



## POLICES & PROCEDURES

NBN LIVING Inc.

### I. INTRODUCTION

Dear Distributor:

We warmly welcome you to NBN LIVING (hereinafter, NBN) and we congratulate you for taking the first step in a journey that could very well change your life. Although simple, the road ahead will not necessarily be easy. Your success as an NBN Independent Distributor will be directly related to the quality of your relationship with your uplines, direct sponsors, downlines, and other different indirect distributors of NBN. A clause in our Policies & Procedures (P&P) clearly promotes the harmony of these vital relationships and ensures that there is equal opportunity and justice for all who come to this Company.

As an Independent Distributor, you agree to follow the spirit as well as the Policies & Procedures. You will find that adhering to the Policies & Procedures will help you provide genuine quality service which, in turn, will lead you to greater success and rewards.

NBN's Policies & Procedures constitute part of the Enrollment Application, Independent Distributor Agreement, Terms & Conditions and once accepted by NBN, in conjunction with NBN's Business Plan and any other incorporated documents referenced make up the Agreement between the Independent Distributor and NBN. The purpose of the Agreement is to authorize an individual to be an NBN Independent Distributor and to establish the roles, responsibilities, and obligations of all parties. You hereby confirm this document each time you place a purchase order and/or receive a bonus payment/commission from NBN. It is with great anticipation of your success that we present these Policies & Procedures to you and urge you to adhere to them entirely.

### II. CODE OF CONDUCT

First, NBN is built on a foundation of integrity, edification, and trust. In your dealings with your uplines, your direct sponsors, downlines, other different line Distributors and with NBN, you must always give and expect to receive all of the above. All activities will be regulated by the Policies & Procedures. When common sense and clarity are combined, a powerful synergy develops. Any conduct that differs from this basis should be addressed immediately, first through your upline organization, then with NBN if necessary. The destruction of this base will not be tolerated.

The Registration Application to become an NBN Independent Distributor requires that the applicant agrees to conduct his or her business in accordance with this Code of Conduct. This code ensures high standards of integrity and professionalism across NBN's network of Independent Distributors and protects NBN's overall business image.



[nbnliving.com](http://nbnliving.com)





### III. OBLIGATIONS OF NBN

Distributors have the right to expect NBN to operate in accordance with the laws and practices governing business in general, as well as those of the network marketing industry. The trust fiduciary relationship between NBN and its Distributors is fragile and NBN, as the primary participant in that relationship, has an obligation to be fair and equitable to all.

#### a) NBN:

1. Will conduct in an ethical and professional manner.
2. Will process the orders and ship the products in a timely manner.
3. Will provide Distributors with information on the organization and volume required to manage their business activities.
4. Will compensate Distributors in accordance with the approved Business Plan.
5. Will comply with all laws governing the sale and distribution of products, as well as the compensation of participants.
6. Will administer your Policies fairly, without prejudice or favoritism, to protect the interests of all Distributors.

#### b) NBN will NOT:

- 1) Promote success.
- 2) Give bonuses/commissions for the recruitment of other persons who do not have a paid purchase order.
- 2) Tolerate any Distributor pressuring prospects or members of their downline to purchase a large amount of inventory.
- 3) Permit misleading advertising of the products in any way.
- 4) Distributors will not be advised on compliance with compensation requirements.
- 5) Cancel or terminate the business of any of its Distributors without having carried out the proper process.

### IV. OBLIGATIONS OF THE DISTRIBUTOR

#### a) Distributors:

- 1) Will conduct your business in an ethical and professional manner.
- 2) Will make it clear that success in NBN's Business Plan is based on both retail sales and recruitment.
- 3) Will submit the Business Plan only as specified by NBN.
- 4) Will provide in good faith training, motivation, and support to the Distributors of their organization.

#### b) Distributors will NOT:

- 1) They will not engage in deceptive, illegal, or unethical business or recruitment practices (including cross-recruitment).
- 2) They will not participate in recruitment or sales practices where you put pressure on other people.
- 3) They will not make statements of sale or offer misleading warranties about NBN or its products.
- 4) They will not stunt or enroll minors or people who are unable to make an informed decision.
- 5) They will not limit their business activities in countries other than those approved by NBN.
- 6) They will not credit, disparage or make negative comments about NBN, its Distributors, products, Business Plan, officers, directors, or employees.
- 7) They shall not, in any way, violate or circumvent NBN Policies, whether in spirit or deed.
- 8) They shall not disrupt the display or display of NBN products in commercial stores or other retail outlets.





- 9) They will not be able to develop strategies that go against what is explicitly stated in NBN's Business Plan. Incur in such practices as the incorporation or link with third parties, companies, institutions, foundations, etc. other than NBN, will cause the Independent Distributor code to be closed.

## V. DEFINITIONS

Independent Distributors will better understand NBN's Policy by understanding the basic terms commonly used in NBN literature, Policies & Procedures and/or public presentations.

- a) Distributor: Is a person or legal entity authorized to purchase products at the price of a Distributor, resell the products, sponsor other Distributors in the organization to do the same, and participate in the NBN LIVING Business Plan.
- b) Distributor Code Number: It is a unique number assigned to Distributors, which is used to register people or make purchase orders and have access to the virtual office. You should refer to this number in all your correspondence and communication with NBN LIVING.
- c) Sponsor: A Distributor who personally registers another person as a Distributor.
- d) Direct: Is the Distributor that is in the first level of its sponsor.
- e) Active: Is the Distributor who makes a purchase order for any product of the company.
- f) Qualified: Is the Distributor who places a purchase order that meets the personal volume assigned to qualify within the Business Plan.
- g) Downline: It is the organization of a Distributor, which includes those sponsored directly or indirectly by the Distributor and that continues downwards, along the lines of sponsorship at infinite levels.
- h) Upline: It is the line of Sponsors that unites the Distributor with NBN, which can earn commissions derived from the Purchases of that Distributor.
- i) Commission period: It is the time used to calculate commissions. NBN Living pays bi-weekly commissions.
1. Period of Fortnightly Commissions – All commissions are calculated on 2 periods in a month:  
Fortnight 1: from day 03 to day 17 of each month.  
Fortnight 2: from the 18th to the 02nd of the following month.
- j) Commissionable Value (CV): It is the value assigned in points of each product sold on which commissions are paid on. Materials, tools, and sales aids do not have CV.





