



**GLOBAL VERGE INC.
POLICIES AND PROCEDURES v1.2**

1. INTRODUCTION

1.1 Mutual Commitment Statement

GlobalVerge Inc. (“GlobalVerge”) recognizes that in order to develop a long-term and mutually rewarding relationship with its e-associates (“E-Associates” or, collectively, the “Field”) and Customers, GLOBALVERGE and the e-associates must acknowledge and respect the true nature of the relationship, not in legal terms, but in spirit and essence.

GLOBALVERGE recognizes that without happy, loyal, and successful e-associates, GLOBALVERGE could not exist for very long. Likewise, without a well-run and profitable Company, the e-associates would not have a solid long-term business opportunity.

A. In the spirit of mutual respect and understanding, GLOBALVERGE commits to:

II. Provide prompt, professional and courteous service and communications to all of its e-associates and customers.

II. Provide the highest quality products, at fair and reasonable prices.

III. Exchange or refund the purchase price of any GLOBALVERGE product, service or membership as provided in our Return Policy.

IV. Ship orders promptly and accurately.

V. Pay commissions accurately and on a timely basis.

VI. Expedite orders or checks if an error or unreasonable delay occurs.

VII. Roll out new products and programs with Field input and planning.

VIII. Implement changes in the Compensation Plan or Policies and Procedures that affect the Field with input from the Field.

IX. Support, protect and defend the integrity of the GLOBALVERGE Business Opportunity.

X. Offer e-associates an opportunity to grow with GLOBALVERGE with such growth guided by the principles of Servant Leadership.

B. In return GLOBALVERGE expects that its e-associates will:

I. Conduct themselves in a professional, honest, and considerate manner.

II. Present GLOBALVERGE corporate and product information in an accurate and professional manner.

III. Present the Compensation Plan and Return Policy in a complete and accurate manner.

IV. Not make exaggerated income claims.

V. Make reasonable efforts to support and train e-associates and customers in their downline.

VI. Not engage in cross-line recruiting, unhealthy competition or unethical business practices.

VII. Provide positive guidance and training to e-associates and Customers in their downline while exercising caution to avoid interference with other downlines. As such, an e-associate is discouraged from providing cross-line training to an e-associate or customer in a different organization without first obtaining consent of the e-associate's or customer's upline leader.

X. Support, protect, and defend the integrity of the GLOBALVERGE Business Opportunity.

XI. Accurately complete and submit the e-associate agreement and any requested supporting documentation in a timely manner.

XII. Embrace and practice the principles of Servant Leadership in their relationships with customers and other e-associates and GLOBALVERGE.

1.2 GLOBALVERGE Policies and Compensation Plan Incorporated into the e-associate agreement

A. These Policies and Procedures as they may be amended by GLOBALVERGE from time to time, are incorporated into, and form an integral part of, the e-associate agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the GLOBALVERGE e-associate agreement, these Policies and Procedures, and the GLOBALVERGE Compensation Plan.

B. It is the responsibility of the sponsoring e-associate to provide the most current version of these Policies and Procedures (available on the GLOBALVERGE Web site) and the GLOBALVERGE Compensation Plan to each applicant prior to his or her execution of an e-associate agreement.

1.3 Purpose of Policies

A. GLOBALVERGE is a direct sales company that markets products and services through independent distributors referred to as e-associates. To clearly define the relationship that exists between e-associates and GLOBALVERGE, and to explicitly set

a standard for acceptable business conduct, GLOBALVERGE has established these Policies and Procedures.

B. GLOBALVERGE Associates are required to comply with (I) all of the terms and conditions set forth in the agreement, which GLOBALVERGE may amend in its sole discretion; (II) all Federal, state, provincial, territorial, and local laws governing his or her GLOBALVERGE business; and (III) these Policies and Procedures.

C. GLOBALVERGE e-associates must review the information in these Policies and Procedures carefully.

Should an e-associate have any questions regarding a policy or rule, the e-associate is encouraged to seek an answer from his or her sponsor or any other upline e-associate. If further clarification is needed the e-associate may contact GLOBALVERGE customer service.

1.4 Changes, Amendments, and Modifications

A. GLOBALVERGE reserves the right to amend or modify these Policies and Procedures, or change its prices at any time. By signing the e-associate agreement, or by accepting commission checks or other payments or awards from GLOBALVERGE, an e-associate specifically agrees to abide by these Policies and Procedures and all such changes, amendments, or modifications.

B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:

I. posting on the official GLOBALVERGE Web site;

II. electronic mail (e-mail); or

III. in writing through the GLOBALVERGE newsletters or other GLOBALVERGE communication channels.

1.5 Delays

GLOBALVERGE shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, weather, curtailment of a source of supply, or government decrees or orders.

1.6 Effective Date

These Policies and Procedures shall become effective as of June 25, 2008 and, at such time, shall automatically supersede any prior Policies and Procedures (the "old Policies and Procedures"), and, on that date, the old Policies and Procedures shall cease to have any force or effect.

2. BASIC PRINCIPLES

2.1 Becoming an GLOBALVERGE e-associate

A. To become an e-associate, an applicant must comply with the following requirements:

- I.** Be of the age of majority (not a minor) in his or her state of residence.
- II.** Reside or have a valid address in the United States, a U.S. territory, or Canada.
- III.** Have a valid Social Security Number, Federal Tax ID Number, or Taxpayer Identification Number (TIN)
- IV.** Choose one of the GLOBALVERGE membership options, and sign up under one of those options.
- V.** Submit a properly completed and signed e-associate agreement to GLOBALVERGE.
- VI.** Have a GLOBALVERGE sponsor.
- VII.** Not be a GLOBALVERGE employee, the Spouse of a GLOBALVERGE employee or related to an employee of GLOBALVERGE and living in the same household as such GLOBALVERGE employee.

2.2 New Associate Registration by Internet, Fax, Mail or Telephone

A. A potential new e-associate may self-enroll on the sponsor's web site. In such event, instead of a physically signed e-associate agreement, GLOBALVERGE will accept the web enrollment and e-associate agreement by accepting the "electronic signature" stating the new e-associate has accepted the terms and conditions of such e-associate agreement.

Please note that such electronic signature constitutes a legally binding agreement between the e-associate and GLOBALVERGE.

B. The Sponsor or the new e-associate may call GLOBALVERGE customer service during regular business hours to receive a GLOBALVERGE identification number (EIN), which will be used to place orders, structure organizations, and track commissions and bonuses.

C. Enrollments made by phone or on behalf of the new e-associate, through the sponsor's GLOBALVERGE back office, will require the submission of a physically signed e-associate agreement.

D. GLOBALVERGE reserves the right to require signed paperwork for any account, regardless of origin.

E. If requested the signed e-associate agreement must be received by GLOBALVERGE within 14 days of enrollment.

F. Signed documents, including but not limited to e-associate agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been signed may lead to sanctions, up to and including involuntary termination of the e-associate's distributorship.

2.3 Rights Granted

A. GLOBALVERGE hereby grants to the e-associate a non-exclusive right, based upon the terms and conditions contained in the e-associate agreement and these Policies and Procedures, to:

I. Purchase GLOBALVERGE products and services;

II. Promote and sell GLOBALVERGE products and services; and

III. Sponsor new e-associates and customers in the United States and its territories, Canada, and in countries where GLOBALVERGE may become established after the effective date of these Policies and Procedures.

2.4 Identification Numbers

A. Each e-associate is required to provide his or her **Social Security Number**, or **Federal Tax Identification Number** to GLOBALVERGE on the e-associate agreement. GLOBALVERGE reserves the right to withhold commission payments from any e-associate who fails to provide such information or who provides false information.

B. Upon enrollment, GLOBALVERGE will provide a GLOBALVERGE identification number to the e-associate. This number will be used to place orders, structure organizations, and track commissions and bonuses.

2.5 Renewals and Expiration of the E-Associate Agreement

A. If the e-associate allows his or her e-associate agreement to expire do to non payment the e-associate will lose any and all rights to his or her downline organization unless the e-associate re-activates within 60 days following the expiration of the agreement.

B. If the former e-associate re-activates within the 60-day time limit, the e-associate will resume the rank and position held immediately prior to the expiration of the e-associate agreement.

However, such e-associate's payout level will not be restored unless he or she qualifies at that payout level in the new month. The e-associate is not eligible to receive commissions for the time that the e-associate's distributorship was expired.

C. Any e-associate who's agreement has expired and lapsed the 60 day grace period is not eligible to re-apply for a GLOBALVERGE business for 12 months following the expiration of the e-associate agreement.

D. Any e-associate terminated by GLOBALVERGE may not re-apply to do business for 12 months of their termination date.

G. The downline of the expired e-associate will roll up to the immediate, active upline sponsor.

2.7 Business Entities

A. A corporation, partnership, LLC, or trust (collectively referred to as a "Business Entity") may apply to be a GLOBALVERGE e-associate. This e-associate business and position will remain temporary until the proper documents are submitted. The entity must submit its Certificate of Incorporation, Articles of Agreement, Partnership Agreement, Operating Agreement, or appropriate trust documents to GLOBALVERGE, along with a properly completed Business Entity Registration. GLOBALVERGE must receive these documents within 14 days from the date the e-associate agreement was signed.

B. A GLOBALVERGE business may change its status under the same sponsor from an individual to a partnership, LLC, corporation, trust or from one type of business entity to another.

C. There is no charge for the first name change. For each subsequent name change, GLOBALVERGE reserves the right to assess a \$20 fee which must be included along with a written request for such change and a new signed e-associate agreement. If changing from a personal to a business entity, please include all appropriate business documentation, see section A above for clarification.

