

POLICIES & PROCEEDURES

***Notice: All terms and conditions are to be as interpreted in English (USA) translation.**

[Versión en francés](#) • [Versión en español](#) • [International](#)

1.0 INTRODUCTION

1.1 Mutual Commitment Statement

Quantum Lifestyle, LLC (“hereafter as “Quantum Lifestyle” and/or the “Company”) recognizes the importance to the development of a long-term and mutually rewarding relationship with its business owners (“Affiliate (s)”) and Customers. Integral to this objective, Quantum Lifestyle and its Affiliate s must acknowledge and respect the true nature of the relationship between one another and pledge mutual support towards the service of Customers.

A. In the spirit of mutual respect and understanding, Quantum Lifestyle pledges to:

I. Provide prompt, professional and courteous service and communications to all its Affiliate s and Customers;

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

III. Exchange or refund the purchase price of any product, service or membership as provided in the Return Policy described herein;

IV. Deliver orders promptly and accurately;

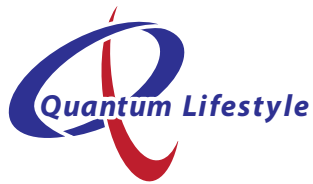
V. Pay commissions accurately and on a timely basis;

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

VII. Roll out new products and programs or implement changes in the Compensation Plan and/or these Policies and Procedures with Affiliate input and planning;

VIII. Support, protect and defend the integrity of the Quantum Lifestyle opportunity; and

IX. Offer Affiliate s an opportunity to grow with Quantum Lifestyle, and have such growth come by way of the principles of Servant Leadership.



B. In return, Quantum Lifestyle expects you as an Affiliate to:

- I. Conduct yourself in a professional, honest, and considerate manner;
- II. Present 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 effort(s) to support, train and service Affiliate s and Customers in your downline;
- VI. Refrain from cross-line recruiting, unhealthy competition or unethical business practices;
- VII. Provide positive guidance and training to Affiliate s and Customers in your downline while exercising caution to avoid interference with the downline of other Affiliate s. As such, you should refrain from providing cross-line training to an Affiliate or Customer in a different organization without first obtaining the consent of the applicable upline leader;
- VIII. Support, protect, and defend the integrity of the Quantum Lifestyle opportunity;
- IX. Accurately complete and submit the Affiliate Agreement and any requested supporting documentation in a timely manner.

1.2 Quantum Lifestyle Policies and Compensation Plan Incorporated into the Affiliate Agreement

A. Throughout these Policies and Procedures (hereafter, “Policies”), when the term “Agreement” is used, it collectively refers to the Quantum Lifestyle Agreement, these Policies, and the Quantum Lifestyle Compensation Plan.

B. It is the responsibility of the sponsoring Affiliate to provide the most current version of these Policies (available on the Quantum Lifestyle website at www.GoQuantumLifestyle.com and the Quantum Lifestyle Compensation Plan to each applicant prior to his, her and/or its execution of the Affiliate Agreement.

1.3 Purpose of Policies

A. Quantum Lifestyle is a direct sales company that markets wellness (do-it-yourself acupressure) products through a network of business owners. To clearly define the relationship that exists between Affiliate s and the Company, and to explicitly set a



standard for acceptable business conduct, Quantum Lifestyle has established these Policies.

B. Affiliate s must comply with the following: (i) all of the terms and conditions set forth in the Affiliate Agreement, which Quantum Lifestyle may amend from time to time in its sole and absolute discretion; (ii) all federal, state, and/or local laws governing his, her and/or its Quantum Lifestyle business; and (iii) these Policies.

C. Affiliate s must review the information in these Policies carefully. Should you have any questions regarding a policy or rule, Quantum Lifestyle encourages you to seek an answer from your Sponsor or any other upline Affiliate. If further clarification is needed, you can contact the Company Compliance Department.

1.4 Changes, Amendments, and Modifications

A. Because federal, state, and local laws, as well as the business environment, periodically change, Quantum Lifestyle reserves the right to amend the Agreement and its product prices in its sole and absolute discretion. Notification of amendments shall appear in Official Company Materials. This provision does NOT apply to the arbitration clause found in Section 12, which can only be modified via mutual consent.

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

I. Posting on the official Quantum Lifestyle website;

II. Electronic mail (e-mail); or

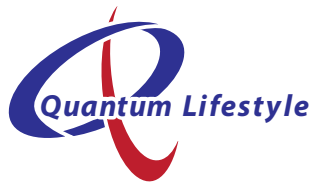
III. In writing through the Company newsletters or other forms of communication channels.

1.5 Delays

Quantum Lifestyle 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/or 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 January 1st, 2020 (“Effective Date”) and, at such time, shall automatically supersede any prior Policies and Procedures (the “old Policies and Procedures”). On this Effective Date, the old Policies and Procedures shall cease to have any force or effect.



2.0 BASIC PRINCIPLES

2.1 Becoming A Quantum Lifestyle Affiliate

A. To become an Affiliate, an applicant must comply with the following requirements:

- I. Be of the age of majority (not a minor) in his, her or its state of residence;
- II. Reside or have a valid address in the United States or U.S. territory;
- III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
- IV. Submit a properly completed and signed Affiliate Agreement to Quantum Lifestyle;
- V. Not be an employee, spouse of an employee or related to an employee of the Company, and living in the same household as such Company employee.

2.2 New Affiliate Registration

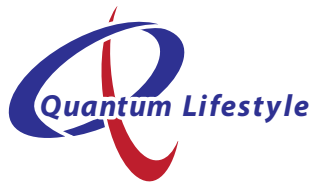
A. A new Affiliate may self-enroll on the website of his, her or its Sponsor. In such event, instead of a physically signed Affiliate Agreement, Quantum Lifestyle will accept the web-enrollment and completion of the Affiliate Agreement through Affiliate's acceptance of the "electronic signature." The electronic signature states the Affiliate's intent to accept the terms and conditions of the Affiliate Agreement, and an understanding of these Policies. Please note that such electronic signature constitutes a legally binding agreement between the Affiliate and Quantum Lifestyle.

B. Quantum Lifestyle reserves the right to require signed paperwork for any account, regardless of origin.

C. If requested by the Quantum Lifestyle, a signed Affiliate Agreement must be received by the Company within Thirty [30] days from the Affiliate's enrollment.

D. Signed documents, including, but not limited to, Affiliate 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 Affiliate's business.

2.3 Rights Granted



A. Quantum Lifestyle hereby grants you a non-exclusive right, based upon the terms and conditions contained in the Affiliate Agreement and these Policies:

I. The right to purchase Quantum Lifestyle products;

II. Promote and sell Quantum Lifestyle products; and

III. Sponsor new Affiliates and Customers in the United States and in countries where Quantum Lifestyle may become established after the Effective Date of these Policies.

2.4 Identification Numbers

A. Each Affiliate must provide his or her Social Security Number, or its Federal Tax Identification Number, if located in the United States or any of its territories, to Quantum Lifestyle on the Affiliate Agreement. Company reserves the right to withhold commission payments from any Affiliate who fails to provide such information or who provides false information.

B. Upon enrollment, the Company will provide a Quantum Lifestyle Identification Number to the Affiliate. This number will be used to place orders, structure organizations, and track commissions and bonuses.