k) Compression: For commission calculation purposes only, if a Distributor does not qualify, by failing to meet the Personal Volume (PV) determined and published in the NBN Business Plan, any Points Value (PV) generated by the Distributor will be compressed according to the NBN Living Business Plan.

l) Rank: It is the achievement acquired in a fortnightly period.

m) Pay Range: It is the achievement acquired by a Distributor to qualify for commissions within the NBN Business Plan within a period. This may or may not be equal to the highest rank he reached in another period.

n) Virtual Office: It is the online tool that allows you as a Distributor to enter new registrations, buy online, review the genealogy and account statements (commissions), access advertising material, etc. Access to the virtual office is available in [www.nbnliving.com](http://www.nbnliving.com). To do this, you must have your Distributor Code Number and your password that was generated at the time of your registration.

o) Waiting Room: Period of consecutive time in which a Distributor has not placed any purchase order.

## VI. DISTRIBUTOR STATUS

Distributor Status constitutes the qualification of an individual by purchasing one of the packages offered by NBN in its Business Plan, complying with the requirements prior to enrollment, and being bound by the Terms & Conditions and Policies and Policies established by NBN.

### (A) INDEPENDENT STATUS:

1. Distributors are independent contractors.
2. A Distributor's decision to accept this Agreement does not create dependency, nor may Distributor represent that it is a part, in any way or form, of an employer/employee, agency, partnership, franchise, or joint collaboration relationship between NBN and Distributor.
3. Distributors must comply with all laws, rules and regulations relating to NBN's acquisition, receipt, disposal, sale, distribution, advertising of products and revenue opportunity.
4. Distributors are solely responsible for reporting and paying any taxes or fees associated with their business independent of NBN in accordance with the laws of the country where they registered.
5. Distributors are solely responsible for providing equipment and tools necessary for the operation of their NBN business, such as telephone, transportation, professional services, office equipment and supplies, and taking out applicable liability insurance.
6. Distributors are solely responsible for having an appropriate place to conduct their business and for determining their own working hours.





#### **(B) APPLICATION REQUIREMENTS:**

1. Applicants must be of legal age and have full legal capacity to contract under the civil sphere in their place of residence.
2. Applicants agree to abide by NBN's official Policies & Procedures and warrant that they understand the compensation requirements specified in NBN's Business Plan.
3. An applicant who completes an NBN Distributor registration form agrees to receive emails, SMS messages or social media and to comply with what is set forth therein, when the NBN sender is the sender.
4. It is NBN's obligation to ask applicants for their personal identification number in order to verify their identity. Under its contract law, NBN refuses to grant a Distributor position to any person who does not have this registration or to any person who does not wish to present an identification number on the Registration Application. The Applicant/Distributor is solely responsible for providing all the information provided in his registration and for all information provided to NBN, declaring from now on, that it is truthful and true.
5. NBN reserves the right to immediately terminate any existing contract if the personal identification number provided during registration is determined to be incorrect or invalid.
6. For reference, the Terms & Conditions in the Registration and Contract Application are incorporated herein and form part of these Policies & Procedures.

#### **(C) PROCESSING OF THE APPLICATION:**

1. Sponsor and applicant are solely responsible for completing NBN's Independent Distributor Registration Application and Agreement. Any application that is incomplete, incorrect or when it is verified that the applicant is not aware of or in accordance with this record will be rejected.
2. If an application is sent electronically, the applicant accepts and ratifies as valid the online form that he gives to this instrument through the website, without his signature being necessary in said document since, by putting ACCEPT, he is consenting and accepting all the policies and procedures of NBN Living.

#### **(D) FORGED INSCRIPTIONS:**

1. Submitting an NBN Registration Application and Contract on behalf of an individual without their consent and signature in good faith is considered illegal and strictly prohibited, as is sending, or urging someone to submit false or invalid information on an Application Registration and Contract. The account of any person who submits false information on your Enrollment Application and Contract, or who urges another person to do so, will be terminated and you will lose all rights to your Distributor status. These actions may result in criminal and/or civil legal consequences.

#### **(E) IDENTIFICATION NUMBERS:**

1. A Distributor Identification Number (ID) will be automatically issued upon registration and will be used to register other Distributors and to place product orders.
2. The Distributor ID must be mentioned in all communication with NBN.

#### **(F) MULTIPLE DISTRIBUTOR MEMBERSHIPS:**

1. A family member (domestic partners or marriage, or other dependents residing at the same address) may be registered as separate Distributors.





2. If multiple memberships are found to be non-compliant with NBN requirements, NBN reserves the right to terminate the most recent membership(s) without prior notice to the Distributor. No refunds will be issued. NBN reserves the right to decide whether to transfer to the original account any downline Distributors enrolled by subsequent accounts.
3. A Distributor who urges its downline to maintain multiple memberships without complying with NBN requirements or who enrolls Distributors who are already registered under other Distributors (cross-recruitment), will be subject to disciplinary action against their distribution and up to termination of their membership.

