

AdCastle Terms and Conditions

ACCEPTANCE OF TERMS THROUGH USE OR SIGNING

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YOU MUST BE 18 OR OLDER TO AGREE TO THIS AGREEMENT AND USE THIS SITE

This Agreement must be completed, understood and agreed to by a person 18 or older. If a parent or guardian wishes to permit a person under 18 to access this site, he or she should email the Company with his or her explicit permission and acceptance of full legal responsibility. If you are not yet 18 or are accessing this site from any country where this material is prohibited, please exit now as you do not have proper authorization.

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Upon your agreement, Company hereby grants you a non-exclusive, non-transferable limited license to use this site in strict accordance with the AdCastle terms and conditions in this Agreement. You agree not to make any false or fraudulent statements as you use this site. You acknowledge and agree that all content and services available on this site are property of the Company and are protected by copyrights, trademarks, service marks, patents, trade secrets, and other proprietary rights and laws, in the U.S. and internationally. All rights not expressly granted herein are fully reserved by the Company, its advertisers and licensors. You agree to pay for any and all purchases and services using your name and credit card through this Site, not to challenge any such charges and to pay for all collections and/or attorneys’ fees resulting from any non-payment.

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Use

Except as may be explicitly permitted, you agree not to save, download, cut and paste, sell, license, rent, lease, modify, distribute, copy, reproduce, transmit, publicly display, publicly perform, publish, adapt, edit, or create derivative works from materials from this site. Systematic retrieval of data or other content from this site to create or compile, directly or indirectly, a collection, database or directory without written permission from the Company is prohibited. In addition, use of the content or materials for any purpose not expressly permitted in this Agreement is prohibited.

Security

You agree that if you are issued a Username and Password by the Company, you shall use your best efforts to prevent access to this site through your Username and Password by anyone other than yourself, including but not limited to, keeping such information strictly confidential, notifying the Company immediately if you discover loss or access to such information by an unauthorized party and by using a secure Username and Password not easily guessed by a third party.

You agree that you shall not try to reverse assemble, reverse compile, decompile, disassemble, translate or otherwise alter any executable code, contents or materials on or received via this site. You understand that such actions are likely to subject you to serious civil and criminal legal penalties and that the Company shall pursue such penalties to the full extent of the law to protect its rights and the rights of its other licensors.

Export

You agree that you shall comply with all applicable export and import control laws and regulations in your use of this site, or materials or services received through this site, and, in particular, you shall not export or re-export anything on or received through this site in violation of local or foreign export laws and/or without all required U.S. and foreign government licenses.

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If you are a branch or agency of the U.S. Government, the following provision applies. This site, code, contents, services and accompanying documentation are comprised of “commercial computer software” and “commercial computer software documentation” as such terms are used in 48 C.F.R. 12.212 (SEPT 1995) and are provided to the Government (i) for acquisitions by or on behalf of civilian agencies, consistent with the policy set forth in 48 C.F.R. 12.212; or (ii) for acquisitions by or on behalf of units of the Department of Defense, consistent with the policies set forth in 48 C.F.R. 227.7202-1 (JUN 1995) and 227.7202-3 (JUN 1995). Unpublished rights reserved under the copyright laws of the United States.

Errors and Corrections

While we use reasonable efforts to include accurate and current information on our Site, we do not warrant or represent that the Site will be error-free. Data entry errors or other technical problems may sometimes result in inaccurate information being shown. We reserve the right to correct any inaccuracies or typographical errors on our Site, including pricing and availability of products and services, and shall have no liability for such errors. We may also make improvements and/or changes to the Site’s features, functionality, or content at any time. If you see any information or description you believe to be incorrect, please contact us and we’ll verify it for you.

LINKS TO OTHER WEBSITES

Our Site contains links to other websites for your information and convenience, or to provide additional shopping for various other goods and services through our Merchant and Services Partners. These third-party websites are responsible for, and undertake to maintain, their own site terms of use. We suggest that you carefully review the terms of use of each site you choose to access from our Site.

USER’S LICENSE GRANT TO SITE

Except with regard to personal information, all information which you post on this site or communicate to the Company through this site (collectively “Submissions”) shall forever be the property of the Company. The Company shall not treat any submission as confidential and shall not incur any liability as a result of any similarities that may appear in future Company services or products. Without copy, the Company shall have exclusive ownership of all present and future existing rights to any Submission of every kind and nature everywhere. You acknowledge that you are fully responsible for the message, including its legality, reliability, appropriateness, originality and copyright. You hereby represent and warrant that your Submission does not infringe the rights of any third party.

USER CONDUCT

By using features of this site that allow you to post or otherwise transmit information to or through this site, or which may be seen by other users, you agree that you shall not upload, post, or otherwise distribute or facilitate distribution of any content - including text, communications, video, software, images, sounds, data, or other information - that:

- A. is unlawful, threatening, abusive, harassing, defamatory, libelous, deceptive, fraudulent, invasive of another’s privacy, tortuous, obscene, sexually explicit or graphic, or otherwise in violation of this site’s rules or policies;
- B. infringes any patent, trade mark, service mark, trade secret, copyright, moral right, right of publicity, privacy or other proprietary right of any party;
- C. constitutes unauthorized or unsolicited advertising, junk or bulk e-mail (also known as “spamming”), chain letters, any other form of unauthorized solicitation, or any form of lottery or gambling;
- D. contains software viruses or any other computer code, files, or programs that are designed or intended to disrupt, damage, or limit the functioning of any software, hardware, or telecommunications equipment or to damage or obtain unauthorized access to any data or other information of any third party; or

- E. impersonates any person or entity, including any employee or representative of this site, its licensors or advertisers.

You also agree that you shall not harvest or collect information about the users of this site or use such information for the purpose of transmitting or facilitating transmission of unsolicited bulk electronic email or communications for any other commercial purpose of your own or a third party.

You further agree that you shall not solicit or collect information, or attempt to induce any physical contact with, anyone under 18 years old without appropriate parental consent.

This site generally does not pre-screen, monitor, or edit the content posted by users of this site. However, this site and its agents have the right, at their sole discretion, to remove any content that, in this site's sole judgment, does not comply with the Site Submission Rules or is otherwise harmful, objectionable, or inaccurate. This site is not liable for any failure, delay, damages or results, in removing such content.

You agree that your use of this site may be suspended or terminated immediately upon receipt of any notice which alleges that you have used this site in violation of these Rules and/or for any purpose that violates any local, state, federal or law of other nations, including but not limited to the posting of information that may violate third party rights, that may defame a third party, that may be obscene or pornographic, that may harass or assault other, that may violate hacking or other criminal regulations, etc. of its agents, officers, directors, contractors or employees. In such event, you agree that the owner of this site may disclose your identity and contact information, if requested by a government or law enforcement body or as a result of a subpoena or other legal action, and the owner of this site shall not be liable for damages or result of a subpoena or other legal action, and the owner of this site shall not be liable for damages or results thereof, and you agree not to bring any action or claim against the owner of this site for such disclosure.

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1. Copyright

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2. Trademark

AdCastle name, logo, and all product names, company names, and other logos, unless otherwise noted, are trademarks and/or trade dress of AdCastle. The use or misuse of any Marks or any other materials contained on the Site, without the prior written permission of their owner, is expressly prohibited.

THIRD PARTY SITES

You may be transferred to online merchants or other third party sites through links or frames from this site. You are cautioned to read their Terms and Conditions and/or Privacy Policies before using such sites. These sites may contain information or material that is illegal, unreasonable or that some people may find inappropriate or offensive. These other sites are not under the control of the Company and are not monitored or reviewed by the Company. The inclusion of such a link or frame does not imply endorsement of this site by the Company, its advertisers or licensors, any association with its operators and is provided solely for your convenience. You agree that the Company and its licensors have no liability whatsoever from such third party sites and your usage of them.

RETURNS OR CANCELLATION

You agree that, return or cancellations of the products must be made within 14 days from the purchase date and remain in resalable condition and also allowed by individual product vendors' terms and condition. Shipping, handling and restock charges incurred will not be refunded. You also agree that any digital or non-tangible products, such as; software, programs, solutions or services are absolutely not refundable after 14 days from

the purchase date. These digital or non-tangible products also include any products involving IT or service related labor costs.

