

# **POLICIES & PROCEDURES | RULES & REGULATIONS**

All individuals who desire to enroll as Independent Associates, please read these documents carefully, and apply only after you fully understand and agree to these documents. These documents are an integral part of the Associate Agreement. It was created to protect the rights of all Associates and to provide a framework within which each Associate may work on an ethical, secure and effective basis. This document must be read in its entirety. Associates must be familiar with these Policies and Procedures in order to assure compliance with all requirements set forth. Associate Applicants have acknowledged that they have read and agreed to these Policies and Procedures upon their submittal of their Associate Applications.

Please note that MXI Corp processes all payments in dollars and calculates all payments under the compensation plan in dollars and therefore any pricing set out in these policies and procedures and rules and regulations in pounds sterling is a guide price only and may be subject to currency fluctuations. Where a sterling equivalent price is quoted it will be subject to the exchange rate applicable at the relevant time and notified to the Associate by MXI Corp.

## **ASSOCIATE QUALIFICATIONS**

Before prospects can qualify to become an MXI Corp Associate, they must purchase MXI Corp products at retail. This insures that all prospects will be familiar with MXI Corp products before they become MXI Corp Associates. It is required that all prospective Associates complete the Application Form and send it to MXI Corp along with their payment for the purchase of their MXI Corp website licence of \$40 or sterling equivalent. This establishes the Applicant as a bona fide MXI Corp Associate. The Application Form can also be completed online and the Application Fee paid by debit or credit card. Where an on line application is submitted the Associate must download print and sign the Application Form in duplicate, retain one copy for his records, and send one copy by post to MXI Corp within 14 days of the date of the online application. No bonuses or commission will be paid until the signed copy of the Application Form is received by MXI.

## **ASSOCIATE WEBSITE LICENCE**

All Associates must purchase the Associate website licence at the time they sign the Associate Agreement. This will keep the Associate abreast of all necessary information, encourage national conformity, and eliminate the potential for misleading claims or misrepresentations. In addition MXI Corp will provide all Associates with a free of charge downloadable Training Kit which can be downloaded from their Back-Office.

## **ASSOCIATE RENEWAL POLICY**

Your MXI Corp Distributorship expires annually on the last day the month in which you were originally enrolled as an MXI Corp Associate. Associates receive their first and final renewal notice by mail or email 30 days before the expiration date of their Distributorship. On renewal an annual licence fee of \$40 or sterling equivalent is payable which includes the continued support and provision of the Associate back office website as well as newsletters and training updates, use of the Associate website tools and support of the marketing commissions payable.

Upon receipt of the Renewal Application, the Associate should simply complete the information requested, date and sign the form at the bottom, and forward both the completed form and the appropriate funds to MXI Corp. Any discrepancies in the Associate information should be noted in the space provided on the form for corrections. All MXI Corp Associates should forward their completed Associate Renewal Application and administration fee to MXI Corp before the expiration date. The Renewal Application can also be completed online and the licence fee paid by credit card. All Associates are encouraged to take care of this important matter promptly so they will maintain their Associate status.

Associates who do not renew their Distributorships by the expiration date and subsequently apply to renew will be charged a \$7.00 or sterling equivalent administration fee to cover the costs to MXI Corp of reinstating the distributorship account. Failure to renew your Distributorship within 30 days after the expiration date will result in the Distributorship being removed from the MXI Corp network structure. The consequences of not renewing are serious. If the Distributorship is not renewed, it is deleted from the computer files and any bonuses that would have been paid on personal purchases or the purchases of downline Associates are lost. Sponsored Associates are moved up in the network structure to the next Sponsor in the upline. Associates who have been deleted and then reapply will re-enter the network structure as new Associates at the Associate level without retaining the rights to their previous downlines.

Renewing the Distributorship means the Associate retains the right to service his retail customers, sponsor new Associates, purchase and sell MXI Corp products, receive MXI Corp publications, and receive detailed biweekly bonus

statements. The Associate will also continue to qualify, if he is an active Associate, for the full range of MXI Corp bonuses on the purchases of downline Associates, while retaining Sponsorship rights according to his position in the marketing structure.

**DATA PROTECTION** This policy describes MXI Corp's duty of care, in relation to the collection and use of data, in relation to Associates with regard to the data (whether personal or otherwise) that is held by it. In this regard, MXI Corp is committed to:

- Obtaining and processing personal data or the information constituting personal data fairly;
- Ensuring personal data is accurate and, where necessary, kept up-to-date;
- Keeping personal data for only one or more specified lawful purpose;
- Not using or disclosing personal data in any manner incompatible with such lawful purpose;
- Ensuring that personal data is adequate, relevant and not excessive in relation to such purposes;
- Not keeping personal data for longer than is necessary for such purposes;
- Taking appropriate security measures against unauthorised access or alteration, disclosure or destruction of personal data and against their accident, loss or destruction.

The Associate acknowledges that he has been informed by MXI Corp that the information which he gives to MXI Corp (including information relating to the Associate, his address and other details) will be retained by MXI Corp on a computer database and will be used by MXI Corp for the purposes of calculating the marketing commissions payable and for the performance of the MXI Corp business. The Associate also acknowledges that MXI Corp may disclose this information in connection with such purposes to other members of the MXI Corp group of companies which may be situated inside or outside the EU and to other persons and, in particular, may disclose it to other Associates as part of MXI Corp's organisational reports. The Associate consents to MXI Corp retaining, processing and disclosing the information referred to as set out above.

## **CONFIDENTIALITY**

MXI Corp's organisational reports (being the information held by MXI Corp relating to its Associates, which at MXI Corp's option may include but are not limited to its relationships with each of its Associates, the sponsorship of each Associate, the Associate's upline and downline and historical purchasing information for each Associate) contain confidential information which is highly sensitive and valuable to MXI Corp's business and which shall at all times remain the property of MXI. To the extent that MXI Corp discloses such information to the Associate:

- a) the Associate shall (to the extent such details are not publicly available other than by breach of the Associate Agreement) at all times and without limit in time treat such details as confidential information in the nature of a trade secret and shall not use or disclose or permit the use or disclosure of such details to any other person (and shall take all reasonable steps to protect and maintain the security of the information) and shall use the details solely for the benefit of the Associate's MXI Corp business and of MXI Corp and for the stated purpose for which they were provided;
- b) the Associate shall return copies of any such information to MXI Corp forthwith upon the termination of the Distributorship for whatever reason.

## **EXCLUSIVE TERRITORIES**

There are no exclusive territories for anyone to sell products or to sponsor other Associates. No Associate will profess that such territories exist. No Associate may allege or imply that they have a unique relationship with, advantage with, or access to the MXI Corp executives or employees that other Associates do not have.

## **BONUS PAYMENTS**

Bonus Payments from MXI Corp will be made within 20 days after the close of any given biweekly period. These payments will be based on the Purchase Volume of the prior biweekly period. All bonuses paid by MXI Corp are computer calculated. Individual Purchase Volumes in any given biweekly period are used in the calculation of bonuses only if received at MXI Corp by 12:00 noon P.S.T. the fourth day of the following biweekly period.

## **CORRECTIONS OF BONUS PAYMENT ERRORS**

All errors in bonus statements and payments which are the result of a mistake or omission by MXI Corp or its employees will be corrected as soon as possible after the Company has been notified in writing of the error. All other errors which are the results of a mistake or omission by the Associates, or the upline will be corrected during the next regularly scheduled biweekly bonus statement and payment processing after the error has been brought to the attention of the Company.