D. The Business Entity Registration form must be signed by all of the shareholders, partners, members or trustees of an entity. Members of the entity are jointly and severally liable for any indebtedness or other obligation to GLOBALVERGE.

2.8 Independent Business Relationship; Indemnification for Actions

A. The GLOBALVERGE e-associate is an independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, each e-associate's success depends on his or her independent efforts.

B. The agreement between GLOBALVERGE and its e-associates does not create an employer/employee relationship, agency, partnership, or joint venture between GLOBALVERGE and the e-associate.

C. A GLOBALVERGE e-associate shall not be treated as an employee of GLOBALVERGE for any purposes, including, without limitation, for Federal, state, or provincial tax purposes. All e-associates are responsible for paying local, state, provincial, and Federal taxes due from all compensation earned as an e-associate of

GLOBALVERGE. Any other compensation received by e-associates from GLOBALVERGE will be governed by applicable U.S. or Canadian tax laws (or the tax laws of any other applicable jurisdiction). **The e-associate has no express or implied authority to bind GLOBALVERGE to any obligation or to make any commitments by or on behalf of GLOBALVERGE.** Each e-associate shall establish his or her own goals, hours, and methods of operation and sale, so long as he or she complies with the terms of the e-associate agreement, these Policies and Procedures and applicable State, Federal and Provincial laws.

D. The GLOBALVERGE e-associate is fully responsible for all of his or her verbal and written communications made regarding GLOBALVERGE products, services, and the compensation plan that are not expressly contained in official GLOBALVERGE materials. E-associates shall indemnify and hold harmless GLOBALVERGE, its directors, officers, employees, and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by GLOBALVERGE as a result of the e-associate's unauthorized representations or actions. This Provision shall survive the termination of the GLOBALVERGE e-associate agreement.

2.9 Insurance

A. Business Pursuits Coverage. GLOBALVERGE encourages Associates to arrange insurance coverage for their business. A homeowner's insurance policy **does not** cover business related injuries, or the theft of, or damage to inventory or business equipment. GLOBALVERGE e-associates need to contact their insurance agent to make certain their business property is protected.

In most instances, this may be accomplished with a "Business Pursuit" endorsement to an existing homeowner's policy.

B. Product Liability Insurance. GLOBALVERGE maintains a comprehensive liability insurance policy that protects GLOBALVERGE and e-associates in the event of a claim, action, or lawsuit resulting from a defect in a GLOBALVERGE product or service. GLOBALVERGE e-associates must immediately notify GLOBALVERGE in writing of any claim, action or lawsuit alleging any kind of injury or damage and naming the e-associate or GLOBALVERGE for which e-associate is seeking a defense or indemnification of loss.

No coverage is available to any e-associate who settles a claim, action or lawsuit without the prior written consent of GLOBALVERGE and its insurance company. Coverage to an e-associate under this liability insurance policy does not extend to activities of the e-associate which are determined by GLOBALVERGE or a competent third-party, jury, judge, mediator or arbitrator to be in violation of the GLOBALVERGE Policies and Procedures, or acts that are unlawful, unethical, or in any way based on fraud, misrepresentation, or deceit, nor does it cover an e-associate's negligence, misconduct or false representation of or false claims with respect to GLOBALVERGE's products or services. A product or service "defect" will be determined by GLOBALVERGE, or a jury, judge, mediator or arbitrator.

C. GLOBALVERGE does not disclose the name of its insurance company, policy number, or the amount of liability coverage unless such information is needed for a current or ongoing claim, action or lawsuit that involves GLOBALVERGE.

GLOBALVERGE'S insurance policy **does not** cover e-associates, it only covers GLOBALVERGE products and services.

2.10 Training

GLOBALVERGE e-associates shall be eligible to receive training, provided by their upline and GLOBALVERGE, regarding products and services, business building information, including but not limited to DVDs, videos, CD's, the GLOBALVERGE web site, training seminars and events sponsored by GLOBALVERGE or by other organizations, at GLOBALVERGE'S discretion.

2.11 Errors or Questions

If an e-associate has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the e-associate must notify GLOBALVERGE in writing within 30 days of the date of the error or incident in question. Any such errors, omissions or problems not reported within 30 days shall be deemed waived by the e-associate.

3. GLOBALVERGE E-ASSOCIATE RESPONSIBILITIES

3.1 Correct Addresses

A. It is the responsibility of the e-associate or customer to make sure GLOBALVERGE has the correct shipping address before any orders are shipped.

B. An e-associate planning to move needs to send his or her new address and telephone numbers to GLOBALVERGE Customer service. If more than one change of address notice has been submitted to GLOBALVERGE, the most recent one will supersede any previous notices or agreements.

C. An e-associate or Customer will need to allow up to 30 days for processing after the notice of address change has been received by GLOBALVERGE.

D. An e-associate or customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

3.2 Training and Leadership

A. Any GLOBALVERGE e-associate who sponsors another e-associate into GLOBALVERGE must perform an authentic assistance and training function to ensure his or her downline is properly operating his or her GLOBALVERGE business. Sponsoring e-associates should have ongoing contact and communication with the e-associates in their downline organizations. Examples of communication may include but are not limited to: newsletters, written correspondence, telephone, contact, team calls,

voice-mail, e-mail, personal meetings, accompaniment of downline e-associates to GLOBALVERGE meetings and training sessions and any other related functions.

B. A Sponsoring GLOBALVERGE e-associate should monitor the e-associates in his or her downline organizations to ensure that downline e-associates do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such e-associate should be able to provide documented evidence to GLOBALVERGE of his or her ongoing fulfillment of the responsibilities of a sponsor.

C. Upline e-associates are encouraged to motivate and train new e-associates about GLOBALVERGE products and services, effective sales techniques, the GLOBALVERGE compensation plan and compliance with company policies and procedures.

D. As an e-associate progresses through the various levels of leadership, he or she may become more experienced in sales techniques, product knowledge and understanding of the GLOBALVERGE program. With this in mind, he or she will be called upon to share this knowledge with less experienced e-associates within their organizations. GLOBALVERGE expects e-associates at the highest ranks to exhibit exemplary behavior in their roles as leaders.

E. Regardless of their level of achievement, e-associates are encouraged to continue to promote sales through the recruitment of new e-associates and customers and through serving their existing organization.

F. Person-to-person selling is a required activity in GLOBALVERGE and must be emphasized in all recruiting presentations.

G. We emphasize and encourage all e-associates to retail GLOBALVERGE's products and services.

3.3 Constructive Criticism; Ethics

A. GLOBALVERGE desires to provide its independent e-associates with the best products and services, Compensation Plan, in the industry.

Accordingly, GLOBALVERGE values constructive criticism and encourages the submission of written comments addressed to GLOBALVERGE Customer service.

B. Negative and disparaging comments about GLOBALVERGE, its products or Compensation Plan, by e-associates made to GLOBALVERGE, in the Field or at GLOBALVERGE meetings or events, or disruptive behavior at GLOBALVERGE meetings or events, serve no purpose other than to dampen the enthusiasm of other GLOBALVERGE e-associates. GLOBALVERGE e-associates must not belittle GLOBALVERGE, other GLOBALVERGE e-associates, GLOBALVERGE products or services, the Compensation Plan, or GLOBALVERGE directors, officers, or employees. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by GLOBALVERGE.

C. GLOBALVERGE endorses the following code of ethics:

I. A GLOBALVERGE e-associate must show fairness, tolerance, and respect to all people associated with GLOBALVERGE, regardless of race, gender, social class or religion, thereby fostering an “positive atmosphere” of teamwork, good morale and community spirit.

II. An e-associate shall strive to resolve business issues, including situations with upline and downline e-associates, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.

III. GLOBALVERGE e-associates must be honest, responsible, professional and conduct themselves with integrity.

IV. GLOBALVERGE e-associates shall not make disparaging statements about GLOBALVERGE, other e-associates, GLOBALVERGE employees, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.

D. GLOBALVERGE may take appropriate action against an e-associate if it determines, in its sole discretion, that an e-associate’s conduct is detrimental, disruptive, or injurious to GLOBALVERGE or to other e-associates.

3.4 Reporting Policy Violation

A. An e-associate who observes a policy violation by another e-associate should submit a written letter (e-mail will not be accepted) of the violation directly to the GLOBALVERGE Corporate office.

The letter shall set forth the details of the incident as follows:

I. The nature of the violation;

II. Specific facts to support the allegations;

III. Dates;

IV. Number of occurrences;

V. Persons involved; and

VI. Supporting documentation

B. Once the matter has been presented to GLOBALVERGE, it will be researched thoroughly and appropriate action will be taken.

C. This section refers to the general reporting of policy violations as observed by other e-associates for the mutual effort to support, protect, and defend the integrity of the GLOBALVERGE business and opportunity. If an e-associate has a grievance or

complaint against another e-associate which directly relates to his or her GLOBALVERGE business, the procedures set forth in Section 15.1 must be followed.

3.5 Sponsorship

A. The sponsor is the person who introduces an e-associate or customer to GLOBALVERGE, helps them complete their enrollment, and supports and trains those in their downline.

B. GLOBALVERGE recognizes the sponsor as the name(s) shown on the first:

I. Physically signed GLOBALVERGE e-associate agreement on file; or

II. Electronically signed e-associate agreement from a web site or an GLOBALVERGE e-associates web site.

C. An e-associate agreement that contains notations such as “by phone” or the signatures of other individuals (i.e. Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by GLOBALVERGE.