For any returns or cancellations, Company shall deduct from the reimbursement paid to the Member any commissions, bonuses, rebates or other incentives received by the Member that were associated with the product that is returned or cancelled.

DISCLAIMER OF WARRANTIES

The Company, its advertisers and licensors make no representation or warranties about this site, the suitability of the information contained on or received through use of this site, or any service or products received through this site. All information and use of this site are provided "as is" without warranty of any kind. The Company, advertisers and/or its licensors hereby disclaim all warranties without regards to this site, the information contained or received through use of this site, and any services or products received through this site, including all express, statutory, and implied warranties of merchantability, fitness for a particular purpose, title and non-infringement. The Company, advertisers and/or its licensors do not warrant that the contents or any information received through this site are accurate, reliable or correct; that this site will be available at any particular time or location; that any defects or errors will be corrected; or that the contents of any information received through this site is free of viruses or other harmful components. Your use of this site is solely at your risk. User agrees that it has relied on no warranties, representations or statements other than in this agreement. Because some jurisdictions do not permit the exclusion of certain warranties, these exclusions may not apply to you but shall apply to the maximum extent permitted by law of your jurisdiction.

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INDEMNIFICATION

You agree to defend, indemnify, and hold harmless the Company, its advertisers, licensors, subsidiaries and other affiliated companies, and their employees, contractors, officers, agents and directors from all liabilities, claim, and expenses, including attorney's fees, that arise from your use of this site, or any services, information or products from this site, or any violation of this Agreement. The Company reserves the right; at its own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification by you, in which event you shall cooperate with the Company in asserting any available defenses

LEGAL COMPLIANCE

Company may suspend or terminate this Agreement or User's use immediately upon receipt of any notice which alleges that User has used this site for any purpose that violates any local, state, federal or law of other nations, including but not limited to the posting of information that may violate third party rights, that may defame a third party, that may be obscene or pornographic, that may harass or assault other, that may violate hacking or other criminal regulations of its agent, officers, directors, contractors or employees. In such event, Company may disclose the User's identity and a subpoena or other legal action, and Company shall not be liable for damages or results thereof and User agrees not to bring any action or claim against Company for such disclosure.

CHOICE OF LAW AND FORUM

This site (excluding third party linked sites) is controlled by the Company from its offices within the State of Utah, U.S. of America. It can be accessed from all 50 states as well as from other countries around the world to the extent permitted by site. As each of these places has laws that may differ from Utah, by accessing this site, both you and the Company agree that the statutes and laws of Utah shall apply to any actions or claims arising out of or on relation to this Agreement or your use of this site, without regards to conflicts of laws principles thereof. You and the Company also agree and hereby submit to the filing of any claim only in the exclusive personal jurisdiction and venue of Utah and any legal proceedings shall be conducted in English. The Company

makes no representation that materials on this site are appropriate or available for use in other locations, and accessing them from territories where their contents are illegal is prohibited.

MISCELLANEOUS

This Agreement incorporates by reference the Site Submission Rules if this site allows posting and posts such Rules. This Agreement constitutes the entire agreement between the parties related to the subject matter thereof, supersedes any prior or contemporaneous (oral, written or electronic) agreement between the parties and shall not be changed except by written agreement signed by an officer of the Company. If any provision of this Agreement is prohibited by law are held to be unenforceable, the remaining provisions hereof shall not be affected, and this Agreement as much as possible under applicable law shall continue in full force and effect as if such unenforceable provision had never constituted a part hereof and the unenforceable provision shall be automatically amended so as to best accomplish the objectives of such unenforceable provision within the limits of applicable law.

This site reserves the right to revise these provisions at its discretion, so check back from time to time to be sure you are complying with the current version.

AdCastle Member Agreement

1. Authorization and Contract

By executing the AdCastle Member Agreement (hereinafter “Member Agreement”), you apply for legal authorization to become an AdCastle independent business owner and enter into contract with the AdCastle. You acknowledge that prior to signing you have received, read and understood the AdCastle Income Disclosure Statement, that you have read and understood the AdCastle Policies and Procedures, which are incorporated into this Agreement and made part of it as if restated in full, as posted on www.softiCastle.com or www.adcastle.com, and that you have read and agree to all terms set forth in this Agreement. AdCastle reserves the right to reject any application for any reason within 30 days of receipt.

2. Expiration, Renewal, and Termination

The term of this Agreement is one year and automatically renewed annually unless it is canceled or terminated for any reason in accordance with “Soft AdCastle Terms and Conditions”. If canceled, you understand that you will permanently lose all rights as a Member. You shall not be eligible to sell AdCastle products and services nor shall you be eligible to receive royalties, bonuses, or other income resulting from the activities of your former down line sales organization. In the event of cancellation, termination or nonrenewal, you waive all rights you have, including but not limited to property rights, to your former down line organization and to any bonuses, commissions or other remuneration derived through the sales and other activities of your former down line organization. AdCastle reserves the right to terminate all Member Agreements upon 30 days’ notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels. Member may cancel this Agreement at any time, and for any reason, upon written notice to AdCastle at its principal business address. AdCastle may cancel this Agreement for any reason upon 30 days advance written notice to Member. AdCastle may also take actions short of termination of the Agreement, if the AdCastle Member breaches any of its provisions.

3. Independent Contractor Status

You agree this authorization does not make you an employee, agent, or legal representative of AdCastle or your Sponsoring Member. As a self-employed independent contractor, you will be operating your own independent business, buying and selling products available through AdCastle on your own account. You have complete freedom in determining the number of hours that you will devote to your business, and you have the sole discretion of scheduling such hours. You will receive IRS Form 1099-MISC reflecting the amount of income paid to you during the calendar year. It will be your sole responsibility to account for such income on your individual income tax returns.

4. Returns or Cancellation

You agree that, return or cancellations of the products must be made within 14 days from the purchase date and remain in resalable condition and also allowed by individual product vendors' terms and condition. Shipping, handling and restock charges incurred will not be refunded. You also agree that any digital or non-tangible products, such as; software, programs, solutions or services are absolutely not refundable after 14 days from the purchase date. These digital or non-tangible products also include any products involving IT or service related labor costs.

For any returns or cancellations, Company shall deduct from the reimbursement paid to the Member any commissions, bonuses, rebates or other incentives received by the Member that were associated with the product that is returned or cancelled.

5. Presenting the Plan

You agree when presenting the AdCastle Compensation Plan to present it in its entirety as outlined in official AdCastle materials, emphasizing those sales to end consumers are required to receive compensation in the form of bonuses on down line volume. In presenting the plan to prospects, you agree not to utilize any literature, materials or aids not produced or specifically authorized in writing by AdCastle. You agree to instruct all prospective Members to review the "AdCastle Income Disclosure Statement".

6. Selling Product

You agree to make no representations or claims about any products beyond those shown on product labels and/ or in official AdCastle literature. You further agree to sell products available through AdCastle only in authorized territories.

7. Non-Competition Agreement

In accordance with the Policies and Procedures, you agree that during the period while you are a Member, and for six months following resignation, or termination of your business, you will not compete with AdCastle. This covenant shall survive the expiration or termination of your authorization and contract with AdCastle .

8. Non-Solicitation Agreement

In accordance with the Policies and Procedures, you agree that during the period while you are a Member, and for one calendar year following resignation, or termination of your business, you will not encourage, solicit, or otherwise attempt to recruit or persuade any other AdCastle Member to compete with the business of AdCastle.

9. Images / Recordings / Consents

You agree to permit AdCastle to obtain photographs, videos, and other recorded media of you or your likeness. You acknowledge and agree to allow any such recorded media to be used by AdCastle for any lawful purpose, and without compensation.

10. Modification of Terms

The terms of this Agreement may be modified as specified in Rule 1 in the "AdCastle Policies and Procedures".

11. Jurisdiction and Governing Law

The formation, construction, interpretation, and enforceability of your contract with AdCastle as set forth in this Member Agreement and any incorporated documents shall be governed by and interpreted in all respects under the laws of the State of Utah without regard to conflict of law provisions.

12. Fax and/or Email copy

A faxed and/or electronically mailed copy of the Agreement shall be treated as an original in all respects.