2.6 Business Entities

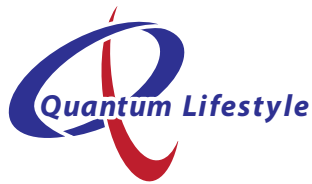
A. A corporation, partnership, LLC, or trust (collectively referred to as a “Business Entity” or referred to as “it”) may apply to be a Quantum Lifestyle Affiliate. This business and genealogy position will remain temporary until the proper documents are submitted. The Business Entity must submit one of the following documents: Certificate of Incorporation, Articles of Organization, Partnership Agreement or appropriate Trust documents. Quantum Lifestyle must receive these documents within Thirty (30) days from the date one affixed a signature to the Affiliate Agreement.

B. A[N] Quantum Lifestyle Affiliate may change their 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. You are an independent contractor, and not a purchaser of a franchise or business opportunity. Therefore, your success solely depends upon your own independent efforts.

B. The Agreement between Quantum Lifestyle and its Affiliates does not create an employer/employee relationship, agency, partnership, or joint venture relationship.



C. A[N] Quantum Lifestyle Affiliate shall not be treated as an employee of Quantum Lifestyle for any purposes, including, without limitation, for federal or state tax purposes. All Affiliate s are responsible for paying local, state, federal taxes due from all compensation earned as an Affiliate of Quantum Lifestyle. Any other compensation received by Affiliate s from the Company will be governed by applicable U.S. tax laws (or the tax laws of any other applicable jurisdiction). The Affiliate has no express or implied authority to bind Quantum Lifestyle to any obligation or to make any commitments by or on behalf of Quantum Lifestyle. Each Affiliate, whether acting as management of a Business Entity or represented as an individual, shall establish his, her or its own goals, hours, and methods of operation and sale, so long as he, she or it complies with the terms of the Agreement, these Policies, and applicable state and federal laws.

D. The Quantum Lifestyle Affiliate is fully responsible for all of his, her or its verbal and written communications made regarding Company products and Compensation Plan not expressly contained within official Company materials. Affiliate s shall indemnify and hold harmless Quantum Lifestyle, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by Quantum Lifestyle as a result of the Affiliate 's unauthorized representations or actions. This provision shall survive the termination of the Quantum Lifestyle Affiliate Agreement.

2.8 Errors or Questions

A. If an Affiliate has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the Affiliate must notify Quantum Lifestyle in writing within Thirty (30) days ("Reportable Time") of the date of the error or incident in question. Any such errors, omissions or problems not reported within this Reportable Time shall be deemed waived by the Affiliate.

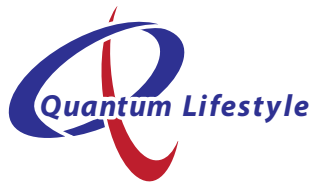
3.0 Quantum Lifestyle's AFFILIATE RESPONSIBILITIES

3.1 Correct Addresses

A. It is the responsibility of the Affiliate or Customer to make sure Quantum Lifestyle has the correct shipping address before any orders are shipped.

B. An Affiliate or Customer will need to allow up to thirty (30) days for processing after any notice of address change is provided to the Company.

C. Company reserves the right to assess Affiliate s and/or Customers a \$12.95 fee for returned shipments due to an incorrect shipping address.



3.2 Training and Leadership

A. Any Quantum Lifestyle Affiliate who Sponsors another Affiliate into the Company must perform an authentic assistance and training functions. This means Sponsoring Affiliate s should have ongoing contact and communication with those Affiliate s in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voice-mail, e-mail, personal meetings, accompaniment of downline Affiliate s to Company-related meetings, training sessions and other Quantum Lifestyle functions.

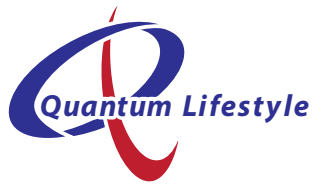
B. A Sponsoring Affiliate should monitor those Affiliate s in their downline organizations to ensure that these Affiliate s do not make improper product or business claims, or engage in any other illegal or inappropriate conduct. Upon request, a Sponsoring Affiliate should be able to provide documented evidence that supports the ongoing fulfillment of responsibilities.

C. Upline Affiliate s are encouraged to motivate and train new Affiliate s about Quantum Lifestyle's products, effective sales techniques, the Company Compensation Plan and compliance with these Policies.

D. Marketing product(s) is a required activity in Quantum Lifestyle, and the marketing and sale of product(s) must be emphasized in all recruiting presentations.

E. We emphasize and encourage all Affiliate s to sell Quantum Lifestyle's products to Customers.

F. Use of Sales Aids. To promote both the products and the opportunity offered by Quantum Lifestyle, Affiliate s must use Company produced sales aids and support materials. If Affiliate s develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding any good intentions, such Affiliate s may unintentionally violate any number of statutes or regulations which may affect the overall business of Quantum Lifestyle. These violations, although they may be relatively few in number, could jeopardize the Quantum Lifestyle opportunity for all. Accordingly, Affiliate s must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for prior written approval before any use. Unless the Affiliate receives this specific written approval to use the material(s), the request shall be deemed denied. All Affiliate s shall safeguard and promote the good reputation of Quantum Lifestyle and its products. The marketing and promotion of Quantum Lifestyle, the Quantum Lifestyle opportunity, the Compensation Plan, and Quantum Lifestyle products shall be consistent



with the public interest. You must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

3.3 Constructive Criticism; Ethics

A. Quantum Lifestyle desires to provide its independent Affiliates with the best products and services and Compensation Plan in the industry. Accordingly, the Company values constructive criticism and encourages the submission of written comments addressed to the Company Compliance Department.

B. Negative and disparaging comments about Quantum Lifestyle, its products, or Compensation Plan made by Affiliates serve no purpose other than to dampen the enthusiasm of other Quantum Lifestyle Affiliates. Affiliates must never belittle Quantum Lifestyle, other Quantum Lifestyle Affiliates, Quantum Lifestyle products, the Compensation Plan, or Quantum Lifestyle directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and may be subject to sanctions as deemed appropriate by the Company.

C. Quantum Lifestyle endorses the following code of ethics:

I. A Quantum Lifestyle Affiliate must show fairness, tolerance, and respect to all people associated with the Company, regardless of race, gender, social class or religion, thereby fostering a “positive atmosphere” of teamwork, good morale and community spirit.

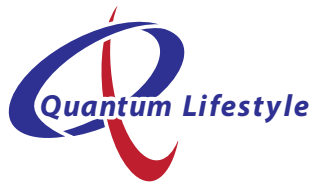
II. An Affiliate shall strive to resolve business issues, including situations with upline and downline Affiliates, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.

III. Affiliates must be honest, responsible, professional and conduct themselves with integrity.

IV. Affiliates shall not make disparaging statements about Quantum Lifestyle, other Affiliates, Company employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.

D. Quantum Lifestyle may take appropriate action against an Affiliate if it determines, in its sole discretion, that Affiliate’s conduct is detrimental, disruptive, or injurious to the Company or to other Affiliates.

3.4 Reporting Policy Violation



A. An Affiliate who observes a policy violation by another Affiliate should submit a written and signed letter (e-mail will not be accepted) of the violation directly to the 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 Quantum Lifestyle, it will be researched thoroughly by the Compliance Department and appropriate action, if necessary, will be taken.

C. This section refers to the general reporting of policy violations as observed by other Affiliates for the mutual effort to support, protect, and defend the integrity of the Quantum Lifestyle business and opportunity. If an Affiliate has a grievance or complaint against another Affiliate which directly relates to his, her or its Quantum Lifestyle business, the procedures set forth in these Policies must be followed.