#### **(G) DURATION OF THE STATUS OF DISTRIBUTOR:**

1. A Distributor may maintain its Distributor Status as long as it complies with NBN's Policies & Procedures and other rules and regulations. Distributors who decide not to continue with their Distributor Status may not register for a new position for a period of six (6) months after being deleted from the system.
2. To maintain the status of Asset you must buy at least 1 product.
3. In order for the Distributor to get paid within the NBN Business Plan, the Distributor must be Active and meet all qualifications and requirements under the Business Plan.
4. NBN reserves the right to delete from the system Distributors who are inactive for a consecutive period of six (6) months and, any downline registered under its Distributor Status, will be automatically transferred to the Distributor Sponsor that has been canceled.
5. If a distributor in a consecutive time of three (3) months has not placed any purchase order, it will automatically pass to a waiting room within the Company's operating system. If after this period, the Distributor decides to request a purchase order, it will return to its original position; however, all the downline it had, will automatically pass to its Sponsor. In the event that it is this Distributor's first purchase (activation), Sponsor will not earn the sponsorship bonus and will be calculated based on royalties according to NBN's Business Plan.

#### **H) CHANGES OF SPONSOR:**

1. To protect the integrity of all organizations and safeguard the efforts of all Representatives, NBN discourages changes in sponsorship.
2. Distributors who wish to change sponsors have the option to cancel their current distribution and remain inactive for twelve (12) months before re-registering as a new Distributor under the Sponsor of their choice. The 12-month period of inactivity begins upon receipt and acceptance by NBN of the cancellation letter signed by the Distributor or when NBN has removed you from the System for inactivity.
3. In addition, if there is an error in entering information from your original Sponsor at the time of registration, the original Sponsor must submit all correct documentation in writing, and must meet the following criteria:
  - a) Report the correction of data before the end of the fortnight of the registration period.
  - b) Stay on the same line of sponsorship. Cross-changes will not be processed.
  - c) Include an updated Registration Application and Contract, duly signed, and dated by the Distributor being transferred.
  - d) Include the signatures of all affected parties.
    1. Upon receipt of acceptance by NBN, the new transferred Distributor Sponsor becomes permanent.
    2. Any change of sponsor is at the sole discretion of NBN and requires final authorization from the appropriate Department, whose decision will take into account the overall good of the organization. Every decision is final.





3. If the changes are approved, no adjustment of bonuses/commissions that have been previously paid will be processed.

**(I) SALE OR TRANSFER OF DISTRIBUTOR STATUS:**

1. NBN discourages the sale, purchase, transfer, or rental of Independent Distributor codes.
2. NBN reserves the right to properly use the cancelled, blocked, or waived code, executing compression actions in favor of the direct sponsor of the code in question, except in special situations where it also violates clauses, Terms and Conditions established.

**(J) BENEFICIARIES:**

1. In the event of death or incapacity, the benefits of this Agreement shall have effect on the heirs of the Distributor or successors-in-interest, and the obligations and benefits of these Policies & Procedures shall be binding on the respective successors. The designated beneficiary shall provide NBN with a certified copy of the last will and testament (or actual possession, in the absence of a will), if any, along with a certified copy of the Death Certificate.
2. In the event of an extended estate, the heirs of the deceased Distributor should contact NBN to discuss how to proceed. In the absence of instructions, all communications and payments will be made in accordance with the Law.
3. In the event that the beneficiary of the deceased Distributor is a minor, an executor or legal guardian must be appointed when the beneficiary or beneficiaries reach the age of majority.
4. In case there is no documentary evidence of the beneficiary, the Company will attend the case in a legal manner based on the laws that govern in the country that corresponds to its registration.

**(K) RIGHTS AND OBLIGATIONS OF THE SPONSOR:**

1. Distributors have the right to sponsor other persons within NBN-authorized territories. Only NBN will determine and announce which territories are authorized to conduct business.
2. The Sponsor must comply with the obligation to carry out in good faith supervisory and training functions in the marketing of the products and benefits of the program.
3. The Sponsor should not make income claims or exaggerated statements of financial rewards during a business presentation. The submission of bonus/commission payments is considered an affirmation of income and is prohibited.
4. At all times Sponsors must emphasize that the success of NBN's marketing program varies from Distributor to Distributor and depends on personal efforts, including but not limited to skill and time spent developing the business. Distributors are compensated only for the products they purchase and their downline organization.
5. Sponsors should refrain from mentioning competing brands in a negative, derogatory, or otherwise unlawful manner, or from evaluating companies in a negative or derogatory manner.

**(L) STATUS OF INTERNATIONAL DISTRIBUTOR:**

1. Distributors may only do business in countries where NBN officially announces that it is authorized to conduct business. This includes prospecting, stakeholder generation and product sales. In addition, due to different labelling and compliance requirements from one country to another, products originating in one country can only be sold or delivered in that country. In order to protect the integrity of NBN as well as that of the organization, no violation of this policy will be tolerated.





2. The legal requirements for doing business are different for each country, so Distributors should not assume that the requirements of Distributor Status are the same worldwide. Distributors interested in participating in other NBN international activities should contact their local office for information.
3. Distributors are subject to the Policies & Procedures established by NBN in each country.
4. Distributors must use only authorized distribution channels to build their marketing organizations.

#### **M) DEVELOPMENT OF NEW MARKETS:**

1. Distributors may not import, export, or distribute products or tools for the construction of the business individually in any country.
2. NBN is responsible for contacting government or legal bodies and coordinating with them the initiation of the approval process to introduce NBN products in any country. However, the enthusiasm of the Distributors or the good intentions, the circumvention of this policy could have detrimental effects on NBN's ability to conduct business. Therefore, any attempt to market NBN products in countries that are not on the official list of open countries may result in sanctions and even immediate cancellation of Distributor status.
3. Distributors understand that conducting any pre-release activity in countries that are not officially open for NBN is against NBN's Policies and may be illegal in some countries.
4. Violators of this Policy will be subject to the laws in force in that country, the cancellation of their Distributor Status and civil or criminal proceedings to recover any damages or losses caused to NBN Living.