13. Dispute Resolution

All disputes and claims relating to AdCastle, its products and services, the rights and obligations of an Member and AdCastle, or any other claims or causes of action relating to the performance of either an Member or AdCastle under the Agreement or the AdCastle Policies and Procedures shall be settled totally and finally by arbitration as enumerated in the Policies and Procedures in Utah, or such other location as AdCastle prescribes, in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association, except that all parties shall be entitled to discovery rights allowed under the Federal Rules of Civil Procedure. Additionally, you agree not to initiate or participate in any class action proceeding against AdCastle, whether in a judicial or mediation or arbitration proceeding, and you waive all rights to become a Member of any certified class in any lawsuit or proceeding. This agreement to arbitrate shall survive any termination or expiration of the Agreement. Nothing in the Agreement shall prevent AdCastle from applying to and obtaining from any court having jurisdiction a writ of attachment, garnishment, temporary injunction, preliminary injunction, permanent injunction or other equitable relief available to safeguard and protect its interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

14. Miscellaneous

If any provision of the Agreement is held to be invalid or unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable and the balance of the Agreement will remain in full force and effect. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The provisions of this Agreement, including all documents incorporated herein by reference, embody the whole agreement between you and AdCastle and supersede any prior agreements, understandings and obligations between you and AdCastle concerning the subject matter of your contract with AdCastle.

15. Montana residents

A Montana resident may cancel his or her Member Agreement within 15 days from the date of enrollment, and may return his or her starter kit for a full refund within such time period. Additionally, all Montana residents are entitled to a twelve month refund on all sales aids in the event of resignation or termination.

16. Notice of Right to Cancel

You may request a refund on your enrollment fee if it's done within 7 business days from the date of enrollment. If you cancel, any enrollment fees paid will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice. To cancel this transaction, mail or deliver written notice, to AdCastle, 1145 South 800 East, Suite 101, Orem, UT 84097, not later than midnight of the seventh business day following the date of this Agreement.

17. Submission of Electronic W-9

Under penalty of perjury, I certify that (1) the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2), I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

AdCastle Policies and Procedures

1.0 INTRODUCTION

1.1 Mutual Commitment Statement

The AdCastle recognizes that in order to develop a long-term and mutually rewarding relationship with its Members and customers, AdCastle and the Members must acknowledge and respect the true nature of the relationship.

- A. In the spirit of mutual respect and understanding, AdCastle is committed to:
 - I. Provide prompt, professional and courteous service and communications to all of its Members and customers;
 - II. Provide the highest quality products, at fair and reasonable prices;
 - III. Exchange or refund the purchase price of any product, service or Membership as provided in our Return Policy;
 - IV. Deliver 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 Member input and planning;
 - VIII. Implement changes in the Compensation Plan or Policies and Procedures that affect the Member with input from the Members;
 - IX. Support, protect and defend the integrity of the AdCastle Business Opportunity;
 - X. Offer Members an opportunity to grow with AdCastle with such growth guided by the principles of Servant Leadership.

- B. In return, AdCastle expects that its Members will:
 - I. Conduct them in a professional, honest, and considerate manner;
 - II. Present AdCastle 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 Members and customers in their down line;
 - VI. Not engage in cross-line recruiting, unhealthy competition or unethical business practices;
 - VII. Provide positive guidance and training to Members and customers in their down line while exercising caution to avoid interference with other down lines. As such, an Member is discouraged from providing cross-line training to an Member or customer in a different organization without first obtaining consent of the Member's or customer's up line leader;
 - VIII. Support, protect, and defend the integrity of the AdCastle Business Opportunity;
 - IX. Accurately complete and submit the Member agreement and any requested supporting documentation in a timely manner.

1.2 AdCastle Policies and Compensation Plan Incorporated into the Member agreement

- A. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the AdCastle Agreement, AdCastle Policies and Procedures, and the AdCastle Compensation Plan.

- B. It is the responsibility of the sponsoring Member to provide the most current version of these Policies and Procedures (available on the AdCastle Website) and the AdCastle Compensation Plan to each applicant prior to his or her execution of a Member agreement.

1.3 Purpose of Policies

- A. AdCastle is a direct sales company that markets products and services through independent business owners referred to as Members. To clearly define the relationship that exists between Members and AdCastle, and to explicitly set a standard for acceptable business conduct, AdCastle has established these Policies and Procedures.
- B. AdCastle Members are required to comply with:
 - I. All of the Terms and Conditions set forth in the Member Agreement, which AdCastle may amend in its sole discretion;
 - II. All Federal, state, provincial, territorial, and local laws governing his or her AdCastle business; and
 - III. AdCastle Policies and Procedures.
- C. AdCastle Members must review the information in these Policies and Procedures carefully. Should a Member have any questions regarding a policy or rule, the Member is encouraged to seek an answer from his or her sponsor or any other up line Members. If further clarification is needed the Member may contact AdCastle customer service.

1.4 Changes, Amendments, and Modifications

- A. Because federal, state, and local laws, as well as the business environment, periodically change, AdCastle reserves the right to amend the Agreement and the prices in its AdCastle Product Price List in its sole and absolute discretion. Notification of amendments shall appear in Official AdCastle Materials or Website.
- B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
 - I. Posting on the official AdCastle Website; or
 - II. Electronic mail (e-mail); or
 - III. In writing through the AdCastle newsletters or other AdCastle communication channels.

1.5 Delays

AdCastle 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 and 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 1, 2015 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.

2.0 BASIC PRINCIPLES

2.1 Becoming an AdCastle Member

- A. To become a Member, 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. Submit a properly completed and signed Member Agreement to AdCastle;
- V. Not be an AdCastle employee, the Spouse of an AdCastle employee or related to an employee of AdCastle and living in the same household as such AdCastle employee.

2.2 New Member Registration

- A. A potential new Member may self-enroll on the sponsor's website. In such event, instead of a physically signed Member agreement, AdCastle will accept the web enrollment and Member agreement by accepting the "electronic signature" stating the new Member has accepted the AdCastle Terms and Conditions of such Member agreement. Please note that such electronic signature constitutes a legally binding agreement between the Member and AdCastle.
- B. AdCastle reserves the right to require signed paperwork for any account, regardless of origin.
- C. If requested, the signed Member Agreement must be received by AdCastle within 14 days of enrollment.
- D. Signed documents, including but not limited to Member 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 Member's position.

2.3 Rights Granted

- A. AdCastle hereby grants to the Member a non-exclusive right, based upon the AdCastle Terms and Conditions contained in the Member agreement and these Policies and Procedures, to:
 - I. Purchase AdCastle products and services;
 - II. Promote and sell AdCastle products and services; and
 - III. Sponsor new Members and customers in the United States and in countries where AdCastle may become established after the effective date of these Policies and Procedures.

2.4 Identification Numbers

- A. Each Member is required to provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to AdCastle on the Member agreement. AdCastle reserves the right to withhold commission payments from any Member who fails to provide such information or who provides false information.
- B. Upon enrollment, AdCastle will provide an AdCastle Identification Number to the Member. This number will be used to place orders, structure organizations, and track commissions and bonuses.

2.5 Renewals and Expiration of the Member Agreement

- A. If the Member allows his or her Member agreement to expire for any reasons, the Member will lose any and all rights to his or her down line organization unless the Member is reinstated by AdCastle within 60 days following the expiration of the agreement.
- B. If the former Member is reinstated within the 60-day time limit, the Member will resume the rank and position held immediately prior to the expiration of the Member agreement. However, such Member's paid as level will not be restored unless he or she qualifies at that payout level in the new month. The Member is not eligible to receive commissions for the time period that the Member's position was expired.

- C. Any Member who was terminated or whose agreement has expired and lapsed the 60 day grace period is not eligible to re-apply for an AdCastle business for 6 months following the expiration of the Member agreement.
- D. The down line of the expired Member will roll up to the immediate, active up line sponsor.

2.6 Business Entities

- A. A corporation, partnership, LLC, or trust (collectively referred to as a “Business Entity”) may apply to be an AdCastle Member. This Member business and position will remain temporary until the proper documents are submitted. The entity must submit one of the following documents: Certificate of Organization, Articles of Incorporation, Partnership Agreement or appropriate trust documents. AdCastle must receive these documents within 14 days from the date the Member agreement was signed.
- B. An AdCastle Member 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.