## **SPONSORSHIP RESPONSIBILITY**

It is the responsibility of each sponsoring Associate to ensure that new Associates accurately complete their Application Forms. The Associate's name and Associate Identification Number, as it appears on the first line of the Associate Application, must be recorded in the spaces allocated for Sponsor information. MXI Corp must have this information properly recorded to assure that the new Associate appears in the downline group, and in order to correctly calculate bonuses.

Only authorised MXI Corp Associate Applications will be accepted by MXI Corp. All others will be returned to the Applicants for resubmission. It is also the Sponsor's responsibility to submit Associate Applications promptly.

As the leader of a network group who has earned that position, he is responsible for providing training, motivation, guidance and information to his downline and should become thoroughly familiar with the contents of the Associate Training Kit as well as all other MXI Corp publications so he can provide the support his downline deserves.

All questions that go beyond the Associate's knowledge or understanding should be referred to his Sponsor, then upline Executive, and finally to the Customer Service Department at MXI Corp, if the upline Executive does not know the answers to questions.

## **SPONSORSHIP CHANGES**

Associates should always feel grateful that their Sponsor introduced them to MXI Corp. Hence, as a general rule, sponsorship changes are discouraged.

It is the moral and ethical responsibility of Sponsors to train, service, and otherwise treat their Associates the way they, themselves, would like to be treated. If, however, a Sponsorship change is deemed advantageous, the following procedures apply:

- 1) Associates desiring a change of Sponsor must terminate their Distributorships and remain in Non- Associate status for a minimum of 90 days.
- 2) Associates must provide MXI Corp with a signed letter certified by a solicitor requesting the termination of their Distributorships.
- 3) Associates may reapply for a Distributorship under a new Sponsor 90 days following the receipt by MXI Corp of the certified termination request. Associates may not retain prior bonus rights or any applicable downlines after reapplication.

## **COMMUNICATION CHANNELS**

The leader of a network organisation has earned that position and is therefore a logical source of information and/or guidance. This leader is the Associate's upline Executive. If an Associate has questions, he should do the following:

- 1) Check the Training Kit, MXI Corp publications or other MXI Corp materials first.
- 2) If the answer is not found in these materials, contact the Sponsor or upline Executive.
- 3) If neither the Sponsor nor the Executive knows the answer, have the Executive contact the Customer Service Department at MXI Corp for the necessary guidelines or information.

In this manner, the Executive becomes more knowledgeable and is able to supply the correct information to other members of the marketing group.

Following the correct channels of communications insures that the greatest numbers of Associates are being served.

## **ASSOCIATE COMPLAINTS**

Associate complaints should be handled through the Sponsor or upline Executive. In cases where questions or problems exceed the knowledge or understanding of the upline, the Associate may resolve the issue through the Customer Service Department. If and when these procedures have been exhausted without Associate satisfaction, the Associate may then write directly to the office of the President, Complaints, MXI Corp. Any such letters should be accompanied by all previous correspondence regarding the complaint.

## **COMPLIANCE WITH ALL LAWS**

As Independent Associates, all Associates shall conduct their operations in strict compliance with all applicable laws, codes of conduct, regulations and other requirements of the country in which they conduct business. They shall obtain all necessary permits, licences, or other consents for the operation of their business, pay all the taxes, expenses, debts, and other liabilities when due, and in all other respects operate in a lawful and ethical manner.

## **SPONSORING BY DIRECT MAIL OR EMAIL**

The MXI Corp opportunity, in its most simply stated form, is so worthwhile that there is no need to exaggerate its benefits and potential.

While some people become overenthusiastic when they are first introduced to the MXI Corp programme, it is extremely important not to let this newly acquired enthusiasm overshadow honesty and common sense.

The use of exaggerated claims, over-statement; or misrepresentations for the purpose of sponsoring new Associates is in violation of MXI Corp Policies and Procedures.

It is extremely important that any sponsoring done through the Postal System be cleared by MXI Corp for accuracy and adherence to policy.

Adherence to these Policies and Procedures is necessary to assure continued growth and success of MXI Corp and its Independent Associates.

## **UNAUTHORIZED LITERATURE, WEBSITES, PRODUCTS, AND PLANS**

MXI Corp does not approve of, nor endorse any devices, materials, plans, products, websites, programs, cassette tapes, videos, CDs, DVDs, etc. that do not have prior approval by MXI Corp. Associates of MXI Corp must not utilize any such literature, products or plans.

## **MEDIA AND MEDIA INQUIRIES**

Associates must not attempt to respond to media inquiries regarding MXI, its products or services, or their independent MXI business. All inquiries by any type of media must be immediately referred to MXI. This policy is designed to assure that accurate and consistent information is provided to the public.

## **UNAUTHORISED LITERATURE, PRODUCTS, AND PLANS**

MXI Corp does not approve of, nor endorse any devices, materials, plans, products, programmes, cassette tapes, videos, CDs, DVDs, etc. that do not have prior approval by MXI Corp.

Associates of MXI Corp must not utilise any such literature, products or plans.

## **CORPORATE AND NONPROFIT ORGANISATION DISTRIBUTORSHIPS**

Sometimes Associates form business entities for tax, estate planning and limited liability purposes. MXI Corp recognises an Associate's right to do this. MXI Corp however, permits only one individual associated with said business entities to act as an Associate for MXI Corp.

To avoid errors, utilise the following procedures for properly completing Corporate and Non-Profit Associate Applications.

Print the Company name on the top line in the appropriate blanks.

The name of the person assuming administrative responsibility for the organisation must be used for MXI Corp identification purposes: This individual's name must appear on the second line beneath the company name.. This person cannot become an MXI Corp Associate.

#### EXAMPLE

Associate Application

A.B.C. LIMITED

JOHN DOE MARRIAGE OF TWO MXI Corp ASSOCIATES

When two individual Independent Associates decide to marry each other, they must send a certified marriage certificate and an explanation letter to the Customer Service Department. If one Associate directly Sponsors the other, they must combine their Distributorships under the Sponsor's name and identification number. If the two Associates are not directly under each other in a downline, each of them will continue their individual Distributorship, thereby allowing two Distributorships in one immediate family.

### **DEATH OF AN MXI CORP ASSOCIATE**

In the case of an Associate's death, the Associate's rights will be transferred to the legal successor in accordance with the law. MXI Corp requires certified photocopies of the death certificate and a certified copy of the grant of probate or other appropriate legal documentation before the transfer can be effective. [Successors in interest must comply with current programme requirements and are subject to these Policies and Procedures.] Upon notice of death of the Associate, MXI Corp reserves the right to make payments to the estate of the deceased Associate.

### **MULTIPLE DISTRIBUTORSHIPS IN THE SAME HOUSEHOLD**

Children of Associates who are 18 years of age and older may become Associates even though they are living in the same home with a parent who already has a Distributorship. Spouses and civil partners must operate one Distributorship as a partnership.

### **PARTNERSHIP ASSOCIATE APPLICATIONS**

Sometimes Associate Applicants adopt a business name or form a partnership.

In all such cases, the parties must decide which partner's name will appear on the top of the Associate Application in the appropriate blanks. The second partner's name should appear on the second line with a notation that the Distributorship is a partnership.

### **SEPARATION OR DIVORCE OF ASSOCIATES**

When an Associate's marriage or civil partnership ends in a legal separation or divorce, both parties will determine by agreement who will retain the Distributorship. A certified copy of the separation agreement/divorce decree or other document evidencing the parties' agreement as to the Distributorship must be sent to the Customer Service Department so the appropriate changes can be made.