D. GLOBALVERGE recognizes that each new prospect has the right to ultimately choose his or her own sponsor, but GLOBALVERGE will not allow e-associates to engage in unethical sponsoring activities as set forth in Section 13.7.

E. All active e-associates in good standing have the right to Sponsor and enroll others into GLOBALVERGE. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one e-associate will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first e-associate who presented a comprehensive introduction to GLOBALVERGE products or business opportunity.

F. A **Protected Prospect** is a guest of any GLOBALVERGE e-associate or Customer who attended a GLOBALVERGE event or conference call. For 60 days following the event, a Protected Prospect cannot be solicited or sponsored by any other GLOBALVERGE e-associate who attended the same event. A GLOBALVERGE event can be defined as the following:

I. Any GLOBALVERGE training session;

II. Conference call;

III. Fly-in meeting; or

IV. Presentation, including but not limited to a GLOBALVERGE at Home presentation, whether sponsored by GLOBALVERGE, an e-associate, a Customer, or an agent or agency designated by GLOBALVERGE.

G. Speakers - Any e-associate who speaks at a GLOBALVERGE event, whether corporate sponsored or e-associate sponsored, is not eligible to become the Sponsor of

any guest attending the event for a period of 12 months following the event, unless the speaker personally invited the guest.

3.6 Cross Sponsoring Prohibition

A. “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an individual, or business entity that already has a signed Associate Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by GLOBALVERGE, sanctions up to and including termination of an e-associate’s distributorship may be imposed.

B. The use of a spouse’s or relative’s name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this policy is not permitted.

C. This policy does not prohibit the transfer of a GLOBALVERGE business in accordance with GLOBALVERGE Sale or Transfer policy set forth in Section 13.8.

3.7 Adherence to the GLOBALVERGE Compensation Plan

A. An e-associate must adhere to the terms of the GLOBALVERGE Compensation Plan as set forth in these Policies and Procedures as well as in official GLOBALVERGE literature. Deviation from the Compensation Plan is prohibited.

B. An e-associate shall not offer the GLOBALVERGE opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official GLOBALVERGE literature.

C. An e-associate shall not require or encourage a current or prospective Customer or e-associate to participate in GLOBALVERGE in any manner that varies from the Compensation Plan as set forth in official GLOBALVERGE literature.

D. An e-associate shall not require or encourage a current or prospective Customer or e-associate to make a purchase from or payment to any individual or other entity as a condition to participating in the GLOBALVERGE Compensation Plan, other than such purchases or payments required to naturally build their business.

3.8 Adherence to Laws and Ordinances

A. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to e-associates because of the nature of the business.

However, e-associates must check their local laws and obey the laws that do apply to them.

B. An GLOBALVERGE e-associate shall comply with all Federal, state, and local laws and regulations in their conduct of his or her GLOBALVERGE business.

3.9 Compliance with Applicable Income Tax Laws

A. GLOBALVERGE will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US e-associate whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of GLOBALVERGE products for resale or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the e-associate, and a minimum charge of \$20 may be assessed by GLOBALVERGE. Canadian T-4's will be sent to e-associates who earn more than C\$500 or who received trips, prizes, or awards valued at C\$500 or more. GLOBALVERGE e-associates are responsible for the payment of taxes on these trips, prizes, or awards provided to them by GLOBALVERGE.

B. An e-associate accepts sole responsibility for and agrees to pay all Federal, state, provincial and local taxes on any income generated as an independent e-associate, and further agrees to indemnify GLOBALVERGE from any failure to pay such tax amounts when due.

C. If an e-associate's business is tax exempt, the Federal Tax Identification number must be provided to GLOBALVERGE in writing.

D. GLOBALVERGE encourages all e-associates to consult with a tax advisor for additional information for their business.

3.10 Solicitation for Other Companies or Products

A. A GLOBALVERGE e-associate may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the term of this Agreement, an GLOBALVERGE e-associate may not recruit any GLOBALVERGE e-associate or customer for any other direct sales or network marketing business, unless that e-associate or customer was personally sponsored by such e-associate.

B. The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another e-associate or customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the e-associate's actions are in response to an inquiry made by another e-associate or customer.

C. An GLOBALVERGE e-associate must not sell, or entice others to sell, any competing products or services, including training materials, to GLOBALVERGE customers or e-associates. Any product or service in the same category as a GLOBALVERGE product or service is deemed to be competing (i.e., any competing product or service regardless of differences in cost or quality. This provision does not apply where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas and beauty salons).

D. However, an e-associate may sell non-competing products or services to GLOBALVERGE customers and e-associates that they personally sponsored.

E. An e-associate may not display or bundle GLOBALVERGE products or services, in sales literature, on a web site or in sales meetings, with any other products or services to avoid confusing or misleading a prospective customer or e-associate into believing there is a relationship between the GLOBALVERGE and non-GLOBALVERGE products and services.

F. An GLOBALVERGE e-associate may not offer any non-GLOBALVERGE opportunity, products or services at any GLOBALVERGE related meeting, seminar or convention, or immediately following a GLOBALVERGE event.

G. As a condition of participating in the GLOBALVERGE opportunity and in consideration of receipt of commissions and other bonuses from GLOBALVERGE, a former e-associate may not recruit any GLOBALVERGE e-associate or customer for another direct selling, multilevel, network marketing, or relationship marketing company for a period of six months following the termination, expiration, or cancellation of the e-associate agreement.

H. A violation of any of the provisions in this Section 3.10 shall constitute unreasonable and unwarranted contractual interference between GLOBALVERGE and its e-associates and would inflict irreparable harm on GLOBALVERGE. In such event, GLOBALVERGE may, at its sole discretion, impose any sanction it deems necessary and appropriate against such e-associate or such e-associate's distributorships, or seek immediate injunctive relief without the necessity of posting a bond.

3.11 Presentation of the GLOBALVERGE Opportunity

A. In presenting the GLOBALVERGE opportunity to potential customers and e-associates, an e-associate is required to comply with the following provisions:

I. An e-associate shall not misquote or omit any significant material fact about the Compensation Plan.

II. An e-associate shall make it clear that the Compensation Plan is based upon sales of GLOBALVERGE products and services and upon the sponsoring of other e-associates.

III. An e-associate shall make it clear that success can be achieved only through substantial independent efforts.

IV. An GLOBALVERGE e-associate shall not make income projections, claims, or guarantees while presenting or discussing the GLOBALVERGE opportunity or Compensation Plan to prospective e-associates or Customers.

V. An e-associate may use hypothetical income examples to explain the operation of the Compensation Plan, so long as it is made clear that such earnings are hypothetical.

VI. An e-associate may not make any claims regarding products or services of any products offered by GLOBALVERGE, except those contained in official GLOBALVERGE literature.

VII. An e-associate may not use official GLOBALVERGE material to promote the GLOBALVERGE business opportunity in any country where GLOBALVERGE has not established a “presence.”

3.12 Sales Requirements are Governed by the Compensation Plan

A. The GLOBALVERGE Compensation Plan is based upon the sale of GLOBALVERGE products and services to end consumers. GLOBALVERGE e-associates must fulfill personal requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement.

B. GLOBALVERGE e-associates may purchase GLOBALVERGE products and then re-sell them at any price they choose. GLOBALVERGE will provide suggested selling prices. There are no exclusive territories granted to anyone. No franchise fees are applicable to a GLOBALVERGE business.

4. ORDERING

4.1 General Order Policies

A. An e-associate shall not use another e-associate’s or customer’s credit card or debit checking account to enroll in GLOBALVERGE or purchase products or services without the account holder’s written permission. Such documentation must be kept by the e-associate indefinitely in case GLOBALVERGE needs to reference this.

B. Regarding an order with an invalid or incorrect payment, GLOBALVERGE will attempt to contact the e-associate by phone, mail or email in order to obtain another form of payment. If these attempts are unsuccessful after 10 business days, the order will be canceled.

C. No C.O.D. (cash on delivery) orders will be accepted.

D. If an e-associate wants to move an order to another e-associate’s position, he or she must have prior authorization, of all parties involved. GLOBALVERGE will charge the e-associate a \$20 fee for processing.

E. Prices are subject to change without notice.

F. An e-associate or Customer who is a recipient of a damaged or incorrect order must notify GLOBALVERGE within 30 calendar days from receipt of the order and follow the procedures set forth in Section 7.5.

4.2 Insufficient Funds

A. All checks returned for insufficient funds will be re-submitted for payment. A \$35 fee will be charged to the account of the e-associate or Customer for all returned checks and insufficient funds.

B. Any outstanding balance owed to GLOBALVERGE by an e-associate or customer of the e-associate from NSF (non sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld by GLOBALVERGE from an e-associate's future bonus and commission checks.

C. All transactions involving returned checks or insufficient funds through ACH or credit card, which are not resolved in a timely manner by the e-associate, constitute grounds for disciplinary sanctions.

4.3 Sales Tax Obligation

A. The e-associate shall comply with all state and local taxes and regulations governing the sale of GLOBALVERGE products and services.

B. GLOBALVERGE will collect and remit sales tax on e-associate orders unless an e-associate furnishes GLOBALVERGE with the appropriate Resale Tax Certificate form. When orders are placed with GLOBALVERGE, sales tax is prepaid based upon the purchase price. GLOBALVERGE will remit the sales tax to the appropriate state and local jurisdictions. The e-associate may recover the sales tax when he or she makes a sale. GLOBALVERGE e-associates are responsible for any additional sales taxes due on products marked up and sold at a higher price.