2.7 Independent Business Relationship; Indemnification for Actions

- A. The AdCastle Member is an independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, each Member’s success depends on his or her independent efforts.
- B. The agreement between AdCastle and its Members does not create an employer/employee relationship, agency, partnership, or joint venture between AdCastle and the Member.
- C. An AdCastle Member shall not be treated as an employee of AdCastle for any purposes, including, without limitation, for Federal, state, or provincial tax purposes. All Members are responsible for paying local, state, provincial, and Federal taxes due from all compensation earned as a Member of AdCastle. Any other compensation received by Members from AdCastle will be governed by applicable U.S. or Canadian tax laws (or the tax laws of any other applicable jurisdiction). The Member has no express or implied authority to bind AdCastle to any obligation or to make any commitments by or on behalf of AdCastle. Each Member 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 Member agreement, these Policies and Procedures and applicable State, Federal and Provincial laws.
- D. The AdCastle Member is fully responsible for all of his or her verbal and written communications made regarding AdCastle products, services, and the compensation plan that are not expressly contained within official AdCastle materials. Members shall indemnify and hold harmless AdCastle, its directors, officers, employees, and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by AdCastle as a result of the Member’s unauthorized representations or actions. This Provision shall survive the termination of the AdCastle Member agreement.

2.8 Insurance

- A. Business Pursuits Coverage. AdCastle encourages Members 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. AdCastle Members 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.

2.9 Errors or Questions

- A. If a Member has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the Member must notify AdCastle 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 Member.

3.0 AdCastle Member Responsibilities

3.1 Correct Addresses

- A. It is the responsibility of the Member or customer to make sure AdCastle has the correct shipping address before any orders are shipped.
- B. A Member or customer will need to allow up to 30 days for processing after the notice of address change has been received by AdCastle.
- C. A Member or customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

3.2 Training and Leadership

- A. Any AdCastle Member who sponsors another Member into AdCastle must perform an authentic assistance and training function to ensure his or her down line is properly operating his or her AdCastle business. Sponsoring Members should have ongoing contact and communication with the Members in their down line 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 down line Members to AdCastle meetings and training sessions and any other related functions.
- B. A Sponsoring AdCastle Member should monitor the Members in his or her down line organizations to ensure that down line Members do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, such Member should be able to provide documented evidence to AdCastle of his or her ongoing fulfillment of the responsibilities of a sponsor.
- C. Up line Members are encouraged to motivate and train new Members about AdCastle products and services, effective sales techniques, the AdCastle compensation plan and compliance with company AdCastle policies and procedures.
- D. Marketing product is a required activity in AdCastle and must be emphasized in all recruiting presentations.
- E. We emphasize and encourage all Members to sell AdCastle products and services to customers.
- F. Use of Sales Aids. To promote both the products and the opportunity AdCastle offers, Members must use the sales aids and support materials produced by AdCastle. If AdCastle Members develop their own sales aids and promotional materials, which include Internet advertising, notwithstanding Members' good intentions, they may unintentionally violate any number of statutes or regulations affecting a AdCastle business. These violations, although they may be relatively few in numbers, could jeopardize the AdCastle opportunity for all Members. Accordingly, Members must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for Company's approval prior to use. The request shall be deemed denied unless the Member receives specific written approval to use the material; All Members shall safeguard and promote the good reputation of AdCastle and its products. The marketing and promotion of AdCastle, the AdCastle opportunity, the Compensation Plan, and AdCastle products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

3.3 Constructive Criticism; Ethics

- A. AdCastle desires to provide its independent Members with the best products and services and Compensation Plan in the industry. Accordingly, AdCastle values constructive criticism and encourages the submission of written comments addressed to AdCastle compliance department.
- B. Negative and disparaging comments about AdCastle, its products or Compensation Plan, by Members made to AdCastle, in the Field or at AdCastle meetings or events, or disruptive behavior at AdCastle meetings or events, serve no purpose other than to dampen the enthusiasm of other AdCastle Members. AdCastle Members must not belittle AdCastle, other AdCastle Members, AdCastle products or services, the Compensation Plan, or AdCastle 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 AdCastle.
- C. AdCastle endorses the following code of ethics:

- I. An AdCastle Member must show fairness, tolerance, and respect to all people associated with AdCastle, regardless of race, gender, social class or religion, thereby fostering a “positive atmosphere” of teamwork, good morale and community spirit.
 - II. A Member shall strive to resolve business issues, including situations with up line and down line Members, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
 - III. AdCastle Members must be honest, responsible, and professional and conduct themselves with integrity.
 - IV. AdCastle Members shall not make disparaging statements about AdCastle, other Members, AdCastle employees, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.
- D. AdCastle may take appropriate action against a Member if it determines, in its sole discretion, that an Member’s conduct is detrimental, disruptive, or injurious to AdCastle or to other Members.

3.4 Reporting Policy Violation

- A. An Member who observes a policy violation by another Member should submit a written and signed letter (e-mail will not be accepted) of the violation directly to the AdCastle 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 AdCastle, it will be researched thoroughly by the Compliance department and appropriate action will be taken if required.
- C. This section refers to the general reporting of policy violations as observed by other Members for the mutual effort to support, protect, and defend the integrity of the AdCastle business and opportunity. If a Member has a grievance or complaint against another Member which directly relates to his or her AdCastle business, the procedures set forth in these policies must be followed.

3.5 Sponsorship

- A. The sponsor is the person who introduces a Member or customer to AdCastle, helps them complete their enrollment, and supports and trains those in their down line.
- B. AdCastle recognizes the sponsor as the name(s) shown on the first:
- I. Physically signed AdCastle Member agreement on file; or
 - II. Electronically signed Member agreement from a web site or a AdCastle Member’s web site.
- C. A Member 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 AdCastle.
- D. AdCastle recognizes that each new prospect has the right to ultimately choose his or her own sponsor, but AdCastle will not allow Members to engage in unethical sponsoring activities.

- E. All active Members in good standing have the right to Sponsor and enroll others into AdCastle. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Member will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Member who presented a comprehensive introduction to AdCastle products or business opportunity.
- F. A Protected Prospect is a guest of any AdCastle Member or Customer who attended an AdCastle event or conference call. For 60 days following the event, a Protected Prospect cannot be solicited or sponsored by any other AdCastle Member who attended the same event. An AdCastle event can be defined as the following:
 - I. Any AdCastle training session;
 - II. Conference call;
 - III. Fly-in meeting; or
 - IV. Presentation, including but not limited to a AdCastle at home presentation, whether sponsored by AdCastle, an Member, a Customer, or an agent or agency designated by AdCastle.

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 Member Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by AdCastle, sanctions up to and including termination of a Member's position 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 an AdCastle business in accordance with AdCastle Sale or Transfer policy set forth in these Policies.

3.7 Adherence to the AdCastle Compensation Plan

- A. A Member must adhere to the terms of the AdCastle Compensation Plan as set forth in these Policies and Procedures as well as in official AdCastle literature. Deviation from the Compensation Plan is prohibited.
- B. A Member shall not offer the AdCastle opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official AdCastle literature.
- C. A Member shall not require or encourage a current or prospective Customer or Member to participate in AdCastle in any manner that varies from the Compensation Plan as set forth in official AdCastle literature.
- D. A Member shall not require or encourage a current or prospective Customer or Member to make a purchase from or payment to any individual or other entity as a condition to participating in the AdCastle 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 Members because of the nature of the business. However, Members must check their local laws and obey the laws that do apply to them.
- B. An AdCastle Member shall comply with all Federal, state, and local laws and regulations in their conduct of his or her AdCastle business.

3.9 Compliance with Applicable Income Tax Laws

- A. AdCastle will automatically provide a complete 1099 Miscellaneous Income Tax form (non-employee compensation) to each US Member whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of AdCastle 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 Member, and a minimum charge of \$20 may be assessed by AdCastle. Canadian T-4's will be sent to Members who earn more than \$500 or who received trips, prizes, or awards valued at \$500 or more. AdCastle Members are responsible for the payment of taxes on these trips, prizes, or awards provided to them by AdCastle.
- B. An Member accepts sole responsibility for and agrees to pay all Federal, state, provincial and local taxes on any income generated as an independent Member, and further agrees to indemnify AdCastle from any failure to pay such tax amounts when due.
- C. If a Member's business is tax exempt, the Federal Tax Identification number must be provided to AdCastle in writing.
- A. AdCastle encourages all Members to consult with a tax advisor for additional information for their business.