#### **(N) ORPHANS (PROSPECTS WITHOUT A SPONSOR):**

1. No order from people who do not have a sponsor will be accepted.
2. If NBN receives requests for information from the general public about its products and opportunity, NBN will seek to determine whether such contact is the product of a Distributor's sponsorship efforts and, if so, will refer you to that Distributor.

#### **O) VOLUNTARY CANCELLATION:**

1. Distributors may terminate their status as Distributor at any time through a signed and dated letter indicating their intention to discontinue their status.
2. Any downline organization affected by the waiver will be transferred to the Sponsor of the resigning Distributor.
3. Once an account has been terminated, the former Distributor may not reapply for Distributor Status for six (6) months from the date of cancellation, if he or she is in good standing at the time of voluntary cancellation.
4. Cancelled accounts will not be reinstated to their original position or rank under any circumstances.

#### **P) INVOLUNTARY TERMINATION:**

1. NBN may terminate a Distributor's contract immediately and without notice if any provision of the Agreement is violated, including any modifications NBN has made in its sole discretion.
2. Cancellation will take effect on the date written notice is sent to Distributor via postal mail or email to Distributor's last known address (physical or electronic), or when Distributor receives notice of cancellation, whichever occurs first.







## VII. NBN PRODUCTS AND SERVICES

### A) ORDERS:

1. NBN will accept purchase orders only when you have a registration or a Distributor Code Number.
2. Purchase orders must be generated in the Virtual Office of the Distributor himself.
3. It is the sole responsibility of the Distributor to verify and ensure that NBN receives the order in time to meet the deadlines for the bi-weekly commission periods.
4. Unless otherwise stated, products are processed at Distributor price.
5. NBN has established a Retail Suggested Price (RSP) as a recommendation for the sale of a product to Retailer Retail Customers. The product cannot be advertised at a price that is below the RSP.
6. The order must be accompanied by an authorized means of payment that covers the total amount of the order, plus shipping, processing, and taxes.
7. It is not allowed to combine products that are not available at the time of purchase.
8. The accepted payment options are indicated at the end of the Form of each order requested.
9. NBN, in its sole discretion, may require the Distributor to submit a credit card charge authorization form prior to processing any order. For reference, the terms in the credit card charge authorization form are incorporated herein.
10. Orders are credited to the commission period in which they were received, provided that full payment for the order has also been received.
11. For an order to be credited to a commission period, it must be fully PAID before the announced closing time, that is, no later than 11:59:59 p.m., Mexico City Central Time.
12. Once an order is placed, it cannot be cancelled. Distributors will have to follow the return or exchange procedures as specified herein.

### B) WITHHOLDING OF PAYMENT:

1. If there is any problem or inconvenience with any of the Distributor code number, NBN may debit or withhold bonus/commission payments until the situation presented is resolved.

### D) RELATIONSHIP BETWEEN DISTRIBUTORS AND EXECUTIVES OF NBN:

1. In order to protect the rights of Distributors and NBN managers alike, all calls may be recorded for training and compliance purposes.
2. NBN managers are trained to be friendly and professional in all contact they have with Distributors and the general public. If a Distributor receives disrespectful treatment from NBN personnel, they must document the situation, and refer it to the appropriate Department for immediate review.
3. Distributors are expected to be equally courteous when in contact with corporate staff via telephone, email, in person or otherwise.
  - a. NBN employees will not tolerate abusive conduct by Distributors; if an executive feels that this is occurring, he or she is instructed to end the conversation in a polite manner, document the incident, and report it to a supervisor.
  - b. Documentation will be sent to the competent processor for review.





- c. In extreme cases, Distributors who have incurred this fault, may result in the immediate suspension or cancellation of their account.
4. Distributors who wish to acknowledge the exceptional service provided by an executive are invited through a letter of thanks to be added to the executive's record. NBN discourages the sending of gifts to customers.
5. To avoid any conflict of interest, Distributors may not invite or sponsor NBN executives in any of their programs. Such actions will be considered hostile and could result in the termination of the Distributor and/or the dismissal of the employee.

#### **E) HANDLING AND SHIPPING:**

1. NBN will ship product orders to the address specified by the Distributor.
2. In case the Distributor requests shipment to P.O. Boxes (rural areas only), General Deliveries, or other delivery mechanisms (e.g. leaving the package in a certain area without acknowledgment of receipt), NBN assumes no responsibility for lost or missing packages.
3. Distributors are solely responsible for notifying the Company in writing of any change in their address. If delivery is not achieved due to outdated or incomplete shipping information on file, or if the Distributor refuses to receive the package, the Distributor must pay the original shipping costs and additional charges will be generated for the reshipment of the product.
4. Orders received Monday through Friday, on the weekend, or on a public holiday, will normally be shipped the next business day.
5. NBN has no restrictions on minimum orders, however, minimum shipping charges may apply.
6. All orders are sent through the courier service that NBN has contracted for this purpose.
7. Shipping costs are subject to market variables, so Distributors should consult their Virtual Office for any update that has been made to the fees.
8. Distributors must immediately report to NBN any erroneous or incomplete orders upon receipt of the order. In case an order has been damaged during transportation, the Distributor must reject the package and immediately contact NBN.
9. In the event that an order is lost, the Distributor must wait a minimum of seven (7) business days before requesting assistance or a replacement. Through Leader Service, the Distributor may request the tracking status of your order.
10. All orders must be completely paid through an appropriate form of payment. NBN is not responsible for orders that are delayed or not processed if the payment information is illegible, incomplete, or the payment sent is insufficient. NBN is not responsible for notifying the Distributor of delays due to incomplete information.
11. NBN is not responsible for delays in shipment caused by circumstances beyond its operation.