C. GLOBALVERGE encourages each e-associate to consult with a tax advisor for additional information for his or her business.

D. If a credit card order or automatic debit is declined the first time, the customer or e-associate will be contacted for an alternate form of payment. If payment is declined a second time, the customer or e-associate may be deemed ineligible to purchase GLOBALVERGE products or services or participate in the monthly autoship.

5. PAYMENT OF COMMISSIONS & BONUSES

5.1 Bonus and Commission Qualifications

A. An e-associate must be active and in compliance with GLOBALVERGE Policies and Procedures to qualify for bonuses and commissions. So long as an e-associate complies with the terms of the agreement, GLOBALVERGE shall pay commissions to such e-associate in accordance with the Compensation Plan.

B. GLOBALVERGE will not issue a check to an e-associate without the receipt of a completed and signed GLOBALVERGE e-associate agreement or electronic authorization as required by Section 2.2 A.

C. GLOBALVERGE reserves the right to postpone commission payments until such time the cumulative amount exceeds \$25.

5.2 Computation of Commissions, Discrepancies, and Schedule of Fees

A. Commissions, overrides, and achievement levels are calculated on a calendar month.

Monthly commissions are mailed the 15th of the month.

However, if the 15th falls on a weekend or holiday, the commission checks will be mailed out on the next business day after the 15th of the month. In most regions of United States allow 7 business days for checks to arrive, in some regions, islands, and military posts, delivery may take longer. Outside of the United States payments could take longer.

C. A GLOBALVERGE e-associate must review his or her monthly statement and bonus reports promptly and report any discrepancies within 30 days of receipt. **After the 30 day “grace period” no additional requests will be considered for commissions recalculation.**

D. For additional information on payment of commissions, please review the Compensation Plan.

E. Schedule of Fees

I. Commission check reissue - \$20

II. Commission check hold - \$20

III. Special/emergency handling - \$20, plus shipping expense

IV. Returned / NSF check - \$35

V. Un-cashed Commission check voided after 90 days - \$20

5.3 Adjustments to Bonuses and Commissions for Returned Products or e-associate Memberships.

A. An e-associate receives bonuses and commissions based on the actual sales of products and services to end consumers and to e-associates through monthly membership fees. When a product or service is returned to GLOBALVERGE for a refund from the end consumer or by an e-associate, the bonuses and commissions attributable to the returned product or service will be deducted from the e-associate who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the commission is recovered.

B. In the event that an e-associate terminates his or her distributorship, and the amounts of the bonuses or commissions attributable to the returned products have not yet been fully recovered by GLOBALVERGE, the remainder of the outstanding balance

may be offset against any other amounts that may be owed by GLOBALVERGE to the terminated e-associate.

5.4 Promotion and Incentive Trips

To encourage exceptional performance by GLOBALVERGE e-associates, GLOBALVERGE will provide award incentive programs in the form of custom designed jewelry, getaway trips, seminars or other company-sponsored events.

Invitations to attend such events will be limited to two individuals per distributorship, unless expressly stated otherwise. Entities that own a distributorship, such as partnerships or corporations, with more than two individual owners must inform GLOBALVERGE of the two designated individuals to receive invitations. In addition, unless otherwise stated in the program announcement or program rules, such entities may purchase attendance, at GLOBALVERGE'S cost, for up to 2 additional owners, subject to space availability.

7.1 Customer and e-Associate Return Policy

All Customers or e-Associates who purchase products from GLOBALVERGE have a guarantee against Manufactures defects. Any product with such defect may be returned for a replacement of the same product at no additional cost. Customer must return product exactly as it was delivered to them, in the same box and pay for shipping to Globalverge.

7.2 Since commissions are paid out on retail and e-associate sales monthly, the only return on products is for manufacture's defects

7.3 Return Process

A. All returns, whether by a Customer, or e-associate, must be made as follows:

I. Obtain RMA (Return Merchandise Authorization) from GLOBALVERGE

II. Ship items to the address provided by GLOBALVERGE Customer service when you are given your RMA.

III. Provide a copy of the invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return.

IV. Ship back product in manufactures box exactly as it was delivered.

B. All returns must be shipped to GLOBALVERGE pre-paid, as GLOBALVERGE does not accept shipping collect packages. GLOBALVERGE recommends shipping returned product by UPS or FedEx, as risk of loss in shipping the returned product shall be borne solely by the Customer, or Associate. If returned product is not received at GLOBALVERGE Distribution Center, it is the responsibility of the Customer, or e-associate to trace the shipment and no credit will be applied.

E. The return of \$500 or more of products accompanied by a request for a refund within a calendar year, by an e-associate, may constitute grounds for involuntary termination.

7.4 Sales Return Policy

A. A Customer is any person who is in the GLOBALVERGE computer system and who orders and receives product or a membership directly from a GLOBALVERGE store or shopping cart. The Customer falls under the guidelines of the Customer Guarantee in Section 7.1.

B. The Federal Trade Commission (FTC) requires that Customers be given the right to cancel purchases within 3 business days for a full refund of the purchase price, without reason or explanation. This is known as the “cooling off” rule. Pursuant to this regulation:

I. The GLOBALVERGE e-associate is required to inform the Customer of his or her right to cancel the sales transaction without penalty or obligation at the time of the sale;

II. The sales receipt must include the date, the e-associate’s name and address, and disclosure of the cancellation rights;

III. GLOBALVERGE must refund the full purchase price within 10 days following the Customer’s request for cancellation.

C. A copy of the original sales receipt that was given to the Customer along with a return merchandise slip (filled out completely) needs to be obtained from the Customer.

D. The products must be returned to GLOBALVERGE within 30 days of the customer obtaining an RMA, along with the copy of the sales receipt and return merchandise slip.

7.5 Responsibility to Confirm Orders

The customer who is a recipient of a damaged or incorrect order must notify GLOBALVERGE within 30 days of receiving the order. Failure to notify GLOBALVERGE of any shipping discrepancy or damaged order within 30 days of the receipt of the order may nullify the e-associate’s right to request a correction.

8. PRIVACY POLICY

8.1 Introduction

This Privacy Policy is to ensure that all Customers, and e-associates understand and adhere to the basic principles of confidentiality.

8.2 Expectation of Privacy

A. GLOBALVERGE recognizes and respects the importance its Customers, and e-associates place on the privacy of their financial and personal information. GLOBALVERGE will make reasonable efforts to safeguard the privacy of, and maintain

the confidentiality of its Customers', and e-associates' financial and account information and nonpublic personal information.

B. By entering into the e-associate agreement, an e-associate authorizes GLOBALVERGE to disclose his or her name and contact information to Upline e-associates solely for activities related to the furtherance of the GLOBALVERGE business. An e-associate hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her Downline organization and conducting the GLOBALVERGE business.

8.3 Employee Access to Information

GLOBALVERGE limits the number of employees who have access to Customer's and e-associate's nonpublic personal information.

8.4 Protection of Information by Established Security Procedures

A. Access to confidential account information will only be provided to the authorized account holder after identification of the account holder has been verified.

B. Verifying information may include but is not limited to:

I. ID number;

II. Address;

III. Phone number(s);

IV. Credit card number(s);

V. PIN (Personal Identification Numbers);

VI. Signatures or other identifying information.

C. If uncertainty exists regarding the identity of the person requesting the information over the phone, GLOBALVERGE will ask that the request be made in writing, to be mailed or faxed to GLOBALVERGE corporate office.

8.5 Restrictions on the Disclosure of Account Information

GLOBALVERGE will not share non-public personal information or financial information about current or former Customers or e-associates with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers', or e-associates' interests or to enforce its rights or obligations under these Policies and Procedures, or e-associate's Agreement or with written permission from the account holder on file.

9. PROPRIETARY INFORMATION AND TRADE SECRETS

9.1 Business Reports, Lists, and Proprietary Information

By completing and signing the GLOBALVERGE e-associate Agreement, the e-associate acknowledges that Business Reports, lists of Customer and e-associate names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by GLOBALVERGE pertaining to the business of GLOBALVERGE (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to GLOBALVERGE.

9.2 Obligation of Confidentiality

A. During the term of the GLOBALVERGE e-associate Agreement and for a period of 5 years after the termination or expiration of the e-associate Agreement between the e-associate and GLOBALVERGE, the e-associate shall not:

- i.** Use the information in the Reports to compete with GLOBALVERGE or for any purpose other than promoting his or her GLOBALVERGE business;
- ii.** Use or disclose to any person or entity any confidential information contained in the Reports.

9.3 Breach and Remedies

The e-associate acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to GLOBALVERGE and to independent GLOBALVERGE businesses. GLOBALVERGE and its e-associates will be entitled to injunctive relief or to recover damages against any e-associate who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees and expenses.

9.4 Return of Materials

Upon demand by GLOBALVERGE, any current or former e-associate will return the original and all copies of all "Reports" to GLOBALVERGE together with any GLOBALVERGE confidential information in such person's possession.

10. ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS

10.1 Labeling, Packaging, and Displaying Products

A. An GLOBALVERGE e-associate may not re-label, re-package, refill, or alter labels of any GLOBALVERGE product, or service, information, materials or programs in any way. GLOBALVERGE products and services must only be sold in their original containers from GLOBALVERGE. Such re-labeling or re-packaging violates Federal and state laws, which may result in criminal or civil penalties or liability.

