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

## **5.11 - One AdBarkIt Business Per Affiliate**

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

## **5.12 - Succession**

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

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

## **5.13 - Sale, Transfer, or Assignment of an AdBarkIt Business**

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

- A. Protection of the existing line of Referrers must always be maintained so that the AdBarkIt business continues to be operated in that line of Referrers;

- B. The buyer or transferee must become a qualified AdBarkIt Affiliate. If the buyer is an active AdBarkIt Affiliate, they must first terminate their AdBarkIt business and wait six calendar months before acquiring any interest in the new AdBarkIt business;
- C. Before the sale, transfer, or assignment can be finalized and approved by AdBarkIt, any debt obligations the selling Affiliate has with AdBarkIt must be satisfied; and
- D. The selling Affiliate must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign an AdBarkIt business.

Prior to selling an AdBarkIt business, the selling Affiliate must notify AdBarkIt's Compliance department of their intent to sell the AdBarkIt business. No changes in line of Referrers can result from the sale or transfer of an AdBarkIt business. An Affiliate may not sell, transfer or assign portions of their business—the position must be sold in its entirety.

#### **5.14 - Separation of an AdBarkIt Business**

AdBarkIt Affiliates sometimes operate their AdBarkIt businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership, or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of Referrers. If the separating parties fail to provide for the best interests of other Affiliates and the Company in a timely fashion, AdBarkIt will involuntarily terminate the Affiliate Agreement.

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

- A. One of the parties may, with consent of the other(s), operate the AdBarkIt business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize AdBarkIt to deal directly and solely with the other spouse or non-relinquishing share holder, partner, or trustee.
- B. The parties may continue to operate the AdBarkIt business jointly on a "business-as-usual" basis, whereupon all commissions paid by AdBarkIt will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above. The Company will never remove a party to a position from a Affiliate account without that party's written permission and signature. Under no circumstances will the Downline organization of divorcing spouses or a dissolving business entity be divided. Under no circumstances will AdBarkIt split commission and bonus checks between divorcing spouses or members of dissolving entities. AdBarkIt will recognize only one Downline organization and will issue only one commission check per AdBarkIt business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Affiliate Agreement shall be involuntarily cancelled. If a former spouse has completely relinquished all rights in the original AdBarkIt business pursuant to a divorce, they are thereafter free to enrol under any Referrer of their choosing without waiting six (6) calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity Affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as a Affiliate. In either case, however, the former spouse or business Affiliate shall have no rights to any

Affiliates in their former organization or to any former customer. They must develop the new business in the same manner as would any other new Affiliate.

### **5.15- Referring**

All Active Affiliates in good standing have the right to refer and enroll others into AdBarkIt. Each prospective customer or Affiliate has the ultimate right to choose his or her own Referrer. If two Affiliates claim to be the Referrer of the same new Affiliate or customer, the Company shall regard the first application received by the Company as controlling.

## **SECTION 6 – RESPONSIBILITIES OF AFFILIATES**

### **6.1 - Change of Address, Telephone, Email-Address**

To ensure timely communications, delivery of support materials and commission checks, it is critically important that the AdBarkIt's files are current. Affiliates planning to move or change their email address must submit an amended Affiliate Agreement complete with the new information.

### **6.2 – Referring Affiliate Responsibilities**

#### **6.2.1 – Initial Training**

Any Affiliate who refers another Affiliate into AdBarkIt must perform a bona fide assistance and training function to ensure that their Downline is properly operating their AdBarkIt business. Affiliates must provide the most current version of the Policies and Procedures, the Income Disclosure Statement, and Commission Plan to individuals whom they are referring to become Affiliates before the applicant signs a Affiliate Agreement.

#### **6.2.2 – Ongoing Training Responsibilities**

Affiliates must monitor the Affiliates in their Downline organizations to ensure that Downline Affiliates do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, every Affiliate should be able to provide documented evidence to AdBarkIt of their ongoing fulfilment of the responsibilities of a Referrer.

### **6.3 – Non disparagement**

Affiliates must not disparage, demean, or make negative remarks about AdBarkIt, other AdBarkIt Affiliates, AdBarkIt's services, the Commission Plan, or AdBarkIt's owners, board members, directors, officers, or employees.

### **6.4 - Reporting Policy Violations**

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

## **SECTION 7 – AUTOMATIC BILLING**

### **7.1 - Billing**

The membership program is automatically renewed each month with a credit or debit card maintained on file with AdBarkIt. The Affiliate may make adjustments to their monthly subscription in the back office of the AdBarkIt website.