#### **(F) OUT-OF-STOCK ITEMS:**

1. If any product is temporarily out of stock, the Distributor will be notified of it in its Virtual Office at the time of requesting its purchase order. In the event that the purchase order has been processed and the Office does not have the product, the Distributor may request the cancellation of that order or make the decision to wait for the product to be physically available.
2. Pending orders are always filled first and will be shipped to at no additional charge at the next order purchase.
3. At its sole discretion, NBN may substitute the contents of preset product packages.





#### **G) REFUNDS OF ORDERS PAID BY DISTRIBUTORS:**

1. For a purchase order to be refunded, it must be returned complete to NBN. There cannot be partial refunds.
2. For a paid order to be refunded, the closing of the current fortnight in which you placed the purchase order must not have been processed.
3. At the time NBN agrees to refund a purchase order, the Distributor will be refunded 100% of the net cost of the original purchase price, provided that such purchase order has not generated administrative expenses, which will be deducted from the original value.

#### **H) PROCEDURE FOR RETURNS:**

To exchange or return a product, the Distributor must:

- 1) Call the Department of Attention to Leaders.
- 2) Provide the purchase order number.
- 3) Specify which product(s) will be exchanged or returned,
- 4) If it is an exchange of products, you must request the cancellation of the purchase order generated and you can request a new purchase order made according to the products you require.
- 5) The Distributor is responsible for pre-paying all shipping costs related to the shipment of returned or exchanged items. NBN does not accept packages with shipping charges receivable.
- 6) Until NBN receives the products to be returned or exchanged, the return or exchange will not be processed. It is the Distributor's responsibility that packages arrive at NBN's warehouses. If NBN does not receive the product to be returned, it is the Distributor's responsibility to track the package.
- 7) In case the product has been received in poor condition due to transport situations, it must be photographically documented to proceed with the change.

#### **I) RESPONSIBILITY IN THE HANDLING OF THE PRODUCTS:**

1. The alteration of the product is strictly prohibited by NBN and may generate legal responsibilities.
2. Distributors who alter the products will be subject to immediate termination, as well as criminal and/or civil consequences.

#### **J) SALE TO PERSONAL CUSTOMERS:**

1. Distributors may purchase products at Distributor price and sell them directly to their customers at NBN's suggested retail price.
2. Distributors must give all personal customers a sales document in accordance with the law of their country.

### **VIII. COMMISSIONS**

NBN's Business Plan is based on Network Marketing's person-to-person distribution system and direct sales from manufacturers and distributors to end consumers. Distributors receive commission for the products they buy and distribute in their organization. For reference, NBN's Business Plan is incorporated into these Policies & Procedures.





#### **(A) PAYMENTS AND THEIR REQUIREMENTS:**

1. To be entitled to bonuses, commissions, rank advancements and incentives, Distributors must be Active and comply with the Distribution Agreement.
2. As long as the Distributor complies with the terms of the Agreement, NBN will pay it bonuses/commissions in accordance with NBN's Business Plan.
3. No bonuses/commissions are paid on the purchase of any promotional materials, such as sales materials.
4. Bonus/commission payments are made through the mode set forth in the NBN Business Plan.
5. If a Distributor finds any discrepancies in their bonuses/commissions, they must be reported to the Leader Services Department within 15 days of receiving the payment of bonuses/commissions so that the necessary adjustments can be made.
6. Payments will be processed for amounts equal to or greater than \$10.00 after maintenance discount. If the Distributor's net winnings do not equal or exceed this amount, bonuses/commissions will accrue until the minimum amount required to make a payment is reached.
7. Under no circumstances will NBN split bonus/commission payments between divorcing spouses or members of entities in the process of dissolution.
8. The payment of commissions must be applied only to a bank account that is in the name of the affiliate or distributor.

#### **B) WITHHOLDING OF BONUS/COMMISSION PAYMENTS:**

- 1) NBN may withhold bonus/commission payments from a Distributor until it has submitted the necessary documents for the corresponding payment.
- 2) In the event that the Distributor does not deliver the requested documents, the commission will be accumulated for the next period until the Distributor completes the required procedure.
- 3) The commissions that are presented for payment, with their documents within the first six months, will be payable following the current protocol. However, those that exceed the time limit will be paid, under an additional procedure, for which payment will be delayed and will be subject to the accounting, tax, and financial conditions of the moment.

#### **IX. RESTRICTIONS**

NBN has a fiduciary duty to protect and safeguard Distributors who have placed their trust in NBN's mission and stewardship. In conducting their business, Distributors must endeavor to promote the reputation of NBN's products and services, and refrain from any conduct that may be harmful and incompatible with NBN's overriding public interest as a reference. Any compliance update NBN makes is automatically incorporated into this Agreement.

#### **A) REPRESENTATIONS: DISTRIBUTORS**

1. They will honestly and fairly represent NBN, its products and programs, in their discussions with current and potential Distributors.
2. They may not be part of a contract or transaction on behalf of NBN or represent themselves as employees, officers, or suppliers of NBN.
3. They may not make any claims as to the therapeutic or healing properties of NBN products. NBN products do not seek to diagnose, treat, cure, mitigate or prevent any disease and should never be offered as such.





4. They should not suggest any diagnosis, prognosis, evaluation, treatment, description, administration or remedy of any condition, ailment, or disease.
5. They may not make false, unreasonable, erroneous or intentionally distorted revenue projections to actual or potential Distributors. Any revenue projection must include a compensation summary, which NBN issues periodically. Any income projection must be presented with a review of the compensation plan, which may be downloaded from the Distributor's Virtual Office.
6. They will emphasize that success in NBN's marketing program may vary from Distributor to Distributor and will depend on personal efforts, including, but not limited to, skill and time spent developing the business.
7. You are fully responsible for any oral or written statements you make regarding NBN, its products, services, and opportunities, which are not in accordance with NBN's current official sales material.