B. An GLOBALVERGE e-associate shall not cause any GLOBALVERGE product or service or any GLOBALVERGE trade name to be sold or displayed in retail establishments except the following:

- i. Where professional services are the primary source of revenue and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas and beauty salons).
- ii. Where the retail establishment is owned or managed by the e-associate, and the store does not exceed \$1 million in annual gross revenue, and there are 5 or fewer stores under common ownership of management.

C. GLOBALVERGE will permit e-associates to solicit and make Commercial Sales upon prior written approval from GLOBALVERGE. For the purpose of these Policies and Procedures, the term "Commercial Sale" means the sale of:

- i. GLOBALVERGE products that equal or exceed \$5,000 in a single order.
- ii. Products sold to a third party who intends to re-sell the products to an end consumer.

D. An e-associate may sell GLOBALVERGE products and services and display the GLOBALVERGE trade name at any appropriate display booth (such as trade shows) upon prior written approval from GLOBALVERGE.

GLOBALVERGE reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the GLOBALVERGE opportunity. Approval will not be given for swap meets and garage sales, as these events are not conducive to the professional image GLOBALVERGE wishes to portray. Some flea markets or farmers markets may be acceptable with prior written approval from GLOBALVERGE. A GLOBALVERGE Approval Number (UAN) must be obtained from our GLOBALVERGE Compliance Department and displayed at the approved event.

10.2 Use of Company Names and Protected Materials

A. An GLOBALVERGE e-associate must safeguard and promote the good reputation of GLOBALVERGE and the products and services it markets.

The marketing and promotion of GLOBALVERGE, the GLOBALVERGE opportunity, the Compensation Plan, and GLOBALVERGE products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.

B. All promotional materials supplied or created by GLOBALVERGE must be used in their original form and cannot be changed, amended or altered except with prior written approval from the GLOBALVERGE Compliance Department.

C. The name of GLOBALVERGE, each of its product names and other names that have been adopted by GLOBALVERGE in connection with its business are proprietary trade names, trademarks and service marks of GLOBALVERGE. As such, these marks are of

great value to GLOBALVERGE and are supplied to e-associates for their use only in an expressly authorized manner.

D. An GLOBALVERGE e-associate's use of the name GLOBALVERGE is restricted to protect GLOBALVERGE proprietary rights, ensuring that the GLOBALVERGE protected names will not be lost or compromised by unauthorized use. Use of the GLOBALVERGE name on any item not produced by GLOBALVERGE is prohibited except as follows:

I. [e-associate's name] Independent GLOBALVERGE e-associate

II. [e-associate's name] Independent e-associate of GLOBALVERGE products and services.

F. Further procedures relating to the use of the GLOBALVERGE name are as follows:

I. All stationery (i.e. letterhead, envelopes, and business cards) bearing the GLOBALVERGE name or logo intended for use by the e-associate must be approved by the GLOBALVERGE Compliance Department.

II. GLOBALVERGE e-associates may list "Independent GLOBALVERGE Associate or E-associate" in the white pages of the telephone directory under his or her own name.

III. Executives or above may list his or her name in the yellow pages of the phone directory under the appropriate classification. Contact the Compliance Department for additional approved categories.

IV. An GLOBALVERGE e-associate is allowed to place phone directory display advertisements using the GLOBALVERGE name or logo with written approval from the GLOBALVERGE Compliance Department.

V. Use of the GLOBALVERGE name or logo on buildings, vehicles etc, is prohibited without the express written consent from the GLOBALVERGE Compliance Department.

VI. GLOBALVERGE e-associates may not use the name GLOBALVERGE or GLOBALVERGE in answering his or her telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent GLOBALVERGE associate, or e-associate."

G. Certain photos and graphic images used by GLOBALVERGE in its advertising, packaging, and Web sites are the result of paid contracts with outside vendors that do not extend to e-associates.

If an e-associate wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.

H. An e-associate may apply to the Compliance Department for use of the logos, photos, banners, and graphic images that can be found on the GLOBALVERGE office

Web site, under Advertising Resources. These images are free and available for e-associate use with prior written approval.

I. A GLOBALVERGE e-associate shall not produce, promote, duplicate, manipulate, or use materials of any kind describing GLOBALVERGE names, designs, symbols, programs, products, and trademarked, copyrighted, or otherwise protected materials, for other than their intended use, including but not limited to audio, video, or web materials, without written approval by GLOBALVERGE, prior to the production or use of such materials.

J. A GLOBALVERGE e-associate shall not appear on or make use of television or radio, or make use of any other media to promote or discuss GLOBALVERGE or its programs, products or services without prior written permission from the GLOBALVERGE Compliance Department.

K. An e-associate may not produce for sale or distribution any Company event or speech, nor may an e-associate reproduce GLOBALVERGE audio or video clips for sale or for personal use without prior written permission from the GLOBALVERGE Compliance Department.

L. A GLOBALVERGE e-associate may apply to the GLOBALVERGE Compliance Department for authorization to use corporate created ads or promotional material found in the GLOBALVERGE Back Office under the Advertising Resources section.

M. GLOBALVERGE reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected e-associate.

N. An e-associate shall not promote non-GLOBALVERGE products or services in conjunction with GLOBALVERGE products or services on the same Web sites or same advertisement without prior approval from GLOBALVERGE Compliance.

10.3 Faxes and E-mail - Limitations

A. Except as provided in this section, an e-associate may not use or transmit unsolicited faxes, e-mail, mass e-mail distribution, or "spamming" that advertises or promotes the operation of his or her GLOBALVERGE business. The exceptions are:

I. Faxes or e-mailing any person who has given prior permission or invitation.

II. Faxing or e-mailing any person with whom the e-associate has established a prior business or personal relationship.

B. In all states where prohibited by law, an e-associate may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.

C. All faxes, e-mail or computer broadcasted documents subject to this provision shall include each of the following:

I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message.

II. A clear return path or routing information.

III. The use of legal and proper domain name.

IV. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender.

V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message.

VI. The true and correct name of the sender, valid senders fax or e-mail address, and a valid sender physical address.

VII. The date and time of the transmission.

VIII. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, an GLOBALVERGE e-associate shall not transmit any further documents to that recipient.

D. All e-mail or computer broadcasted documents subject to this provision shall **not** include any of the following:

I. Use of any third party domain name without permission.

II. Sexually explicit materials.

10.4 Internet and Third-Party Web site Regulations

A. A GLOBALVERGE e-associate may use Web banner ads created by GLOBALVERGE, that link a third party Web site to an e-associate’s Web site.

B. An e-associate may not use third-party sites that contain materials copied from corporate sources (such as GLOBALVERGE brochures, CDs, videos, tapes, events, presentations, and corporate Web sites) nor create his or her own GLOBALVERGE material. This policy ensures brand consistency, allows Customers, and e-associates to stay up-to-date with changing products and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.

C. A GLOBALVERGE e-associate who currently qualifies at the “paid as” rank of Triple Diamond may apply to the Compliance Department for an exception to the third-party Web site policy. To qualify for an exception, the Web site must serve a unique market that the GLOBALVERGE corporate site does not currently serve or intend to serve.

D. A GLOBALVERGE e-associate may not sell GLOBALVERGE products or offer the Business opportunity using “on-line auctions,” such as eBay®.

E. An e-associate may not use or attempt to register any of GLOBALVERGE'S trade names, trademarks, service names, service marks, product names, advertising phrases, the Company's name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party Web sites, Web pages, or blogs.

10.5 Advertising and Promotional Materials

A. Advertising and all forms of communications must adhere to principles of honesty and propriety.

B. All advertising, including but not limited to print, internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the GLOBALVERGE Compliance Department.

C. All requests for approvals with respect to advertising must be directed to the GLOBALVERGE Compliance Department.

D. GLOBALVERGE approval is not required to place blind ads that do not mention GLOBALVERGE, its employees, any of its products, services designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.

E. An e-associate who is currently paid at the Triple Diamond rank may **create** his or her own ads or promotional materials including the development of commercials, infomercials and third party Web sites. However, all such materials, and any subsequent changes thereto shall be submitted to the GLOBALVERGE Compliance Department for approval.

I. Triple Diamonds are encouraged to work with the Compliance Department **prior** to the production of commercials, infomercials, or Web sites.

F. To obtain GLOBALVERGE approval for an ad, the e-associate must comply with the following process:

I. Create ad (Triple Diamonds only) or select one of the corporate produced ads on the website or in the back-office.

II. Complete the Advertising Approval Form, found in the back office.

III. Be sure to state “Independent GLOBALVERGE Associate or e-associate” on your material.

IV. Submit the layout and approval form to: GLOBALVERGE compliance department or fax.

V. Allow a minimum of 2 weeks for approval, large projects may require additional time;

G. Your ad will be reviewed as quickly as reasonably possible and a EAN (GLOBALVERGE Approval Number) will be assigned, in writing, which will then be added to your advertisement.

Unless you receive specific written approval from the GLOBALVERGE Compliance to use the material, the request shall be deemed denied.

H. GLOBALVERGE reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations, and may require the removal of such advertisements from the market place without obligation to the affected e-associate.

10.6 Testimonial Permission

By signing the GLOBALVERGE e-associate Agreement, an e-associate gives GLOBALVERGE permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in the GLOBALVERGE Business Opportunity, an e-associate waives any right to be compensated for the use of his or her testimonial or image and likeness even though GLOBALVERGE may be paid for items or sales materials containing such image and likeness. In some cases, an e-associate's testimonial may appear in another e-associate's advertising materials. If an e-associate does not wish to participate in GLOBALVERGE sales and marketing materials, he or she should provide a written notice to the GLOBALVERGE Compliance Department to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

10.7 Telemarketing - Limitations

A. A GLOBALVERGE e-associate must not engage in telemarketing in relation to the operation of the e-associate's GLOBALVERGE business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of GLOBALVERGE products or services, or to recruit them for the GLOBALVERGE opportunity.