3.10 Solicitation for Other Companies or Products

- A. An AdCastle Member may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities. However, during the term of this Agreement and for one year thereafter, a AdCastle Member may not recruit any AdCastle Member or customer for any other direct sales or network marketing business, unless that Member or customer was personally sponsored by such Member.
- 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 Member or customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Member's actions are in response to an inquiry made by another Member or customer.
- C. During the term of this Agreement and for a period of six months thereafter, any AdCastle Member must not sell, or entice others to sell, any competing products or services, including training materials, to AdCastle customers or Members. Any product or service in the same category as a AdCastle 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, a Member may sell non-competing products or services to AdCastle customers and Members that they personally sponsored.
- E. A Member may not display or bundle AdCastle 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 Member into believing there is a relationship between the AdCastle and non-AdCastle products and services.
- F. A AdCastle Member may not offer any non-AdCastle opportunity, products or services at any AdCastle related meeting, seminar or convention, or immediately following a AdCastle event.
- G. As a condition of participating in the AdCastle opportunity and in consideration of receipt of commissions and other bonuses from AdCastle, a former Member may not recruit any AdCastle Member 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 Member agreement.
- H. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between AdCastle and its Members and would inflict irreparable harm on AdCastle. In such event, AdCastle may, at its sole discretion, impose any sanction it deems necessary

and appropriate against such Member or such Member's positions including termination, or seek immediate injunctive relief without the necessity of posting a bond.

3.11 Presentation of the AdCastle Opportunity

- A. In presenting the AdCastle opportunity to potential customers and Members, a Member is required to comply with the following provisions:
 - I. A Member shall not misquote or omit any significant material fact about the Compensation Plan.
 - II. A Member shall make it clear that the Compensation Plan is based upon sales of AdCastle products and services and upon the sponsoring of other Members.
 - III. A Member shall make it clear that success can be achieved only through substantial independent efforts.
 - IV. An AdCastle Member shall not make unauthorized income projections, claims, or guarantees while presenting or discussing the AdCastle opportunity or Compensation Plan to prospective Members or customers.
 - V. A Member may not make any claims regarding products or services of any products offered by AdCastle, except those contained in official AdCastle literature.
 - VI. A Member may not use official AdCastle material to promote the AdCastle business opportunity in any country where AdCastle has not established a "presence."
 - VII. In an effort to conduct best business practices, AdCastle has developed the Income Disclosure Statement ("IDS"). The AdCastle IDS is designed to convey truthful, timely, and comprehensive information regarding the income that AdCastle Members earn. In order to accomplish this objective, a copy of the IDS must be presented to all prospective Members.

A copy of the IDS must be presented to a prospective Member anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms "income claim" and/or "earnings representation" (collectively "income claim") include: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of "statements of non-average earnings" include, "Our number one Member earned over a million dollars last year" or "Our average ranking Member makes five thousand per month." An example of a "statement of earnings ranges" is "The monthly income for our higher ranking Members is ten thousand dollars on the low end to thirty thousand dollars a month on the high end."

- VIII. A Member shall not market any of the AdCastle products in a manner that implies the products can be used for the treatment or mitigation of any disease or serious physical impairments.

4.0 ORDERING

4.1 General Order Policies

- A. Bonus buying is strictly and absolutely prohibited. Bonus buying includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Member or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Member or customers ("phantoms"); (d) purchasing AdCastle products or services on behalf of another Member or Customer, or under another Member's or Customer's ID number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

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

- B. Regarding an order with an invalid or incorrect payment, AdCastle will attempt to contact the Member 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. If a Member wants to move an order to another Member's position, he or she must have prior authorization, of all parties involved. AdCastle will charge the Member some fee for processing.
- D. Prices are subject to change without notice.
- E. A Member or Customer who is a recipient of a damaged or incorrect order must notify AdCastle within 30 calendar days from receipt of the order and follow the procedures as set forth in these Policies.

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 Member or customer for all returned checks and insufficient funds.
- B. Any outstanding balance owed to AdCastle by a Member or customer of the Member from NSF (non-sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld by AdCastle from a Member'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 Member, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the customer or Member will be contacted for an alternate form of payment. If payment is declined a second time, the customer or Member may be deemed ineligible to purchase AdCastle products or services or participate in the monthly auto ship.

4.3 Sales Tax Obligation

- A. The Member shall comply with all state and local taxes and regulations governing the sale of AdCastle products and services.
- B. AdCastle will collect and remit sales tax on Member orders unless a Member furnishes AdCastle with the appropriate Resale Tax Certificate form. When orders are placed with AdCastle, sales tax is prepaid based upon the suggested retail price. AdCastle will remit the sales tax to the appropriate state and local jurisdictions. The Member may recover the sales tax when he or she makes a sale. AdCastle Members are responsible for any additional sales taxes due on products marked up and sold at a higher price.
- C. AdCastle encourages each Member to consult with a tax advisor for additional information for his or her business.

5.0 PAYMENT OF COMMISSIONS & BONUSES

5.1 Bonus and Commission Qualifications

- A. A Member must be active and in compliance with AdCastle Policies and Procedures to qualify for bonuses and commissions. So long as a Member complies with the terms of the agreement, AdCastle shall pay commissions to such Member in accordance with the Compensation Plan.
- B. AdCastle will not issue a check to a Member without the receipt of a completed and signed AdCastle Member Agreement or electronic authorization.
- C. AdCastle reserves the right to postpone commission payments until such time the cumulative amount exceeds \$50.

5.2 Computation of Commissions and Discrepancies

- A. In order to qualify to receive commissions and bonuses, a Member must be in good standing and comply with the terms of the Agreement and these Policies and Procedures. Commissions, overrides, and achievement levels are calculated each month.
- B. An AdCastle Member 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 commission recalculations.
- C. For additional information on payment of commissions, please review the Compensation Plan.

5.3 Adjustments to Bonuses and Commissions for Returned Products or Member Memberships.

- A. A Member receives bonuses and commissions based on the actual sales of products and services to end consumers and to Members through product purchases. When a product or service is returned to AdCastle for a refund from the end consumer or by a Member, the bonuses and commissions attributable to the returned product or service will be deducted from the Member 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 a Member terminates his or her position, and the amounts of the bonuses or commissions attributable to the returned products have not yet been fully recovered by AdCastle, the remainder of the outstanding balance may be offset against any other amounts that may be owed by AdCastle to the terminated Member.

6.0 RETURNS OR CANCELLATION

You agree that, return or cancellations of the products must be made within 14 days from the purchase date and remain in resalable condition and also allowed by individual product vendors’ terms and condition. Shipping, handling and restock charges incurred will not be refunded. You also agree that any digital or non-tangible products, such as; software, programs, solutions or services are absolutely not refundable after 14 days from the purchase date. These digital or non-tangible products also include any products involving IT or service related labor costs.

For any returns or cancellations, Company shall deduct from the reimbursement paid to the Member any commissions, bonuses, rebates or other incentives received by the Member that were associated with the product that is returned or cancelled.

7.0 PRIVACY POLICY

7.1 Introduction

This Privacy Policy is to ensure that all customers and Members understand and adhere to the basic principles of confidentiality.

7.2 Expectation of Privacy

- A. AdCastle recognizes and respects the importance its customers and Members place on the privacy of their financial and personal information. AdCastle will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its customers’ and Members’ financial and account information and nonpublic personal information.
- B. By entering into the Member agreement, a Member authorizes AdCastle to disclose his or her name and contact information to up lines Members solely for activities related to the furtherance of the AdCastle business. A Member 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 down line organization and conducting the AdCastle business.

7.3 Employee Access to Information

AdCastle limits the number of employees who have access to customers’ and Members’ nonpublic personal information.

7.4 Restrictions on the Disclosure of Account Information

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

8.0 PROPRIETARY INFORMATION AND TRADE SECRETS

8.1 Business Reports, Lists, and Proprietary Information

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

8.2 Obligation of Confidentiality

- A. During the term of the AdCastle Member Agreement and for a period of 5 years after the termination or expiration of the Member Agreement between the Member and AdCastle, the Member shall not:
 - I. Use the information in the Reports to compete with AdCastle or for any purpose other than promoting his or her AdCastle business;
 - II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

8.3 Breach and Remedies

- A. The Member 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 AdCastle and to independent AdCastle businesses. AdCastle and its Members will be entitled to injunctive relief or to recover damages against any Member 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.