#### **B) ADVERTISING:**

1. NBN compensates its Distributors for marketing products from person to person. This can be done in an environment where personal services are provided (e.g. hairdressers, beauty salons, real estate offices, health clubs, etc.)
2. Fairs and Exhibitions: Booth advertising, advertising, and promotion of NBN's products, services or business opportunity at trade shows, exhibitions, outdoor markets or other similar events require the prior written approval of NBN's Central Corporate. Any request must be made at least 30 days before the event and before any contract is signed with the organizing venue.
3. Outdoor Announcements and Displays: Outdoor advertisements or display advertising NBN or its products will not be permitted anywhere unless you have prior authorization from NBN and the INDEPENDENT DISTRIBUTOR logo must always be included with the identification number (ID) of the distributor responsible for that advertisement.
4. Promotional Items: Except for pre-approved promotional items offered for sale by NBN, no Distributor may use company trademarks, logos or designs on any independently produced promotional items (e.g., vehicle/magnet stickers, key chains, caps, t-shirts, mugs, pencils, pens, business cards, posters, labels, stationery, etc.) NBN does not authorize.
5. Use of NBN Trademarks: Distributors may not use, reproduce or disseminate NBN's trade name, logo or any trademark or service mark, except as found in documentation published and made available by NBN. This includes, but is limited to, the use of the term "NBN" (or any variation or confusing similarity thereof that may lead anyone to believe that it is NBN Living "NBN"), the corporate logo, and all marks or slogans designating products or services offered by NBN that you have not authorized.
6. All Distributor material must display the phrase, "NBN Living Independent Distributor" in a conspicuous place, with the same font size (or greater, minimum 14 dots), color and type of surrounding text, and must be submitted to NBN for approval prior to production. Distributors may not use the name NBN LIVING, GENOXIDIL or any other NBN LIVING trademark, whether existing or hereafter created, in any way in their team's name, motto, external website name, their personal website address or extension, email address, as a personal name or nickname.
7. Distributors agree not to mention any references or website links to any external literature for the purpose of verifying or emphasizing the medicinal or therapeutic effects of any NBN product or its components. For reference, these statements become direct statements that are not properly validated.
8. Distributors should avoid making false reference to authorities (e.g., deities, doctors, nurses, therapists, scientists, NBN corporations, etc.) when presenting NBN Business Plan products or opportunity.





9. Distributors may not charge any for-profit fees for NBN-related services, courses, literature, materials, websites, affiliations, or other materials.
10. Distributors are strictly prohibited from advertising or displaying NBN products below the suggested retail price published by NBN in any advertising materials, whether in print, electronic, social media or otherwise.
11. All applications for advertising approval must be submitted along with a hard copy of the proposed material before the material is published or distributed. This advertising includes, but is not limited to literature, audio or video recordings, email messages, large format printed materials, in-vehicle advertising, bulletin boards, websites, Internet communications, social media, digital platforms, telephone messages, print ads, merchandise, etc. Any approved material is for personal use and distribution within the Distributor's personal downline organization.
12. Marketing in mass media is not authorized and all applications for projects of this type will have to be approved by NBN. Some examples of this type of marketing include appearance on radio and television, infomercials or commercials, advertising banners and/or online advertising.
13. Distributors may not sell or distribute the recording of any NBN events and/or conferences without NBN's written permission. Distributors may also not reproduce for sale or personal use audio, or video recordings produced by NBN.
14. NBN reserves the right, in its sole discretion, to request the immediate removal of all materials that Distributors use to promote NBN's products or opportunity that do not meet its standards or are deemed offensive.
15. Violation of any of the above-mentioned restrictions may result in immediate suspension and/or termination pending the results of an investigation.
16. Distributors must use only authorized distribution channels to build their marketing organizations.

#### **(C) INTERNET ADVERTISING:**

1. Advertising policies generally apply to internet/electronic and multimedia advertising, including messages on social networking sites (e.g., Facebook, Twitter, YouTube, LinkedIn) or opinion sites (e.g., blogs, Yelp, etc.)
2. Distributors will not promote or sell NBN products in any electronic or physical auction or on sales sites (including, but not limited to: Amazon, Mercado Libre, eBay, Craigslist, Yahoo, etc.) To protect person-to-person marketing efforts, NBN reserves the right to restrict the promotion or sale of its products on any website it deems not acceptable.
3. Domain names intended to be used in the marketing of NBN's products or opportunity must be submitted for approval before being purchased. Distributors are not authorized to use the trade name NBN Living "NBN" or any other NBN trademark (or any variation or confusing similarity thereof that may lead anyone to believe that it is NBN Living) as part of their email address, domain name, online advertisements, company name, Username(s) and/or contractual details. Distributors agree to transfer to NBN any domain name that violates this policy, at its own expense.
4. Under no circumstances may any Distributor claim that its website is official of NBN Living.
5. NBN offers replicated Internet retail websites with pre-authorized text and photographs for Distributors to manage their retail customers and enroll new Distributors. No registration pages or shopping carts independent of NBN's replicated websites will be authorized to promote NBN products or opportunities.
6. Distributors may create their own independent websites, only if these have been previously reviewed and approved by NBN. To begin the process of approving a personal website, please contact the Art and Design Department for instructions.





- a. Once the authorization request is received, Distributor agrees that any changes made to the site in the future must be submitted in writing to NBN for authorization.
  - b. Distributors are responsible for keeping their independent site up to date, including product, promotion, event, and marketing information.
  - c. All websites are authorized for personal use only. Distributors may not give other Distributors the address of replicas of independent websites.
7. Violation of any of the above restrictions will result in the immediate suspension and/or termination of the Distributor pending the removal of the offending material and/or the results of an investigation.
  8. We recommend that you do not use third-party logos and trademarks. Laws vary greatly by geographic location, and while there are "fair use" exceptions for logos and trademarks, you should never use property that belongs to someone else without permission. Using property that belongs to someone else can bring unnecessary scrutiny and potential lawsuits for both you and NBN LIVING. You may make written references to third-party companies and brands, but you may not use their logos, illustrations, or other trademarked materials without prior written authorization.