B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have laws that restrict telemarketing practices. Both Federal agencies, as well as a number of states, have "do not call" regulations as part of their telemarketing laws.

C. While an e-associate may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the e-associate to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).

D. “Cold calls” or “state-to-state calls” made to prospective Customers, or e-associates that promote either GLOBALVERGE products, services or the GLOBALVERGE opportunity is considered telemarketing and is prohibited.

E. Exceptions to Telemarketing Regulations

A GLOBALVERGE e-associate may place telephone calls to prospective Customers, or e-associates under the following limited situations:

I. If the e-associate has an established business relationship with the prospect.

II. In response to the prospect’s personal inquiry or application regarding a product or service offered by the GLOBALVERGE e-associate, within 3 months immediately before the date of such a call.

III. If the e-associate receives written and signed permission from the prospect authorizing the e-associate to call. The authorization must specify the telephone number(s) that the e-associate is authorized to call.

IV. If the call is to family members, personal friends, and acquaintances. However, if an e-associate makes a habit of collecting business cards from everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption.

V. GLOBALVERGE e-associates engaged in calling “acquaintances,” must make such calls on an occasional basis only and not as a routine practice.

F. An e-associate shall not use automatic telephone dialing systems in the operation of his or her GLOBALVERGE businesses.

G. Failure to abide by GLOBALVERGE policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the e-associate’s distributorship, up to and including termination of the distributorship.

H. By signing the e-associate agreement or by accepting commission checks, other payments or awards from GLOBALVERGE, an e-associate gives permission to GLOBALVERGE and other e-associates to contact them as permitted under the Federal Do Not Call regulations.

I. In the event an e-associate violates this section, GLOBALVERGE reserves the right to institute legal proceedings to obtain monetary or equitable relief.

10.8 Field Initiated Marketing Projects

A. GLOBALVERGE has developed one of the most lucrative Compensation Plans in the industry. As a result, it does not directly or indirectly compensate individuals or groups for the provision of ideas, products, or services. The Compensation Plan encourages all e-associates to put forth great ideas that will provide GLOBALVERGE the ability to

create better tools and resources that can help all e-associates to build their GLOBALVERGE businesses.

B. GLOBALVERGE will wholly own all ideas, products, concepts, and service suggestions without obligation to the referring e-associate.

C. GLOBALVERGE e-associates are encouraged to provide recommendations to the Leadership Council.

D. GLOBALVERGE will explore appropriate suggestions, and in some instances the referring e-associate might be asked for assistance in developing the concept.

E. If GLOBALVERGE does not implement an idea or suggestion, then an e-associate may pursue this project independently with the written consent of GLOBALVERGE - so long as such project does not contain any company or claim and does not violate or misuse a GLOBALVERGE trademark or brand identity. However, GLOBALVERGE will not endorse any field-initiated project, will not promote such project at corporate-run/sponsored events, and will not include such project as part of the business or services officially offered by the company. In addition, nothing shall prevent GLOBALVERGE from thereafter offering its own project or program that may be similar to the field initiated project, without compensation or obligation to an e-associate or to the field.

11. INTERNATIONAL MARKETING

11.1 International Marketing Policy

A. A GLOBALVERGE e-associate is authorized to sell GLOBALVERGE products, to customers, e-associates only in the countries in which GLOBALVERGE is authorized to conduct business, according to the Policies and Procedures of each country. GLOBALVERGE e-associates may not sell products or services in any country where GLOBALVERGE products and services have not received applicable government authorization or approval.

B. An e-associate may not, in any unauthorized country, conduct sales, enrollment or training meetings, enroll or attempt to enroll potential Customers, or e-associates, nor conduct any other activity for the purpose of selling GLOBALVERGE products and services, establishing a sales organization, or promoting the GLOBALVERGE business opportunity.

C. An e-associate may not, in any unauthorized country, obtain or attempt to obtain approvals or authorizations for GLOBALVERGE products and services or establish governmental or regulatory contact on behalf of GLOBALVERGE. Additionally, an e-associate may not register or reserve GLOBALVERGE trade names, trademarks, service marks, or internet domain names.

12. CONFLICT OF INTEREST

12.1 Conflict of Interest

In order to avoid a conflict of interest, or the appearance thereof, GLOBALVERGE will not “engage in any outside business” with an e-associate in any capacity unrelated to the GLOBALVERGE business opportunity products and services. This means that GLOBALVERGE will not purchase goods or services from e-associates, use e-associates as vendors, or hire e-associates as independent contractors, other than in connection with the e-associate agreement and the sale of GLOBALVERGE products and services. For those few arrangements, currently existing, such arrangements will be governed by written agreements, with a set term.

13. CHANGES TO BUSINESS

13.1 Modification of the e-associate agreement

An GLOBALVERGE e-associate may modify his or her existing e-associate agreement (i.e., change a social security number to a Federal ID number, add a Spouse or partner to the account, or change the form of ownership from an individual to a business owned by the e-associate) by submitting a written request, accompanied by a new e-associate agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a “crossed out” or “white-out” version of the first agreement), and any appropriate supporting documentation.

13.2 Change Sponsor or Placement for Active E-associates

A. Maintaining the integrity of the organizational structure is mandatory for the success of GLOBALVERGE and our independent e-associates. As such, a request to change or Placement may only be made within the first 30 days of initial enrollment as an e-associate. Furthermore, such changes may only occur within the same organization.

B. Sponsors may make Placement changes from one e-associate to another for personally sponsored (frontline) e-associates during the first 30 days of enrollment.

C. New e-associates or their original Sponsor may request a change of Sponsor or Placement within the first 30 days of enrollment for the purpose of structuring an organization. The new e-associate agreement must be received within the calendar month for commission calculations to be effective with the requested change.

D. To change or correct the Sponsor, an e-associate must comply with following procedures:

I. Submit a Sponsor Placement Transfer Form;

II. Submit an GLOBALVERGE e-associate agreement showing the correct Sponsor and Placement, and any appropriate supporting documentation;

III. The e-associate agreement must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first agreement.

E. Upon approval, the e-associate’s downline, if any, will transfer with the e-associate.

F. Requests to transfer to a different Sales organization will **not** be accepted, regardless of when they are made, unless GLOBALVERGE can verify that unethical sponsoring has occurred.

G. If one transfer has already been made a \$20 fee will be assessed for the second and for each transfer thereafter.

H. After the first 30 days from initial enrollment, GLOBALVERGE will honor the Sponsor/Placement as shown:

I. On the most recently signed e-associate agreement on file or

II. Self-enrolled on the Web site (i.e., electronically signed Web agreement).

F. An e-associate agreement that contains notations such as “by phone” or the signatures of other individuals (i.e., Sponsors, spouses, relatives, or friends) is not valid and will not be accepted by GLOBALVERGE.

G. In the absence of a valid e-associate agreement within 30 days of enrollment, GLOBALVERGE will consider the activity that has taken place on the e-associate’s account. The e-associate will be required to submit a letter of resignation and remain inactive (inactive autoship) for 6 months in order to reapply under a different Sponsor.

H. GLOBALVERGE retains the right to approve or deny any requests to change Sponsor or Placement, and to correct any errors related thereto at any time and in whatever manner it deems necessary.

13.3 Change Sponsor or Placement for Inactive E-associates

A. At the discretion of GLOBALVERGE, e-associates who did not participate in an autoship or have not ordered products or services for at least 12 months, and who have not tendered a letter of resignation, are eligible to re-enroll in GLOBALVERGE under the Sponsor/Placement of their choice.

B. Upon written notice to GLOBALVERGE that a former e-associate wishes to re-enroll, GLOBALVERGE will “compress” (close) the original account. A new GLOBALVERGE ID number will then be issued to the former e-associate.

C. Such e-associate does not retain former rank, downline, or rights to commission checks from his or her former organizations.

D. GLOBALVERGE reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

13.5 Change Organizations

A. If an GLOBALVERGE e-associate wishes to transfer organizations, he or she must submit a letter of resignation to the GLOBALVERGE Customer Service Department

and remain inactive (place no orders, or be on an autoship) from GLOBALVERGE for 6 months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.

B. GLOBALVERGE retains the right to approve or deny any request to re-enroll after an e-associate's resignation.

C. If re-enrollment is approved, the former e-associate will be issued a new GLOBALVERGE ID number and will be required to submit a new e-associate agreement and to purchase a GLOBALVERGE package of their choice. The e-associate will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.

D. Transfers may not be done outside of the original organization.

13.7 Customer Enrollment as an GLOBALVERGE E-associate

A. A Customer may enroll as an GLOBALVERGE e-associate with the submission of an e-associate agreement and the purchase of a package of their choice.

B. A Customer may enroll as an e-associate with the submission of an e-associate agreement and the purchase of a package of their choice.

C. The Sponsor may request a placement change within 30 days of enrollment of the new e-associate, for personally enrolled e-associates.

13.9 Unethical Sponsoring

A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new e-associate from another e-associate or influencing another e-associate to transfer to a different sponsor.