Please note, under normal circumstances there will be no time delay establishing a new Distributorship for a divorced or separated Associate.

### **IDENTIFICATION NUMBER USE**

All Associates will be assigned a unique identification number which must be used in all correspondence with MXI Corp regarding the Distributorship.

### **PRODUCT REPACKAGING NOT ALLOWED**

Associates must not relabel or repackage MXI Corp products. The MXI Corp guarantee and liability insurance are voided when repackaging occurs.

### **PRODUCT SALES IN A RETAIL SETTING**

MXI Corp products may not be displayed in any retail store or retail outlet. Owner-operated businesses who are MXI Corp Associates may publicise that they are MXI Corp Associates and that MXI Corp products are available at their places of business. However, they may not display the products for sale on a retail shelf. The products must be kept separate from other retail items sold within the facility (e.g. under the counter or in the storage room). If a business is not owner-operated, it cannot distribute the MXI Corp products at all unless the Manager of the business is an MXI Corp Associate.

## **PRODUCT SHOWS AND FAIRS**

- 4) Approval is not required from MXI Corp for Associates to participate in fairs or product shows. However, Associates must make sure they are in compliance with all applicable laws and regulations including any local authority licensing requirements governing the sale of MXI Corp products in public places.
- 5) Be sure to have a sufficient number of brochures for display and also for distribution.
- 6) Products may be sold retail at fair and product show booths because they are considered a “one time only” situation. Product samples may also be available for tasting at such booths.
- 7) A banner or sign may also be displayed, however, it must specifically state “Independent MXI Corp Associate”.
- 8) The banner or sign may also state; “Information Regarding MXI Corp and Its Compensation Plan Available Here”.
- 9) Signs should never mention money, wealth or unlimited opportunities. Do not exaggerate the product qualities or the income possibilities.
- 10) The best way to successfully approach others is to share the products with them first, and then help them become Associates after they express interest.

## **PRODUCT PURCHASE ORDER ERRORS**

Most Associate problems and complaints are avoided when proper order procedures are followed. Avoid sending purchase orders in too late. This results in needless inconvenience for the Associates affected. For orders submitted by post all orders must be postmarked no later than midnight of the last day of the period and received at MXI Corp no later than the 4th day of the following biweekly period to be used in bonus calculations for that particular biweekly period. Orders postmarked after the last day of the biweekly period will be used in computing bonus payments for the following period. Frequently, the orders in question can affect level advancements, so be sure to send your orders in on time to avoid any potential problems.

## **PRODUCT GUARANTEE**

MXI Corp fully guarantees that products purchased by Associates and retail customers are of satisfactory quality of manufacture in addition to the statutory legal requirements. Should any product prove to be defective at the time of delivery to a customer by an Associate, it is the responsibility of the Associate to ensure that the customer is aware of the need to notify the Associate of the defect within 60 days of receipt of the product. It is the responsibility of the Associate to collect the defective product and return it to MXI Corp within seven days for replacement to the Associate. The Associate is responsible for refunding/replacing the product to the customer. Before returning any products to MXI Corp, an Associate must request a Return Merchandise Authorisation (RMA) from MXI Corp Associate Service Department. Due to the nature of our product, MXI Corp product guarantee is for a 60 day period after the date of purchase.

Associates who purchase products directly from MXI Corp must note on their freight bills that the product was received in “damaged condition” in order to receive replacement product from the Company. All requests for replacement product must be accompanied by a copy of the freight bill signed by the driver and noting the damage to the product.

## **MXI CORP MANUFACTURERS AND SUPPLIERS**

The relationships between MXI Corp and its manufacturers and suppliers are private and confidential. Therefore, Associates are prohibited from contacting or visiting MXI Corp manufacturers or suppliers.

## **CORRECTION OF ASSOCIATE INFORMATION**

The Data Entry Department is always concerned that it has the most current information about you and your business. When there is a change in name, business, home address and/or phone number, or if other information must be changed, please promptly report these changes in writing to MXI Corp, Attn: Data Entry.

## **VIOLATION OF THE AGREEMENT**

Violation of the Agreement, these Policies and Procedures, or any illegal, fraudulent, deceptive or unethical business conduct by a Associate may result, at MXI's discretion, in one or more of the following corrective measures:

1. Issuance of a written warning or admonition;
2. Requiring the Associate to take immediate corrective measures;
3. Loss of rights to one or more bonus and commission checks;
4. Withholding from a Associate all or part of the Associate's bonuses and commissions during the period that MXI is investigating any conduct allegedly violation of the Agreement. If a Associate's business is canceled for disciplinary reasons, the Associate will not be entitled to recover any commissions withheld during the investigation period;
5. Suspension of the individual's Associate Agreement for one or more pay periods;
6. Involuntary termination of the offender's Associate Agreement;

## **AMENDING THE POLICIES AND PROCEDURES**

Upon notification to the Associate, MXI Corp may at its discretion amend these Policies and Procedures and Rules and Regulations at any time and will publish changes to these Policies and Procedures and Rules and Regulations so that they are available for examination by Associates. Associates will be responsible to adhere to these Policies and Procedures and Rules and Regulations upon publication, in any form, by MXI Corp. The Associate's continued engagement in promoting MXI Corp products, promoting the MXI Corp business opportunity, or both, after notice of any revisions to the Associate Agreement including in particular the Rules and Regulations and Policies and Procedures and the Compensation Plan shall constitute his agreement to such revisions and legally binding amendment of the Associate Agreement including the Rules and Regulations, Policies and Procedures and the Compensation Plan.

## **RULES AND REGULATIONS FOR MXI CORP ASSOCIATES**

MXI Corp is a vibrant company which markets and distributes products, through a creative network marketing programme. The MXI Corp Marketing Programme is founded upon the principles of honesty and integrity and retail selling through a network of independent Associates. The following are the Rules and Regulations for MXI Corp which are applicable to all MXI Corp Associates:

### **I. DEFINITIONS**

- A. The MXI Corp Products are products and other related items which may be introduced from time to time by MXI Corp for purchase and resale by its Associates.
- B. An MXI Corp Associate is a person authorised to purchase MXI Corp products at wholesale and sell these products at retail, and to give guidance and support to retail customers and Group Associates. A person becomes an MXI Corp Associate by filling out an Associate Application which includes, among other things, agreeing to abide by these Rules and Regulations and purchasing MXI Corp an Associate website licence at a cost of \$41 or sterling equivalent In addition each Associate is provided with an Associate Training Kit free of charge. This Kit and the materials contained in it provide the necessary information and guidance to begin the MXI Corp business. The website licence gives the Associate access to the back office software, publications, and detailed biweekly bonus statements. In order for Associates to comply with these Rules and Regulations as they relate to downline support, motivation, training, morale building efforts, and aid to sales and sponsoring, it is necessary to be registered on the MXI Corp computer system and receive biweekly statements which give details of downline activity. The MXI Corp publications are also necessary to keep Associates up to date on programmes, policies, procedures, and new ideas to help them succeed in the MXI Corp business.
- C. The Preferred Customer Programme allows Associates to share MXI Corp products with others who do not wish to become an MXI Corp Associate. Preferred Customers are provided a Preferred Customer Number, and are free at any time to become an MXI Corp Associate by completing an Application Form and purchasing a website licence. To become a Preferred Customer the applicant must complete a Preferred Customer application Form, make an initial Activation Order and pay an administration charge of \$10.00 or sterling equivalent], which allows them to purchase Xoçai™ at a discounted Retail Price; furthermore they are able to sign-up on Auto-Ship and purchase any quantity of Xoçai™ to be shipped to their home or office every four weeks. When an Associate signs up an individual as a Preferred Customer, the Associate will be paid in their

weekly bonuses a Retail Bonus. Preferred Customers are not authorised to sell Xoçai™. Preferred Customers do not receive an Associate Training Kit. Preferred Customers are not able to sign-up other Preferred Customers or to sponsor MXI Corp Associates. The Preferred Customer purchases are included in the Group Volume of the sponsor's organisation, so bonuses will be paid on their purchases, however no Quick Cheque Bonuses will be paid until there is an Activation Order.