## **SECTION 8 – COMMISSIONS AND REFUND POLICY**

### **8.1 - Bonus and Commission Qualifications**

In order to qualify to receive commissions and bonuses, an Affiliate must be in good standing and comply with the terms of the Agreement and these Policies and Procedures. An Affiliate will qualify to receive commissions and bonuses so long as he/she produces one personal membership sale each month or maintains a personal membership in good standing for himself/herself. An Affiliate is not required to maintain a personal membership but may do so if desired for purposes of this section.

### **8.2 - Errors or Questions**

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

### **8.3 - Bonus Buying Prohibited**

Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of a Affiliate Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an Affiliate or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Affiliates or Customers (“phantoms”); (d) purchasing AdBarkIt services on behalf of another Affiliate or Customer, or under another Affiliate’s or Customer’s ID number, to qualify for commissions or bonuses; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

### **8.4 - Reports**

All information provided by AdBarkIt, including but not limited to personal sales volume (or any part thereof), and Downline referring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments, an Affiliate whose Affiliate Agreement is cancelled shall receive commissions and bonuses only for the last full pay period he or she worked prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

An AdBarkIt participant has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address, or via email to AdBarkIt.

### **8.5 – Refund Policy**

AdBarkIt offers a seven (7) day satisfaction guarantee on all initial fees paid to the company. All subsequent fees are nonrefundable. When a refund is requested by an Affiliate the bonuses and commissions attributable to the refunded service will be deducted from the Affiliate who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the commission is recovered.

## **SECTION 9 – DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS**

### **9.1 - Disciplinary Sanctions**

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

- Issuance of a written warning or admonition;
- Requiring the Affiliate to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- Withholding from an Affiliate all or part of the Affiliate's bonuses and commissions during the period that AdBarkIt is investigating any conduct allegedly contrary to the Agreement. If an Affiliate's business is cancelled for disciplinary reasons, the Affiliate will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Affiliate Agreement for one or more pay periods;
- Involuntary termination of the offender's Affiliate Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which AdBarkIt deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Affiliate's policy violation or contractual breach;
- Instituting legal proceedings for monetary and/or equitable relief. Each violation is reviewed on a case-by-case basis, and all disciplinary actions are at the sole discretion of AdBarkIt.

### **9.2 - Mediation**

Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Albany, New York, and shall last no more than two (2) business days.

### **9.3 - Arbitration**

**If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by confidential arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Affiliates waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in Albany, New York. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at

law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall survive any termination or expiration of the Agreement.

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

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

**9.4 - Governing Law, Jurisdiction, and Venue**

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

**SECTION 10 – EFFECT OF CANCELLATION**

**10.1- Effect of Cancellation and Termination**

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

An AdBarkIt participant has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address, or via email to AdBarkIt. The written notice must include the Affiliate's signature, printed name, address, and Affiliate ID Number.

## **10.2- Non-Renewal**

An Affiliate may also voluntarily cancel their Affiliate Agreement by failing to pay the renewal fee. Affiliates have a 60 day grace period to get back into compliance for failure to pay the administrative fee.

### **SECTION 11 – DEFINITIONS**

**AGREEMENT:** The contract between the Company and each Affiliate; includes the Affiliate Agreement, the AdBarkIt Policies and Procedures, and the AdBarkIt Commission Plan, all in their current form and as amended by AdBarkIt in its sole discretion. These documents are collectively referred to as the “Agreement.”

**CANCEL:** The termination of an Affiliate’s business. Cancellation may be either voluntary, involuntary, or through non-renewal.

**COMMISSION PLAN:** The guidelines and referenced literature for describing how Affiliates can generate commissions and bonuses.

**CUSTOMER:** A Customer who purchases AdBarkIt services and does not engage in building a business or selling the service.

**AFFILIATE:** An individual who purchases product, generates sales and business building commissions.

**LINE OF REFERRERS (LOR):** A report generated by AdBarkIt that provides critical data relating to the identities of Affiliates, sales information, and enrollment activity of each Affiliate’s organization. This report contains confidential and trade secret information which is proprietary to AdBarkIt.

**ORGANIZATION:** The Customers and Affiliates placed below a particular Affiliate.

**OFFICIAL ADBARKIT MATERIAL:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by AdBarkIt to Affiliates.

**PLACEMENT:** Your position inside your Referrer’s organization.

**RECRUIT:** For purposes of AdBarkIt’s Conflict of Interest Policy, the term “Recruit” means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another AdBarkIt Affiliate or Customer to enrol or participate in another multilevel marketing, network marketing, or direct sales opportunity.

**REFERRER:** An Affiliate who enrolls a Customer or another Affiliate into the Company, and is listed as the referrer on the Affiliate Agreement. The act of enrolling others and training them to become Affiliates is called “referring.”

**UPLINE:** This term refers to the Affiliate or Affiliates above a particular Affiliate in a referrer line up to the Company. It is the line of referrers that links any particular Affiliate to the Company.