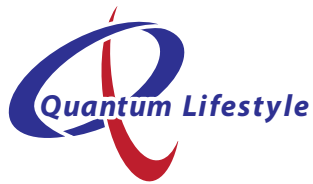
3.5 Sponsorship

A. The Sponsor is the person who introduces an Affiliate or Customer to Quantum Lifestyle, helps them complete their enrollment, and supports and trains those in their downline.

B. Quantum Lifestyle recognizes the Sponsor as the name(s) shown on the first:

- I. Physically signed Affiliate Agreement on file; or
- II. Electronically signed Affiliate Agreement from the Corporate website or an Affiliate's replicated website.

C. An Affiliate 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 Quantum Lifestyle.



D. Quantum Lifestyle recognizes that each new prospect has the right to ultimately choose his or her own Sponsor, but the Company will not allow Affiliates to engage in unethical sponsoring activities.

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

F. A Protected Prospect is a guest of any Quantum Lifestyle Affiliate or Customer who attended a Company event or conference call. For thirty (30) days following the event, a Protected Prospect cannot be solicited or sponsored by any other Company Affiliate who attended the same event. A Quantum Lifestyle event can be defined as the following:

I. Any Company training session;

II. Conference call;

III. Fly-in meeting; or

IV. Presentation, including but not limited to a at home presentation, whether sponsored by the Company, an Affiliate, a Customer, or an agent or agency designated by the Company.

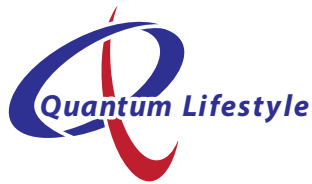
3.6 Cross Sponsoring Prohibition

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 Affiliate Agreement. Actual or attempted cross sponsoring is not allowed. If cross sponsoring is verified by Quantum Lifestyle, sanctions up to and including termination of an Affiliate's business may be imposed.

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

C. This policy does not prohibit the transfer of a Quantum Lifestyle business in accordance with the Sale or Transfer Policy set forth later in these Policies.

3.7 Adherence to the Quantum Lifestyle Compensation Plan



A. An Affiliate must adhere to the terms of the Company Compensation Plan as set forth in these Policies as well as in official Corporate literature. Deviation from the Compensation Plan is prohibited.

B. An Affiliate shall not offer the Quantum Lifestyle opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Corporate literature.

C. An Affiliate shall not require or encourage a current or prospective Customer or Affiliate to participate in Quantum Lifestyle in any manner that varies from the Compensation Plan as set forth in official Corporate literature.

D. An Affiliate shall not require or encourage a current or prospective Customer or Affiliate to make a purchase from or payment to any individual or other entity as a condition to participating in the Company 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 Affiliates because of the nature of the business. However, Affiliates must check their local laws and obey the laws that do apply to them.

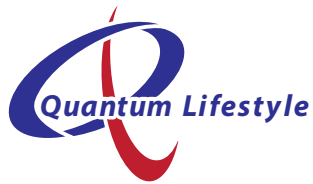
B. A Quantum Lifestyle Affiliate shall comply with all federal, state, and local laws and regulations in their conduct of his or her business.

3.9 Compliance with Applicable Income Tax Laws

A. Quantum Lifestyle will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each U.S. Affiliate whose earnings for the year is at least \$600, who has purchased more than \$5,000 of Quantum Lifestyle 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 Affiliate, and a minimum charge of \$20 may be assessed by the Company.

B. An Affiliate accepts sole responsibility for and agrees to pay all federal, state, and local taxes on any income generated as an independent Affiliate, and further agrees to indemnify the Company from any failure to pay such tax amounts when due.

C. If an Affiliate's business is tax exempt, the Federal Tax Identification number must be provided to Quantum Lifestyle in writing.



D. The Company encourages all Affiliates to consult with a tax advisor for additional information for their business.

3.10 One Quantum Lifestyle Business Per Affiliate

A. An Affiliate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) Quantum Lifestyle business. No individual may have, operate or receive compensation from more than one Quantum Lifestyle businesses. Individuals of the same family unit may each enter in to or have an interest in their own separate Quantum Lifestyle businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A “family unit” is defined as spouses and dependent children living at or doing business at the same address.

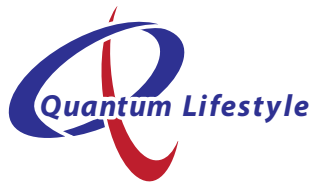
3.11 Actions of Household Members or Affiliated Parties

If any member of an Affiliate’s immediate household engages in any activity which, if performed by the Affiliate, would violate any provision of the Agreement, such activity will be deemed a violation of these Policies and Company may take disciplinary action pursuant to these Policies. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively “Business Entity”) violates the Agreement, such action(s) deemed a violation of these Policies and Company may take disciplinary action pursuant to these Policies. Likewise, if an Affiliate enrolls in Quantum Lifestyle as a Business Entity, each Affiliated party of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

3.12 Solicitation for Other Companies or Products

A. A Quantum Lifestyle Affiliate 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 (1) year thereafter, you may not recruit any Quantum Lifestyle Affiliate or Customer for any other direct sales or network marketing business, unless that Affiliate or Customer was personally sponsored by you.

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 Affiliate or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Affiliate’s actions are in response to an inquiry made by another Affiliate or Customer.



C. During the term of this Agreement and for a period of six (6) months thereafter, any Quantum Lifestyle Affiliate must not sell, or entice others to sell, any competing products or services, including training materials, to Quantum Lifestyle Customers or Affiliates. Any product or service in the same category as a Quantum Lifestyle 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).

D. However, you may sell non-competing products or services to Quantum Lifestyle Customers and Affiliates that you personally sponsored.

E. An Affiliate may not display or bundle Quantum Lifestyle products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Affiliate into believing there is a relationship between Quantum Lifestyle and non-Quantum Lifestyle products and services.

F. A Quantum Lifestyle Affiliate may not offer any non-Quantum Lifestyle opportunity, products or services at any Company-related meeting, seminar or convention, or immediately following a Company event.

G. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between Quantum Lifestyle and its Affiliates and would inflict irreparable harm on the Company. In such event, Quantum Lifestyle may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Affiliate or such Affiliate's business including termination, or seek immediate injunctive relief without the necessity of posting a bond.

3.13 Presentation of the Quantum Lifestyle Opportunity

A. In presenting the Quantum Lifestyle opportunity to potential Customers and Affiliates, you must comply with the following provisions:

I. Refrain from misquoting or omitting any significant material fact about the Compensation Plan.

II. Make clear that the Compensation Plan is based upon sales of Quantum Lifestyle products and services.

III. Make clear that success can be achieved only through substantial independent efforts.



IV. Refrain from any unauthorized income projections, claims, or guarantees amidst any presentation or discussion of the Quantum Lifestyle opportunity or Compensation Plan to prospective Affiliate s or Customers.

V. Refrain from any product claims except those contained in official Corporate literature.

VI. Refrain from the use official Corporate material to promote the Quantum Lifestyle business opportunity in any country where Quantum Lifestyle has not established a “presence.”

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

A copy of the IDS must be presented to a prospective Affiliate anytime the representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include the following: (i) statements of average earnings, (ii) statements of non-average earnings, (iii) statements of earnings ranges, (iv) income testimonials, (v) lifestyle claims, and (vi) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one Affiliate earned over a million dollars last year” or “Our average ranking Affiliate makes five thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher-ranking Affiliate s is ten thousand dollars on the low end to thirty thousand dollars a month on the high end.”