- D. Network Marketing is building a group of Associates by people telling other people about the MXI Corp products and opportunity. As an MXI Corp Associate, you can build your MXI Corp network group by telling other people about the MXI Corp products and Compensation Programme and showing them how they, too, can use MXI Corp products, become an MXI Corp Associate, and build an MXI Corp network downline. E. The Recommended Retail Price of a product is the price at which MXI Corp recommends the product be sold to retail customers by MXI Corp Associates.
- E. The Wholesale Price of a product is the price at which MXI Corp sells the product to Associates.
- F. A Downline refers to all Associates sponsored directly or indirectly by a given Associate. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then B, C, D, and E are all in A's downline.
- G. A Group is defined as all downline Associates below a position in the Infinity Tree.
- H. A Sponsorship Level represents the number of steps in the downline between an Associate and those he has directly or indirectly sponsored. For example if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then B is first level to A, C is second level, D is third level, and E is fourth level.
- I. Personal Volume or PV equals the wholesale dollar or sterling equivalent amount of products purchased personally by an Associate from MXI Corp in any biweekly period for resale to retail customers or for personal use.
- J. Group Volume or GV for the purposes of calculating the Infinity Bonuses and Level Advancements includes the purchases in the weak leg of the Associate.
- K. Business Centre, or BC, is a binary position in the Compensation Plan where left side and right side GV is accumulated for the purpose of calculating the Infinity Bonus.
- L. Business Centre Activation Order is the two-case order required to activate a Business Centre.
- M. Leg refers to the right or left side of your business centre.
- N. Strong Leg refers to the Business Centre Leg with the greater sales volume.
- O. Weak Leg refers to the Business Centre Leg with the smaller sales volume.
- P. Bonus Value or BV is the amount set by MXI Corp on each product for use in the calculation of bonuses. For example, the suggested wholesale price on a case of product may be \$100.00 or sterling equivalent, while the BV is \$80.00 or sterling equivalent. BV may vary from product to product because of differences in the gross profit margins. MXI Corp may, at its own discretion, change the BV figures for various products from time to time.
- Q. Weak Leg Group BV is the total BV of purchases of MXI Corp products within a given biweekly period by all of the Associates in a downline. Infinity Bonuses are calculated based on the Weak Leg Group BV of the product purchased rather than the wholesale dollar amount in the weak leg.
- R. An Achievement Level is a Compensation Plan Level at which an MXI Corp Associate qualifies for certain Compensation Plan Bonuses. Associates qualify for a particular Achievement Level based on the Group Volume in their weak leg. The various MXI Corp Compensation Plan Levels are Associate, Counselor, Director, Executive, Bronze Executive, Silver Executive, Gold Executive, Platinum Executive, Diamond Executive, and Double Diamond Executive. More than one Compensation Plan Level can be achieved in any given biweekly period.
- S. A Qualifying Biweekly Period is any period in which an Associate has qualified for advancement to a new Achievement Level.
- T. The Minimum Activity Requirement is the Personal Volume an Associate must achieve to receive Compensation Plan Bonuses. To be considered active, an Associate, Counselor or Director must purchase a minimum of £[00.00] of MXI Corp products every four weeks for personal consumption and/or sale at retail. An Associate, Counselor or Director could be considered inactive, and not receive any bonuses in a given four-week period, and then become active and receive bonuses in later four-week periods. The Minimum Activity Requirement for the Executive Level through the Double Diamond Executive Level is a minimum of \$200 or sterling equivalent of MXI Corp products every four weeks for personal consumption and/or sale at retail. The \$100 or sterling equivalent or £\$200 or sterling equivalent activity requirement for three Business Centres must be purchased in Business Centre number one.

- A. Inactivity is not purchasing the minimum Personal Volume Requirements during a four-week period. If the Associate goes inactive all accumulated Group Volume will be reset to zero; however, once the Associate reactivates with a personal product purchase of at least £[00.00] as an Associate, Counselor or Director or at least £[00.00] as an Executive through the Double Diamond Executive, the Associate will once again begin to accumulate Group Volume as products are purchased by the Associate and his downline organisation.
- B. Infinity Tree is the binary, or placement, side of the Compensation Plan with width limited to two placements.
- C. Personal Enrollment Tree is the sponsoring side of the Compensation Plan with unlimited width.
- D. Quick Cheque Bonus, or QCB, is a \$25 Bonus paid on the first case of the product ordered by a newly enrolled Associate. This Bonus is paid weekly.
- E. Infinity Bonus, or IB, refers to the 10% Infinity Bonus paid on the Group Volume of the weak leg of an Associate.
- F. Associate Development Pool, or ADP, is 2% of the total Group Volume in a given biweekly period which is divided amongst qualified Associates through the Silver Executive Level based upon shares earned during the period.
- G. Executive Generation Bonus, or EGB, is paid to active Executives and above on up to 7 generations of Executives based upon Achievement Level.
- H. Leadership Pool, or LP, is 4% of the total Group Volume in a given biweekly period which is divided amongst qualified Leadership from the Gold Executive to the Double Diamond Executive. There are four Pools of 1% for the Gold, Platinum, Diamond, and Double Diamond Executives. The higher levels of Executive participate in their own Pools plus all the Pools of lower level Executives. For example, the Double Diamond Executive participates in all four Pools.
- I. The Minimum Bonus Payment for each biweekly period is \$50.00 or sterling equivalent. Any bonuses earned, but not paid, will be carried forward until the total is \$50.00 or sterling equivalent or more. There is no flushing of Group Volume; all volume carries forward until bonuses are paid. If Associates have GV in their weak leg of less than \$500 or sterling equivalent in a given week, this GV will carry forward until it equals or exceeds \$500 or sterling equivalent, and then the Infinity Bonus will be paid.

## **II. ELIGIBILITY**

- A. Any individual who is at least 18 years of age is eligible to become an MXI Corp Associate. Members of an immediate family (defined as the spouse and any minor children) may together operate one MXI Corp Distributorship, but may not establish separate MXI Corp Distributorships.
- B. Companies and partnerships may become Associates if permitted in writing by MXI Corp and according to the terms and conditions set forth by MXI Corp in its complete discretion.
- C. No individual and no members of an immediate family may participate in more than one MXI Corp Distributorship either as individuals, partners, officers, shareholders, directors, employees, or otherwise.
- D. Individuals who are MXI Corp employees, or spouses, children or members of the household of an MXI Corp employee shall not be eligible to be MXI Corp Associates, or to participate in any way in companies or partnerships which are MXI Corp Associates. Relatives of MXI Corp employees who do not fit within the foregoing categories may become MXI Corp Associates providing that no proprietary, confidential or other information, prior to the time it becomes public, is given by any employee to such relative.