#### **D) UNWANTED E-MAIL MESSAGES (SPAM):**

1. NBN has a zero-tolerance policy for any spam activity that Distributors conduct. Spam is the sending of electronic or other messages, in an attempt to force other people to receive information who have not expressed the desire or given their consent to receive such information, regardless of whether or not a signature is included in the message.
2. Unsolicited Email Messages. NBN does not allow Distributors to send unsolicited commercial e-mail messages, unless they strictly comply with applicable laws and regulations including, but not limited to, the Unsolicited Pornography and Marketing Control Act (CAN-SPAM), and have been approved by NBN prior to distribution. Any email message promoting NBN Living, the NBN Living opportunity, or NBN products and services sent by a Distributor must comply with the following:
  - a. There should be a notice in the email message informing the recipient that he or she can reply to the message, through a valid reply-to email address. To request that future invitations or correspondence is not sent to you by email, the sender must have a working reply email address.
  - b. The email must include the contact details of the Distributor.
  - c. The email message should clearly inform and highlight that it is advertising or an invitation.
  - d. The use of misleading subject texts and/or false information in headings is prohibited.
  - e. All opt-out requests, whether received by email or regular mail, must be respected. If a Distributor receives an opt-out request from the recipient of an email message, the Distributor must forward that request to NBN.
  - f. NBN may periodically send commercial e-mail messages on behalf of Distributors. By signing the Distribution Agreement, Distributor agrees that NBN may send such e-mails and that Distributor's physical and e-mail addresses will be included in such e-mail messages as described above. Distributors must comply with all exclusion requests.
3. Automatic Dialing and Unsolicited Emails:
  - a. Except as provided in this section, Distributors may not use or transmit unsolicited e-mail or use an automatic telephone dialing system in connection with the operation of their NBN business.





- b. The term "automatic dialing telephone system" refers to equipment that has the ability to: (a) store or produce telephone numbers for calling, using a random or sequential number generator; and (b) to call that number.
- c. The term "unsolicited e-mail" refers to the transmission, via email, of any material or information that advertises or promotes NBN, its products, its Business Plan, or any other aspect of NBN that is transmitted to any person. This term does not include the sending of an email: (a) to any person who has previously and expressly given his invitation or consent; or (b) to any person with whom the Distributor has an established business or personal relationship.
- d. The term "business or personal relationship established" refers to a prior or existing relationship formed by a voluntary bilateral communication between a Distributor and a person, based on: (a) an inquiry, registration, purchase, or transaction made by the person with respect to the products offered by such Distributor; or (b) a personal or family relationship, which has not been terminated by either party.

#### **(E) INFORMATION TO THE MEDIA:**

Distributors should not attempt to respond to questions posed by the media about NBN, its products, or its independent business, and agree to immediately refer any questions from the media to the Head Office.

#### **(F) TRADEMARK, INSIDE INFORMATION AND TRADE SECRETS:**

The NBN Living trademark "NBN" is an important and valuable business asset whose direct owner is Mr. Oscar Humberto Hernández García. The brand helps identify NBN products around the world and distinguish products from those of its competitors. NBN must protect its trademark from any misuse and infringement, otherwise it could be lost. Whenever a mark or symbol is misused or used by someone other than its owner, the value and importance of the brand can decrease markedly. Therefore, NBN makes every effort to protect its brand, corporate logo, and designs so that others cannot use them. The rules set forth below have been developed to maintain the integrity of NBN's trademark and ensure that its name and brands are available exclusively to NBN's business.

1. Authorization required before use: NBN will not allow the use of its trade name (NBN Living "NBN" name), its trademarks (product names), designs or symbols to anyone, including a Distributor, without your prior consent. NBN will issue cease and desist orders to anyone who is using its trade name, trademarks, designs, and symbols without your authorization and, where appropriate, will take appropriate legal action for failure to comply with a cease-and-desist order.
2. Distributors may not use or attempt to register any of the current or later acquired trade names, trademarks, service names, service marks, logos, or product names, NBN name (collectively referred to as Intellectual Property) or any other variation or confusing similarity thereof, in a manner that is likely to cause confusion, mislead or mislead as to the origin of the Advertised products or services.
3. Distributors may not use NBN's intellectual property or any other variation or confusing thereof in a company name, email address, internet domain or sub-domain, telephone number, online advertisements, username(s) or any other address, contact details or title.
4. Distributor agrees to immediately reassign to NBN any registration of registered or reserved NBN names, trade names, trademarks or Internet domain names that violate this policy. Otherwise, this will result in immediate termination of the Distributor Status. These provisions shall survive termination of this Agreement.







5. Distributor information, including names, addresses, email addresses, and telephone numbers of other Distributors, are confidential trade secrets of NBN.
6. Confidential information is transmitted as such to the Distributor, however, for purposes of this Confidentiality and Non-Disclosure Agreement, NBN will not provide this information to the Distributor.
7. Distributors agree not to disclose such information to third parties or use such information for purposes other than Coordination or to compete with NBN.
8. Distributor acknowledges that such confidential information is unique in nature and that disclosure or use thereof in violation of this provision will result in irreparable harm to NBN and the Independent Distributors' business.
9. Upon NBN's request, any current or former Distributor will return to NBN the original confidential information it has received, as well as all copies thereof.
10. NBN and its Independent Distributors shall have the right to observe precautionary measures to prevent violation of this policy.
11. NBN prohibits its Distributors, either directly or through a third party, from promoting the business of another network marketing company, during the performance of activities related to or sponsored by NBN, or any other activity promoted as such.
12. NBN prohibits Distributors from selling or promoting the products of another network marketing company, along with NBN products, on any physical or virtual site, display, or advertisement.
13. Distributors are independent contractors, and NBN does not preclude their participation or sales activity in other network marketing or direct selling opportunities, so long as they are not opportunities that compete directly with NBN Living.
14. In the event that a Distributor chooses to participate in another direct selling opportunity that is not considered as competition, Distributors undertake to maintain organizations independent of each other. Distributors will not engage in cross-sponsorship. This policy will apply in all countries where NBN officially operates and will survive termination of this Agreement.
15. Violation of the charter and/or the spirit of the Policies & Procedures constitutes the voluntary waiver and cancellation of the Independent Distributor Agreement, as of the date of the violation, and the withholding and/or loss of all bonuses/commissions payable during and after the month in which the violation occurred.
16. Violations of this policy are particularly detrimental to growth and sales, and NBN may be subject to damages as a result.