3.14 Sales Requirements are Governed by the Compensation Plan

A. Quantum Lifestyle Affiliate s may purchase Company products and then re-sell them at only the price specified by Company or by any/its product suppliers. There are no exclusive territories granted to anyone. No franchise fees are applicable to a Quantum Lifestyle business.

B. The Quantum Lifestyle program is built on sales to the ultimate consumer. Company encourages its Affiliate s to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Affiliate s must never attempt to influence any other Affiliate to buy more products than they can reasonably use or sell to retail Customers in a month.



4.0 ORDERING

4.1 General Order Policies

A. “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes the following: (i) the enrollment of individuals or entities without the knowledge of and/or execution of an Agreement by such individuals or Business Entities; (ii) the fraudulent enrollment of an individual or entity as an Affiliate or Customer; (iii) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Affiliates or Customers (“phantoms”); (v) purchasing Quantum Lifestyle products on behalf of another Affiliate or Customer, or under another Affiliate’s or Customer’s ID number, to qualify for commissions or bonuses; (vi) purchasing excessive amounts of products that cannot reasonably be used or resold in a month; and/or (vii) 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.

An Affiliate shall not use another Affiliate’s or Customer’s credit card or debit checking account to enroll in Quantum Lifestyle or purchase products without the account holder’s written permission. Such documentation must be kept by the Affiliate indefinitely in case the Company needs to reference this.

B. Regarding an order with an invalid or incorrect payment, Quantum Lifestyle will attempt to contact the Affiliate by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after thirty (30) business days, the order will be canceled.

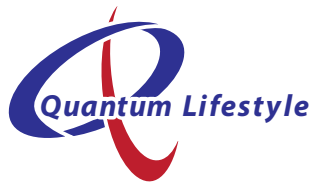
C. If an Affiliate wants to move an order to another Affiliate’s business, he or she must have prior authorization, of all parties involved. The Company will charge the Affiliate a \$29.95 fee for processing.

D. Prices are subject to change without notice.

E. An Affiliate or Customer who is a recipient of a damaged or incorrect order must notify Quantum Lifestyle within thirty (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 \$39.95 fee will be charged to the account of the Affiliate or Customer for all returned checks and insufficient funds.



B. Any outstanding balance owed to Quantum Lifestyle by an Affiliate or Customer of the Affiliate from NSF (non-sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld by Quantum Lifestyle from an Affiliate'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 Affiliate, constitute grounds for disciplinary sanctions.

D. If a credit card order or automatic debit is declined the first time, the Customer or Affiliate will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or Affiliate may be deemed ineligible to purchase Quantum Lifestyle products in the future.

4.3 Sales Tax Obligation

A. The Affiliate shall comply with all state and local taxes and regulations governing the sale of Quantum Lifestyle products.

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

5.0 PAYMENT OF COMMISSIONS & BONUSES

5.1 Bonus and Commission Qualifications

A. An Affiliate must be active and in compliance with these Policies to qualify for bonuses and commissions. As long as an Affiliate complies with the terms of the Agreement, the Company shall pay commissions in accordance with the Compensation Plan.

B. Quantum Lifestyle will not issue a payment to an Affiliate without the receipt of a completed and signed Company Affiliate Agreement and/or Electronic Authorization.

C. Quantum Lifestyle reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$100.00.

5.2 Computation of Commissions and Discrepancies



A. A Quantum Lifestyle Affiliate must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the 30-day “grace period,” no additional requests will be considered for commission recalculations.

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

5.3 Adjustments to Bonuses and Commissions for Returned Products

A. An Affiliate receives bonuses and commissions based on the actual sales of products to end consumers. When a product is returned to Quantum Lifestyle for a refund from the end consumer, the bonuses and commissions attributable to the returned product will be deducted from the Affiliate who received bonuses or commissions on such sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.

B. In the event that an Affiliate terminates his or her business, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by the Company, the remainder of the outstanding balance may be offset against any other amounts that may be owed by Quantum Lifestyle to the former Affiliate.

6.0 SATISFACTION GUARANTEED AND RETURN OF SALES AIDS

Quantum Lifestyle offers a one hundred percent (100%) thirty (30) day money back guarantee for all Customers. If a Customer purchased a product and is not satisfied with the product, the Customer may request a refund from the Affiliate who sold the product to the Customer. If you as an Affiliate are not 100% satisfied with our products, you may return the items for a refund so long as the following conditions are met: (i) neither you nor we have terminated the Agreement; (ii) the products were purchased within thirty (30) days; and (iii) the products remain in Resalable Condition (as defined in the Definitions section below). The refund shall be ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Upon cancellation of the Agreement, the Affiliate may return all generic sales aids purchased within one (1) year from the date of cancellation for a refund if he or she is unable to sell or use the merchandise. An Affiliate may only return sales aids he or she: (i) personally purchased from the Company; (ii) are under his or her Affiliate Identification Number; and (iii) and which are in Resalable Condition (as defined in the Definitions



section below). Any custom orders of printed sales aids (e.g., business cards, brochures, etc.) whereon the Affiliate's contact information is imbedded, hard printed, or added by the Affiliate, are not able in Resalable Condition and thus nonrefundable. Upon Quantum Lifestyle's receipt of the products and sales aids, the Affiliate will be reimbursed ninety percent (90%) of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same credit card account. The Company shall deduct from the reimbursement paid to the Affiliate any commissions, bonuses, rebates or other incentives received by the Affiliate which were associated with the merchandise that is returned.

6.1 Return Process

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

I. Obtain Return Merchandise Authorization ("RMA") from Quantum Lifestyle;

II. Ship items to the address provided by Quantum Lifestyle Customer Service Department when you are given your RMA.

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

IV. Ship back product in manufacturer's box exactly as it was delivered.

B. All returns must be shipped to Quantum Lifestyle pre-paid, as Quantum Lifestyle does not accept shipping collect packages. Quantum Lifestyle recommends shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer or Affiliate. If returned product is not received at Quantum Lifestyle Distribution Center, it is the responsibility of the Customer or Affiliate to trace the shipment. In these particular instances, no credit will be applied.

C. An Affiliate's return of \$300 or more of products accompanied by a request for a refund within twelve (12) months may constitute grounds for involuntary termination.

7.0 PRIVACY POLICY

7.1 Introduction

This policy on privacy is to ensure that all Customers and Affiliates understand and adhere to the basic principles of confidentiality.

7.2 Expectation of Privacy



A. Quantum Lifestyle recognizes and respects the importance its Customers and Affiliate s place on the privacy of their financial and personal information. Quantum Lifestyle will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers' and Affiliate s' financial and account information, as well as nonpublic personal information.

B. By entering into the Affiliate Agreement, an Affiliate authorizes Quantum Lifestyle to disclose his or her name and contact information to upline Affiliate s solely for activities related to the furtherance of the Quantum Lifestyle business. An Affiliate hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline organization and conducting the Quantum Lifestyle business.

7.3 Employee Access to Information

Quantum Lifestyle limits the number of employees who have access to Customers' and Affiliate s' nonpublic personal information.