## **III. RIGHTS OF AN ASSOCIATE**

MXI Corp Associates shall have the right to: a) buy and resell MXI Corp products, b) consume MXI Corp products, c) sponsor MXI Corp Associates in the United Kingdom and other approved countries, and d) earn appropriate bonuses from the sales of MXI Corp Associates in their downline group.

## **IV. BASIC DUTIES OF MXI CORP ASSOCIATES**

Each MXI Corp Associate shall make substantial efforts to retail MXI Corp products in accordance with MXI Corp Rules and Regulations and the basic principles of courtesy and fair dealing. Each MXI Corp Associate shall act at all times so as to enhance the MXI Corp image and to preserve the goodwill associated with the name "MXI Corp", and the other trade names and trademarks used by MXI Corp. It is inconsistent with this rule to sponsor Independent MXI Corp Associates into other network marketing ventures unless said Associates are first level Independent MXI Corp Associates to the Sponsor. It is also inconsistent with this rule to make derogatory remarks about MXI Corp as part of these solicitations, or for any other reason.

The Associate agrees that during this Agreement and for a period of 90 days following its termination he/she will not:

- a. Encourage, persuade, sponsor or recruit any person who is an Associate (who was not personally sponsored by him in the MXI business) into any other direct selling business offering directly competing products to MXI Corp or encourage any such Associate to cease to be an Associate or to be a less active Associate.
- b. Encourage or persuade any customer of MXI Corp at the time of his termination and introduced by him to cease to become a customer of MXI Corp.
- c. Take or encourage any action the purpose or effect of which would be to circumvent, breach, interfere with or diminish the value or benefit of MXI Corp's contractual relationship with any other MXI Associate.
- d. Participate in any other direct selling or network marketing opportunity promoting products or services in direct competition with MXI Corp.

## **V. INDEPENDENT BUSINESS RELATIONSHIP**

MXI Corp Associates are independent contractors whose success or failure depends on their own efforts. There is no agency or employment, franchisor/franchisee or joint venture relationship between MXI Corp and any Associate, and MXI Corp shall have no responsibility for any actions or omissions to act of any Associate, or for any obligations undertaken by any Associate. MXI Corp Associates have no authority to bind MXI Corp to any obligation. MXI Corp Associates may set their own hours and determine their own methods of selling as long as they comply with the MXI Corp Rules and Regulations; however, MXI Corp Associates will be held accountable directly or indirectly and are prohibited from unauthorised selling or displaying of MXI Corp products in a retail environment (i.e. over the counter). Each Associate shall indemnify and hold MXI Corp harmless from and against any claim, demand, liability, loss or expense (including but not limited to reasonable legal fees) arising or alleged to arise in connection with the Associate's operations. The Associate shall be responsible for filing all necessary tax returns and paying all applicable taxes.

## **[VI. INITIAL REQUIREMENTS**

To become an MXI Corp Associate, an applicant must purchase an Associate website licence for the sum of \$40 or sterling equivalent.

## **VII. PURCHASES FROM MXI CORP**

All MXI Corp Associates have the right to purchase MXI Corp products from MXI Corp for personal consumption and retail sale to the public. Associates are permitted to purchase as much or as little of the MXI Corp products as they desire, as long as they comply with the retail sales obligations as explained in these Rules and Regulations. The following are the methods available for purchasing products from MXI Corp:

- 1) The Auto-Ship Programme: Payments for the Auto-Ship Programme can be made by debit or credit cards. Application Forms are available for enrolling in the Auto-Ship Programme.
- 2) The Associate may purchase MXI Corp products by filling out an order form online and paying for the products with a debit or credit card.
- 3) The Associate may purchase MXI Corp products by filling out the MXI Corp Order Form (copies of which are included in the Associate Training Kit). The Order Form must be completely filled out by each Associate for each order. All orders must be accompanied by funds in the amount of the order. All payments mailed to MXI Corp must be in the form of a personal cheque debit, or credit card. Visa and MasterCard are the only credit cards presently accepted by MXI Corp. When payment is made by cheque, no products will be dispatched until the cheque has cleared.
- 4) When purchasing products directly from MXI Corp, the Associate shall pay for the cost of shipping and handling as determined by the size of the order. These shipping and handling costs shall be set and published by MXI Corp, and may be changed from time to time.

## **VIII. RETAIL SALES OBLIGATION**

The MXI Corp programme is based on sales at retail. Therefore, each Associate is obliged to purchase MXI Corp products only for sale at retail and may purchase (but is not obliged to do so) for reasonable personal consumption, and is obliged to make continuing substantial efforts to make retail sales. Because of the difficulty of computing retail sales, MXI Corp shall pay its bonuses based upon purchases from MXI Corp with purchase volume intended to represent actual sales volume. To assure that Associate purchases do correspond to the Associate's retail sales, each Associate shall certify with each order of MXI Corp products that a) the amount of the order represents the Associate's reasonably

expected requirements for retail sales and personal consumption for the period covered by that order, b) he is not stockpiling unsold MXI Corp products for the purpose of qualifying for bonuses, and c) at least 70% of the Associate's previous purchases resulted in retail sales. Each Associate shall, upon request, document his compliance with the provisions of this paragraph. Additionally, each Associate should be able to provide MXI Corp a statement listing at least four retail customers to whom he has sold MXI Corp products each month. An Associate not complying with these provisions, or purchasing products without making significant retail sales, shall not be eligible for bonuses on those purchases.

## **IX. COMPENSATION PLAN**

### **A. Introduction**

Each MXI Corp Associate may earn compensation by selling MXI Corp products to retail customers. The Associate's profit shall equal the difference between the cost of his purchases at wholesale and the retail price at which he sells the product. Associates may also earn compensation by obtaining bonuses from MXI Corp based upon their sales volume and the sales volume of their downline Associates. MXI Corp Associates shall not be eligible for bonuses based on the sales of the Associates they sponsor unless they engage in significant efforts to supervise both directly and indirectly sponsored Associates and provide aid and instruction in their selling efforts. The MXI Corp Bonus Payout will not exceed 50% of total Company sales.

### **B. Compensation Plan Achievement Levels and Bonuses**

The following sets forth the various MXI Corp Compensation Plan Achievement Levels, the requirements to qualify for those Levels, and the Bonuses that can be earned at those Levels:

#### **1) Associate**

An Associate is a person, company or partnership that has completed an Associate Application Form and been accepted as an Associate by MXI Corp who is then able to purchase MXI Corp products directly from MXI Corp at wholesale prices and sell those products at retail. The difference between the cost of purchases at wholesale and the sale of those products at retail is profit for the Associate. Active Associates are also eligible to receive a 10% Infinity Bonus when the accumulated Group Volume in their weak legs equals, or exceeds, \$500 or sterling equivalent.

In addition, all Associates, regardless of their Achievement Level in the MXI Corp Compensation Plan, who are enrolled in the Auto-Ship Programme are eligible to maintain their sales volume generated in their infinity tree.

#### **2) Royal**

In order to qualify for commissions, MXI Corp Associates must achieve the level of a Royal by personally sponsoring at least one Associate who achieves a sales volume of \$110 or sterling equivalent on both your left and right legs. The first step is simple: achieve the rank of Royal and then help others to become Royals in your organisation. This simple, yet powerful duplication process, is the foundation for building your MXI Corp business.

#### **3) Royal 500**

In addition to their profit from retailing MXI Corp products, all active Associates who achieve a total Qualifying Volume of \$250 or sterling equivalent in their lesser volume leg for two consecutive weeks period shall achieve the level of a Royal 1K and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent .

#### **4) Royal 1K**

In addition to their profit from retailing MXI Corp products, all active Associates who achieve a total Qualifying Volume of \$500 or sterling equivalent in their lesser volume leg for two consecutive weeks period shall achieve the level of a Royal 1K and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent.

#### **5) Executive**

All active Associates who achieve a total Qualifying Volume of \$1,000 or sterling equivalent in their lesser volume leg for two consecutive weeks plus a minimum of 2 personal enrollment tree legs that include a paid-as Royal 500 or higher in each leg shall achieve the level of an Executive and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent . The maximum payout for the Infinity Bonus is \$10,000 or sterling equivalent per week per Business Centre. Active Executives shall also receive an Executive Generation Bonus on the bonuses of first generation executives in their enrollment trees up to a maximum of the Group Volume generated in their lesser leg of Business Centre One.

### **6) Bronze Executive**

All active associates who achieve a total Qualifying Volume of \$2,500 or sterling equivalent in their lesser volume leg for two consecutive weeks plus a minimum of 2 personal enrollment tree legs that include a paid-as Royal 1K or higher in each leg shall achieve the rank of a Bronze Executive and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent. The maximum payout for the Infinity Bonus is \$10,000 or sterling equivalent per week per Business Centre. Active Bronze Executives shall also receive an Executive Generation Bonus on the bonuses of two Generations of Executives in their Enrollment Trees up to a maximum of the Group Volume generated in their lesser leg in Business Centre One.

### **7) Silver Executive**

All active Associates who achieve a total Qualifying Volume of \$5,000 or sterling equivalent in their lesser volume leg for two consecutive weeks plus a minimum of 2 personal enrollment tree legs that include a paid-as Executive or higher in each leg shall achieve the rank of a Silver Executive and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent. The maximum payout for the Infinity Bonus is \$10,000 or sterling equivalent per week per Business Centre. Active Silver Executives shall also receive an Executive Generation Bonus on the bonuses of three Generations of Executives in their Enrollment Trees up to a maximum of the Group Volume generated in their lesser leg in Business Centre One.

### **8) Royal-Maker Bonus**

Royal-Maker Bonus is paid to the sponsor of each Associate who achieves the rank of a Royal. Qualified associates with at least 100 PV may participate in the Royal-Maker Bonus. Each time one of your personally sponsored (PS) associates reaches the rank of a Royal, the foundation for building a Healthy Chocolate Business, you earn a \$40 Royal-Maker Bonus.

### **9) Gold Executive**

All active associates who achieve a total Qualifying Volume of \$10,000 or sterling equivalent in their lesser volume leg for two consecutive weeks plus a minimum of 2 personal enrollment tree legs that include a paid-as Bronze Executive or higher in each leg shall achieve the rank of a Gold Executive and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent. The maximum payout for

the Infinity Bonus is \$10,000 or sterling equivalent per week per Business Centre. Active Gold Executives shall also receive an Executive Generation Bonus on the bonuses of four generations of executives in their enrollment trees up to a maximum of the Group Volume generated in their lesser leg in Business Centre One. In addition, active Gold Executives participate in the Gold Executive Leadership Pool (see Section 14). Furthermore, associates who achieve the level of a Gold Executive qualify for the Biannual Gold Executive Fly-In.

### **10) Platinum Executive**

All active associates who achieve a total Qualifying Volume of \$15,000 or sterling equivalent in their lesser volume leg for two consecutive weeks plus a minimum of 2 personal enrollment tree legs that include a paid-as Silver Executive or higher in each leg shall achieve the level of a Platinum Executive and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent. The maximum payout for the Infinity Bonus is \$10,000 or sterling equivalent per week per Business Centre. Active Platinum Executives shall also receive an Executive Generation Bonus on the bonuses of five generations of executives in their enrollment trees up to a maximum of the Group Volume generated in their lesser leg in Business Centre One. In addition, active Platinum Executives participate in the Gold and Platinum Executive Leadership Pools (see section 14).

### **11) Diamond Executive**

All active associates who achieve a total Qualifying Volume of \$20,000 or sterling equivalent in their lesser volume leg for two consecutive weeks plus a minimum of 2 personal enrollment tree legs that include a paid-as Gold Executive or higher in each leg shall achieve the level of a Diamond Executive and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent. The maximum payout for the Infinity Bonus is \$10,000 or sterling equivalent per week per Business Centre. Active Diamond Executives shall also receive an Executive Generation Bonus on the bonuses of six generations of Executives in their enrollment trees up to a maximum of the Group Volume generated in their lesser leg in Business Centre One. In addition, active Diamond Executives participate in the Gold, Platinum and Diamond Leadership Pools (see section 14).

### **12) Double Diamond Executive**

All active associates who achieve a total Qualifying Volume of \$25,000 in their lesser volume leg for two consecutive weeks plus a minimum of 2 personal enrollment tree legs that include a paid-as Platinum Executive or higher in each leg shall achieve the rank of a Double Diamond Executive and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500.

The maximum payout for the Infinity Bonus is \$10,000 per week per Business Centre. Active Double Diamond Executives shall also receive an Executive Generation Bonus on the bonuses of seven generations of executives in their enrollment trees up to a maximum of the Group Volume generated in their lesser leg in Business Centre One. In addition, active Double Diamond Executives participate in the Gold, Platinum, Diamond, and Double Diamond Leadership Pools (see section 15).

### **13) Presidential**

All active Associates who achieve a total Qualifying Volume of \$50,000 or sterling equivalent in their lesser volume leg for four consecutive weeks plus a minimum of 2 personal enrollment legs that include a paid-as Diamond Executive or higher in each leg shall achieve the rank of a Presidential and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent. The maximum payout for the Infinity Bonus is \$10,000 or sterling equivalent per week per Business Centre. Active Presidential shall also receive an Executive Generation Bonus on the bonuses of seven Generations of Executives in their Enrollment Trees up to a maximum of the Group Volume generated in their lesser leg in Business Centre One. In addition, active Presidential receives a share in the Gold, Platinum, Diamond, and Double Diamond Leadership Pools (see section 15) plus an additional share in the Gold Pool. Furthermore, associates who achieve the level of a Presidential qualify for an expansion centre as well as the 100K Journey Incentive Trip.

### **14) Ambassador**

All active Associates who achieve a total Qualifying Volume of \$75,000 or sterling equivalent in their lesser volume leg for four consecutive weeks plus a minimum of 2 personal enrollment tree legs that include a paid-as Double Diamond Executive or higher in each leg shall achieve the rank of Ambassador and continue to receive a 10% Infinity Bonus when the Group Volume in their lesser leg equals, or exceeds, \$500 or sterling equivalent. The maximum payout for the Infinity Bonus is \$10,000 or sterling equivalent per week per Business Centre. Active Ambassadors shall also receive an Executive Generation Bonus on the bonuses of seven Generations of Executives in their Enrollment Trees up to a maximum of the Group Volume generated in their weak leg in Business Centre One. In addition, active Ambassadors receives a share in the Gold, Platinum, Diamond, and Double Diamond Leadership Pools (see Section 14) plus an additional share in the Gold and Platinum Leadership Pools. Furthermore, associates who achieve the level of Ambassador receive Ambassador ring (men) and pendant (women) as well as awarded a MXI Corp Car Allowance (see section 16).