#### **X. NON-COMPETE AGREEMENT**

Any Distributor who terminates and/or terminates his or her status as a Distributor shall not compete with NBN or any of its Distributors by inviting NBN's existing customers to any NBN-like business in a multi-level marketing environment or its equivalent, for a period of twelve (12) months.

#### **XI. DISCIPLINARY MEASURES**

All policies in these Policies & Procedures, which include the Registration Application, Terms & Conditions, and Independent Distributor Agreement, the NBN Living Compensation Plan, and any other agreements incorporated by reference, and performed by and between NBN and the Distributors, constitute material terms of the agreement between NBN and the Distributors. Any violation of the Terms & C conditions accepted by and between NBN and Distributors, or the Policies &





Procedures, or any illegal, fraudulent, deceptive, or unethical business conduct by a Distributor may, at NBN's discretion, result in one or more of the following remedial actions:

1. The issuance of a written warning.
2. The reallocation of all or part of your marketing organization.
3. Suspension of your Independent Distributor Agreement:  
Suspension means that, pending an investigation or a final decision is made, the Distributor will not be able to conduct any NBN business until such suspension is lifted (you will not receive bonus/commission payments or have communication with your organization in an upstream or downline line). Any Distributor caught conducting NBN business during a suspension will result in immediate cancellation of distribution with NBN.
4. Termination of your Independent Distributor Agreement (Distributor forfeits all outstanding bonus/commission payments and right to access your downline organization) and,
5. Any other measure expressly established in the Policies & Procedures.

## **XII. PRIVACY STATEMENT**

1. NBN maintains a firm commitment to privacy and makes every effort to protect the security of Distributors and Dealers who wish to do business with NBN; NBN has security measures in place to protect against the loss, misuse, and alteration of the information we request and manage from Distributors and Customers. NBN uses the services of industry-leading server security and encryption technology companies to protect Distributors and Customers' transactions and takes precautionary measures to protect them against identity theft or credit card fraud, including verifying Distributor information with each transaction. NBN will never sell the information you request or use it to promote products and services that are not related to NBN.
2. Distributors acknowledge that they will receive or have access to Personal Information. Distributors will keep such information separate and separate from any other information used or held by Distributor and agrees with NBN to request, use and/or disclose Personal Information only for the purposes authorized by NBN with respect to the use and/or disclosure of Personal Information. Distributor will always comply with Privacy Legislation and notify NBN of any breach or suspected breach of the security and protection of Personal Information.

## **XIII. INDEMNITYZATION**

Each Distributor shall hold NBN harmless from any claims, damages, or liabilities arising from Distributor's misrepresentation, negligence, or breach of Policies & Procedures. This provision shall survive termination of the Agreement.

## **XIV. LEGAL PRIORITY**

NBN's Policies & Procedures are subject to applicable laws governing our industry. These laws take precedence over any subject included herein.

## **XV. MODIFICATIONS TO THE PROGRAM**

In order to maintain a viable business and to comply with governing laws and economic conditions, NBN has the exclusive right and discretion to modify its Business Plan, product line, pricing, Terms & Conditions and Policies & Procedures. Such modifications shall take effect immediately upon notice to Distributors. Updates will be displayed in the Distributor's Virtual Office. A printed





version thereof shall be made available to the Distributor upon written request. Distributors agree to comply with any of these modifications.

#### **XVI. NON-WAIVER CLAUSE**

Failure by NBN to exercise its rights to the provisions set forth in these Policies & Procedures, NBN Living's Business Plan, Enrollment Application and Agreement, or any other document referenced herein, shall not constitute a waiver of NBN's right to demand its exact compliance. The waiver of this right by NBN can only be made effective in writing through an authorized officer of NBN.

#### **XVII. EXECUTION POLICY**

If any provision of the Policies & Procedures is found to be invalid, illegal, or unenforceable for any reason, NBN may modify or eliminate such provision. The modification or deletion of any clause or provision shall not affect the remaining clauses and provisions, which shall remain in full force and effect.

#### **XVIII. ARBITRATION:**

- 1) Both the Distributor and NBN acknowledge that their legislation is governed by these Policies & Procedures. Any claim, litigation or other difference arising shall be resolved as written below: All continuing obligations herein shall be performed in good faith. In case of discrepancies in the interpretation or execution of this agreement, it will be resolved by mutual agreement of the parties in a first term, for which a direct mediation of 15 days will be established for the solution of the impasse. If within the period established in the previous paragraph no solution has been reached, the dispute shall be resolved by application of the Arbitration and Mediation Law of the country corresponding to its registration.

#### **XIX. APPLICABLE LAW, JURISDICTION AND VENUE IN FORCE**

The jurisdiction and venue of any matter that is not subject to Arbitration shall reside in the city of Zapopan, Jalisco, the only city assigned to the NBN Living Central Corporate, unless the laws of the country in which the Distributor resides expressly require the application of its laws, in this case, the laws of the country will govern with respect to jurisdiction and place.