7.4 Restrictions on the Disclosure of Account Information

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

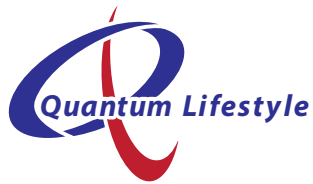
8.0 PROPRIETARY INFORMATION AND TRADE SECRETS

8.1 Business Reports, Lists, and Proprietary Information

A. By completing and signing the Affiliate Agreement, you acknowledge that Business Reports, lists of Customer and Affiliate names and contact information, and any other information which contains financial, scientific or other information — both written or otherwise — circulated by the Company and pertaining to the business of Quantum Lifestyle (collectively, "Reports"), are confidential, proprietary information and trade secrets belonging to Quantum Lifestyle.

8.2 Obligation of Confidentiality

A. During the Term of the Affiliate Agreement and for a period of three (3) years after the termination or expiration of the Affiliate Agreement between the Affiliate and Quantum Lifestyle, the Affiliate shall not:



I. Use the information in the Reports to compete with Quantum Lifestyle or for any purpose other than promoting his or her Quantum Lifestyle 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 Affiliate 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 Quantum Lifestyle and its independent Affiliate s' businesses. Quantum Lifestyle and its Affiliate s will be entitled to injunctive relief or to recover damages against any Affiliate 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, court costs and expenses.

8.4 Return of Materials

A. Upon demand, any current or former Affiliate will return the original and all copies of all "Reports" to Quantum Lifestyle together with any Company confidential information in such person's possession.

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

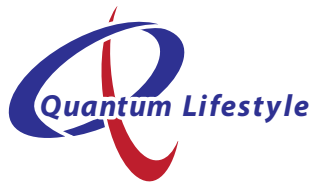
9.1 Labeling, Packaging, and Displaying Products

A. An Affiliate may not re-label, re-package, refill, or alter labels of any Quantum Lifestyle product information, materials or program(s) in any way. Quantum Lifestyle products must only be sold in their original containers from Quantum Lifestyle. Such re-labeling or re-packaging violates federal and state laws which may result in criminal or civil penalties or liability.

B. A Quantum Lifestyle Affiliate shall not cause any Company products or any Company trade name to be sold or displayed in retail establishments unless Company grants Affiliate prior written approval.

C. Quantum Lifestyle will permit Affiliate s to solicit and make Commercial Sales upon prior written approval from the Company. For the purpose of these Policies, the term "Commercial Sale" means the sale of:

I. Quantum Lifestyle products that equal or exceed \$5,000 in a single order;



II. Products sold to a third party who intends to resell the products to an end consumer.

D. An Affiliate may sell Company products and display the Company trade name at any appropriate display booth (such as a trade show) only upon prior written approval from Quantum Lifestyle.

E. Quantum Lifestyle 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 or the Company opportunity.

9.2 Use of Company Names and Protected Materials

A. You must safeguard and promote the good reputation of Quantum Lifestyle and its products. The marketing and promotion of the Company, the Company opportunity, the Compensation Plan, and its products 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 Quantum Lifestyle must be used in their original form and cannot be changed, amended or altered except with prior written approval from the Company Compliance Department.

C. The name of Quantum Lifestyle, each of its product names and other names that have been adopted by the Company in connection with its business are proprietary trade names, trademarks and service marks of Quantum Lifestyle. As such, these marks are of great value to Quantum Lifestyle and are supplied to Affiliates for their use only in an expressly authorized manner.

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

I. [Your name], Independent Quantum Lifestyle Affiliate

II. [Your name] Affiliate of Quantum Lifestyle products.

E. Further procedures relating to the use of the Quantum Lifestyle name are as follows:

I. All stationary (i.e., letterhead, envelopes, and business cards) bearing the Quantum Lifestyle name or logo intended for use by the Affiliate must be approved in writing by the Company Compliance Department.



II. Affiliate s may list “Independent Quantum Lifestyle Affiliate or “Quantum Lifestyle Affiliate ” in the white pages of the telephone directory under his or her own name.

III. Affiliate s may not use the name “Quantum Lifestyle” or “Quantum Lifestyle Corporate Headquarters” 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.

F. Certain photos and graphic images used by Quantum Lifestyle in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Affiliate s. If you want to use these photos or graphic images, you must negotiate individual contracts with the vendors for a fee.

G. A Quantum Lifestyle Affiliate shall not appear on or make use of television or radio, or make use of any other media to promote or discuss the Company or its programs, products or services without prior written permission from the Company Compliance Department.

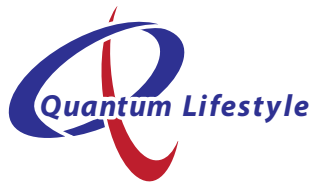
H. An Affiliate may not produce for sale or distribution any Company event or speech, nor may an Affiliate reproduce Company audio or video clips for sale or for personal use without prior written permission from the Company Compliance Department.

I. Quantum Lifestyle 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 Affiliate.

J. An Affiliate shall not promote non-Quantum Lifestyle products in conjunction with Quantum Lifestyle products on the same websites or same advertisement without prior approval from the Company Compliance Department.

K. Claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Quantum Lifestyle may not be made except those contained in official Corporate literature. In particular, no Affiliate may make any claim that Quantum Lifestyle products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate the Company policies, but also they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

9.3 E-mail Limitations



A. Except as provided in this section, an Affiliate may not use or transmit unsolicited email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her Quantum Lifestyle business. The exceptions are:

I. E-mailing any person who has given prior permission or invitation;

II. E-mailing any person with whom the Affiliate has established a prior business or personal relationship.

B. In all states where prohibited by law, an Affiliate 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 e-mail or computer broadcasted documents subject to this provision shall include each of the following:

I. A clear and obvious identification that the 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 e-mail messages from the sender;

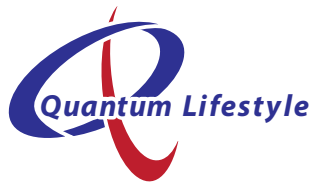
V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;

VI. The true and correct name of the sender, valid senders 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 e-mailed documents, a Quantum Lifestyle Affiliate 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, Replicated Website, and Social Media

A. You may not use or attempt to register any of Quantum Lifestyle's 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 websites, e-mail addresses, web pages, or blogs.

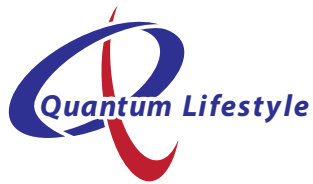
B. You may not sell Quantum Lifestyle products or offer the business opportunity using "online auctions" or "online marketplaces" such as eBay®, Amazon, etc.

C. All Affiliate s may only have one (1) replicated website offered by Quantum Lifestyle and hosted on the Company's servers. Affiliate s may use this replicated website to enroll new Affiliate s and offer Customers and Affiliate s alike the opportunity to buy Company products. Quantum Lifestyle does not allow an Affiliate to create his or her own third-party website (i.e., a website not hosted on the Company servers).

D. Affiliate understands that if he, she or it cancels its Quantum Lifestyle business, Quantum Lifestyle revokes the Affiliate 's authorization to his, her or its replicated website and may cancel and/or re-direct all traffic to the Corporate site. Decisions and corrective actions in this area are at the Company's sole discretion.

E. Social Media sites may not be used to sell or offer to sell Quantum Lifestyle products. PROFILES AN AFFILIATE GENERATES IN ANY SOCIAL COMMUNITY WHERE Quantum Lifestyle IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE AFFILIATE AS A Quantum Lifestyle AFFILIATE, and when an Affiliate participates in those communities, one must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at the Company's sole discretion, and offending Affiliate s will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the Quantum Lifestyle approved library. If a link is provided, it must link to the posting Affiliate 's replicated website.

F. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Affiliate s will be subject to disciplinary action.



G. Affiliate s may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Affiliate s create or leave must be useful, unique, relevant and specific to the blog’s article.

H. Affiliate s must disclose their full name on all Social Media postings, and conspicuously identify themselves as an independent Affiliate for Quantum Lifestyle. Anonymous postings or use of an alias is prohibited.

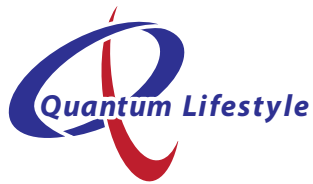
I. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the Quantum Lifestyle income opportunity, the Company’s products, and/or your biographical information and credentials.

J. Affiliate s are personally responsible for their postings and all other online activity that relates to Quantum Lifestyle. Therefore, even if an Affiliate does not own or operate a blog or Social Media site, if an Affiliate posts to any such site that relates to Quantum Lifestyle or which can be traced to Quantum Lifestyle, the Affiliate is responsible for the posting. Affiliate s are also responsible for postings which occur on any blog or Social Media site that the Affiliate owns, operates, or controls.

K. As an Affiliate, it is important you do not converse with any person who places a negative post against you, other Affiliate s, or the Company. Report negative posts to socialmedia@goquantumlifestyle.com. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as Quantum Lifestyle, and therefore damages the reputation and goodwill of the Company and its Affiliate s.

L. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, the Company therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that Affiliate s using, or who wish to use, such sites adhere to the Company’s policies relating to third-party websites.

M. If your Quantum Lifestyle business is cancelled for any reason, you must discontinue using the Company name, and all of Company’s trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent Quantum Lifestyle Affiliate, you must conspicuously disclose that you are no longer an independent Affiliate of Quantum Lifestyle.



N. Failure to comply with these Policies for conducting business online may result in the Affiliate losing their right to advertise and market Quantum Lifestyle products and the Company's business opportunity online in addition to any other disciplinary action available under these Policies.

9.5 Advertising and Promotional Materials

A. You may not advertise any Quantum Lifestyle products at a price LESS than the highest Company published, established retail price of ONE offering of the Quantum Lifestyle product plus shipping, handling and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of a free Company business, free shipping, 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 Company Compliance Department.

D. All requests for approvals with respect to advertising must be directed in writing to the Company Compliance Department.

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

F. Quantum Lifestyle 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 marketplace without obligation to the affected Affiliate.

9.6 Testimonial Permission

A. By signing the Quantum Lifestyle Affiliate Agreement, you give the Company permission to use your 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 Quantum Lifestyle opportunity, you waive any right to be compensated for the use of your testimonial or image and likeness even though Quantum Lifestyle may be paid for items or sales materials containing such image and likeness. In



some cases, an Affiliate's testimonial may appear in another Affiliate's advertising materials. If you do not wish to participate in the Company's sales and marketing materials, you should provide a written notice to the Company Compliance Department to ensure that your 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. A Quantum Lifestyle Affiliate must not engage in telemarketing in relation to the operation of the Affiliate's business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of Quantum Lifestyle products, or to recruit them for the Quantum Lifestyle opportunity.

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

C. While an Affiliate may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Affiliate 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 Affiliates that promote either the Company products or the Quantum Lifestyle opportunity is considered telemarketing and is prohibited.

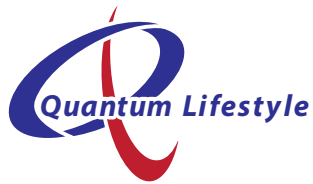
E. Exceptions to Telemarketing Regulations

A Quantum Lifestyle Affiliate may place telephone calls to prospective Customers or Affiliates only under the following limited situations:

I. If the Affiliate has an established business relationship with the prospect;

II. In response to the prospect's personal inquiry or application regarding a product offered by the Quantum Lifestyle Affiliate within three (3) months immediately before the date of such a call;

III. If the Affiliate receives written and signed permission from the prospect authorizing the Affiliate to call;



IV. If the call is to family members, personal friends, and acquaintances. However, if an Affiliate 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. Quantum Lifestyle Affiliate s engaged in calling “acquaintances,” must make such calls on an occasional basis only and not as a routine practice.

F. An Affiliate shall not use automatic telephone dialing systems in the operation of his or her businesses.

G. Failure to abide by Quantum Lifestyle policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Affiliate ’s business, up to and including termination of the business.

H. By signing the Affiliate Agreement, or by accepting commission checks, other payments or awards from Quantum Lifestyle, an Affiliate gives permission to Quantum Lifestyle and other Affiliate s to contact them as permitted under the Federal Do Not Call regulations.

I. In the event an Affiliate violates this section, Quantum Lifestyle reserves the right to institute legal proceedings to obtain monetary or equitable relief.

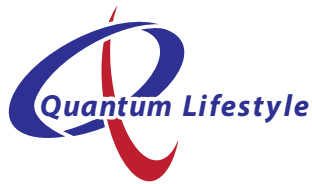
10.0 CHANGES TO AN AFFILIATE ’S BUSINESS

10.1 Modification of the Affiliate Agreement

A Quantum Lifestyle Affiliate may modify his or her existing Affiliate 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 Entity owned by the Affiliate) by submitting a written request, accompanied by a new Affiliate 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.

10.2 Change Sponsor or Placement for Active Affiliate s

A. Maintaining the integrity of the organizational structure is mandatory for the success of Quantum Lifestyle and our independent Affiliate s. 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 an Affiliate. Furthermore, such changes may only occur within the same organization.



B. Sponsors may make “Placement changes” from one Affiliate to another for personally Sponsored (frontline) Affiliates during the first 30 days of enrollment.

C. New Affiliates 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 Affiliate Agreement must be received within the calendar month for commission calculations to be effective with the requested change.

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

I. Submit a Sponsor Placement Transfer Form;

II. Submit a Quantum Lifestyle Affiliate Agreement showing the correct Sponsor and Placement, and any appropriate supporting documentation;

III. The Affiliate 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 Affiliate’s downline, if any, will transfer with the Affiliate.

F. If one transfer has already been made a \$250 fee will be assessed for the second and for each transfer thereafter.

G. After the first 30 days from initial enrollment, Quantum Lifestyle will honor the Sponsor/Placement as shown:

I. On the most recently signed Affiliate Agreement on file; or

II. Self-enrolled on the website (i.e., electronically signed web Agreement).

H. Quantum Lifestyle 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.

10.3 Change Sponsor or Placement for Inactive Affiliates

A. At the discretion of Quantum Lifestyle, Affiliates who have not neither ordered nor sold products in the past twelve (12) months, and who have not tendered a letter of resignation, are eligible to re-enroll in Quantum Lifestyle under the Sponsor/Placement of their choice.

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



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

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

10.4 Change Organizations

A. If a Quantum Lifestyle Affiliate wishes to transfer organizations, he or she must submit a letter of resignation to the Company Customer Service Department and remain inactive (neither place orders nor sell product) with or in the Company for six (6) months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.

B. Quantum Lifestyle retains the right to approve or deny any request to re-enroll after an Affiliate's resignation.

C. If re-enrollment is approved, the former Affiliate will be issued a new Company ID number and will be required to submit a new Affiliate Agreement. The Affiliate will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.