### **15) Leadership Pools**

MXI Corp Corp sets aside 4% of the total Company's Group Volume in a given biweekly period to be divided amongst all active Gold, Platinum, Diamond, Double Diamond, Presidential. Each of the four Leadership Ranks will be allocated 1% of the biweekly Group Volume. Each Leadership Rank not only participates in its own Leadership Pool, but also participates in any Leadership Pools of lesser rank. For example, Double Diamond Executives participate with one share in all four Leadership Pools. Leadership Pool Bonuses are paid biweekly.

### **16) MXI Corp Car Allowance Programme**

When you first achieve the rank of Ambassador, you earn an immediate \$1,500 or sterling equivalent allowance from MXI Corp to apply towards the MXI Corp Car Allowance Programme. After you have received your car, MXI Corp will continue to pay you \$1,500 or sterling equivalent per month for one full year as an allowance for your car. After one year, MXI Corp will review your distributorship. You will continue to receive a monthly allowance for the next year, and subsequent years, based on how many weeks in the previous year you were active and 100% maintained as an Ambassador: 44 weeks plus = \$1,500 or sterling equivalent; 34–43 weeks = \$1,000 or sterling equivalent; 24–33 weeks = \$750 or sterling equivalent; 19–23 weeks = \$500 or sterling equivalent.

## **C. Eligibility for Bonuses**

Associates desiring to receive bonuses shall undertake their best efforts to maximise both the retail sales and sponsoring by the Associates in their downline group. Each Executive shall continue to make reasonable efforts to aid the sales and sponsoring of all Associates in his downline group by advice, training, and morale building efforts in accordance with the provisions of these Rules and Regulations. In particular, each Executive shall make reasonable efforts to help Associates in his downline group to achieve the Executive Level. The success of such efforts to aid the sales and sponsoring of others is the key to receiving Executive level bonuses under the MXI Corp compensation system. It is inconsistent with this rule to sponsor Independent MXI Corp Associates into other network marketing

ventures unless said Associates are first level Independent MXI Corp Associates to the Sponsor. It is also inconsistent with this rule to make derogatory remarks about MXI Corp as part of these solicitations or for any other reason.

## **X. PAYMENT OF BONUSES**

MXI Corp shall make its best efforts to pay Associate bonuses for purchases in a given biweekly period within a reasonable time after the close of such period. Under normal circumstances, the MXI Corp bonus cheques will be mailed, wire transfers made or payment made using any other method of payment available to MXI, no later than the 20th day following the biweekly period in which the bonuses were earned. The payment of bonuses shall in all cases be conditioned upon prompt receipt by MXI Corp of orders from Associates (no later than the fourth day following the end of the biweekly period). MXI Corp may, in its reasonable discretion, make the relevant calculations regarding bonuses and compensation plan levels as of a date approximating but not exactly equaling the end of a biweekly period if reasonably necessary for MXI Corp business purposes.

## **XI. PRICING**

Associates shall purchase MXI Corp products at the published wholesale prices of MXI Corp plus the appropriate shipping and handling fee. MXI Corp shall be free to change its recommended wholesale prices, or the bonus values, from time to time at its own discretion, and will notify its Associates of any such changes. Where MXI Corp makes any change to the financial obligations of the Associate relating to the Associate participation in the MXI Corp business opportunity it will give the Associate not less than 60 days notice of such change. MXI Corp may recommend to its Associates what it believes to be a recommended retail price for the sale of MXI Corp products by Associates; however, Associates shall be free to determine in their own discretion what price they shall charge at retail for MXI Corp products. Recommended retail prices provided by MXI Corp are offered only for the assistance of the Associates.

## **XII. REPRESENTATIONS TO OTHER ASSOCIATES AND PROSPECTIVE ASSOCIATES**

MXI Corp Associates shall honestly and fairly describe the MXI Corp Compensation Plan in all their discussions with other Associates or potential Associates. This obligation of fair and complete description shall include, without limitation, the following:

- A. Associates shall not misstate any significant or material fact about the MXI Corp Compensation Plan and shall not omit any significant or material fact about the MXI Corp Plan. Associates shall provide each potential Associate with a copy of these Policies and Procedures and Rules and Regulations prior to giving such person an Associate Application or inviting them to apply on line to become an Associate.
- B. Associates shall clearly state that the foundation of the MXI Corp Compensation Plan is the retail sale of MXI Corp products to consumers and that MXI Corp Associates cannot expect to be successful merely by sponsoring other Associates without making retail sales.
- C. Associates shall not state that high profits are guaranteed or certain for MXI Corp Associates. Associates shall state clearly that MXI Corp Associates can expect to be successful only through hard work and substantial efforts.
- D. Associates shall not distort or misrepresent any feature of the MXI Corp Compensation Plan and shall not make any statements about the quality or benefits of the MXI Corp products except to the extent that such statements are made in MXI Corp written material describing the products.
- E. Associates shall not guarantee any specific income, profit and /or success.
- F. Associates shall not state or imply that the MXI Corp Compensation Plan has been approved by any governmental department or agency or by any trade association.

## **XIII. REPRESENTATIONS TO CONSUMERS**

Associates shall fairly and accurately describe the MXI Corp products in their sales and attempted sales to consumers and shall not distort or misrepresent any facts when discussing the MXI Corp products with consumers. This obligation of fair and complete discussion shall include, without limitation, the following:

- A. Associates shall not describe the MXI Corp products except as permitted in the materials published by MXI Corp describing the product.
- B. Associates shall not attempt to deceive or confuse any consumer regarding the nature and quality of the MXI Corp products, or the price of the MXI Corp products.

## **XIV. LABELING, PACKAGING AND ADVERTISING**

MXI Corp Associates shall not relabel or repackage any of the MXI Corp products. Associates shall not advertise the MXI Corp products except by use of the materials and adherence to the Policies and Procedures that are published from time to time by MXI Corp , or by use of advertising whose form and content have been approved in advance in writing by MXI Corp . This restriction applies to all media, advertising, sales flyers, direct mail pieces, promotional merchandise and sales aids, including but not limited to, presentation pins, badges, and other promotional devices, signs, posters, packaging, labels, videos, CDs, DVDs, or audio tapes, and slide presentations.

## **XV. COMPLIANCE WITH THE LAW**

Associates shall comply with all relevant laws, regulations and codes of conduct governing their sale of MXI Corp products or sponsoring of MXI Corp Associates, including without limitation, all applicable VAT income tax, consumer protection, labeling, packaging, anti-fraud, lottery, securities, franchise, and other laws. Associates shall indemnify and hold harmless MXI Corp, its successors, assigns, and legends against all loss, expenses, claims, and liability including without limitation, court costs and reasonable legal fees arising in connection with any claim that there exists a violation of any legal requirement in connection with the activities of the Associate.

## **XVI. REVISIONS**

Upon notification to the Associate, MXI Corp may at its discretion amend the Policies and Procedures and Rules and Regulations. The Associate's continued engagement in promoting MXI Corp products, promoting the MXI Corp business opportunity, or both, after notice of any revisions to the Associate Agreement including in particular the Rules and Regulations and Policies and Procedures and the Compensation Plan shall constitute the Associate's agreement to such revisions and legally binding amendment of the Associate Agreement including the Rules and Regulations, Policies and Procedures and the Compensation Plan.