B. Allegations of unethical sponsoring must be reported in writing to the GLOBALVERGE Compliance Department **within the first 90 days of enrollment.** If the reports are substantiated, GLOBALVERGE may transfer the e-associate or the e-associate's downline to another sponsor, Placement or organization without approval from the current Upline Sponsor or Placement e-associates. GLOBALVERGE remains the final authority in such cases.

13.10 Sell, Assign or Delegate Ownership

A. In order to preserve the integrity of the hierarchical structure, it is necessary for GLOBALVERGE to place restrictions on the transfer, assignment, or sale of a distributorship.

B. A GLOBALVERGE e-associate may not sell or assign his or her rights or delegate his or her position as an e-associate without prior written approval by GLOBALVERGE,

which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of GLOBALVERGE.

C. Should the sale be approved by GLOBALVERGE, the Buyer assumes the position of the Seller at the current qualified title, but at the current “paid as” rank, at the time of the sale and acquires the Seller’s Downline.

D. To sell a distributorship, an e-associate must comply with the following procedures:

I. The Seller’s immediate active Sponsor must be given the first right and option, in writing, to purchase the distributorship.

II. If the immediate active Sponsor declines, in writing, to purchase the distributorship, the same offer must then go to the Seller’s immediate active Upline and so forth, until a total of 1 Sponsor and 4 Upline e-associates have been presented with the opportunity to purchase the Seller’s distributorship.

For the sale of a Triple Diamond distributorship, GLOBALVERGE shall be offered the opportunity to purchase the distributorship if declined by the Sponsor and 4 Upline e-associates (if any).

III. The Sponsor or Upline e-associate shall indicate his or her interest to purchase the distributorship being sold, by notifying the Seller, in writing, within 10 days of the written offer and, thereafter, shall have up to 60 days to enter into a Sales Agreement with the Seller. The potential Buyer must exercise good faith efforts as to not cause unreasonable or undue delay. This provision is not meant to restrict the contractual rights of either party, but rather to encourage the timely and equitable resolution of such business transactions.

IV. If the Sponsor, 4 Upline e-associates, and GLOBALVERGE, if applicable, each decline, in writing, to purchase the distributorship or fail to respond within 10 days after the Seller’s notice of intent to sell, the Seller may proceed with the sale to a third party willing to purchase the distributorship upon substantially the same terms and conditions as provided to the Sponsor and 4 Upline e-associates.

V. The terms and conditions of sale or transfer to a third party shall not change materially from the initial terms and conditions provided to the Seller’s Sponsor and Upline e-associates (if any). Should any significant terms of the offer change, or should the sale price be reduced by more than 15 percent from the initial offer, the Sponsor, 4 Upline e-associates, and GLOBALVERGE, if applicable, shall be given another opportunity to purchase the distributorship at the reduced price or significantly changed terms.

E. To request corporate authorization for a sale or transfer of a GLOBALVERGE distributorship, the following items must be submitted to the GLOBALVERGE Customer Service Department:

I. A Sale/Transfer of Distributorship form properly completed, with the requisite signatures.

- II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
- III. An GLOBALVERGE e-associate Agreement completed and signed by the Buyer.
- IV. Payment of the \$100 administration fee.
- V. Any additional supporting documentation requested by GLOBALVERGE.
- F. If the Buyer is not a current GLOBALVERGE e-associate, the Buyer must enroll as an GLOBALVERGE e-associate and purchase the Professional Package. If the Buyer is a current GLOBALVERGE e-associate, he or she must be in good standing and not in violation of any provision of the e-associate agreement or these Policies and Procedures. Any such purchase by a current GLOBALVERGE e-associate shall be subject to the provisions of Section 13.8.1.ii.
- G. Any debt obligations that either Seller or Buyer may have with GLOBALVERGE must be satisfied prior to the approval of the sale or transfer by GLOBALVERGE.
- H. An GLOBALVERGE e-associate who sells his or her distributorship is not eligible to re-enroll as a GLOBALVERGE e-associate in any organization for 6 full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

13.11 Separating a GLOBALVERGE Business

- A. Pending a divorce or dissolution of a partnership or other business entity, the parties must adopt one of the following methods of operation:
 - I. One of the parties may, with the written consent of the other(s), operate the GLOBALVERGE business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize GLOBALVERGE to deal directly and solely with the other Spouse, nonrelinquishing shareholder, partner, member or trustee.
 - II. The parties may continue to operate the GLOBALVERGE business jointly on a “business as usual” basis, whereupon all compensation paid by GLOBALVERGE will be paid in the name designated by the e-associates or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, GLOBALVERGE will pay compensation to the name on record and in such event, the e-associate named on the account shall indemnify GLOBALVERGE from any claims from the other business owner or the other Spouse with respect to such payment.
- B. GLOBALVERGE recognizes only one Downline organization and will issue only one commission check per GLOBALVERGE business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will GLOBALVERGE split commission and bonus checks.
- C. If a relinquishing Spouse, partner or owner of the business has completely relinquished (“Relinquishing Party”), in writing, all rights to the original GLOBALVERGE

business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any e-associate or active Customer in the former organization, and must develop a new business in the same manner as any other new GLOBALVERGE e-associate. An e-associate in the Relinquishing Party's former Downline who wishes to transfer to the Relinquishing Party's new organization or to any other organization, must comply with the requirements in Section 13.5.

13.12 Succession

A. Upon the death or incapacity of an e-associate, the e-associate's business may be passed on to his or her legal successors in interest (successor). Whenever a GLOBALVERGE business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased e-associate's sales organization. The successor must:

- I. Complete and sign a new GLOBALVERGE e-associate agreement;
- II. Comply with the terms and provisions of the e-associate agreement; and
- III. Meet all of the qualifications for the last rank achieved by the former e-associate.

B. Bonus and commission checks of a GLOBALVERGE business transferred based on this section will be paid in a single check to the successor. The successor must provide GLOBALVERGE with an "address of record" to which all bonus and commission checks will be sent. Checks will be based on the current performance of the distributorship, not the highest rank or volume achieved.

C. If the business is bequeathed to joint devisees (successor), they must form a business entity and acquire a Federal taxpayer identification number. GLOBALVERGE will issue all bonus and commission checks and one 1099 Miscellaneous Income Tax form to the business entity only.

D. Appropriate legal documentation must be submitted to GLOBALVERGE Customer Service to ensure the transfer is done properly. To affect a testamentary transfer of a GLOBALVERGE business, the successor must provide the following to GLOBALVERGE Customer Service:

- I. A certified copy of the death certificate; and
- II. A notarized copy of the will or other appropriate legal documentation establishing the successor's right to the GLOBALVERGE business.

E. To complete a transfer of the GLOBALVERGE business because of incapacity, the successor must provide the following to GLOBALVERGE Customer Service:

- I. A notarized copy of an appointment as trustee;

II. A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the GLOBALVERGE business; and

III. A completed e-associate agreement executed by the trustee.

F. If the successor is already an existing e-associate, GLOBALVERGE will allow such e-associate to keep his or her own distributorship plus the inherited distributorship active for up to 6 months. By the end of the 6 month period, the e-associate must have compressed (if appropriate), sold or otherwise transferred either the existing distributorship or the inherited distributorship.

G. If the successor wishes to terminate the GLOBALVERGE distributorship, he or she must submit a notarized statement stating the desire to terminate the distributorship, along with a certified copy of the death certificate, appointment as trustee, or other appropriate legal documentation.

H. Upon written request, GLOBALVERGE may grant a 1 month bereavement waiver and pay out at the last "paid as" rank.

13.13 Resignation/Voluntary Termination

A. An GLOBALVERGE e-associate may voluntarily terminate his or her distributorship by failing to continue paying his or her monthly autoship.

B. An e-associate may immediately terminate his or her distributorship by submitting a written notice to the GLOBALVERGE Customer Service Department. The written notice must include the following:

I. The e-associate's intent to resign;

II. Date of resignation;

III. GLOBALVERGE Identification Number;

IV. Reason for resigning; and

V. Signature.

C. An GLOBALVERGE e-associate may not use resignation as a way to immediately change Sponsor and

Placement. Instead, the e-associate who has voluntarily resigned is not eligible to reapply for a distributorship or have any financial interest in a GLOBALVERGE business for 6 months from the receipt of the written notice of resignation.

D. After the 6 month period has expired, the e-associate may, at the discretion of GLOBALVERGE, re-enroll under a different Sponsor and Placement.

E. GLOBALVERGE retains the right to approve or deny any request to re-enroll following voluntary termination.

13.14 Involuntary Termination

A. GLOBALVERGE reserves the right to terminate an e-associate's distributorship for, but not limited to, the following reasons;

I. Violation of any terms or conditions of the e-associate agreement;

II. Violation of any provision in these Policies and Procedures;

III. Violation of any provision in the Compensation Plan;

IV. Violation of any applicable law, ordinance, or regulation regarding the GLOBALVERGE business;

V. Engaging in unethical business practices or violating standards of fair dealing; or

VI. Returning over \$500 worth of products and sales tools for a refund within a 12 month period.

B. GLOBALVERGE will notify the e-associate in writing by certified mail, return receipt requested or overnight documented mail, at his or her last known address of its intent to terminate the e-associate's distributorship and the reasons for termination. The e-associate will have 15 calendar days from the date of mailing of such notice to respond in writing to the allegations or claims constituting cause for termination as stated in the notice. GLOBALVERGE will then have 30 calendar days from the date of receipt of the e-associate's response to render a final decision as to termination.