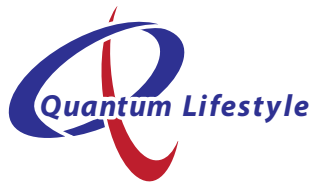
D. Transfers may not be done outside of the original organization.

10.5 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 Affiliate from another Affiliate or influencing another Affiliate to transfer to a different sponsor.

B. Allegations of unethical sponsoring must be reported in writing to the Company Compliance Department within the first 90 days of enrollment. If the reports are substantiated, Quantum Lifestyle may transfer the Affiliate or the Affiliate's downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Affiliates. Understand that Quantum Lifestyle remains the final authority in all such cases.

C. The Company prohibits the act of "Stacking." Stacking is the unauthorized manipulation of the Quantum Lifestyle compensation system and/or the marketing plan in order to trigger commissions or cause a promotion of a downline Affiliate in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline 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 Affiliate 's positions and businesses of all individuals and/or entities found to be directly involved.

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

10.6 Sell, Assign or Delegate Ownership

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

B. A Quantum Lifestyle Affiliate may not sell or assign his or her rights or delegate his or her position as an Affiliate without prior written approval by Quantum Lifestyle, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of Quantum Lifestyle.

C. Should the sale be approved by Quantum Lifestyle, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquires the Seller's Downline.

D. To request corporate authorization for a sale or transfer of a Quantum Lifestyle business, the following items must be submitted to the Company Compliance Department:

I. A Sale/Transfer of Business Form properly completed, with the requisite signatures.

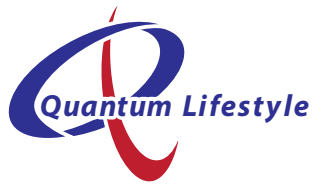
II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.

III. A Quantum Lifestyle Affiliate Agreement completed and signed by the Buyer;

IV. Payment of the \$99.95 administration fee;

V. Any additional supporting documentation requested by Quantum Lifestyle.

E. Any debt obligations that either Seller or Buyer may have with Quantum Lifestyle must be satisfied prior to the approval of the sale or transfer by the Company.



F. A Quantum Lifestyle Affiliate who sells his or her business is not eligible to re-enroll as a Quantum Lifestyle Affiliate in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies.

10.7 Separating a Quantum Lifestyle 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 Quantum Lifestyle business whereby the relinquishing spouse, shareholders, partners, members or trustees authorize Quantum Lifestyle to deal directly and solely with the other spouse, non-relinquishing shareholder, partner, member or trustee;

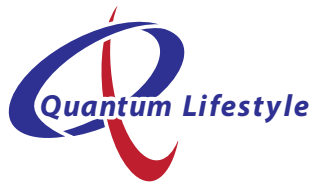
II. The parties may continue to operate the Quantum Lifestyle business jointly on a “business as usual” basis, whereupon all compensation paid by the Company will be paid in the name designated as the Affiliate s or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, Quantum Lifestyle will pay compensation to the name on record and in such event, the Affiliate named on the account shall indemnify Quantum Lifestyle from any claims from the other business owner(s) or the other spouse with respect to such payment.

B. Quantum Lifestyle recognizes only one downline organization and will issue only one commission check per Quantum Lifestyle business per commission cycle. Under no circumstances will the downline of an organization be divided, nor will Quantum Lifestyle split commission and/or 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 Quantum Lifestyle 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 Affiliate or Customer in the former organization, and must develop a new business in the same manner as any other new Quantum Lifestyle Affiliate. An Affiliate in the Relinquishing Party’s former Downline who wishes to transfer to the Relinquishing Party’s new organization or to any other organization, must comply with the requirements in Section 12.5.

10.8 Succession

A. Upon the death or incapacity of an Affiliate, the Affiliate’s business may be passed on to his or her legal successors in interest (successor). Whenever a Quantum Lifestyle business



is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Affiliate 's sales organization. The successor must:

- I. Complete and sign a new Quantum Lifestyle Affiliate Agreement;
- II. Comply with the terms and provisions of the Affiliate Agreement; and
- III. Meet all of the qualifications for the last rank achieved by the former Affiliate.

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

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

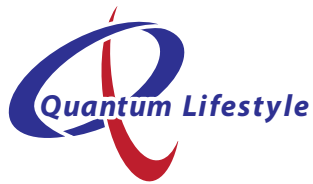
D. Appropriate legal documentation must be submitted to the Company Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a Quantum Lifestyle business, the successor must provide the following to the Company Compliance Department:

- 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 Quantum Lifestyle business.

E. To complete a transfer of the Quantum Lifestyle business because of incapacity, the successor must provide the following to the Company 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 Quantum Lifestyle business; and
- III. A completed Affiliate Agreement executed by the trustee.

F. If the successor is already an existing Affiliate, Quantum Lifestyle will allow such Affiliate to keep his or her own business plus the inherited business active for up to six (6) months.



By the end of the 6-month period, the Affiliate must have compressed (if applicable), sold or otherwise transferred either the existing business or the inherited business.

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

H. Upon written request, Quantum Lifestyle may grant a one (1) month bereavement waiver and pay out at the last “paid as” rank.

10.9 Resignation/Voluntary Termination

A. An Affiliate may immediately terminate his or her business by submitting a written notice or email to the Company Compliance Department. The written notice must include the following:

- I. The Affiliate’s intent to resign;
- II. Date of resignation;
- III. Quantum Lifestyle Identification Number;
- IV. Reason for resigning; and
- V. Signature.

B. A Quantum Lifestyle Affiliate may not use resignation as a way to immediately change Sponsor and Placement. Instead, the Affiliate who has voluntarily resigned is not eligible to reapply for a business or have any financial interest in a or any Quantum Lifestyle business for six (6) months from the receipt of the written notice of resignation.

10.10 Involuntary Termination

A. Quantum Lifestyle reserves the right to terminate an Affiliate’s business for, but not limited to, the following reasons:

- I. Violation of any terms or conditions of the Affiliate Agreement;
- II. Violation of any provision in these Policies;
- III. Violation of any provision in the Compensation Plan;
- IV. Violation of any applicable law, ordinance, or regulation regarding the Quantum Lifestyle business;



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

VI. Returning over \$300.00 worth of products, services and/or sales tools for a refund within a twelve (12) month period.

B. Quantum Lifestyle will notify the Affiliate in writing via mail or e-mail, at his or her last known address of its intent to terminate the Affiliate's business and the reasons for termination. The Affiliate will have thirty (30) 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. Quantum Lifestyle will then have thirty (30) calendar days from the date of receipt of the Affiliate's response to render a final decision as to termination.

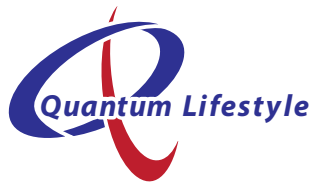
C. If a decision is made by Quantum Lifestyle to terminate the Affiliate's business, Quantum Lifestyle will inform the Affiliate in writing that the business is terminated effective as of the date of the written notification. The Affiliate will then have thirty (30) calendar days from the date of mailing of such notice to appeal the termination in writing. Quantum Lifestyle must receive the Affiliate's written appeal within thirty (30) calendar days of the date of the Quantum Lifestyle termination letter. If the written appeal is not received within this time period, the termination will be considered final.

D. If the Affiliate does file a timely appeal of termination, Quantum Lifestyle will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the Affiliate of its decision. The decision of Quantum Lifestyle 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 Quantum Lifestyle. The former Affiliate shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any Quantum Lifestyle products. Quantum Lifestyle will notify the active upline Sponsor within seven (7) days after termination. The organization of the terminated Affiliate will "roll up" to the active upline Sponsor on record.