8.4 Return of Materials

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

9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS

9.1 Labeling, Packaging, and Displaying Products

- A. An AdCastle Member may not re-label, re-package, refill, or alter labels of any AdCastle product, or service, information, materials or programs in any way. AdCastle products and services must only be sold in their original containers from AdCastle. Such re-labeling or re-packaging violates Federal and state laws, which may result in criminal or civil penalties or liability.
- B. An AdCastle Member shall not cause any AdCastle product or service or any AdCastle 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 Member 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. AdCastle will permit Members to solicit and make Commercial Sales upon prior written approval from AdCastle. For the purpose of these Policies and Procedures, the term “Commercial Sale” means the sale of:
 - I. AdCastle products that equal or exceed \$10,000 in a single order
- D. A Member may sell AdCastle products and services and display the AdCastle trade name at any appropriate display booth (such as trade shows) upon prior written approval from AdCastle.
- E. AdCastle 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 AdCastle opportunity.

9.2 Use of Company Names and Protected Materials

- A. An AdCastle Member must safeguard and promote the good reputation of AdCastle and the products and services it markets. The marketing and promotion of AdCastle, the AdCastle opportunity, the Compensation Plan, and AdCastle 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 AdCastle must be used in their original form and cannot be changed, amended or altered except with prior written approval from the AdCastle Compliance Department.
- C. The name of AdCastle, each of its product names and other names that have been adopted by AdCastle in connection with its business are proprietary trade names, trademarks and service marks of AdCastle. As such, these marks are of great value to AdCastle and are supplied to Members for their use only in an expressly authorized manner.
- D. An AdCastle Member’s use of the name “AdCastle” is restricted to protect AdCastle proprietary rights, ensuring that the AdCastle protected names will not be lost or compromised by unauthorized use. Use of the AdCastle name on any item not produced by AdCastle is prohibited except as follows:
 - I. [Member’s name] Independent AdCastle Member
 - II. [Member’s name] Independent Member of AdCastle products and services.
- E. Further procedures relating to the use of the AdCastle name are as follows:
 - I. All stationery (i.e. letterhead, envelopes, and business cards) bearing the AdCastle name or logo intended for use by the Member must be approved in writing by the AdCastle Compliance Department.
 - II. AdCastle Members may list “Independent AdCastle Member or Member” in the white pages of the telephone directory under his or her own name.
 - III. AdCastle Members may not use the name AdCastle or AdCastle 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 AdCastle Member,”
- F. Certain photos and graphic images used by AdCastle in its advertising, packaging, and Web sites are the result of paid contracts with outside vendors that do not extend to Members. If a Member wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- G. An AdCastle Member shall not appear on or make use of television or radio, or make use of any other media to promote or discuss AdCastle or its programs, products or services without prior written permission from the AdCastle.
- H. An Member may not produce for sale or distribution any Company event or speech, nor may an Member reproduce AdCastle audio or video clips for sale or for personal use without prior written permission from the AdCastle.

- I. AdCastle 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 Member.
- J. A Member shall not promote non-AdCastle products or services in conjunction with AdCastle products or services on the same Websites or same advertisement without prior approval from AdCastle.

9.3 Faxes and E-mail - Limitations

- A. Except as provided in this section, a Member 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 AdCastle 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 Member has established a prior business or personal relationship.
- B. In all states where prohibited by law, an Member 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, a AdCastle Member 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.

9.4 Internet and Third-Party Web site Restrictions

- A. A Member may not use third-party sites that contain materials copied from corporate sources (such as AdCastle brochures, CDs, videos, tapes, events, presentations, and corporate Web sites) nor create his or her own AdCastle material. This policy ensures brand consistency, allows customers and Members to

stay up-to-date with changing products and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.

- B. An AdCastle Member who currently qualifies at the rank of VIP may apply to the AdCastle for an exception to the third-party Website policy. To qualify for an exception, the Website must serve a unique market that the AdCastle corporate site does not currently serve or intend to serve.
- C. An AdCastle Member may not sell AdCastle products or offer the business opportunity using “on-line auctions,” such as eBay®.
- D. An Member may not use or attempt to register any of AdCastle trade names, trademarks, service names, service marks, product names, URLs, 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, email addresses, Web pages, or blogs.

9.5 Advertising and Promotional Materials

- A. You may not advertise any AdCastle products at a price LESS than the highest company published, established retail price of ONE offering of the AdCastle product plus shipping and applicable taxes. No special enticement advertising is allowed. This includes but is not limited to offers of free Membership or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.
- C. All advertising, including but not limited to print, internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the AdCastle.
- D. All requests for approvals with respect to advertising must be directed in writing to the AdCastle.
- E. AdCastle approval is not required to place blind ads that do not mention AdCastle, its employees, any of its products, services designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. A Member who is currently paid at the White Diamond rank may create his or her own ads or promotional materials including the development of commercials, infomercials and third party Websites. However, all such materials, and any subsequent changes thereto shall be submitted to the AdCastle for approval.
- G. VIPs are encouraged to work with the AdCastle prior to the production of commercials, infomercials, or Websites.
- H. AdCastle 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 Member.

9.6 Testimonial Permission

- A. By signing the AdCastle Member Agreement, a Member gives AdCastle 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 AdCastle Business Opportunity, a Member waives any right to be compensated for the use of his or her testimonial or image and likeness even though AdCastle may be paid for items or sales materials containing such image and likeness. In some cases, a Member’s testimonial may appear in another Member’s advertising materials. If a Member does not wish to participate in AdCastle sales and marketing materials, he or she should provide a written notice to the AdCastle 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.

9.7 Telemarketing - Limitations

- A. An AdCastle Member must not engage in telemarketing in relation to the operation of the Member’s AdCastle business. The term “telemarketing” means the placing of one or more telephone calls to an

individual or entity to induce the purchase of AdCastle products or services, or to recruit them for the AdCastle 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 a Member may not consider him 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 Member 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 Members that promote either AdCastle products, services or the AdCastle opportunity is considered telemarketing and is prohibited.
- E. Exceptions to Telemarketing Regulations

AdCastle Member may place telephone calls to prospective customers, or Members under the following limited situations:

- I. If the Member 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 AdCastle Member, within 3 months immediately before the date of such a call.
 - III. If the Member receives written and signed permission from the prospect authorizing the Member to call. The authorization must specify the telephone number(s) that the Member is authorized to call.
 - IV. If the call is to family Members, personal friends, and acquaintances. However, if a Member 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. AdCastle Members engaged in calling “acquaintances,” must make such calls on an occasional basis only and not as a routine practice.
- F. A Member shall not use automatic telephone dialing systems in the operation of his or her AdCastle businesses.
 - G. Failure to abide by AdCastle policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Member’s position, up to and including termination of the position.
 - H. By signing the Member agreement or by accepting commission checks, other payments or awards from AdCastle, a Member gives permission to AdCastle and other Members to contact them as permitted under the Federal Do Not Call regulations.
 - I. In the event a Member violates this section, AdCastle reserves the right to institute legal proceedings to obtain monetary or equitable relief.

10.0 INTERNATIONAL MARKETING

10.1 International Marketing Policy

- A. An AdCastle Member is authorized to sell AdCastle products, to customers, Members only in the countries in which AdCastle is authorized to conduct business, according to the Policies and Procedures of each country. AdCastle Members may not sell products or services in any country where AdCastle products and services have not received applicable government authorization or approval.
- B. A Member may not, in any unauthorized country, conduct sales, enrollment or training meetings, enroll or attempt to enroll potential customers, or Members, nor conduct any other activity for the purpose of

selling AdCastle products and services, establishing a sales organization, or promoting the AdCastle business opportunity.

11.0 CHANGES TO A MEMBER BUSINESS

11.1 Modification of the Member agreement

- A. A AdCastle Member may modify his or her existing Member 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 Member) by submitting a written request, accompanied by a new Member 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.