C. If a decision is made by GLOBALVERGE to terminate the e-associate's distributorship, GLOBALVERGE will inform the e-associate in writing that the distributorship is terminated effective as of the date of the written notification. The e-associate will then have 15 calendar days from the date of mailing of such notice to appeal the termination in writing. GLOBALVERGE must receive the e-associate's written appeal within 20 calendar days of the date of the GLOBALVERGE termination letter. If the written appeal is not received within this time period, the termination will be final.

D. If the e-associate does file a timely appeal of termination, GLOBALVERGE will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the e-associate of its decision. The decision of GLOBALVERGE is then considered final and not subject to further review.

E. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by GLOBALVERGE. The former e-associate shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any GLOBALVERGE products or services. GLOBALVERGE will notify the active Upline Sponsor within 10

days after termination. The organization of the terminated e-associate will “roll up” to the active Upline Sponsor on record.

F. The GLOBALVERGE e-associate who is involuntarily terminated by GLOBALVERGE may not re-apply for a distributorship, either under his or her present name or any other name or entity, without the express written consent of an officer of GLOBALVERGE, following a review by the GLOBALVERGE Compliance Committee. In any event, such e-associate may not re-apply for a distributorship for 12 months from the date of termination.

13.15 Effect of Cancellation

A. Following an e-associate’s failure to pay their monthly autoship, cancellation for inactivity, or voluntary or involuntary termination (collectively, a “cancellation”) such e-associate:

I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the e-associate’s former organization or any other payments in association with the e-associate’s former independent distributorship.

II. Effectively waives any and all claims to property rights or any interest in or to the e-associate’s former Downline organization.

III. Shall receive commissions and bonuses only for the last **full** pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, and less any other amounts owed to GLOBALVERGE.

14. DISCIPLINARY SANCTIONS

14.1 Imposition of Disciplinary Action - Purpose

It is the spirit of GLOBALVERGE that integrity and fairness should pervade among its e-associates, thereby providing everyone with an equal opportunity to build a successful business.

Therefore, GLOBALVERGE reserves the right to impose disciplinary sanctions at any time, when it has determined that an e-associate has violated the agreement or any of these Policies and Procedures or the Compensation Plan as they may be amended from time to time by GLOBALVERGE.

14.2 Consequences and Remedies of Breach

A. Disciplinary actions may include one or more of the following:

I. Monitoring an e-associate’s conduct over a specified period of time to assure compliance;

- II.** Issuance of a written warning or requiring the e-associate to take immediate corrective action;
- III.** Imposition of a fine (which may be imposed immediately or withheld from future commission checks) or the withholding of commission checks (a Commission Hold) until the matter causing the Commission Hold is resolved or until GLOBALVERGE receives adequate additional assurances from the e-associate to ensure future compliance;
- IV.** Suspension from participation in Company or e-associate events, rewards, or recognition;
- V.** Suspension of the GLOBALVERGE e-associate agreement and distributorship for one or more pay periods;
- VI.** Involuntary termination of the e-associate's agreement and distributorship;
- VII.** Any other measure which GLOBALVERGE deems feasible and appropriate to justly resolve injuries caused by the e-associate's policy violation or contractual breach; or
- VIII.** Legal proceedings for monetary or equitable relief.

15. DISPUTE RESOLUTION

15.1 Grievances

A. If a GLOBALVERGE e-associate has a grievance or complaint against another e-associate regarding any practice or conduct relating to their respective GLOBALVERGE businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, the e-associate should seek assistance from his or her nearest Upline Triple Diamond Executive. If the matter still cannot be resolved, it must be reported directly to the GLOBALVERGE Compliance Department as outlined below in this Section.

B. The GLOBALVERGE Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the e-associates involved.

C. GLOBALVERGE will confine its involvement to disputes regarding GLOBALVERGE business matters only.

GLOBALVERGE will not decide issues that involve personality conflicts or unprofessional conduct by or between e-associates outside the context of a GLOBALVERGE business. These issues go beyond the scope of GLOBALVERGE and may not be used to justify a Sponsor or Placement change or a transfer to another GLOBALVERGE organization.

D. GLOBALVERGE does not consider, enforce, or mediate third party agreements between e-associates, nor does it provide names, funding, or advice for obtaining outside legal counsel.

E. Process for Grievances

I. The GLOBALVERGE e-associate should submit a written letter of complaint (e-mail will not be accepted) directly to the GLOBALVERGE Compliance Department. The letter shall set forth the details of the incident as follows:

- a.** The nature of the violation;
- b.** Specific facts to support the allegations;
- c.** Dates;
- d.** Number of occurrences;
- e.** Persons involved; and
- f.** Supporting documentation.

II. Upon receipt of the written complaint, GLOBALVERGE will conduct an investigation according to the following procedures:

- a.** The Compliance Department will send an acknowledgment of receipt to the complaining e-associate;
- b.** The Compliance Department will provide a verbal or written notice of the allegation to the e-associate under investigation. If a written notice is sent to the e-associate, he or she will have 10 business days from the date of the notification letter to present all information relating to the incident for review by GLOBALVERGE.
- c.** The Compliance Department will thoroughly investigate the complaint, consider all the submitted information it deems relevant, including information from collateral sources. Due to the unique nature of each situation, determinations of the appropriate remedy will be on a case by case basis, and the length of time to reach a resolution will vary.
- d.** During the course of the investigation, the Compliance Department will only provide periodic updates simply stating that the investigation is ongoing. No other information will be released during this time. e-associate calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.
- e.** GLOBALVERGE will make a final decision and timely notify the GLOBALVERGE e-associates involved.

15.2 Arbitration

A. Any controversy or claim arising out of or relating to the GLOBALVERGE e-associate agreement, these Policies and Procedures, or the breach thereof, the e-associate’s business or any dispute between GLOBALVERGE and the e-associate, shall be settled by binding 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. Any such arbitration shall be held in Kansas City, Missouri, USA; provided, however, any arbitration involving a Canadian e-associate shall be held in Vancouver, British Columbia, Canada. There shall be one arbitrator, who shall have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the American Arbitration Association.

B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including attorney's fees and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.

D. This agreement to arbitration shall survive any termination or expiration of the e-associate agreement.

E. Nothing in these Policies and Procedures shall prevent GLOBALVERGE from applying for or 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 GLOBALVERGE interests or its Confidential Information prior to, during or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

F. These Policies and Procedures and any arbitration involving an e-associate and GLOBALVERGE shall be governed by and construed in accordance with the laws of the state of Missouri, without reference to its principles of conflict of laws.

15.3 Severability

If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

15.4 Waiver

A. Only an officer of GLOBALVERGE can, in writing, effect a waiver of the GLOBALVERGE Policies and Procedures. GLOBALVERGE'S waiver of any particular breach by an e-associate shall not affect GLOBALVERGE'S rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other e-associate.

B. The existence of any claim or cause of action of an e-associate against GLOBALVERGE shall not constitute a defense to GLOBALVERGE'S enforcement of any term or provision of these Policies and Procedures.

15.5 Successors and Claims

The agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

16. GLOBALVERGE GLOSSARY OF TERMS

ACH (Automated Clearing House): A secure private network that enables electronic payments, such as automatic debit card purchases, to be handled and processed.

Active E-associate: An active e-associate is an associate who has purchased one of the GLOBALVERGE packages (Introductory, Advanced or Professional) and remains active on a monthly autoship.

Agreement: Refers to the GLOBALVERGE e-associate agreement, these Policies and Procedures, and the GLOBALVERGE Compensation Plan.

E-associate: An individual who received a GLOBALVERGE ID number, purchased a GLOBALVERGE e-associate Package and submitted a signed GLOBALVERGE e-associate agreement. The e-associate is an independent contractor and is not an employee of GLOBALVERGE.

Commercial Sale: GLOBALVERGE products that equal or exceed \$5,000 in a single order or products sold to a third party who intends to re-sell the products to an end consumer.

(Auto Ship) A standing order that is automatically shipped on a monthly basis.

Customer: Anyone who has received GLOBALVERGE products or services but has not purchased a GLOBALVERGE e-associate package or signed an GLOBALVERGE e-associate agreement and who is listed in the GLOBALVERGE computer as a "Customer".

Distributorship: The sales organization of an GLOBALVERGE e-associate, which includes all Downline Customers, and e-associates.

Downline: A sales organization comprised of Customers and e-associates sponsored below a particular e-associate.

Inactive Associate: An e-associate with an inactive autoship.

Placement: An e-associate's immediate Upline e-associate. One who accepts frontline Customers or e-associates from his or her Sponsor or Upline to increase commissions, or rank.

Protected Prospect: Guest of a GLOBALVERGE e-associate who attends a GLOBALVERGE or e-associate sponsored function or event.

Retail Customer: A Retail Customer is any person who is not in the GLOBALVERGE computer system and who orders and receives products or services directly from an independent GLOBALVERGE e-associate.

Retail Price: The price a Customer pays who is not enrolled in GLOBALVERGE.

RMA: Pre-approved Return Merchandise Authorization - required for accurate processing of returns.

Sales Organization: An e-associate's Upline and Downline.

Sponsor: An e-associate who recruits and enrolls new Customers or e-associates.

EAN: GLOBALVERGE Approval Number; a number issued by the Compliance Department upon approval of an ad, event or other process requiring review and authorization.

GLOBALVERGE Compliance Committee: Will consist of a representative from Compliance, GLOBALVERGE'S General Counsel, and at least 2 senior Executives from GLOBALVERGE.

Upline A Customer or e-associate's linkage to GLOBALVERGE by the Sponsor and Placement "tree" of the matrix

Wholesale Price: The price an e-associate pays who is enrolled in GLOBALVERGE.