F. The Quantum Lifestyle Affiliate who is involuntarily terminated by Quantum Lifestyle may not reapply for a business, either under his or her present name or any other name or entity, without the express written consent of an officer of Quantum Lifestyle, following a review by the Company Compliance Committee. In any event, such Affiliate may not re-apply for a business for twelve (12) months from the date of termination.

10.11 Effect of Cancellation



A. Following an Affiliate 's cancellation for inactivity or voluntary or involuntary termination (collectively, a "cancellation") such Affiliate :

I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Affiliate 's former organization or any other payments in association with the Affiliate 's former independent business;

II. Effectively waives any and all claims to property rights or any interest in or to the Affiliate 's former downline organization;

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

11.0 DISCIPLINARY SANCTIONS

11.1 Imposition of Disciplinary Action – Purpose

It is the spirit of Quantum Lifestyle that integrity and fairness should pervade among its Affiliate s, thereby providing everyone with an equal opportunity to build a successful business. Therefore, the Company reserves the right to impose disciplinary sanctions at any time, when it has determined that an Affiliate has violated the Agreement, these Policies, or the Compensation Plan as they may be amended from time to time by Quantum Lifestyle.

11.2 Consequences and Remedies of Breach

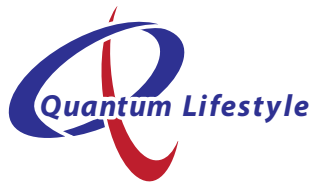
A. Disciplinary actions may include one or more of the following:

I. Monitoring an Affiliate 's conduct over a specified period of time to assure compliance;

II. Issuance of a written warning or requiring the Affiliate to take immediate corrective action;

III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until Quantum Lifestyle receives adequate additional assurances from the Affiliate to ensure future compliance;

IV. Suspension from participation in Company or Affiliate events, rewards, or recognition;



V. Suspension of the Quantum Lifestyle Affiliate Agreement and business for one or more pay periods;

VI. Involuntary termination of the Affiliate 's Agreement and business;

VII. Any other measure which Quantum Lifestyle deems feasible and appropriate to justly resolve injuries caused by the Affiliate 's violation of these Policies or a contractual breach;
OR

VIII. Legal proceedings for monetary or equitable relief.

12.0 DISPUTE RESOLUTION

12.1 Grievances

A. If a «Quantum Lifestyle Affiliate has a grievance or complaint against another Affiliate regarding any practice or conduct relating to their respective 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 Company Compliance Department as outlined below in this Section.

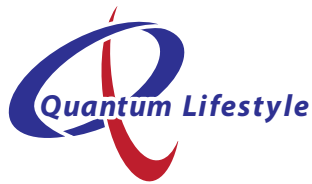
B. The Company Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Affiliate s involved.

C. Quantum Lifestyle will confine its involvement to disputes regarding Quantum Lifestyle business matters only. The Company will not decide issues that involve personality conflicts or unprofessional conduct by or between Affiliate s outside the context of a Quantum Lifestyle business. These issues go beyond the scope of the Company and may not be used to justify a Sponsor or Placement change or a transfer to another Quantum Lifestyle organization.

D. Quantum Lifestyle does not consider, enforce, or mediate third party agreements between Affiliate s, nor does it provide names, funding, or advice for obtaining outside legal counsel.

E. Process for Grievances:

I. The Quantum Lifestyle Affiliate should submit a written letter of complaint (via mail or e-mail) directly to the Company 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.

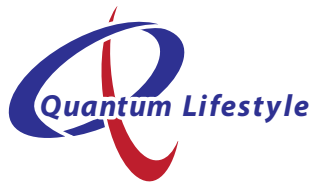
II. Upon receipt of the written complaint, Quantum Lifestyle will conduct an investigation according to the following procedures:

- a. The Compliance Department will send an acknowledgment of receipt to the complaining Affiliate ;
- b. The Compliance Department will provide a verbal or written notice of the allegation to the Affiliate under investigation. If a written notice is sent to the Affiliate, he or she will have thirty (30) business days from the date of the notification letter to present all information relating to the incident for review by Quantum Lifestyle.
- 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. Affiliate calls, letters, and requests for “progress reports” during the course of the investigation will not be answered or returned.

F. Quantum Lifestyle will make a final decision and timely notify the Affiliate s involved.

12.2 Arbitration

A. Any controversy or claim arising out of or relating to the Quantum Lifestyle Affiliate Agreement or these Policies (or the breach thereof), the Affiliate ’s business, or any dispute between Quantum Lifestyle and the Affiliate, 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 Morgantown, West Virginia. 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 Affiliate Agreement.

D. Nothing in these Policies shall prevent Quantum Lifestyle 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 the Company's 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 any arbitration involving an Affiliate and Quantum Lifestyle shall be governed by and construed in accordance with the laws of the state of West Virginia, without reference to its principles of conflict of laws.

12.3 Severability

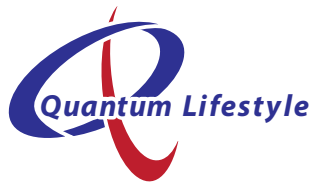
A. If any provision of these Policies is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part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

13.4 Waiver

A. Only an officer of Quantum Lifestyle can, in writing, affect a waiver of these Policies. Quantum Lifestyle's waiver of any particular breach by an Affiliate shall not affect Quantum Lifestyle's rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Affiliate.

B. The existence of any claim or cause of action of an Affiliate against Quantum Lifestyle shall not constitute a defense to Quantum Lifestyle's enforcement of any term or provision of these Policies.

12.5 Successors and Claims



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

13.0 GOVERNING LAW

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

14.0 Quantum Lifestyle GLOSSARY OF TERMS

ACTIVE AFFILIATE : An Affiliate who satisfies the minimum volume requirements, as set forth in the Compensation Plan, to ensure that they are eligible to receive bonuses and commissions.

AGREEMENT: The contract between the Company and each Affiliate, which includes: (i) the Affiliate Agreement; (ii) the Quantum Lifestyle Policies and Procedures; and (iii) the Quantum Lifestyle Compensation Plan, all in their current form and as amended by Quantum Lifestyle in its sole discretion. These documents are collectively referred to as the “Agreement.”

CANCEL: The termination of an Affiliate ’s business. Cancellation may be either voluntary, or involuntary.

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

CUSTOMER: A Customer who purchases Quantum Lifestyle products and does not engage in building a business or retailing product.

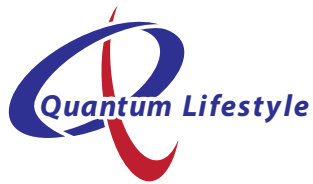
AFFILIATE : An individual who purchases product, generates retail sales and business building commissions.

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

ORGANIZATION: The Customers and Affiliate s placed below a particular Affiliate.

OFFICIAL CORPORATE MATERIAL: Literature, audio or video tapes, and other materials developed, printed, published, and distributed by Quantum Lifestyle to its Affiliate s.

PLACEMENT: Your position inside your Sponsor’s organization.



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

RESALABLE CONDITION: Products shall be deemed in “Resalable Condition” if each of the following elements is satisfied: (i) products are unopened and unused; (ii) products’ original packaging and labelling has not been altered or damaged; (iii) products are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and (iv) the products contain current Quantum Lifestyle labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

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

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