11.2 Change Sponsor or Placement for Active Members

- A. Maintaining the integrity of the organizational structure is mandatory for the success of AdCastle and our independent Members. As such, under exceptional circumstances at the discretion of the company, a request to change placement may only be made within the first 30 days of initial enrollment as a Member. Furthermore, such changes may only occur within the same organization.
- B. Sponsors may make “Placement Changes” from one Member to another for personally sponsored Frontline Members during the first 30 days of enrollment.
- C. New Members 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 Member 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, a Member must comply with following procedures:
 - I. Submit a Sponsor Placement Transfer Form;
 - II. Submit an AdCastle Member agreement showing the correct Sponsor and Placement, and any appropriate supporting documentation;
 - III. The Member 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 Member’s down line, if any, will transfer with the Member.
- F. If one transfer has already been made, a \$20 fee will be assessed for the second and for each transfer thereafter.
- G. After the first 30 days from initial enrollment, AdCastle will honor the Sponsor/Placement as shown:
 - I. On the most recently signed Member agreement on file or
 - II. Self-enrolled on the Web site (i.e., electronically signed Web agreement).
- H. AdCastle 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.

11.3 Change Sponsor or Placement for Inactive Members

- A. At the discretion of AdCastle, Members who did not participate 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 AdCastle under the Sponsor/Placement of their choice.
- B. Upon written notice to AdCastle that a former Member wishes to re-enroll, AdCastle will “compress” (close) the original account. A new AdCastle ID number will then be issued to the former Member.

- C. Such Member does not retain former rank, down line, or rights to commission checks from his or her former organizations.
- D. AdCastle reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

11.4 Change Organizations

- A. If a AdCastle Member wishes to transfer organizations, he or she must submit a letter of resignation to the AdCastle and remain inactive (place no orders or be on an auto ship) from AdCastle for 6 months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. AdCastle retains the right to approve or deny any request to re-enroll after a Member's resignation.
- C. If re-enrollment is approved, the former Member will be issued a new AdCastle ID number and will be required to submit a new Member agreement. The Member will not be entitled to keep any former rank, down line, or rights to commission checks from any prior organization.
- D. Transfers may not be done outside of the original organization.

11.5 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 Member from another Member or influencing another Member to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported in writing to the AdCastle Compliance Department within the first 90 days of enrollment. If the reports are substantiated, AdCastle may transfer the Member or the Members down line to another sponsor, Placement or organization without approval from the current up line Sponsor or Placement Members. AdCastle remains the final authority in such cases.
- C. AdCastle prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the AdCastle compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a down line Member in an unearned manner. One example of stacking occurs when a sponsor places participants under an inactive down line without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent consultant positions of all individuals found to be directly involved.
- D. Should Members engage in solicitation and/or enticement of Members of another direct sales company to sell or distribute AdCastle products, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Member alleging that they engaged in inappropriate recruiting activity of its sales force or customers, AdCastle will not pay any of Member's defense costs or legal fees, nor will AdCastle indemnify the Member for any judgment, award, or settlement.

11.6 Sell, Assign or Delegate Ownership

- A. In order to preserve the integrity of the hierarchical structure, it is necessary for AdCastle to place restrictions on the transfer, assignment, or sale of a position.
- B. A AdCastle Member may not sell or assign his or her rights or delegate his or her position as a Member without prior written approval by AdCastle, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of AdCastle.
- C. Should the sale be approved by AdCastle, 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 down line.

- D. To request corporate authorization for a sale or transfer of an AdCastle position, the following items must be submitted to the AdCastle Compliance Department:
 - I. A Sale/Transfer of position form properly completed, with the requisite signatures.
 - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
 - III. An AdCastle Member Agreement completed and signed by the Buyer.
 - IV. Payment of the \$100 administration fee.
 - V. Any additional supporting documentation requested by AdCastle.
- E. Any debt obligations that either Seller or Buyer may have with AdCastle must be satisfied prior to the approval of the sale or transfer by AdCastle.
- F. A AdCastle Member who sells his or her position is not eligible to re-enroll as a AdCastle Member in any organization for 12 full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

11.7 Separating a AdCastle 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 AdCastle business whereby the relinquishing Spouse, shareholders, partners, Members or trustees authorize AdCastle to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, Member or trustee.
 - II. The parties may continue to operate the AdCastle business jointly on a “business as usual” basis, whereupon all compensation paid by AdCastle will be paid in the name designated by the Members or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, AdCastle will pay compensation to the name on record and in such event, the Member named on the account shall indemnify AdCastle from any claims from the other business owner or the other Spouse with respect to such payment.
- B. AdCastle recognizes only one down line organization and will issue only one commission check per AdCastle business per commission cycle. Under no circumstances will the Down line of an organization be divided, nor will AdCastle 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 AdCastle 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 Member or active Customer in the former organization, and must develop a new business in the same manner as any other new AdCastle Member. A Member in the Relinquishing Party’s former down line 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.

11.8 Succession

- A. Upon the death or incapacity of an Member, the Member’s business may be passed on to his or her legal successors in interest (successor). Whenever an AdCastle business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Member’s sales organization. The successor must:
 - I. Complete and sign a new AdCastle Member agreement;
 - II. Comply with the terms and provisions of the Member agreement; and
 - III. Meet all of the qualifications for the last rank achieved by the former Member.

- B. Bonus and commission checks of an AdCastle business transferred based on this section will be paid in a single check to the successor. The successor must provide AdCastle 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 position, 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. AdCastle 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 AdCastle Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of an AdCastle business, the successor must provide the following to AdCastle Compliance department:
 - 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 AdCastle business.
- E. To complete a transfer of the AdCastle business because of incapacity, the successor must provide the following to the AdCastle Compliance department:
 - 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 AdCastle business; and
 - III. A completed Member agreement executed by the trustee.
- F. If the successor is already an existing Member, AdCastle will allow such Member to keep his or her own position plus the inherited position active for up to 6 months. By the end of the 6 month period, the Member must have compressed (if appropriate), sold or otherwise transferred either the existing position or the inherited position.
- G. If the successor wishes to terminate the AdCastle position, he or she must submit a notarized statement stating the desire to terminate the position, along with a certified copy of the death certificate, appointment as trustee, or other appropriate legal documentation.
- H. Upon written request, AdCastle may grant a 1 month bereavement waiver and pay out at the last “paid as” rank.

11.9 Resignation/Voluntary Termination

- A. A Member may immediately terminate his or her position by submitting a written notice or email to the AdCastle Compliance Department compliance at www.softicastle.com or www.adcastle.com. The written notice must include the following:
 - I. The Member’s intent to resign;
 - II. Date of resignation;
 - III. AdCastle Identification Number;
 - III. Reason for resigning; and
 - V. Signature.
- B. An AdCastle Member may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Member who has voluntarily resigned is not eligible to reapply for a position or have any financial interest in an AdCastle business for 6 months from the receipt of the written notice of resignation.

11.10 Involuntary Termination

- A. AdCastle reserves the right to terminate a Member's position for, but not limited to, the following reasons;
 - I. Violation of any terms or conditions of the Member 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 AdCastle 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. AdCastle will notify the Member 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 Member's position and the reasons for termination. The Member 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. AdCastle will then have 30 calendar days from the date of receipt of the Member's response to render a final decision as to termination.
- C. If a decision is made by AdCastle to terminate the Member's position, AdCastle will inform the Member in writing that the position is terminated effective as of the date of the written notification. The Member will then have 15 calendar days from the date of mailing of such notice to appeal the termination in writing. AdCastle must receive the Member's written appeal within 20 calendar days of the date of the AdCastle termination letter. If the written appeal is not received within this time period, the termination will be considered final.
- D. If the Member does file a timely appeal of termination, AdCastle will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the Member of its decision. The decision of AdCastle 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 AdCastle. The former Member shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any AdCastle products or services. AdCastle will notify the active up line Sponsor within 10 days after termination. The organization of the terminated Member will "roll up" to the active up line Sponsor on record.
- F. The AdCastle Member who is involuntarily terminated by AdCastle may not re-apply for an position, either under his or her present name or any other name or entity, without the express written consent of an officer of AdCastle, following a review by the AdCastle Compliance Committee. In any event, such Member may not re-apply for a position for 12 months from the date of termination.

11.11 Effect of Cancellation

- A. Following a Member's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Member:
 - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Member's former organization or any other payments in association with the Member's former independent position.
 - II. Effectively waives any and all claims to property rights or any interest in or to the Member's former down line 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 AdCastle.