## **XVII. TERM, CANCELLATION, TERMINATION AND CHANGE**

- A. The term of an MXI Corp Distributorship shall be for one year from the date of acceptance of the Associate Application Form by MXI. After the expiration of a term, Associates must renew their Agreement with MXI Corp and pay a \$41 or sterling equivalent website licence Payment of the licence fee entitles Associates to continue to use the Associate back office and tools, receive MXI Corp publications, receive a detailed monthly bonus statement, and other benefits.
- B. Upon cancellation or termination of a Distributorship, the rights to bonuses and position in downline groups of the person who directly or indirectly sponsored or were sponsored by the terminated or cancelled Associate shall be determined without regard to the former position of the terminated or cancelled Associate.
- C. Associates may terminate their Distributorships for any reason at any time without penalty upon fourteen (14) days written notice to MXI Corp. Associates may reapply for a Distributorship, or an Associates' spouses may apply for a Distributorship no earlier than ninety days or more after such termination, but any such Associates may not retain their prior rights to bonuses or position in any applicable downline groups after such reapplication.
- D. Upon the death or incapacity of an Associate, the rights to bonuses and positions in any applicable downline groups shall pass to the Associate's beneficiaries.
- E. Associates may change Sponsors only when approved by MXI Corp in its sole discretion and only under the following minimum circumstances: (i) Associates desiring a Sponsor change must terminate their Distributorships and remain in non-Associate status for ninety days. (ii) Associates must provide MXI Corp with a signed, certified letter requesting termination of their Distributorships. (iii) Associates may reapply for a Distributorship under a new Sponsor ninety days after receipt by MXI Corp of a certified termination request. And, (iv) Associates may not retain prior bonus rights or position in any applicable downline groups after such reapplication.
- F. Associates may transfer or sell their Distributorship only when approved by MXI Corp in its sole discretion and only under the following minimum circumstances: (i) Transferring Distributorship must have remained active for the last 90 days. (ii) Associates must provide MXI Corp with a signed, certified letter requesting transfer or sale of their Distributorship. (iii) Once approved, the transferee, or new owner, will have the bonus rights and any applicable downline groups. And, (iv) Transferred Distributorship has 90 days to re-qualify at the transferred rank or the position will revert to the rank achieved at the end of the 90-day re-qualification period.
- G. MXI Corp may terminate any Associate for violation of these Rules and Regulations ten days after giving written notice, if the Associate fails to remedy the violation to the satisfaction of MXI Corp within the ten-day period. An Associate may be terminated after a second violation upon written notice.

## **XVIII. NAME**

- A. Associates shall not directly or indirectly use or permit others to use the name MXI, MXI Corp, or the MXI Corp logo, or any other trade names, trademarks, or distinctive phrases used by MXI Corp in its business (hereinafter referred to as the "Names and Marks"), except as expressly permitted in these Policies and Procedures and Rules and Regulations. Neither shall Associates obtain or attempt to obtain any right, title or interest by registration, filing of any kind, patent, copyright, or otherwise in or to any of the Names or Marks. In particular (and without limiting the foregoing) Associates shall not make purchases or enter into other transactions in the name of MXI Corp or hold themselves out as agents for MXI Corp. These regulations also pertain to the registration of web site domain names containing "mxi," "mxicorp," or "xocai." However, Associate may describe themselves as Independent MXI Corp Associates (domain names excluded).
- B. Immediately upon expiration, termination, or cancellation of a Distributorship, the affected Associate will remove and discontinue use of and will not thereafter use the Names and Marks or any and all signs, labels, stationery, advertising, web sites, and/or literature referring to MXI Corp.
- C. If MXI Corp finds it necessary, as a result of any claims or litigation brought against it or in settlement thereof, to abandon or change any of the Names and Marks, Associates shall also abandon or change such Names and Marks as directed by MXI Corp without liability to MXI Corp including, without limitation, the name MXI Corp.

## **XIX. EXCUSE**

Neither MXI Corp nor any Associate shall be responsible for any delays or failures hereunder where performance is made commercially impracticable due to circumstances beyond the party's reasonable control, including without limitation, strikes, labour difficulties, riots, war, fire, delay or default of common carrier, failure of machinery or equipment, failure, delay, or curtailment of the party's usual source of supply, or governmental decrees, or orders.

## **XX NOTICES**

Any notice or other written communication given under or in connection with these Rules and Regulations and Policies and Procedures may be delivered personally or sent by first class post to MXI Corp at the address shown on the Associate Application and Agreement Form or such other address notified from time to time by the Associate or MXI.

## **XXI THIRD PARTIES**

The Contract (Rights of Third Parties) Act 1999 are hereby excluded and shall not apply to this Agreement.

## **XXII. ASSIGNMENT AND DELEGATION**

Associates shall not (by operation of law or otherwise) assign their rights or delegate their performance as MXI Corp Associates without prior written consent of MXI Corp. Any attempted assignment or delegation without such consent shall be voidable by MXI Corp. MXI Corp may assign and/or delegate any of its rights and/or duties [provided that MXI Corp possesses reasonable assurances that any assignee or delegatee will be able to satisfactorily perform the obligations of MXI Corp to its Associates. The company reserves the right to assign within the corporate group to allow for company reorganisations with no restriction of conditions simply at the discretion of the company.

## **XXIII. INFRINGEMENT**

MXI Corp disclaims and excludes all warranties regarding possible infringement of any patent, trademark, trade name, copyright, or the like right by MXI Corp or the Associates' operations, and the Associates shall have no claims in connection therewith. The Associates shall immediately notify MXI Corp as soon as they learn of any claim or suit relating to any of the matters discussed in this paragraph.

## **XXIV. EXCLUSIVE RULES**

The Associate Application and Agreement Form, these Terms and Conditions, the Rules and Regulations, Policies and Procedures, and the Compensation Plan (as amended from time to time) constitute the entire agreement between the Associate and MXI Corp and no other additional promises, representations, warranties or agreements of any kind shall be valid unless in writing and issued by an officer of MXI.

These Rules and Regulations may be amended only by an instrument in writing transmitted by an authorised representative of MXI Corp. Should any inconsistencies arise, the terms and conditions of these Rules and Regulations shall prevail. If at any time any term or provision in these Policies and Procedures and Rules and Regulations shall be held to be illegal, invalid or unenforceable in whole or in part under any rule of law or enactment such term or provision

or part shall to that extent be deemed not to form part of the Policies and Procedures or Rules and Regulations but the enforceability of the remainder of the Policies and Procedures or Rules and Regulations shall not be affected.

#### **XXV. WAIVER**

No failure of MXI Corp to exercise any power given to it under these Policies and Procedures and Rules and Regulations or to insist upon compliance by Associates with any obligation or provision hereunder, and no custom or practice of the parties at variance with the terms hereunder, shall constitute a waiver of the right of MXI Corp to demand exact compliance with these Policies and Procedures and Rules and Regulations. Waiver by MXI Corp can only be effected in writing by an authorised officer of MXI Corp. The waiver by MXI Corp of any particular default by a Associate shall not affect or impair the rights of MXI Corp in respect to any subsequent default of the same or of a different nature; and shall not affect or impair the rights of MXI Corp in respect to any subsequent default of the same or of a different nature; and shall not affect in anyway the rights or obligations of other Associates. Nor shall any delay or omission by MXI Corp to exercise any rights arising from a default affect or impair the right of MXI Corp as to said default or any subsequent default.

#### **XXVI. GOVERNING LAW**

These Policies and Procedures and Rules and Regulations and any dispute arising thereunder shall be governed by English law and the parties hereby submit to the exclusive jurisdiction of the English courts.

MXI Corp  
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