12.0 DISCIPLINARY SANCTIONS

12.1 Imposition of Disciplinary Action - Purpose

- A. It is the spirit of AdCastle that integrity and fairness should pervade among its Members, thereby providing everyone with an equal opportunity to build a successful business. Therefore, AdCastle reserves the right to impose disciplinary sanctions at any time, when it has determined that a Member 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 AdCastle.

12.2 Consequences and Remedies of Breach

- A. Disciplinary actions may include one or more of the following:
 - I. Monitoring an Member's conduct over a specified period of time to assure compliance;
 - II. Issuance of a written warning or requiring the Member 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 AdCastle receives adequate additional assurances from the Member to ensure future compliance;
 - IV. Suspension from participation in Company or Member events, rewards, or recognition;
 - V. Suspension of the AdCastle Member agreement and position for one or more pay periods;
 - VI. Involuntary termination of the Member's agreement and position;
 - VII. Any other measure which AdCastle deems feasible and appropriate to justly resolve injuries caused by the Member's policy violation or contractual breach; or
 - VIII. Legal proceedings for monetary or equitable relief.

13.0 DISPUTE RESOLUTION

13.1 Grievances

- A. If an AdCastle Member has a grievance or complaint against another Member regarding any practice or conduct relating to their respective AdCastle businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the AdCastle Compliance Department as outlined below in this Section.
- B. The AdCastle Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Members involved.
- C. AdCastle will confine its involvement to disputes regarding AdCastle business matters only. AdCastle will not decide issues that involve personality conflicts or unprofessional conduct by or between Members outside the context of a AdCastle business. These issues go beyond the scope of AdCastle and may not be used to justify a Sponsor or Placement change or a transfer to another AdCastle organization.
- D. AdCastle does not consider, enforce, or mediate third party agreements between Members, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:

- I. The AdCastle Member should submit a written letter of complaint (e-mail will not be accepted) directly to the AdCastle 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, AdCastle will conduct an investigation according to the following procedures:
 - a. The Compliance Department will send an acknowledgment of receipt to the complaining Member;
 - b. The Compliance Department will provide a verbal or written notice of the allegation to the Member under investigation. If a written notice is sent to the Member, 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 AdCastle
 - 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. Member calls, letters, and requests for "progress reports" during the course of the investigation will not be answered or returned.
- E. AdCastle will make a final decision and timely notify the AdCastle Members involved.

13.2 Arbitration

- A. Any controversy or claim arising out of or relating to the AdCastle Member agreement, these Policies and Procedures, or the breach thereof, the Member's business or any dispute between AdCastle and the Member, shall be settled by binding and confidential arbitration administered by the American Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any such arbitration shall be held in Utah. 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 reasonable 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.
- C. This agreement to arbitration shall survive any termination or expiration of the Member agreement.
- D. Nothing in these Policies and Procedures shall prevent AdCastle 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 AdCastle 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.
- E. NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.

- F. These Policies and Procedures and any arbitration involving a Member and AdCastle shall be governed by and construed in accordance with the laws of the state of Utah, without reference to its principles of conflict of laws.

13.3 Severability

- A. 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.

13.4 Waiver

- A. Only an officer of AdCastle can, in writing, affect a waiver of the AdCastle Policies and Procedures. AdCastle waiver of any particular breach by a Member shall not affect AdCastle rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Member.
- B. The existence of any claim or cause of action of a Member against AdCastle shall not constitute a defense to AdCastle enforcement of any term or provision of these Policies and Procedures.

13.5 Successors and Claims

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

14.0 GOVERNING LAW

These Policies and Procedures shall be governed by and construed in accordance with the Laws of the State of Utah and the exclusive jurisdiction of the United States courts.

AdCastle Income Disclosure Statement

The AdCastle Compensation Plan is an exciting opportunity that rewards you for selling products and services and for sponsoring other participants who do the same. Although the opportunity is unlimited, individual results will vary depending on commitment levels and sales skills of each participant. Since AdCastle has recently launched, it lacks enough statistical data to prepare reliable income disclosures. The numbers below reflect estimates prepared by the company pending a more detailed survey to be conducted after its first year. Based on industry standards and company projections, the average annual gross income for Members is projected to be anywhere between \$500 and \$2,000. There will certainly be participants who will earn less while others will earn much more. We're excited about the AdCastle Compensation Plan and we're confident it will provide you a solid foundation to help you achieve your financial goals.

If income projections were presented to you prior to your enrollment, such projections are not necessarily representative of the income, if any, that you can or will earn through your participation in the Compensation Plan. These income projections should not be considered as guarantees or projections of your actual earnings or profits. Success with AdCastle results only from hard work, dedication, and leadership.

SHORT FORM [to be used directly under income illustrations]

This illustration is only for educational purposes and is not intended to serve as a guarantee of income. Success in this business requires hard work, dedication and good sales skills. The average participant in this business earns between \$500 and \$2,000. Some earn less while some earn much more.

Income Disclaimer

With income disclosures, the FTC is very clear with their requirements. Whenever an income claim is made, regulators assume that the claim is deceptive unless the proper substantiation is provided. Their rationale is simple: when representing non-average earnings i.e. big money that is only realized by few people, it's

important to provide the prospects with average earnings so they can make informed decisions. It's not exactly fair because the average earnings are skewed downwards due to the low cost of entry and a complete lack of activity from most participants.

Whenever income is referenced, in whatever format, an IDS needs to be provided to the prospect. There are two key reasons referenced in nearly every complaint filed by regulators against MLMs: the main reason is lack of external sales. The other reason is grossly exaggerated income claims made by field leaders without proper substantiation. When a company creates discipline in its leaders to properly use AdCastle income disclosure statement, it's a great hedge against a serious risk factor.

The IDS needs to be provided when income claims are made. Express income claims are claims occur when various scenarios are provided i.e. "put in 50 people in your business, earn X dollars." Implied income claims are usually the most common and occur when speakers reference lavish lifestyles, nice homes, cars and any form of success that can be achieved by way of the business. Whenever an income claim is made, a disclaimer needs to be provided in the same font or format as the statement that triggered it. As an example, if I say "Buy the home you've always wanted" in bold, larger than normal font, the disclaimer technically needs to be made in the exact same format. This is an unusual requirement passed by the FTC to apply pressure on companies to keep their income claims less conspicuous.

Electronic Signature Verbiage

AdCastle Member Agreement

Section I: Acceptance of the Agreement

Welcome to the AdCastle business. Please read "[AdCastle Terms and Conditions](#)", "[AdCastle Member Agreement](#)", "[AdCastle Policies and Procedures](#)", and "[AdCastle Income Disclosure Statement](#)", collectively referred to as "[Soft AdCastle Terms and Conditions](#)".

Section II: E-Sign Notice- Consent to Electronic Record

E-Sign, the Electronic Signatures in Global and National Commerce Act (15 U.S.D. 7001, et seq.), requires that you consent to entering into an electronic agreement with AdCastle before an AdCastle Member Agreement can be executed.

Please read the following information carefully:

- If you enter into an online Member Agreement with AdCastle, you will not be required to submit a paper application. An electronic record will evidence the entire agreement between you and AdCastle. However, you must consent to the use of an electronic record and must read the AdCastle Terms of Use, AdCastle Policies and Procedures and the AdCastle Compensation Plan, and electronically acknowledge below that you have read these documents.
- To access these documents and submit your online Member Application, you will need a personal computer with Internet access and operational Internet browser software.

By clicking on "I agree" below, you consent to the use of electronic records evidencing your agreement to the AdCastle Terms of Use, Policies and Procedures and the Compensation Plan of the AdCastle Member Agreement. If you click on the "I Decline" box, the enrollment process will be terminated and you will be returned to the AdCastle Home page.

Section III: IRS W9 Information

The Tax ID number must match the name as shown on your income tax return to avoid backup withholding. For individuals, this is your social security number.

Please verify the information submitted on your enrollment form. If correct, acknowledge by checking the box below, which will serve as your digital signature. For further information, please see the official IRS W9 form instructions: <http://www.irs.gov/pub/irs-pdf/fw9.pdf>

Under penalties of perjury, I certify that:

- The information submitted is correct
- You are not an exempt payee (generally, individuals, sole proprietors are not exempt from backup withholding)
- The IRS has not notified you that you are currently subject to backup withholding

I consent to the use of electronic records and have read, understand and agree to the AdCastle Member Agreement and Policies and Procedures.

< I ACCEPT > < I DECLINE >